

BRIC: The Career of a Concept in International Business Studies

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Abstract

In November 2001, Jim O'Neill, an employee of Goldman Sachs investment bank coined the term BRIC, to describe what he considered would become a group of future dominant economies in the world. Brazil, Russia, India, and China would overtake the G6 (US, Japan, UK, Germany, France, Italy) by 2050 in terms of GDP (in US\$).

The concept seems to be both the product of the global shift of power observed in the recent decades and an instrument of coming to terms with it on the part of hitherto hegemonic economies. The paper traces the history of the concept as it was originally conceived in investment banking, was later adopted by economic strategists, think tanks, and business media and finally “became flesh and dwelt among” international organizations as well as national leaders in global politics. The concept became the core of courses focusing on international business, emerging markets and global business in a number of prestigious business schools and seems to have had implications for international business teaching at many other higher education and training institutions.

First, the financial content the BRIC(S) and similar concepts as proposed in investment banking (i.a. Goldman Sachs, Grant Thornton) is analyzed. The search for macroeconomic fundamentals of an investment category leads international consulting firms and business scientists to apply comparative economics to this aspect of emerging country advancement. However, as “politics trumps economics” (ATKearney), deeper understanding of the global dynamics requires at least a preliminary sketch of pertinent political and strategic thinking. Finally, all such discussions are embedded in development studies, an interdisciplinary approach to analyzing social and economic change in the context of globalization. It is argued that an analysis of financial-economic-political-developmental meanings of the concept of BRIC(S) reveals some interesting theoretical inconsistencies as well as points to rhetorical strategies of major actors attempting to come to grips with building a “multi-polar world order” in the current context of global financial crisis.