

# BRICS Leaders Conclusions on Macroeconomics, 2009–2011

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## Summary of Conclusions on Macroeconomics in BRICS Leaders Documents

Year	# of Words	% of Total Words	# of Paragraphs	% of Total Paragraphs	# of Documents	% of Total Documents	# of Dedicated Documents
2009 Yekateringburg	9	0.9%	9	52.9%	1	100%	0
2010 Brasilia	20	0.8%	11	32.4%	1	100%	0
2011 Sanya	22	0.8%	14	40.0%	1	100%	0
Average	17	0.8%	11	41.8%	1	100%	0

### Notes:

Data are drawn from all official English-language documents released by the BRICS leaders as a group. Charts are excluded.

“# of Words” is the number of exchange rate-related subjects for the year specified, excluding document titles and references. Words are calculated by paragraph because the paragraph is the unit of analysis.

“% of Total Words” refers to the total number of words in all documents for the year specified.

“# of Paragraphs” is the number of paragraphs containing references to exchange rates for the year specified. Each point is recorded as a separate paragraph.

“% of Total Paragraphs” refers to the total number of paragraphs in all documents for the year specified.

“# of Documents” is the number of documents that contain exchange rate subjects and excludes dedicated documents.

“% of Total Documents” refers to the total number of documents for the year specified.

“# of Dedicated Documents” is the number of documents for the year that contain an exchange rate-related subject in the title.

The first informal meeting of the BRIC leaders took place during the G8 Hokkaido-Toyako Summit in Japan in 2008; however, no official declaration or communiqué was issued.

South Africa was invited to join the BRIC countries at the Sanya Summit in 2011, when the grouping became known as BRICS.

## Introduction

In a highly interdependent and rapidly globalizing world, where national economies have given way to internationally open ones, even for the emerging economies such as China and Brazil, international macroeconomic policy cooperation and coordination are becoming increasingly important for national economic performance and prosperity. More broadly, effective cooperation among the emerging economies gathered in the BRICS can serve as a powerful stabilizer of growth in all of them, and a great locomotive of demand for the global economy and development as a whole. It is therefore not surprising that macroeconomic management has been a significant issue during the BRICS summits. It became particularly prominent due to the financial crisis from 2007 to 2011, which in turn resulted in the global economic crisis.

## Definition of Issue Area

Macroeconomics is a branch of economics that describes the way in which society as a whole uses scarce resources to achieve economic goals. Macroeconomics includes the study of government policies (fiscal, monetary and international trade), economic institutions (e.g., industry, trade, agriculture, banking), and issues such as unemployment, inflation, economic growth and productivity. In the BRICS context it refers to attempts by the BRICS leaders to coordinate macroeconomic policy in order to promote stable growth in the world economy.

## Search Terms

The following keywords were used for this report when they related to economic growth and/or macroeconomic policy.

### *Inclusions*

Balance of payments, capital controls, debt, deficits, economic crisis, economic cooperation, economic development, economic growth, economic recovery, employment, growth, inflation, international trade policy, macroeconomic, monetary policy, price stability, productivity, prosperity, stimulus, unemployment, world (global) economy

### *Exclusions*

Microeconomic reform, structural adjustment

### *Coding Rules*

The unit of analysis is the paragraph/sentence.

A direct reference to macroeconomics or a cognate term is required.

Cognate or extended terms can be used without a direct reference to “macroeconomics” if they have previously been directly associated together in summit document history.

## Conclusions on Macroeconomics in BRICS Leaders Summit Documents

### **2009: Yekaterinburg, Russia, June 16**

#### *BRIC Leaders Meeting Joint Statement*

We, the leaders of the Federative Republic of Brazil, the Russian Federation, the Republic of India and the People’s Republic of China, have discussed the current situation in **global economy** and other pressing issues of global development, and also prospects for further strengthening collaboration within the BRIC, at our meeting in Yekaterinburg on June 16, 2009.

We have arrived at the following conclusions:

1. We stress the central role played by the G20 Summits in dealing with the financial crisis. They have fostered cooperation, policy coordination and political dialogue regarding international **economic and financial matters**.
2. We call upon all states and relevant international bodies to act vigorously to implement the decisions adopted at the G20 Summit in London on April 2, 2009. We shall cooperate closely among ourselves and with other partners to ensure further progress of collective action at the next G20 Summit to be held in Pittsburgh in September 2009. We look forward to a successful outcome of the United Nations Conference on the World Financial and **Economic Crisis** and its Impact on Development to be held in New York on June 24-26, 2009.
3. We are committed to advance the reform of international financial institutions, so as to reflect changes in the **global economy**. The emerging and developing economies must have greater voice and representation in international financial institutions, whose heads and executives should be appointed through an open, transparent, and merit-based selection process. We also believe that there is a strong need for a stable, predictable and more diversified international monetary system.
5. We recognise the important role played by international trade and foreign direct investments in the world **economic recovery**. We call upon all parties to work together to improve the international trade and investment environment. We urge the international community to keep the multilateral trading system stable, curb trade protectionism, and push for comprehensive and balanced results of the WTO's Doha Development Agenda.
6. The poorest countries have been hit hardest by the financial crisis. The international community needs to step up efforts to provide liquid financial resources for these countries. The international community should also strive to minimise the impact of the crisis on development and ensure the achievement of the Millennium Development Goals. Developed countries should fulfill their commitment of 0.7% of Gross National Income for the Official Development Assistance and make further efforts in increasing assistance, **debt relief**, market access and technology transfer for developing countries.
7. The implementation of the concept of sustainable development, comprising, *inter alia*, the Rio Declaration, Agenda for the 21<sup>st</sup> Century and multilateral environmental agreements, should be a major vector in the change of paradigm of **economic development**.
9. We support international cooperation in the field of energy efficiency. We stand ready for a constructive dialogue on how to deal with climate change based on the principle of common but differentiated responsibility, given the need to combine measures to protect the climate with steps to fulfill our socio-**economic development** tasks.

15. We have agreed upon steps to promote dialogue and cooperation among our countries in an incremental, proactive, pragmatic, open and transparent way. The dialogue and cooperation of the BRIC countries is conducive not only to serving common interests of emerging market economies and developing countries, but also to building a harmonious world of lasting peace and common **prosperity**.

## **2010: Brasilia, Brazil, April 15**

### *BRIC Countries' Leaders Joint Statement*

3. We stress the central role played by the G-20 in combating the crisis through unprecedented levels of coordinated action. We welcome the fact that the G-20 was confirmed as the premier forum for international **economic coordination and cooperation** of all its member states. Compared to previous arrangements, the G-20 is broader, more inclusive, diverse, representative and effective. We call upon all its member states to undertake further efforts to implement jointly the decisions adopted at the three G-20 Summits.

We advocate the need for the G-20 to be proactive and formulate a coherent strategy for the post-crisis period. We stand ready to make a joint contribution to this effort.

5. We believe the deepened and broadened dialogue and cooperation of the BRIC countries is conducive not only to serving common interests of emerging market economies and developing countries, but also to building a harmonious world of lasting peace and common **prosperity**. We have agreed upon steps to promote dialogue and cooperation among our countries in an incremental, proactive, pragmatic, open and transparent way.

### *International Economic and Financial Issues*

6. The world economic situation has improved since our first meeting in June 2009, in Ekaterinburg. We welcome the resumption of **economic growth**, in which emerging market economies are playing a very important role. However, we recognize that the foundation of world **economic recovery** is not yet solid, with uncertainties remaining. We call upon all states to strengthen **macroeconomic cooperation**, jointly secure world **economic recovery** and achieve a strong, sustainable and balanced **growth**. We reiterate our determination to make positive efforts in maintaining domestic **economic recovery** and promoting development in our own countries and worldwide.
7. We underline the importance of maintaining relative stability of major reserve currencies and sustainability of fiscal policies in order to achieve a strong, long-term balanced **economic growth**.
8. We are convinced that emerging market economies and developing countries have the potential to play an even larger and active role as engines of **economic growth** and **prosperity**, while at the same time commit to work together with other countries

towards reducing imbalances in global **economic development** and fostering social inclusion.

10. Despite promising positive signs, much remains to be done. We believe that the world needs today a reformed and more stable financial architecture that will make the **global economy** less prone and more resilient to future crises, and that there is a greater need for a more stable, predictable and diversified international monetary system.

11. We will strive to achieve an ambitious conclusion to the ongoing and long overdue reforms of the Bretton Woods institutions. The IMF and the World Bank urgently need to address their legitimacy deficits. Reforming these institutions' governance structures requires first and foremost a substantial shift in voting power in favor of emerging market economies and developing countries to bring their participation in decision making in line with their relative weight in the **world economy**. We call for the voting power reform of the World Bank to be fulfilled in the upcoming Spring Meetings, and expect the quota reform of the IMF to be concluded by the G-20 Summit in November this year. We do also agree on the need for an open and merit based selection method, irrespective of nationality, for the heading positions of the IMF and the World Bank. Moreover, staff of these institutions needs to better reflect the diversity of their membership. There is a special need to increase participation of developing countries. The international community must deliver a result worthy of the expectations we all share for these institutions within the agreed timeframe or run the risk of seeing them fade into obsolescence.

12. In the interest of promoting international **economic stability**, we have asked our Finance Ministers and Central Bank Governors to look into regional monetary arrangements and discuss modalities of cooperation between our countries in this area. In order to facilitate trade and investment, we will study feasibilities of monetary cooperation, including local currency trade settlement arrangement between our countries.

15. We reiterate the importance of the UN Millennium Declaration and the need to achieve the Millennium Development Goals (MDGs). We underscore the importance of preventing a potential setback to the efforts of poor countries aimed at achieving MDGs due to the effects of the **economic and financial crisis**. We should also make sustained efforts to achieve the MDGs by 2015, including through technical cooperation and financial support to poor countries in implementation of development policies and social protection for their populations. We expect the UN MDG Summit, in September 2010, to promote the implementation of MDGs through policy recommendations. We stress that sustainable development models and paths of developing countries should be fully respected and necessary policy space of developing countries should be guaranteed.

16. The poorest countries have been the hardest hit by the economic and financial crisis. The commitments regarding the aid to the developing states, especially those

related to the MDGs, should be fulfilled, and there should be no reduction in development assistance. An inclusive process of growth for the **world economy** is not only a matter of solidarity but also an issue of strategic importance for global political and **economic stability**.

18. We call upon the international community to make all the necessary efforts to fight poverty, social exclusion and inequality bearing in mind the special needs of developing countries, especially LDCs, small islands and African Countries. We support technical and financial cooperation as means to contribute to the achievement of sustainable social development, with social protection, full **employment**, and decent work policies and programmes, giving special attention to the most vulnerable groups, such as the poor, women, youth, migrants and persons with disabilities.

#### *Energy*

19. We recognize that energy is an essential resource for improving the standard of living of our peoples and that access to energy is of paramount importance to **economic growth** with equity and social inclusion. We will aim to develop cleaner, more affordable and sustainable energy systems, to promote access to energy and energy efficient technologies and practices in all sectors. We will aim to diversify our energy mix by increasing, where appropriate, the contribution of renewable energy sources, and will encourage the cleaner, more efficient use of fossil fuels and other fuels. In this regard, we reiterate our support to the international cooperation in the field of energy efficiency.

### **2011: Sanya, China, April 14**

#### *BRICS Leaders Meeting Declaration*

4. The 21st century should be marked by peace, harmony, cooperation and scientific development. Under the theme “Broad Vision, Shared **Prosperity**”, we conducted candid and in-depth discussions and reached broad consensus on strengthening BRICS cooperation as well as on promoting coordination on international and regional issues of common interest.
5. We affirm that the BRICS and other emerging countries have played an important role in contributing to world peace, security and stability, boosting global **economic growth**, enhancing multilateralism and promoting greater democracy in international relations.
9. We underscore that the concurrent presence of all five BRICS countries in the Security Council during the year of 2011 is a valuable opportunity to work closely together on issues of peace and security, to strengthen multilateral approaches and to facilitate future coordination on issues under UN Security Council consideration. We are deeply concerned with the turbulence in the Middle East, the North African and West African regions and sincerely wish that the countries affected achieve peace, stability, **prosperity** and progress and enjoy their due standing and dignity in the

world according to legitimate aspirations of their peoples. We share the principle that the use of force should be avoided. We maintain that the independence, sovereignty, unity and territorial integrity of each nation should be respected.

12. We note that the **world economy** is gradually recovering from the financial crisis, but still faces uncertainties. Major economies should continue to enhance coordination of macro-economic policies and work together to achieve strong, sustainable and balanced **growth**.
13. We are committed to assure that the BRICS countries will continue to enjoy strong and sustained **economic growth** supported by our increased cooperation in economic, finance and trade matters, which will contribute to the long-term steady, sound and balanced **growth** of the **world economy**.
14. We support the Group of Twenty (G20) in playing a bigger role in global economic governance as the premier forum for international economic cooperation. We expect new positive outcomes in the fields of **economy**, finance, trade and development from the G20 Cannes Summit in 2011. We support the ongoing efforts of G20 members to stabilize international financial markets, achieve strong, sustainable and balanced **growth** and support the **growth** and development of the **global economy**. Russia offers to host the G20 Summit in 2013. Brazil, India, China and South Africa welcome and appreciate Russia's offer.
15. We call for a quick achievement of the targets for the reform of the International Monetary Fund agreed to at previous G20 Summits and reiterate that the governing structure of the international financial institutions should reflect the changes in the **world economy**, increasing the voice and representation of emerging economies and developing countries.
17. Excessive volatility in commodity prices, particularly those for food and energy, poses new risks for the ongoing **recovery of the world economy**. We support the international community in strengthening cooperation to ensure stability and strong development of physical market by reducing distortion and further regulate financial market. The international community should work together to increase production capacity, strengthen producer-consumer dialogue to balance supply and demand, and increase support to the developing countries in terms of funding and technologies. The regulation of the derivatives market for commodities should be accordingly strengthened to prevent activities capable of destabilizing markets. We also should address the problem of shortage of reliable and timely information on demand and supply at international, regional and national levels. The BRICS will carry out closer cooperation on food security.
20. Accelerating sustainable **growth** of developing countries is one of the major challenges for the world. We believe that **growth** and development are central to addressing poverty and to achieving the MDG goals. Eradication of extreme poverty and hunger is a moral, social, political and economic imperative of humankind and

one of the greatest global challenges facing the world today, particularly in Least Developed Countries in Africa and elsewhere.

22. Climate change is one of the global threats challenging the livelihood of communities and countries. China, Brazil, Russia and India appreciate and support South Africa's hosting of UNFCCC COP17/CMP7. We support the Cancun Agreements and are ready to make concerted efforts with the rest of the international community to bring a successful conclusion to the negotiations at the Durban Conference applying the mandate of the Bali Roadmap and in line with the principle of equity and common but differentiated responsibilities. We commit ourselves to work towards a comprehensive, balanced and binding outcome to strengthen the implementation of the United Nations Framework Convention on Climate Change and its Kyoto Protocol. The BRICS will intensify cooperation on the Durban conference. We will enhance our practical cooperation in adapting our **economy** and society to climate change.
23. Sustainable development, as illustrated by the Rio Declaration on Environment and Development, Agenda 21, the Johannesburg Plan of Implementation and multilateral environmental treaties, should be an important vehicle to advance **economic growth**. China, Russia, India and South Africa appreciate Brazil as the host of the 2012 UN Conference on Sustainable Development and look forward to working with Brazil to reach new political commitment and achieve positive and practical results in areas of **economic growth**, social development and environmental protection under the framework of sustainable development. Brazil, Russia, China and South Africa appreciate and support India's hosting of the eleventh meeting of the Conference of the Parties to the Convention on Biological Diversity. Brazil, China and South Africa also appreciate and support the sixth meeting of the Conference of the Parties serving as the meeting of the Parties to the Cartagena Protocol on Biosafety to be held in October 2012.
26. We have agreed to continue further expanding and deepening **economic, trade and investment cooperation** among our countries. We encourage all countries to refrain from resorting to protectionist measures. We welcome the outcomes of the meeting of BRICS Trade Ministers held in Sanya on 13 April 2011. Brazil, China, India and South Africa remain committed and call upon other members to support a strong, open, rule-based multilateral trading system embodied in the World Trade Organization and a successful, comprehensive and balanced conclusion of the Doha Development Round, built on the progress already made and consistent with its development mandate. Brazil, India, China and South Africa extend full support to an early accession of Russia to the World Trade Organization.

## *II. New areas of co-operation*

3. Engage in joint research on **economic and trade issues**.

## *III. New proposals to explore*

3. Explore the feasibility to cooperate in the field of green **economy**.