Introduction

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Looking at the BRICs and Building Bridges Beyond Acronyms

Investment endeavors, business, politics, and writing have at least one thing in common: they all depend on a healthy mix of analysis—and imagination, the twin force of hope, ambition, and foresight. With his outlook on the most promising markets in 2001, Jim O'Neill, Chairman of Goldmann Sachs, brought these qualities to the forefront: "Building Better Economic BRICs," thus the title of the paper, included the ingredients feeding both investors', politicians', and journalists' imagination and giving rise to their hopes for new investment opportunities, for growth of their constituent economies, and/or at least a new story of either success or failure. O'Neill seemed to have found the next best thing in the world of finance, to have identified the countries to turn to in pursuit of growth and gains, and he clad his story in a catchy acronym: BRIC—Brazil, Russia, India, and China, the countries boasting growing, hungry consumer markets and the promise of expansion in times when established economies only delivered bad growth forecasts: "The BRICs story is not simply about developing country growth successes. What makes the BRICs special is that they have the scale and the trajectory to challenge the major economies in terms of influence on the world economy" (O'Neill et al. 2005, 7). In 2010, the four states would grow to BRICS, with South Africa completing the circle.

From the outset, the idea of BRIC was met with curiosity and skepticism, with both those curious and the skeptics being inspired by the mere term that now enriched their economic vocabulary. Thanks to its homonymous sound, the acronym already invited its inventor to wordplay, which was joined by many journalists and scholars who could not resist toying with it and using its metaphoric potential. Thus some wondered whether the BRICs were "Building Blocks or a BRIC Wall?" (Brawley 2007, 151) or whether we were entering "A World Economy Made of BRICS?" (Johnson 2014). Reflecting the intention of the BRIC states to reshape the world order, many articles picked up on the constructional and building aspect of the term, an association particularly popular when projecting the risks and potentials of the economies in question. Thus titles and headlines, on the one hand, praised "BRIC-Solid Investment" (Mannina 2008, 22), imagined that the "BRICs Are Rebuilding the World" (Doyle

2003, 24), or that the "Brics Cement a Place in World Order with Development Bank" (Hoyle 2014, 37). On the other hand, they pictured the BRICs as a mason's work whenever the figures failed the high expectations, dreading that "Deal Makers Run Into a BRIC Wall" (Tracy 2007), even marveling whether "Developing Economies Hit a BRICS Wall" (Follath and Hesse 2014; similarly Prasad et al. 2012), or whether "BRIC Wall: Is the Golden Age of Emerging Markets Over?" (Djankov and van Agtmael 2013), declaring only one of them to be "Best of the Broken Brics" (Bhattacharya 2014). In the same manner, other acronyms such as MIST and MINT that denominate country groupings for investment purposes have inspired headlines. With MINT, another brainchild of O'Neill and the bracket uniting Mexico, Indonesia, Nigeria, and Turkey, journalists were wondering, for instance, whether the countries' situation was indeed "MINT or Skint?" (Young 2014) or if MINT was "The New BRIC on the Block?" (Kwan Yuk 2013).

It would be rash to dismiss such headlines as mere journalistic wordplay that says more about our media culture rather than being testament to underlying sentiments and aspirations. As has often been pointed out by critics and proponents of the BRIC concept alike, the creation of the acronym was not only an accomplishment of rational analysis on the part of Goldman Sachs, but also a marketing feat. As Fourcade explains, an acronym like BRIC "rallies up the excitement of investors or chills their expectations, and creates identities" (Fourcade 2013, 262). They may pretend otherwise and prefer underlying their actions with data, but, just as we are in many other arenas of life, investors ultimately depend on tales and stories (Thrift 2010, 412–32). In the case of the BRICs, it was also about changing a dominant narrative that became outdated, a label that both investors and the countries in question wanted to discard: "emerging economies," a term coined in the 1980s by World Bank economist Antoine van Agtmael (Levisohn 2011) and an allegedly more respectful reference to the rest of the world that suddenly became more interesting to the financial world.

However, while emerging economies promised high returns on investment and quick gains, they also bore equally substantial risks. As Jim O'Neill explained in an interview with Wansleben: "I [sometimes] joke and say the only time we [Goldman Sachs] ever wanted to engage in emerging markets is to bet against countries that gonna blow up so we would make a lot of money" (2013, 459). By redefining these countries according to their commonalities and potential, O'Neill and those behind other acronym groupings have not only made it easier for analysts, investors, and other market observers to think about specific countries, but they have also addressed the pejorative dimension

and patronizing tone of the formerly used term, "emerging economies" (Fourcade 2013, 264). Notions such as "BRIC" no longer take on the perspective of a superior, of someone speaking from the allegedly "emerged" economies, whatever they may have emerged from. Rather than echoing stories of giant failures and disappointments as "emerging economies" used to do, these new groupings evoked confidence and strength—up to a certain point, that is.

Just like the emerging markets could turn from business promise to failure, many might be tempted to use them as "short-cuts" (Levisohn 2011), replacing actual analysis and thought. Some might even be at ease with business endeavors in countries they earlier would have avoided, having been aware of their own ignorance regarding practices and actual prospects (Rutter 2014)—or put more bluntly:

> *If you were willing to invest on the basis of a snappy acronym with no regard for the economic and political characteristics of the countries, perhaps you should have subscribed for a fund investing in a group of countries which each rank a little ahead of the Brics in terms of Economic Freedom. Forget the Mints or the Civets—how about Moldova (110), Uganda (91), Greece (119) and Suriname (130)? These I have christened the Mugs, a pretty good description of anyone who would invest on this basis. (Smith 2014)*

In this vein, the mentioned "Civets," a fund launched by HSBC and combining Colombia, Indonesia, Vietnam, Egypt, Turkey, and South Africa, turned out to be a failure and is nowadays often mentioned as a case in point that groupings proposed by investment bankers deserve more skepticism than hope (Cohn 2014). Moreover, in some cases acronyms can have a rather toxic effect, as the European "PIGS"—Portugal, Ireland and/or Italy (making it PIIGS), Greece, and Spain—can testify. If, however, the countries grouped by acronym take matters in their own hands and dream along with investors, they can indeed profit from associations triggered by their new label and leave others with less savory stories attached: "Bric sounds big and serious. Isn't a civet some kind of animal hormone gland?" thus a funds manager told Levisohn (2011).

In contrast to many other groupings by acronym, BRIC captured also the interest of politicians in the respective countries and gave them the possibility to frame the way people think about their parts of the world—and thus to shape their states' prospects: "In the beginning was the Word, and the Word was with Jim O'Neill, and the Word was Bric. Then there was Brics and six summits later, there is a [USD] 50 billion bank" (Chandrasekaran 2014). The

financial world may have allegedly developed "acronym anxiety" (Cohn 2014; see also *Der Standard* 2014, 26), with Albert Edwards, *Société Générale*'s strategist dubbing BRIC a "Bloody Ridiculous Investment Concept" (Mackintosh 2014). But as we know, BRIC has claimed a life of its own and decided to tap into the potential under the surface of what might have first been shrugged off as a marketing scoop. With the BRICS Development Bank, these states have taken center stage in what is often referred to as the Global South. The business world and the scholars trying to keep track of it have in the past years taken note of these changes, and consequently need to prepare for these players' increasing importance.

With the BRICs' story starting in the world of banking, many might take a new stance on the well-aged joke on the IMF, saying that its letters stand for "it's mostly fiscal" (Fourcade 2013, 260), and concentrate on the tale told by economic data, political memoranda, and the institutions that might follow the BRICS Development Bank. Although it is tempting to look at the BRICs and their new partner mostly as an investment opportunity or a political force to reckon with, their stories will ultimately also be told and shaped by the people dealing with the changes caused by this major global rapprochement. Already in 2006, *The New York Times* reported increasing numbers of flight connections from the United States to the BRICs and hotel construction activities in the Area (Pergament 2006, T), an indicator of the growing interest by foreign businesspeople in becoming part of a new network. At the same time, not a week goes by with reports confirming the readiness of the BRICS to intensify their relationships on economic and political levels. Such growing ties warrant a closer look at what happens and will happen below the surface of facts and figures, behind the headlines of BRIC relations, when representatives of corporations, SMEs, and other entities meet and are confronted with different rules, practices, and mores. Thus is the intent of this book.

The space that the acronym circumscribes is still mainly defined by national borders, a fact underlined by the type of trade issues and visa questions that are still worthy of BRIC headlines. However, the processes taking place behind the acronym's screen bear the potential of letting the BRICs evolve towards a transcultural space, a forum of exchange and development beyond the intergovernmental, the international and intercultural, letting the countries transcend the natural borders and considerable distances. "Dreaming with the BRICs" takes for the authors of this book an even more ambitious connotation than it has for many other observers of this phenomenon of international collaboration. However, we are aware that we are still at the beginning of the innovation funnel (see Chapter 2) and that we are, perhaps, thinking slightly

ahead of the BRICs themselves. Thus, dear reader, you will have to accept certain frictions between the national, international, and transcultural, meaning that we might aim for the transcultural, but get ensnared again by the national. Yet this web as well is getting spun more tightly.

How to Use This Handbook

Capturing moments of cultural encounters and giving you the ability to look beyond the acronym is the intent of this book: to make you look at the context(s) you will enter (or have already entered), when you study, travel, work, or do business in or with the BRICs. "You" can be from a member state yourself or an onlooker from abroad. We look just as closely at the member states as such as we do at the relations between each other and what challenges may arise from intra-BRIC encounters. Our focus lies on the original BRICs, as relations between those countries have developed the most and they still constitute the group's core. Yet we also take a look at South Africa's stakes in the BRICS, its prospects, and potential set-backs in the coalition.

The book is divided into three parts, with Part I establishing the theoretical framework, Part II guiding you through the different areas covered by BRIC, and Part III taking a look at the different relations between the BRIC member states.

In Part I, the first chapter, "Hall, Hofstede, Huntington, Trompenaars, GLOBE," introduces you to the most widely disseminated theories in cross-cultural research, including the classics that are referenced in practically all manuals on doing business abroad as well as newer conceptualizations that built thereon. It is essential to be acquainted with these theories as they will help you identify common discourses in transcultural situations and become aware of certain shortcuts we may tend to use when we think about different cultural contexts. Consequently, it is equally important to reflect on the shortcomings of these theories that are addressed in Chapter 1 as well.

You will explore ways to overcome these problematic aspects of cross-cultural standard readings in Chapter 2. While the acronym "BRIC" inspired rather static metaphors that hardly reflect the energy inherent to the concept, "New Dynamic Visualizing Models of Culture Contact Situations" presents just what its title suggests: alternative ways of imagining and analyzing transcultural relations, letting us envisage models of transcultural processes. It suggests novel metaphors and images that shall replace outmoded and trite figures that we often resort to when we try to explain transcultural experiences.

Thanks to embedded videos, accessible with your smartphone and an app to read QR codes, you get to see these models take shape beyond the written pages of this book.

Chapter 3 will further break with the "beaten tracks" of cross-cultural thinking by having the researchers from the BRICs themselves speak, in a sense. As you will have learned by Chapters 1 and 2, most dominant theories have been developed by Western scholars, with little regard for the research of their colleagues in those countries most impacted by stereotypical argumentation. In "Transcultural Studies in the BRIC States," these insights are brought to the forefront, with each subchapter exploring the traditions and most recent developments in transcultural scholarship in Brazil, Russia, India, and China. At times, the research in the BRICs follows the very theories criticized in Chapter 1, instead of taking new directions and developing autonomous frameworks. In some cases, however, transcultural studies in the BRICs have deviated from the beaten track and evolved along alternative patterns.

Part II then turns to the worlds hidden by the acronym, the BRICs as such. Laying the "BRIC Foundations," to use one of the many metaphors cited at the outset, Chapter 4 recaptures the history of the BRICs and the reasons why its member states were capable of taking control of a label attached to them by an outsider. It thereby focuses on the original group of states and their respective interests in joining forces.

In spite of its success story, one may argue that it has still been "A Long Way for the BRICS," particularly for its most recent addition, the "S" for South Africa. Chapter 5 analyzes what role the BRIC summits played in the strengthening of the coalition, starting with the premiere in Yekaterinburg in 2006, the road to the first gathering on South African soil in 2012, up to the climactic meeting in Fortaleza in 2014, the founding moment of the Development Bank. One of the key questions to judge these developments is whether they will, as is the proclaimed goal of the BRICSs, change the seemingly established world order and offer an alternative to Western-dominated multilateral fora.

The following Chapters 6 to 9 shift the focus from the institutional and international to the domestic spheres of each BRIC. You get to explore cultural configurations in Brazil, Russia, India, and China from different angles, covering each time the following questions:

a) Attitudes Towards Business in the Course of History
How are business and trade perceived in society? Have attitudes towards business altered in the course of history, particularly during the past decades? What are the most important changes in the ways people conduct business, especially with foreigners?

b) Institutional Framework
What institutional factors determine business life? What peculiarities may render conducting business more difficult for outsiders?

c) Local and Global Perceptions
How do members of society define themselves and the culture they are part of? What are dominant attitudes towards outsiders? And how do these perceptions shape business?

d) Building Bridges
What strategies help outsiders to conduct business in a particular BRIC state? How can transcultural differences be bridged and perceived as an opportunity rather than an obstacle?

Chapter 10 completes this panoramic view with a look at South Africa. You learn how South African politics and society hopes to benefit from BRICS, yet also to what extent people might be wary of the entry's consequences. In particular, you will ponder the arguments speaking for and against the idea of South Africa serving as the oft-cited "gateway" to the rest of the continent.

Part III directs your attention to the many ways BRIC interacts beyond the summits and institutional platforms they have created. Before we start disentangling the webs created by the BRIC's network, a few introductory thoughts will alert you to how BRIC has shaped the bilateral relations and to what extent it might alter established patterns of (non)cooperation. Then, the dance begins and the pairs step up to the stage: Brazil—Russia, Brazil—India, Brazil—China, Russia—India, Russia—China, and India—China. The subchapters look at each pairing's many relations with each other, namely on the cultural, historical, economic, and socio-political level, and it lets you consider the likely challenges in cross-cultural endeavors, for example by exploring what a Brazilian business woman might find most peculiar in dealing with Russian counterparts.

The *postscript* lets you take a step back, and reconsider what you have just explored, its implications for the BRICs and its new S, the consequences for us as observers, businesspeople, scholars, or citizens.

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PART I
Theoretical Framework