

Over the past three years, conventional wisdom divided the world's major economies into two basic groups - the Brics and the sick. The US and the EU were sick - struggling with high unemployment, low growth and frightening debts. By contrast the Brics (Brazil, Russia, India, China and, by some reckonings, South Africa) were much more dynamic. Investors, businessmen and western politicians made regular pilgrimages there, to gaze at the future.

But now something odd is happening. The Brics are in trouble. The nature of the problem in each nation is different. But there are also some broad difficulties that link them. First, for all the hopeful talk of "decoupling", the Brics are all affected by weak western economies. Second, all five nations are finding that endemic corruption is eroding faith in their political systems, and imposing a tax on their economies.

China remains the daddy of the rising powers. It is the second-largest economy in the world - and easily still the fastest growing Bric. And yet the country feels more uncertain about its economic and political future than in many years. As a Chinese friend put it recently: "Our economy is slowing sharply, our next leader has disappeared, and we are sending ships towards Japan." Xi Jinping has since reappeared - as mysteriously as he disappeared in the first place. But political tensions remain high, with the trial of Bo Xilai about to start and a crucial party congress approaching.

For the past generation, China's answer to political uncertainty was always the same - rapid economic growth. But in 2012, for the first time since the turn of the century, China will grow at less than the totemic figure of 8 per cent a year. In some ways, this is natural, even desirable, reflecting the fact that the Chinese labour force is no longer increasing so fast. But slowing growth also reflects the fall in demand in Europe. Wages in Chinese factories are also rising fast, which is good news for workers - but bad for China's competitiveness.

A slowing China has knock-on effects for the other Brics - since it is now the largest trading partner for Brazil, India and South Africa. Brazilian growth has dropped off particularly fast. It hit 7.5 per cent in 2010, the year after Rio de Janeiro was named host city of the 2016 Olympics. This year, the Brazilian economy will probably grow by less than 2 per cent.

As for India, when I visited the country a couple of weeks ago, a senior industrialist told me that business there was suffering from "clinical depression". Growth, which topped 9 per cent before the financial crisis, is now just above 5 per cent. Over the summer, the country was reminded of its frailties by the world's largest power cut: a blackout that affected some 600m people. The political system seemed paralysed and the economic reform process had stalled. A couple of recent announcements have raised hopes that reforms may restart. But the exuberant confidence of a few years back has largely disappeared.

Russia, too, is in trouble. Vladimir Putin's return to the Kremlin provoked mass protests in Moscow. And the shale gas revolution in the US is potentially disastrous for Russia, since it is lowering the global price of gas. Russia's central bank is predicting that the country will be running a current account deficit by 2015. The two pillars of the Putin system - an acquiescent middle class and a gusher of oil and gas money - are both looking wobbly.

Jim O'Neill, the Goldman Sachs economist who invented the term Brics, has long argued that the South African economy is not large enough to sit naturally alongside the others. Nonetheless, the country has attended the past two Brics summits; and will host the next - reflecting the group's metamorphosis into a bloc of non-western powers.

Anyway, if the new marks of Bric status are a weakening economy and dysfunctional politics, South Africa merits its place in the group. The country's mining industry is plagued by wildcat strikes and may well shed thousands of jobs over the coming year. Growth is likely to slip below 3

per cent - and the leadership (or lack of it) of President Jacob Zuma is causing deep anxiety.

There is no straight line that links unrest at South African platinum mines to troubles at Chinese electronics factories, via a power cut in India, a protest in Moscow and a corruption probe in Brazil. Yet there are broad themes that link the troubles of the Brics. First, declarations of "decoupling" from the west were premature. The EU remains collectively the largest economy in the world. Recession there and slow growth in the US inevitably affect the Brics.

Second, all the years of rapid growth have not brought political harmony to the Brics. One theme that I have come across repeatedly, visiting each of these countries - democracies and autocracies alike - is that popular rage against corruption is central to politics. That makes both politicians and investors nervous about potential instability.

So does all this mean that the Brics story was a fairytale? Not really. It is true that the extreme version of the story - in which the Brics were portrayed as lands of untrammelled opportunity and optimism - was silly. For all their troubles, however, most of the Brics will continue to grow faster than the west for some years. This means that the movement of economic and political power from the west to the emerging world will remain the great story of our time.