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# China-South Africa Relations in the Context of BRICS

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Masters Thesis

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## **Chapter 1: Introduction**

### **1.1) Background to Study**

#### *1.1.1) Emerging Powers from the Global South*

The growth in economic prowess and political influence of emerging market nations in the global arena is a ubiquitous trend in international relations. With its origins in the non aligned movement (NAM), the characteristics of developing countries' participation has evolved and increased in momentum over the decades since the 1955 NAM Bandung conference which asserted the independence of developing countries, distinguishing their interests from being proxies of more dominant developed states in the cold war context at the time. In the period thereafter, the developing world has changed and evolved in character and composition, now conventionally termed as the "global south".

Several developing countries have since become drivers of international economic growth coupled with increasing participation in international institutions. The forerunners or the "emerging powers group" by popular discourse usually includes Brazil, India, China, Russia, and sometimes is applied more broadly to include South Africa and Mexico. These leaders of the developing world are mostly identified by their impressive economic growth trajectories, not only in international production and trade but in the direction of capital flows as well. Additionally these countries are simultaneously and gradually reshaping international politics, they are considered the political and economic centers of gravity in their respective regions with similar strongly held aspirations to play a global role. Therefore the rise of these emerging market countries represent by default a shift in the global distribution of power.<sup>1</sup>

The grouping of Brazil, Russia, India and China (BRIC) was first coined in 2001 by Goldman Sachs for investors to identify the world's fastest growing emerging market economies, the expected projection of their combined economies is estimated to surpass the United States by 2018 and the overall combined economies of the richest states in the world by 2050.<sup>2</sup> These four countries have since become an informal group at summit level, with the first official BRIC

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<sup>1</sup> Brookings Institution, Rise of New Powers, Top 10 Global Economic Challenges, Brookings Global Economy and Development, February 2007. P12

<sup>2</sup> Wilson, D, *et al*, "Is This The BRICs Decade? ", BRICs Monthly, Goldman Sachs Global Economics, Commodities and Strategy Research, Iss. 10/03, May 2010.

meeting in 2009 in Russia. In December 2010 South Africa, at the invitation of China was asked to join the group, changing the acronym to BRICS; resulting in a five country grouping of emerging markets spanning across the continents of Asia, Africa, Latin America and Europe.

It is important to distinguish between the terms “market BRIC” and the “political BRICS”. The former was an acronym coined by the private sector to identify the best and fastest growing emerging market economies for investment; the latter was formed by the leaders of member states as an informal country grouping based on the likeness of their economies, similarities as well as intent on forming international agenda and increasing economic ties. Thus this thesis will be referring to ‘political BRICS’, the five country grouping and their interactions thereof in the global arena. The BRICS informal grouping originated with economic focus but has since shifted to broader topical issues including but not limited to reform of international institutions.

#### *1.1.2) The Triangle: China- South Africa- BRICS*

Concurrent and integrated with the dynamics of emerging powers is China’s rise and consequent engagement with Africa. There is no doubt that the honed and fluid development of relations between China and South Africa has assisted South Africa’s ascension into the BRIC group. Since 1998 the China-South Africa relationship has grown and emerged to play a unique and dynamic role in China’s relations with the African continent and in a broader sense also contributes as a facet to the greater growing influence of developing countries as a whole.

Economically South Africa provides China with an export destination, and is a source of raw materials much like the rest of Africa; however being a regional power it also presents China with the strategic opportunity to expand the outreach into Africa. China’s markets provide South Africa with a channel to diversify traditional north-south economic relations and draw investment from alternative sources. Beyond the economic opportunities there lies political strategy, South Africa views China as a key player in the global dialogue especially with regards to the shift towards global multipolarity in favor of the developing world. China as a prominent leader in the global south is a member of the G20, G77, holds veto rights and permanent seat of

the UN Security Council, all these political elements carry significance for South Africa.<sup>3</sup> In international institutions both China and SA, much like many other emerging market economies, are pushing for greater leverage and influence for the developing world.

China has become South Africa's largest trading partner surpassing the US and EU, in 2009 South Africa exported \$4.4bn and imported \$35.2bn.<sup>4</sup> Just several months before South Africa was officially invited to join BRICS, president Zuma paid a state visit to China highlighting what has now being termed a upgrade from 'strategic partnership' to 'comprehensive strategic partnership' between China and South Africa. 38 bilateral agreements were signed ranging from political dialogues, trade, investment, mineral exploration and agriculture to joint efforts in the global arena, such as in the United Nations and the Forum on China-Africa Cooperation.<sup>5</sup> Zuma was accompanied by 13 cabinet ministers and 300 strong business delegation, making it the largest delegation to accompany him on a foreign tour. In a follow up meeting by vice President Xi, in South Africa, further agreements were signed on mining, energy, environment and transport sectors.<sup>6</sup> After the BRICS conference in Sanya, President Zuma was invited to stay for the Boao Forum for Asia, which is Asia's equivalent of the World Economic Forum's Davos meetings.

Though in the past there have been elements of cooperation between these two countries in the UN and WTO, the emergence of BRICS has brought to the forefront a clearer and concise agenda set forth by the self proclaimed leaders of the global south and added a new dimension to relations between these two countries at both a bilateral and multilateral level. Much of this agenda, particularly cooperation between developing states in the UN and international financial institutions were tenets already existent in China-South African cooperation. As president Zuma stated in his address at the plenary session of BRICS in Hainan earlier on this year, "We are now equal co-architects of a new equitable international system." Pointing out specifically that South

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<sup>3</sup> Alves, C and Sidiropoulos, South Africa-China Relations: Getting Beyond the Cross Roads?, <http://www.saiia.org.za/china-in-africa-project-opinion/south-africa-china-relations-getting-beyond-the-cross-roads.html>, 29 August 2010.

<sup>4</sup> Lapper, R, China Tops S Africa Trade League, [http://www.ft.com/cms/s/0/16041848-ad11-11de-9caf-00144feabdc0.html#axzz1S7xnELEt\\_01](http://www.ft.com/cms/s/0/16041848-ad11-11de-9caf-00144feabdc0.html#axzz1S7xnELEt_01) Oct 2009

<sup>5</sup> Fundira, T, South Africa-China Comprehensive Strategic Partnership: Dining in the Dragon's Lair?, [http://www.tralac.org/cgi-bin/giga.cgi?cmd=cause\\_dir\\_news\\_item&cause\\_id=1694&news\\_id=93463&cat\\_id](http://www.tralac.org/cgi-bin/giga.cgi?cmd=cause_dir_news_item&cause_id=1694&news_id=93463&cat_id), Sep 2010.

<sup>6</sup> China Consulate-Cape Town, China, South Africa upgrade relations to "comprehensive strategic partnership", <http://capetown.china-consulate.org/eng/gdxw/t726883.htm>.

Africa expects to benefit both economically and politically from this alliance, and acknowledging that South Africa and Africa's future is linked to the economies of BRIC.<sup>7</sup>

The Sanya Declaration drawn up at the BRICS conference in April 2011 is the most detailed and comprehensive statement released thus far covering the issues which the group of countries is most concerned with, amongst other points it called for the changing of governance structures of international financial organizations such as the IMF and the WTO, as well as calling for the need towards comprehensive reform particularly in the UN Security Council reaffirming the commitment to the UN as a forum for multilateral diplomacy as a tool for dealing with global challenges and threats.<sup>8</sup>

However, South Africa's ascension into BRICS has not been without apprehension. Experts have labeled the addition of SA to BRICS as an 'unnatural fit', considering the size and populations of all the other BRIC states. South Africa by far has the smallest economy and the smallest population of the group. As a small-medium economy South Africa lags behind in most indicators when compared to BRIC counterparts. The speculation however remains that despite good relations with India and Brazil, it was ultimately the leverage of China which assisted in the membership of BRICS. Therefore it can be assumed that currently South Africa's participation in BRICS is to a certain degree implicitly reliant and intertwined to her bilateral relationship with China.

All the BRICS states serve on the UN Security Council for the year 2011, with South Africa, Brazil and India as non permanent members and China and Russia as permanent members. BRICS countries also form a smaller grouping within the G20. If anything these dynamics provide a unique setting for these groups of countries to band together as a pressure group on topical issues in international institutions.

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<sup>7</sup> South African Presidency, Address by President Jacob Zuma to the plenary of the third BRICS leaders meeting, Sanya, The Presidency, <http://www.info.gov.za/speech/DynamicAction?pageid=461&sid=17783&tid=32020>, 14 April 2011.

<sup>8</sup> The South Africa Presidency, Sanya Declaration on BRICS, DIRCO, <http://www.info.gov.za/speech/DynamicAction?pageid=461&sid=17834&tid=32162>, 15 April 2011

The addition of South Africa to BRICS means that there is a changing dimension of the grouping with the potential of leaning towards a more unified political voice for emerging markets, expanding beyond its usual focus of economic likeness between member states.

Foreign Minister Mashabane has highlighted that SA joining BRICS is a part of a larger commitment to multilateralism and addressing balance on a global stage as well as enhancing south-south cooperation. In correlation with South Africa's multilateral involvement in the India-Brazil-South Africa (IBSA) grouping, the non-aligned movement and the G77 are complimentary components in emerging market based international relations strategy.<sup>9</sup> Strategically it allows South Africa to align with the most power players of the global south, on a economic level it provides more access to investment and trade opportunities and on a political level BRICS countries, as highlighted in the Sanya Declaration, assist South Africa on international issues at the UN and WTO which are of specific concern to the country.

Therefore BRICS remains a multilateral dialogue forum allowing for the formation of pressure groups in international institutions and on international issues. There is still a obvious sense that BRICS lacks formal unity and substantial structure.<sup>10</sup> However, it cannot be denied that goals formally and informally expressed through BRICS have a congruency with the goals of China-South African engagement expressed in prior diplomatic exchanges and the 'strategic partnership framework'. Furthermore the BRICS grouping's significance is its potential to change the global strategic landscape, thereby directly affecting the position of China and South Africa as well as their respective bilateral and multilateral engagements in the international arena.<sup>11</sup>

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<sup>9</sup> Loc. Cit.

<sup>10</sup> Sidiropoulos, E, Perspectives from the BRICS: Lessons for South Africa, SAIIA Report, March 2011.

<sup>11</sup> Field, S, China's Emergence As a World Power: Implications for South Africa and Africa, in "China Through the Third Eye", Institute for Global Dialogue, 2004.P.43.

### *1.1.3) Ascending Shareholders in a Multipolar Global Order*

States in the international system have long been divided into developed and developing. Where developed nations are seen to be largely led by the United States, whilst developing nations connote a relationship of dependency, and a status which is lesser in economic clout and political leverage than their developed counterparts. The formation of the BRICS grouping and the ever increasing economic and political strength of emerging market leader China are dramatically changing the landscape of this global distribution of power.

Further highlighted in the Sanya declaration, the move towards a multipolar world is becoming ever more prominent. There are many factors which contribute towards the shift from western hegemony to a more balanced distribution of power: the global financial crisis weakening the economies of developed states, the rise of China and other emerging market states, the increasing international grouping of the global south via official and non-official alliance networks. The China-Africa engagement is one such network which dramatically changes the traditional aspects of Africa-developed world relations, and north-south relations thereof. China-South Africa relations within the framework of BRICS and broader China-Africa engagement is a unique dimension to a changing global order.

This thesis proposes to examine China-South Africa relations in the context of BRICS, speculating that this relationship, termed as a ‘comprehensive strategic partnership’ in diplomatic dialogue coupled with the agenda of BRICS. Cooperation between China and South Africa, in correlation with BRICS agenda at a multilateral level in international institutions and on international topical issues suggests that western developed states no longer have a monopolized domination of international agendas. Resulting in the ‘decentring of the North’, whereby developed states are no longer the sole voice in leading and developing international agenda in multilateral forms, nor are they the sole economic trade partner of many emerging market economies. South-South interaction epitomized by China-South African relations on both an economic and political level and by the BRICS grouping, demonstrates that there is a changing distribution of power at the international level.

## 1.2) Rationale:

In public discourse there is ever increasing acknowledgement of a change in the world system, there is greater awareness that traditional hegemonic roles played by Western developed states are beginning to erode. This shift is to the emerging economies of the global south, where states in the developing world have stronger leverage and greater influence in the international political system.

BRICS is a young and ever evolving international grouping. Composed with all the major players of the global south from each region, its inception has exacerbated the discourse on the change to multipolarity in the international system. In correlation with this, there is also a significant amount of research produced on the rise of China, examining the causes of China's growth trajectories and discussing its broad implications for the global community including but not limited to the upheaval of US hegemony and stronger ties with fellow developing states particularly in Africa. In the sphere of China-Africa relations there exists a plethora of literature, with much focus on examining various case studies of particular Africa states with relation to China and assessing trade, aid and diplomatic relations. To a lesser extent there is research on south-south cooperation with regards to the China-South Africa relationship, what needs to be noted is that though China has specific and prominent bilateral relations with various individual African states. South Africa is of special significance as there is greater strategic cooperation and negotiation on international issues, beyond the range of economic benefits and opportunities the relationship offers both countries a partner in multilateral forums to achieve common goals of increasing the voice of the global south, a characteristic which cannot be applied as aptly to any of the African countries in the conundrum of China-Africa relations.

The addition of South Africa to form the BRICS grouping, has significant impact on the maturing and evolving of relations between China and South Africa. Due to this recent advent there is little coherent literature exploring this new dynamic of China-South Africa relations. The emergence of BRICS speaks to a greater complexity that is occurring in the international system, a heterogeneity that is spurred on by the rise of China and the increase of strategic alliances between prominent states in the global south.

This shift to a multipolar global system where the alliance or grouping for developing countries have greater say and a more coherent voice in setting global agendas symbolizes a change in world order and consequently a change in the ways in which state in the international system interact.

BRICS in its infancy is not only a symbolic representation of the shift in global power but a propeller of reform as well. With the potential to facilitate economic development through the cooperation of emerging market economies of its member states. It is important to note that by definition BRICS is not considered an official coalition due to its current lack of formal structure, however the term coalition, alliance and grouping is used loosely and inter changeably to describe the BRICS unit.

### 1.3) Research Question

BRICS holds aspirations in influencing change in the international system; to what extent have they managed to assert cohesive action in this regard? And how has this affected South Africa in its relations with China?

### 1.4) Aim:

*Examining BRICS desire to be an alternative to a western centric world, this study analyses the degree of cohesiveness this new grouping has exerted in refining its international agenda. And further interrogating the role and significance BRICS has on China-South Africa relations specifically applied to cooperation and issue lobbying in international forums and on international issues.*

The two emerging dynamics in the areas of economic and political strategic BRICS confluence were examined. The voting decisions and political stances shown on the UN Security Council is used as a microcosm in analyzing BRICS political and strategic convergence. Economic interests presented themselves in the form of maneuvering within the G20 and actions around prominent thematic issues such as currency, reform of international financial institutions and alternate channels for BRICS trade, economic and financial cooperation. By carefully examining both the

rhetoric and actions of the BRICS groups since the official inclusion of all five members in April 2011, with particular focus on South Africa and South Africa's relationship with China in this context. The Sanya declaration along with various BRICS ministerial declarations and joint communiqués will be referred as they represent the official position of the group.

#### 1.5) Methodology

This thesis will rely mainly on qualitative research, though quantitative data will be included to provide perspective on the scale and scope of economic trade between China and South Africa. It is qualitative research that will be used to build evidence and argument.

Both primary and secondary sources will be used, where primary sources will mostly contain official documents. Secondary sources will also be heavily relied upon these sources range from books, journals articles, media clippings etc.

Sources of information include (but are not limited to): *Centre for Chinese Studies, The China Monitor, Journal databases, published books located in Wartenwelier, Cullen and Jan Smuts libraries, media portals such as the Economist, Financial Times and Foreign Affairs. Official speeches and statements released by the respective governments of China and South Africa. The Institute for Global Dialogue and World Politics Review have both also published broadly on the BRICS topic, furthermore in the ongoing academic discourse related to interrelated issues in this topic such as the South Africa's voting patterns its second tenure of the Security Council, the author has attended public lectures and has had discussions to broaden the engagement with existing research on the topic.*

These sources will be used to elaborate and understand China-South Africa relations, and the new formation of BRICS.

### 1.6) Theory Component

International relations theory can be lightly applied to describe the formation of BRICS and the effects thereof in the international system.

Functionalism, argues that due to globalization and increased integration of the international system. States work together based on common interests and common needs, hence south-south cooperation between the BRICS states. The drafting of a 'comprehensive strategic partnership' between China and SA could be based on common needs in terms of economic exchanges and global agendas. Considering the unique power position that South Africa has on the African continent and China has with regards to being a de facto leader in the developing world. One of the proponents of functionalism is the argument that the functional approach could eventually enmesh national governments in a dense network of interlocking co-operative ventures.<sup>12</sup> It therefore can be aptly applied to the formation of the BRICS grouping and the enhancing of China-South Africa relations, where leading developing states see the need to bind together to achieve common interests and goals which uniquely pertain to their ambition to become stronger players in the international community. Furthermore one of the first clauses of the BRICS Sanya declaration is the acknowledgement of far-reaching, complex and profound changes, marked by the strengthening of multipolarity, economic globalization and increasing interdependence and there should be strengthened cooperation for common development and the voice of emerging and developing countries in international affairs should be enhanced.<sup>13</sup>

Core-periphery theory, on the other hand, is drawn from the World Systems Theory of Immanuel Wallerstein where the international system is divided into the 'centers' and 'hinterlands' of 'cores' and 'peripheries'. Thus the world economy is characterized by an interrelated system of strong 'core' states and weak 'peripheral' states.<sup>14</sup> Under the world system theory's greater theoretical base of dependency theory, for developing countries trying to become fully integrated in the global economy there is the impediment of asymmetrical interdependence.<sup>15</sup> Thus the core which consists of developed states with strong economies holds a superior structural advantage

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<sup>12</sup> Mitrany, D, The Functional Theory of Politics, Martin Robertson and Company, London, 1975. P.180.

<sup>13</sup> Sanya Declaration, Op. Cit.

<sup>14</sup> Wallerstein, I and Hopkins, T, World Systems Analyses, Sage Publications, London, 1982. P.42-43

<sup>15</sup> Seers,D, Dependency Theory A Critical Reassessment, Frances Pinter LTD, London, 1981. P.80

over the peripheries which consist of rising developing states. However the mobilization of the BRICS countries and the individual bilateral alliances such as the China-South Africa strategic partnership are testament to the gathering of countries in the periphery in creating a balance of power against the core. This shift of power, where BRICS states support each other economically and politically has resulted in the ‘decentring of the north’ where developed states no longer dominant the ‘core’ of the world system as they no longer have as much influence and dominance economically in terms of being the single eclipsing trade partner and investor of emerging market economies or politically as BRICS states band together to achieve a more coherent and concise agenda in multilateral forums previously monopolized and dictated by the global north.

#### 1.7) Limitations of Thesis

The novelty of BRICS may be difficult to maneuver around, though novelty provides a strong motive for an academic study, it also provides an element of uncertainty and unpredictability. The BRICS grouping is still evolving in agenda and institutional set up, a lack of specific and formal architecture makes ubiquitously dynamic. The future direction of BRICS is still largely un-determined; there has been speculation as to whether or not additional countries will be invited to join BRICS, although considering the complexities of added members to the group it is probably unlikely that the BRICS group will formally expand.

There also remain diverging interests between BRICS members which has yet to be challenged internationally, the differences present in the heterogeneity of the group may determine its relevance and future effectiveness. It is also yet to be seen if the influence of BRICS holds any clout in the long term as member states external disagreements lingering as an impediment to building a more solid framework for BRICS in the future. In the long run and in retrospect, the political changes regarding BRICS may up heave some of the conclusions and interpretations established in this study which is limited to a certain part of the “BRICS’ foundational timeline”.

## **Chapter 2: Historical Overview of the China- South Africa Relationship In the Context of The Emerging South**

Since 1998 the China-South Africa relationship has steadily blossomed, concurrent this has been growing China-Africa engagement, and stronger coherence and cooperation between India, Brazil, and South Africa as a whole. In short the China-South Africa relationship has emerged spewing a similar international trend of emerging countries increased cooperation with each other. In order to understand the dynamics of the newly formed BRICS not only it is necessary to look at the formation and development of China-South Africa relations specifically but take cognizance of the broader context of its historical development in a rising global south. Historical global trends such as the cold war has defined and shaped the formation of developing world solidarity, while on a bilateral level South Africa's apartheid regime in the context of the cold war influenced relations with the People's Republic of China. This chapter elaborates on the parallel history of developing world groupings and Sino-South Africa relations.

### **2.1) Rise of Developing World Solidarity**

The evolution of developing world solidarity with regards to groupings, coalitions, and alliance networks can be traced to the umbrella entity of the non-aligned movement (NAM), becoming the provenance of subsequent strategic groupings within the global south. From the G77 to the filtering of the eventual G24 and the G20, to regional organizations such as the OAU, ASEAN, ECOWAS, NEPAD to the more recent IBSA and BRICS alliances. The surfacing of different developing world groupings over the decades demonstrate a gradual refinement and effective configuration of strategic interests as these groupings become smaller, more focused and waver away from mere geopolitical commonality.

The formation of Brazil-Russia-India-China-South Africa (BRICS) grouping is a contemporary manifestation of a developing world alliance which attempts to coordinate common solidarity and self interest. It reflects the current changing dynamics of the world system, an exclusive and deliberate grouping of prominent emerging powers that hold influence in their respective regions

concomitant with greater ambitions at multilateral level, reflecting mutual increasing expectations on their own respective rising power status.

### *2.1.1) Non Aligned Movement (NAM)*

From a historical perspective the beginnings of developing world alliances, solidarity, the non-aligned movement and south-south cooperation can be collectively traced back to the 1955 Bandung conference in Indonesia. Otherwise known as the Asian-African conference, it was a political gathering unique for its time consisting of 29 states, many of which were newly formed or in the beginning stages of sovereign independence. The communiqué filtered the “five principles of agreement” that China and India had developed a year prior: mutual respect for each other’s territorial integrity and sovereignty, mutual non-aggression, mutual non-interference, mutual benefit and peaceful coexistence.<sup>16</sup> Setting the political rhetoric that later resonated in both bilateral and multilateral engagements of China’s foreign policy towards Africa. The outcomes of the conference developed common objectives promoting cooperation and voicing disapproval of colonialism, thereby laying the foundations of sentiment behind the non aligned movement.

Six years later as a wave rapid decolonization began and the intensities of the Cold War become even more pronounced, it became clear to the developing world that as more states emerged onto the global arena there was a increased strategic opportunity in the then existing political milieu of bipolar power struggles between the two great powers of the United States and the Soviet Union, therefore to further institutionalize the sentiment and core objectives first discussed at Bandung. In Belgrade 1961 the first Non-Aligned Movement Summit took place, though only 25 countries were present, the grouping took it upon themselves to voice common concern over the position of the third world. The consensus was that smaller states in the third world needed to stand against the pressures emitted on them by the superpowers of the Cold War.

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<sup>16</sup> Willets, P, The Non-Aligned Movement: Origins of a Third World Alliance, Nichols Publishing, New York, 1978, P.7

Non-alignment, as a strategy, at the time was a new departure in world politics: a status previous from earlier versions of non-involvement in a conflict.<sup>17</sup> States that were non-aligned identified themselves to be not involved in the power dispute between the United States and the Soviet Union. Instead, attempted to opt for an alternative international order where the third world would have a greater stake in the global system through the assertion of independence.

The act of non-alignment was an attractive alternative when the developing world found themselves the objects of competition. The general benefits for non alignment due to the power configuration of the world system at the time was appealing to many developing states as it assisted in helping them assert not only a degree of freedom and independence but was also a means of avoiding alliances while maintaining the open possibility of receiving aid from both sides.<sup>18</sup> Drawing on the common sentiments of emerging states at the time it echoed nationalism, anti-colonialism, residue revolutionary attitudes, and paved an arena for safeguarding the imperatives of economic growth by attempting to stabilize the power struggle of external forces in international relations.

The initial NAM summits were less about alliances within the developing world caucus as much as it was about the repudiation of alliances involving the US and Soviet Union. Although there is no denying that both great powers of the Cold War illustrated their good faith by offering aid within the rhetoric of pledging nonintervention.

As the NAM summits progressed there was a steady attempt to turn the movement into more of a solid institution, and employ it as a platform from which developing countries were allowed to voice their concerns. However NAM eventually lost cohesiveness, as the Cold War continued, further hindered by increasing domestic difficulties within the developing world, and the rapid proliferation of new states which seemed to dilute the bargaining potential of any single state (or group of states),<sup>19</sup> making it extremely difficult for many developing countries to be completely untainted by cold war politics. Furthermore, fully fledged developing world alliances at the time still wavered short of and real effective cooperation outside of voting in the UN. Failure to

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<sup>17</sup> Rothstein, R, Alliances and Small Powers, Columbia University Press, New York, 1968. P.245

<sup>18</sup> Ibid, P, 248.

<sup>19</sup> Ibid, P.256

develop real alliances, in the new stages of NAM stemmed from the general inability to agree on anything besides the mutual dislike of colonialism and the need to assert their new found independence in multilateral relationships. Despite its symbolic significance, in relative comparison to other existing multilateral lobbying institutions, NAM has always been a loose grouping with the tendencies to gloss over more specific and detailed issues for general overarching concerns. This has been mostly attributed to the vast diversity of political opinion within its own assembly.

With the mellowing out of the Cold War and the virtual extinction of oppression residual from the colonial era; as all states in the developing world eventually became sovereign and independent on their own accord it seemed that the initial purpose of NAM, to quell pressures from US-Soviet tensions, had fizzled out. The one overall remaining purpose for the movement was to uphold its status as the principle forum which represented the interests and aspirations of the developing world.

The movement underwent rejuvenation, particularly eminent from the mid 1990s onwards as the new emerging international order saw several developing states rise in economic clout and political bargaining power, collectively holding a bigger stake in the global system. In anticipation of the growing influence and paralleled growing agendas for the global south ahead of the new millennium, NAM's 12<sup>th</sup> summit held in Durban was a milestone for the organization. It was the first time appearance of the chairs from the G8 and EU, marking the premiere presence of representatives from the global north. Concurrent with the revival of the movement, further efforts were made to instigate more functional structures within NAM. In accordance with this summit, the new structure explicitly correlated and coordinated with the Group of 77 plus China in the UN through a joint committee in New York, in order to enhance cooperation for the developing world and further boost South-South cooperation. This arrangement was implemented in anticipation of the UN millennium summit, targeting the need to better highlight the agendas of the developing world.<sup>20</sup>

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<sup>20</sup> Department of International Relations and Cooperation, Non Aligned Movement, <http://www.dfa.gov.za/foreign/Multilateral/inter/nam.htm>, Dec 2006.

Last accessed 05/12/2011

### *2.1.2) Significance of NAM*

As the movement of a rapidly developing global south gained momentum in the recent decade, highlighting the differences between terms of trade and voting power in international organizations. There is a newly emerging need for the developing world to be justly represented in global institutions in order to leverage better bargaining power on international political and economic agreements. Prompting an increased rhetoric on revisiting NAM a traditional platform employed by south to voice concern, to be revived with more cohesiveness in order to make the developing world more effective players in the international arena.<sup>21</sup>

However despite the rhetoric and growing sentiment of solidarity within the developing world, the attempt to rejuvenate NAM, through the terms of the XII summit and the review of structures and methodology at the summits thereafter has yet to yield real effectiveness from the movement. Though it remains a symbolic and relevant entity for the developing world, the differences and difficulties in drafting a more refined agenda is due to the vast latitude and diversity of the movement's sundry member base, making it more or less impossible for NAM to work decisively and constructively towards greater cohesion.

NAM loosely mirrors the changing dynamics that the global south has faced, from initially employing the grouping and overall strategic of non-alignment as a tactical principle to leverage the maximum amount of advantages from the Cold War bipolar power configuration. It has since vacillated from loose reactive and defensive association of states to a more proactive and offensive alliance network, swayed in the direction of striving for more independent goals and objectives tailor-suited to the general national interests of the global south. If anything the movement set the precedence and solidified a platform of expression for the developing world. The spirit of solidarity and five principles encapsulated at NAM are still often referenced in current diplomatic dialogue between emerging states. Developing world groupings can be traced back to the early south-south solidarity networks established by NAM. Regional alliances and organization in the developing world such as the ASEAN, ECOWAS, AU and NEPAD were formed to cater to more specific and localized goals and objectives indicating an elaboration on

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<sup>21</sup> Anan. K, Secretary General says the Non-Aligned Movement's Mission More Relevant Than Ever, <http://www.un.org/News/Press/docs/2006/sgsm10636.doc.htm>, Sep 2006. Last accessed: 02/12/2011

alliances in the global south. But the most refined and recent manifestation of alliance networks in the global south are the overlapping middle power cliques of India-Brazil-South Africa (IBSA), BRICS and BASIC.

### *2.1.3) Group of 77 plus China*

Concurrent with the origins of the non aligned movement, was the broad coalition of the group of 77 which emerged in Geneva 1964 bound together by a joint declaration before the establishment of the United Nations Conference on Trade and Development (UNCTAD), formed by the collective perception of developing countries on the need to bind together against common problems through joint action on issues of international trade and development. The 77 countries present at the first joint declaration issued by the grouping had intended the coalition to draw attention to the developing world's quest to improve the standards of living for its citizens which was strongly influenced by the international structure of trade and developmental assistance, and a need for the voice of the global south to be heard in the establishment of a new international framework.<sup>22</sup>

The G77 has held ministerial meetings frequently throughout the years intended to elaborate the mechanisms of cooperation, in 1967 the G77 meeting in Algiers which gave rise to the charter of Algiers. Identifying common aspirations and mutual challenges faced by the developing world in terms of interests related to economic growth and development. The charter took cognizance of the economic and social trends which were becoming increasingly unfavorable for the developing world with the decline of purchasing power, aggravated indebtedness and disparities in import/export trade with developed states. Coordinating a general stance through a program of action on problems in general trade issues, commodity policies, the expansion of export manufacturers, development financing, and special treatment for least developed countries. Instigating an international dialogue on incorporating trade expansion and economic integration amongst developing countries.<sup>23</sup>

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<sup>22</sup> Group of 77, Joint Declaration of the Seventy Seven Developing Countries Made at the Conclusion of the UNCTAD, <http://www.g77.org/doc/Joint%20Declaration.html>, 15 June 1964. Last Accessed: 02/12/2011

<sup>23</sup> Group of 77, First Ministerial Meetings of the Group of 77: Charter of Algiers, Oct 1967. Last accessed:02/12/2011.

G77 gradually developed an institutional structure over the years with seven chapters established as smaller groupings representing the G77 within specialized agencies of the UN. Currently liaison offices are present Geneva (UNCTAD), Nairobi (UN Environmental Program), Paris (UNESCO), Rome (Food and Agriculture), Vienna (UN Industrial Development Organization), and the Group of 24 (G-24) in Washington, D.C. (IMF and World Bank). Though the G77 retains its name for historical significance it has since increased to 131 countries with the additional of China as a non-official member country since 1981.<sup>24</sup>

Declarations stemming from G77 meetings over the decades have suggested and reiterated frameworks for both north-south dialogue and south-south dialogue on economic, trade and development issues. With changing global dynamics and a rapidly budding global south, in the recent decade south-south cooperation was renewed through the Marrakesh declaration in 2003, highlighting technical exchanges and the importance of coordinating joint negotiation positions in the Doha round.<sup>25</sup>

The G77 has acted as a relatively autonomous interest group within the workings of the WTO as well, however the diverging and dissimilar agendas of members within the G77 beneath the surface of the rhetoric serve as an impediment to further form any specified goals and objectives. Similar to NAM, the G77's "unity amongst diversity" obligates it to remain in the realms of expressing the broad general sentiments of the developing world.

#### *2.1.4) Group of 24*

The G24 was established as a chapter within the G77 in 1971 to further coordinate the positions of developing countries with regards to international monetary and development finance issues. Particularly focused on ensuring increased participation and representation of the developing world in the International Monetary Fund and the World Bank, with biannual meetings, the G24 includes India, Brazil, South Africa and China as a special invitee.<sup>26</sup>

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<sup>24</sup> Group of 77, About the G77, <http://www.g77.org/doc/>, 2011.

Last accessed: 02/12/2011

<sup>25</sup> Group of 77, Marrakech Framework of implementation of South-South Cooperation, <http://www.g77.org/marrakech/Marrakech-Framework.htm>.

Last accessed: 02/12/2011

<sup>26</sup> Intergovernmental Group of 24, About the G24, <http://www.g24.org/about.html>.  
Last accessed: 02/12/2011

As G24 meetings occur prior to the meetings held in the IMF and joint development committee of the World Bank, and are attended by the respective their heads, with a joint communiqué released at the end of the ministerial meeting. Though decisions are made by consensus, the structure and functioning of the G24 indicates the gradual move away from ad hoc forums started by the developing world. Altering the approach of how developing world groupings have consolidated actions towards achieving objectives. Additionally over the years the G24 has also filtered technical group meetings and workshops on a wide spectrum of specific issues related to development.

#### *2.1.5) Significance of G77, G24 plus China*

These large coalition networks of developing countries have served as an endeavor to construct effective working groups within international institutions focused on the general concerns and objectives of the global south. It represents the genesis of an active and coordinated effort from the global south to collectively achieve common interests, divergent from that of the developed world, serving as a forum for dialogue to initiate constructive confrontations with the global north over differing views in the UN, IMF, World Bank and WTO.

Though the G77 and G24 were always more refined than NAM in terms of organizational structure, functioning and its activities lean towards a more focused agenda, they still remain loose entities pursuing broadly defined ambitions. The vast differences in levels of development within the developing world itself necessitate coalitions or alliance networks that are more exclusive and limited in their membership in order to truly pursue goals deeper than that of the general rhetoric often voiced by these large groupings.

## 2.2) Developing World Interaction between China and South Africa

In the backdrop influencing historical relations China and South Africa were the parallel of multiple factors prominent in the cold war, the status of the apartheid government in the international arena and the simmering tensions between China and the Former Soviet Republic on the differing centers of communism and its consequential influence with political entities present in third world allies. Nevertheless Sino-South African relations has gathered momentum exponentially since the days of third world solidarity in opposition to the apartheid government to the initial establishment of official relations with South Africa's first democratic government.

### *2.2.1) Sino- South Africa Relations during Apartheid*

Relations between the two countries, initially was characterized by developing world sentiment against the Apartheid struggle and expressions of support for liberation groups within in South Africa. However despite this public rhetoric of disapproval China had insidiously maintained faint economic ties with the Apartheid government whilst upholding unique relations with different fractions within the anti-Apartheid movements.

Officially the Nationalist party of China and South Africa had initially developed relations in 1931, though interactions between the two states were limited. In 1960 concurrent with the backdrop of developing world solidarity and condemnation of the apartheid regime as well as support for communist influenced liberation movements in Africa, the PRC officially ceased economic ties with South Africa, even though there remained evidence of tacit trade in copper, diamonds, lead and zinc between independent agents facilitated by middle men in Hong Kong,<sup>27</sup> the overall public international political rhetoric for the most part was disapproval for the oppression of liberation movements.<sup>28</sup>

The apartheid government was concerned with the influence that communism had on liberation movements, and made deliberate moves to quell Chinese influence by establishing relations with

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<sup>27</sup> Taylor, I, "The Ambiguous Commitment: The People's Republic of China and the Anti-Apartheid Struggle in South Africa", in Journal of Contemporary African Studies, Vol. 18, Iss.1, 2000,P.2

<sup>28</sup> Loc. Cit

Taiwan in 1976.<sup>29</sup> Taiwan reciprocated by recognizing the legitimacy of the Apartheid government, a relationship which was politically expedient for both states who felt equally threatened by communist aggression and faced increasing international isolation at the same time.

China's positioning on South Africa was in relation to the Soviet Union's influence on the rest of Africa. Though relations between the ANC, SACP and the PRC were cordial they succumbed to the Sino-Soviet tensions which slowly escalated from the 1960s onwards, affecting support for communist influenced liberation struggles on the continent. In the international backdrop of the Cold War, most African countries were not only proxies of struggle between the democratic west and communist east but liberation movements themselves as well eventually became entities of rivalry between the Soviet Union and China. Such was the case for anti-apartheid movements within South Africa. Chinese-Russian contentions resonated with divided support for the PAC and ANC respectively.

Despite attempted links with the ANC, China lacked commitment in providing material aid to fully fund liberation movements. Regardless of the complicated association of the South African Communist Party (SACP) and the ANC, when the two joined together to form the combined guerilla movement of *Umkhonto we Sizwe (MK)*, they had strong Soviet backing which included training and the procurement of arms, clearly omitting China's influence. Thus the ANC and SACP had effectively precluded China as the Sino-Soviet split grew deeper.<sup>30</sup> Consequentially the only remaining liberation movement which China could strategically back in that existing context was the PAC. As strategic opposition against the Soviet Union and to maintain some form of influence, even so, the support that the PRC offered the PAC was limited and inconsistent in comparison to the support that ZANU in Zimbabwe received. China's lob sided support for ZANU in the Southern African region was molded by the perspective that Zimbabwe was a less competitive opportunity to boast influence on the continent.<sup>31</sup>

It was not until the 1980s that relations between the ANC and China showed greater interaction. With the PRC ascension onto the UN Security Council, rapprochement with the USSR through

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<sup>29</sup> Payne, R and Veney, C, "China's Post Cold War African Policy", In *Asian Survey*, Vol. 353, No. 9, September, 1998, P.457.

<sup>30</sup> Taylor, *Op. cit.* P. 4

<sup>31</sup> *Ibid*, P5-6

Brezhnev's diplomacy combined with the Soviet Union's growing fatigue and reluctance to continually bear the costs of supporting liberation movements in an increasingly less strategic southern African region. Both China and the ANC saw a new strategic opportunity to realign with each other. The PRC redefined its equal support for anti-apartheid movements, resulting in Oliver Tambo visiting the China on behalf of the ANC in 1983 re-opening links.<sup>32</sup>

Towards the late 80s and early 90s the domestic political landscape changed dramatically for both China and South Africa. China had changed to the leadership of Deng Xiaoping and began instigating the new policies of economic reforms to which increased international trade was crucial. South Africa on the other hand, was undergoing the transition period in the last days of the Apartheid government. The new incoming ANC government presumably had stronger links with the PRC over Taiwan largely due to the former's condemnation and the latter's official support of the Apartheid government. On the eve of South Africa's democratization, both the PRC and Taiwan competed to win the full favor of the incoming government. Taiwan increased trade and investment in South Africa from 1990 onwards, taking a diplomatic offense against China. Moreover, Mandela had raised funds for the ANC election campaign in Taiwan. A series of diplomatic exchanges between the PRC and South Africa took place in anticipation of then upcoming 1994 elections. In early 1992, as an appetizer to future relations, then Chinese foreign minister Qian paid a transit visit in Johannesburg ahead of a African tour to meet with the foreign minister Pik Botha as well as leaders from the ANC and PAC.<sup>33</sup> In October 1992 Mandela visited Beijing and met with President Jiang Zemin, expressing his gratitude for China's support in the anti-apartheid struggle, and initiated negotiations for a trade office despite the absence of formal diplomatic ties.<sup>34</sup>

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<sup>32</sup> Ibid., P10

<sup>33</sup> Singh, S, "Sino-South African relations: Coming full circle", in African Security Review, Vol.6, Iss.2, 1997. Available at: <http://www.iss.co.za/pubs/ASR/6No2/Singh.html>

<sup>34</sup> Taylor, Op. Cit., P.14

## 2.2.2) *China-South Africa Relations Post Cold War and Post- Apartheid*

Both Taiwan and the PRC regarded South Africa as a pivotal actor in the African region. Though South Africa's relations with the PRC under the Mandela presidency remained more consistent to that of the Apartheid government, during the first term of South Africa's new democracy the ANC had attempted to maintain de facto relations with both the PRC and Taiwan. Prior to 1994 the ANC announced that "a democratic South Africa would not abandon its long term friend who assisted the ANC during its worst time", as the new government was willing to enter diplomatic relations with China, it was not willing to sever ties with Taiwan.<sup>35</sup>

The Mandela presidency was determined to assert its sovereignty and independence, while simultaneously promoting the country's regeneration and reintegration into the global community. South Africa was left with a two Chinas dilemma, on the one hand Taiwan had increased its loans and contracts to Eskom, Macsteel and the Development Bank of Southern Africa, the possibility of disinvestment from Taiwan could have been harmful to the economy, especially when compared to that offered by the PRC in terms of financing for reconstruction and development programs.<sup>36</sup> Taiwan's total investment capital amounted to \$1.56billion, making it one of South Africa's largest sources of foreign capital whilst the PRC had openly offered to invest only \$50million.<sup>37</sup> Furthermore China's lingering international reputation after the Tiananmen Square incident meant that a newly democratic South Africa whose image was entrenched with human rights would be open to criticism by pursuing official relations with the PRC.

Nevertheless, Pretoria could not ignore the rise of China in the global system, and the benefits that access to the mainland had for South African goods as opposed to that of Taiwan. What swayed the decision further was Hong Kong's scheduled hand over to China in 1997, South Africa's trade with Hong Kong increased from \$800million in 1993 to \$1.5billion in 1996. Whilst trade with China grew from \$658.4million in 1993 to \$1.35billion in 1996.<sup>38</sup>

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<sup>35</sup> Naidu, S, "South Africa's Relations with the People's Republic of China: mutual opportunities or hidden threats?" in Buhlungu, S *et al*, *State of the Nation 2005-2006*, HSRC Press, Cape Town, 2006, P.465

<sup>36</sup> *Ibid*, P.464

<sup>37</sup> Singh, *Op. Cit*, <http://www.iss.co.za/pubs/ASR/6No2/Singh.html>.

<sup>38</sup> Payne, *Op. Cit*, P. 878

After dragging its feet during the first term of the democratic governance, South African foreign minister Alfred Nzo met with then Chinese foreign minister Qian Qichen in December 1997, and by the 1<sup>st</sup> of January 1998 a joint communiqué between the two countries was signed,<sup>39</sup> establishing formal relations, adhering to the recognition of the one china principle. Though South Africa still maintained economic and unofficial relations with Taiwan, the Republic of China was officially downgraded in lieu of recognition for the People's Republic. Additional to trade and investment benefits with the PRC, there were also other anticipated political and strategic spin-offs, the establishment of a partnership within promoting the interest of emerging markets in the developing world, and an ally in the mutual advocacy of reform and multipolarity in the world system.<sup>40</sup>

### *2.2.3) Establishment of Formal Relations from 1998 Onwards*

Through a series of high level diplomatic exchanges between the two countries, foundations for formal relations were slowly built. In the 1998 joint communiqué on establishing diplomatic relations, both governments recognized each others sovereignty and based relations on mutual respect, mutual non-interference, and mutual non-aggression.<sup>41</sup>

On the 25<sup>th</sup> of April 2000, during President Jiang Zemin's Africa tour, the Pretoria declaration was signed to form a "strategic partnership" between China and South Africa. The tone and underlying attitude of the declaration beyond the purpose of strengthening bilateral relations was to echo an affirmation of the necessity to consolidate a developing world alliance in solidarity for common agendas in the international arena.

The document specifically invoked the initial roots of cooperation at the Bandung conference 45 years prior and in the spirit of equality and common development, the declaration referred to the

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<sup>39</sup> Loc. Cit.

<sup>40</sup> Naidu, Op. Cit., P.465

<sup>41</sup> Foreign Ministry of the People's Republic of China, Joint Communiqué Between the Government of the People's Republic of China and the Government of the Republic of South Africa on the Establishment of Diplomatic Relations, <http://www.fmprc.gov.cn/eng/wjb/zzjg/fzs/gjlb/3094/3095/t16577.htm>, April 2002.  
Last accessed: 04/12/2011

need to take cognizance of the imperativeness for developing countries to strengthen cooperation and mutual support in the international economic milieu.

Recognizing “that both China and South Africa share many objectives with regard to key multilateral issues and an urgent need for the reform of the international multilateral political, economic and financial architecture to reflect new global realities.”<sup>42</sup>

In retrospect, the rhetoric expressed earlier on in the Pretoria declaration has been repeated and resonated consistently with South Africa’s contemporary relations with China as well as within the BRICS countries multilateral dialogue. The positioning of emerging markets binding together in international forums will be further elaborated on in the next chapter.

The *Pretoria Declaration* put forward the formation of the bi national commissions (BNC) between the PRC and South Africa, a move towards a structured organized mechanism to coordination interaction between the two states. The BNCs purpose was intended to safeguard and incorporate existing agreements as well as to coordinate government to government relations within all areas pertaining to matters of mutual interest in both bilateral and multilateral spheres.<sup>43</sup> Furthermore, in the context of South-South cooperation the document stipulates the endeavor to pursue closer economic ties through the limiting of impediments of trade, investment and commercial relations. As well as encouraging closer cooperation between enterprises of the two countries. On the level of political cooperation, with specific reference to the United Nations, China pledged to support African interests through the G77 in the UN, while South Africa would support China-led developing world efforts to create a new international political and economic order.<sup>44</sup>

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<sup>42</sup> Foreign Ministry of the People’s Republic of China, Pretoria Declaration on the Partnership Between the People's Republic of China and the Republic of South Africa, <http://www.fmprc.gov.cn/eng/gjhdq/dqzzywt/2633/2639/t15595.htm>, April 2002.  
Last accessed: 03/12/2011

<sup>43</sup> Loc. Cit.

<sup>44</sup> Loc. Cit.

#### 2.2.4) *Bi-National Commissions*

In December 2001 President Mbeki inaugurated the first plenary session of the BNC where separate talks were held between the ministries and departments of foreign affairs, economic cooperation and trade, science-technology, energy and tourism.<sup>45</sup>

Since the inception of the Pretoria Declaration there have been four bi national commissions from 2001 to 2010. At the end of the second BNC meeting in 2004, the joint communiqué issued announced that the South African customs union would enter into free trade negotiations with China, further reintegrating the commitment to enhance south-south cooperation to safeguard the rights and interest of the developing world in multilateral forums such as the WTO and the UN. As well as mutual support for the Forum on China-Africa Cooperation (FOCAC) and the New Partnership for Africa's Development (NEPAD).<sup>46</sup> In a speech then deputy President Jacob Zuma made at the second BNC he highlighted that both countries shared common perspectives on "restructuring of the UN, the reform of the global trading system, and enhanced south-south cooperation".<sup>47</sup>

Similar diplomatic sentiments were reiterated in subsequent BNCs with the business and investment forum growing a larger presence. Though the BNC was clearly a mechanism to process and organize the dialogue for technical cooperation, its existence provides both countries a coordinated opportunity in which to hone, revise and further develop bilateral relations on specific issues.

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<sup>45</sup> Naidu, *Op. Cit.*, P.466-467

<sup>46</sup> Department of International Relations and Cooperation, Joint Communiqué on the Second South Africa - People's Republic of China Bi-National Commission, <http://www.dfa.gov.za/docs/2004/chin0629.htm>, July 2004.  
Last accessed: 02/12/2011

<sup>47</sup> Department of International Relations and Cooperation, Deputy President Jacob Zuma to Co-Chair Second South Africa - People's Republic of China (PRC) Binational Commission (BNC), <http://www.dfa.gov.za/docs/2004/chin0621.htm>, July 2004. Last accessed: 02/12/2011

### *2.2.5) China-South Africa-Developing World Groupings in Review*

International coalitions involving the global south have changed in composition and focus over the years. Like many other developing countries at the beginning stages of establishing an international presence in the early post cold war era, both China and South Africa, played differing roles in the evolution of first generation developing world groupings. The early non-aligned movement and group of 77 was indicative of the global south's geopolitical intention to shift power away from the develop world nexus to emerging developing countries. First generation initiatives were large in membership and stemmed mostly from shared conditions as a reactive response to building autonomy.

In the second generation of global south formations of the G20, IBSA, BRICS and BASIC, showed the trend that state actors in the developing world seem to be responding to the undeniable factors of multipolarity, multilateralism and interdependence which has come to shape all aspects of international engagement. Second generation formations and the analysis thereof are more refined and specifically calibrated in defining its own proactive interests by reflecting selectivity and strategic networking in their groupings. Deliberately independent of traditional major powers, they seek to establish political status by raising their international profiles. This new generation of international groupings culminates as a result of changes and convergences in the global arena, the gradual erosion of the traditional power base that the West once held concomitant with the rising economies such as China, India and Brazil as well as the growing interdependency between states in coalition and groupings as a means to ensure more efficacy in achieving collective agendas in international relations.

Relations between China and South Africa have in recent years reached a new precipice, stemming from the historical connections of developing world solidarity, and communist ideological support for liberation movements. China's initial position for the ANC and PAC during apartheid, despite the Sino-Soviet communist split, stood the China-South Africa relationship in good stead in post apartheid engagements further spurred on by China's economic rise and the economic implications for South Africa thereof.

### **Chapter 3: The Significance of BRICS and Current Dynamics of China-South Africa Relations**

There are multifarious albeit significant issues surrounding the formation and functioning of BRICS, the combination of rising states in this grouping can be argued from a theoretical perspective as a concerted effort by leaders of the global south to redefine power structures in the international system. This chapter attempts to unpack some of the contemporary political tenets surrounding the BRICS grouping. From the amorphous aim of multipolarity most strongly advocated by Russia and China, which resonates through to other BRICS member states, to analyzing the criticism which has been passed on South Africa's legitimacy as a member of the grouping. The section also gives similar weight to an overview of the current tenets of the China-South Africa relationship which has been elevated through the most recent series of high level visits and joint declarations signed, and thus have had some bearing on South Africa's ascension into BRICS. As well as provide an analysis of the implications that the BRICS grouping has the pre-existing IBSA alliance.

#### **3.1) The "Middle Chessboard" of Power**

Prominent academic Joseph Nye points to the significant change in composition of power in the 21<sup>st</sup> century, he defines power as "the ability to affect others to obtain the outcomes that one wants"<sup>48</sup>. In the current day and age power needs to be put into context in order to be understood, Nye describes power in the 21<sup>st</sup> century international system as a multi-dimensional chess game, where there are three segmented layers. The top chessboard of military power is still thought to be dominated by the United States, with a relative unipolar position in this aspect. The middle chessboard represents economic power, which has been, and will continue to be unequivocally multipolar. The EU, China, Japan, and the combination of other emerging market states are all players which reinforce the current multipolarity of world economic power. While the bottom chessboard is the realm beyond government control, the global networks of non-state actors ranging from business corporations to terrorist organizations. Power at the bottom chessboard is widely thought to be diffused and decentralized.

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<sup>48</sup> Nye, J, "Power in the 21<sup>st</sup> Century", In World Policy Review Feature: The DNA of Global Power, 22 March 2011, P.2

The changing nature of power in a globalized world makes states more porous than ever before, in this sense Nye asserts that power has become more of a positive sum game. Where it is no longer enough to think in terms of power over others, in order to accomplish goals, power *with others* needs to be considered. “In this world the ability to construct and manage networks and connectedness becomes an important source of relevant power”.<sup>49</sup> Further elaboration of the breakdown of economic power consists of the postulation that growth in economic demand is a central tenet in swaying power on the middle chessboard. Demand for energy, materials, goods and services essentially means that the world - in bottom chessboard business terms- will revolve around the demand vortex’s every need.<sup>50</sup> Global influence is intrinsically tied to economic clout in terms of growth and the subsequent advantages of increased consumption which accompany it; this in turn results in the slowdown of comparative economic heft experienced by the west.

As China and fellow BRICS countries assume the mantle of the new global demand centre, the grouping emulates from the base of the “middle chessboard”, by forming a network of states undergoing similar stages of economic development with growing middle class resulting in ever increasing consumption and expanding GDPs. The BRICS formation is fully cognizant of the need to exploit and reinforce the multipolarity of world economy power. With heedful steps towards deriving an influential political entity derived from the increasing economic autarky it holds. It is the construction of a positive sum association of states with the intention to procure and pursue general collective interests in the international arena. In short it is a stringent move towards etching in multipolarity.

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<sup>49</sup> Ibid., P.3

<sup>50</sup> Barnett, T, “Demand as Power in a Resilient Global Order”, In World Policy Review Feature: The DNA of Global Power, 22 March 2011, P.6.

### 3.2) BRICS and Multipolarity in the World System

Multipolarity can be loosely defined as multiple centers of power in the international system, though this does not necessarily imply equal and evenly distributed stake holders, it does express a balance of power which is divergent from bipolarity and unipolarity. As a culmination of the transformation of the world system since the cold war, multipolarity is increasingly reinforced by developing world groupings.

The BRICS formation serves as an indication of the evolving complexity of political and economic power dynamics in the international community. The objective of multipolarity itself has been a recurrent theme with BRICS member states and is constantly present much of the rhetoric in the formation and current functioning of the grouping. From a strategic perspective emerging powers in general, would favor the restructuring of power dynamics to allow for distribution away from the West ensuring that they hold a greater share and stronger leverage in the global arena. The concept of multipolarity serves as a nebulous abstract goal lingering in the background of BRICS discourse and action.

In the two decades following the post cold war era, academics of international relations have expressed varying forms of analysis indicating that the new world order, though no longer bipolar, is not entirely multipolar either. As Nye draws attention to the fact that the new emerging multipolar world post cold war is fraught with ambiguity; though the USA still holds a recognizable central role it is not entirely hegemonic.<sup>51</sup> The seemingly non-polarity of the new world order was largely thought to be ill-defined, though a mandatory phase in highlighting the transitory nature of the international system,<sup>52</sup> in the two decades After the end of the cold war it appears that there was a concerted effort by some rising powers to shift and lock in the status of multipolarity in the world system.

Multipolarity, in the current system is unevenly distributed in terms of political and economic power; the new centers of emerging power are palpable with the noticeable shift from west to east and state to non-state. Former US diplomat and current president of the Council of Foreign

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<sup>51</sup> Nye, J, Bound To Lead: The Changing Nature of America Power, Basic Books, New York, 1990. P.235-236.

<sup>52</sup> Cooper, A, Niche Diplomacy, London, Macmillan Press, 1997. P.1

Relations Richard Haass explained the shift in polarity not necessarily a consequence of the decline in US power but rather the growth in centers of power elsewhere. As states get better at piecing together their plethora of financial, human and technological resources for increased prosperity and productivity culminating in the rise of new powers, which has resulted in a larger group of actors who are able to exert influence regionally and/or globally.<sup>53</sup> Haass also cautions that it is not only states who are centers of power but many non-state actors as well including regional powers, companies, international organizations, non-governmental organizations and terrorist organizations ultimately leading to non-polarity rather than multipolarity.<sup>54</sup>

However despite this interpretation and the relevance of the growing importance of non-state actors, it is still ultimately States as independent entities of political and economic power who dictate much the course of action in the international arena. The suggested multipolarity of the world order was inclusive of the EU, US, China, Russia, India and Japan, mainly because the forecast of growth in either or both economic and military power subsequently amplifying their influence.

In recent years with the decline of US economic power and the rise of emerging countries' political and economic leverage, it seems that multipolarity in the world system is constantly being further defined and legitimized. China has made obvious strategic movements towards multipolarity through networks of economic partnerships. The bilateral dialogue between Russia and China have repeatedly agreed on the concept of a multipolar world order since the late 1990s. Regional emerging powers such as Brazil, India and South Africa too had reason to favor multipolarity as a part of a song sung by developing world leaders to allow for a more distributed stake in the international system. However it is between the larger powers, China and Russia, of the BRICS grouping that multipolarity was a key feature in bilateral relations and was of special strategic interest in considering their close proximity in challenging the US's power status.

BRICS, for both these countries, represents an extension on this cooperative clause. The 1997 "Joint Russian-Chinese declaration on a multipolar world and the establishment of a new world

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<sup>53</sup> Haass, R, *What Follows American Dominion?*, Financial Times, <http://www.ft.com/intl/cms/s/0/683c4bb6-0b4c-11dd-8ccf-0000779fd2ac.html#axzz1hzs8qwE8>, 16 April 2008.

Last accessed: 07/12/2011

<sup>54</sup> Loc. Cit.

order” was the first in a string of diplomatic documents between the two countries advocating increased participation of rising powers in the world system. The declaration not only acknowledged that the end of the cold war resulting in multipolarity gaining momentum, but the increased importance of rising developing states to interact as their role in international politics is growing as is their escalating share of the world economy. Pointing out that developing countries are an important force to promote multipolarization, where all relations between states should be carried out with mutual respect for sovereignty, mutual non-aggression and non-interference.<sup>55</sup> Russia was the declining great power now aiming to recover its lost status, while China a rising power strategically maneuvers to resist any impediments to restrain its global role.<sup>56</sup> Thus the presence of Russia in the BRICS grouping amongst other countries more traditionally thought of as from the developing world is ,in addition to the strategic and economic benefits, strongly guided by diplomatic ideology that empowering countries on the rise means disempowering countries on the wane, most notably the US. It was at Russia’s insistence that the BRICS countries meet informally in 2006 before the first official summit was held in Yekaterinburg in 2009.

However, it is important to note that in recent years China’s economic rise has served as a overshadowing concern gently nudging the regression on anti-hegemony rhetoric, since Hu Jintao’s term of office China has included a diplomatic disclaimer which asserts that when promoting multipolarity it is not aimed against any particular country nor was it staging a play of contention for hegemony but rather as a solution to world peace, stability and development.<sup>57</sup> Despite this, the agenda lingered insidiously in China’s innate need to build a network of alliances precluding the US through the emphasized term of “partnership” and “mutual cooperation” with varying States, particularly in the developing world.

The BRICS grouping integrates itself neatly into China’s “peaceful rise” rhetoric and strategy, sewing together an informal alliance network which can be leaned upon not only to further enhance already existing bilateral and multilateral relations, but also used as a power base

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<sup>55</sup> *United Nations, China-Russia: Joint Declaration on a Multipolar World and the Establishment of a New International Order*, <http://www.un.org/documents/ga/docs/52/plenary/a52-153.htm>, 20 May 1997. P.987-988

<sup>56</sup> Turner, P.183

<sup>57</sup> Turner, S, “Russia, China and A Multipolar World Order: The Danger in the Undefined”, in *Asian Perspective*, Vol. 22, No.1, 2009. P.168

adjacent to the US. The benefits of a multi-state power base and influence though particularly useful for China in terms of its rising position, it too is relatively beneficially to the other BRICS member states. Brazil, India and South Africa, countries who are already a grouping through the IBSA dialogue forum, may view BRICS as a strategic opportunity to join forces with larger rising powers not only reaping economic benefits but reinforcing their status as leaders and agenda setters for their respective regions. It provides all the countries involved with enhanced status in the international system as well as tangible spillover benefits in terms of institutional positions. China and Russia along with many other developing countries in the public diplomatic discourse of state-shared ownership in the international system have, in the past, agreed on the pursuit of multilateral world order without actually mentioning the specifics of how to achieve it. The BRICS grouping serves as a subtle and somewhat subliminal method of actively working towards multipolarity. As an alternative source of initiative in the international order, the formation is appreciatively different from the past, increasing these countries' prospects to weigh in on world affairs.

Though it is difficult to fully calibrate what a defined degree of multipolarity is in the world system the BRICS grouping does represent, for the countries involved, in the very least a symbolic move towards a mutually exclusive initiative independent of the US to formulate and further pursue their own agendas. As a way of demarcating an arena for multilateral dialogue and international leadership transparently directed away from the West.

It is important to note, however that beneath the surface of the rhetoric and the budding stages of power groupings there presumably are many dissimilar methods and objectives yet to be fully fleshed out and made mutually comprehensible. Not only just between the heavy weights of China and Russia, but varying degrees of separation with Brazil, India and South Africa as well.

### 3.3) The Formation of BRICS

BRICS can be seen as a malleable formation of states whose alliance network is employed both within and outside of formal international institutions. Though the BRICS grouping lacks a well defined institutional and structural framework, its elaboration is steadily built up through multilateral dialogue and the diplomatic documents which are a result thereof. Thus in order to understand the formation of BRICS, it is imperative to trace the beginnings of the multilateral meetings as well as the joint communiqués, declarations and statements that they have produced as the components which shape its existence.

The official BRICS summits took place annually from 2009 onwards; the foundations for this grouping were instigated at several informal and formal meetings of gatherings with leaders from each country since 2006. Originally constructed as BRIC, excluding South Africa, the acronym merely existed as colloquial term in the corporate sector to refer to the world's emerging market economies with strong growth potential. The informal diplomatic discussion for a new international grouping had its roots in St. Petersburg, in July 2006 where in trilateral format China, Russia and India held informal meetings, meant as a prelude to discussions in September later on that year to parallel the UN's annual meeting, which would include Brazil. Informal discussions in gatherings held between Brazil, Russia, India and China continued on the sideline of general assembly meetings in New York until 2008 where a meeting independently prescribed on the sole focus of BRIC excluding any background context of the UN was commenced in Yekaterinburg, Russia. The foreign ministers of the four economies discussed broad topical issues, establishing the quadripartite joint communiqué reiterating the rhetoric on common approaches towards pressing issues on global development, securing equal opportunities for development, and noting the need for structural changes in the United Nations and global economic order.<sup>58</sup>

Subsequent to the first exclusive albeit unofficial meeting of the grouping, were two more ministerial gatherings specifically related to finance issues spurred on by the international

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<sup>58</sup> Ministry of Foreign Affairs Russia, Joint Communiqué of the Meeting of the Foreign Ministers of Brazil, Russia, India and China, Yekaterinburg, Russia, [http://www.mid.ru/Brp\\_4.nsf/arh/7824EB49B74B090FC325744B002A4C88](http://www.mid.ru/Brp_4.nsf/arh/7824EB49B74B090FC325744B002A4C88), 16 May 2008.

economic crisis, parallel to the G20 meetings, the dialogue emerging from these meetings in 2008 and early 2009 thereof voiced concern over protectionism and the reform of international financial institutions to deepen the current underrepresentation of emerging and developing countries.<sup>59</sup>

The first official BRIC summit in Russia 2009 yielded a repeated rhetoric of support for a more multi-polar world order, supporting India and Brazil's aspirations for greater role in the United Nations, and stressing the central role of the G20 in dealing with the international financial crisis.<sup>60</sup> What emerged from this first joint statement of the BRIC summit was a nutshell summary for the issues which had been previously discussed by the four countries at informal group meetings at the backdrop of the UN and G20 in the years prior. Though the diplomatic expressions were not new, the summit allowed for the announcing of a cohesive and clarified stance taken by the four emerging powers on general issues of concern in the global arena, showing a more well-defined diplomatic and unified general perspective.

The second summit held in Brazil 2010, showed an attempt towards a loosely distinct plan of action and further refinement of common objectives. The declaration which presented itself at the end of the summit calibrated into specific topical issues, providing greater clarity in dividing the agenda into international trade, agriculture, energy, development, international and economic issues. With sector specific initiatives aimed at strengthening cooperation linking respective ministers of finance, agriculture and representatives for security issues. It was also the first time BRIC nations coordinated focused meetings of respective development banks, business forums and think tanks.<sup>61</sup>

In between the second and the third summit the grouping gained the additional member of South Africa, at China's insistence. Shortly after a heavy weighted bilateral engagement between China and South Africa in the upgrading to the "comprehensive strategic partnership" between the two countries, China invited South Africa to join BRIC, effectively rendering it BRICS. The process

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<sup>59</sup> Embassy of Brazil in London, Final Communiqué of the Meeting of Finance Ministers of BRIC Countries Held in London, [http://www.brazil.org.uk/press/articles\\_files/20090904.html](http://www.brazil.org.uk/press/articles_files/20090904.html), 04 Sep 2009.

<sup>60</sup> Russian Presidency, Joint Statement of the BRIC countries' leaders, Yekaterinburg, <http://archive.kremlin.ru/eng/text/docs/2009/06/217963.shtml>, 16 June 2009.

<sup>61</sup> Russian Presidency, 2nd BRIC Summit of Heads of State and Government - Joint Statement, Brasilia, [http://eng.news.kremlin.ru/ref\\_notes/5](http://eng.news.kremlin.ru/ref_notes/5), 15 April 2010

of South Africa's inclusion into BRICS was discussed in months prior to the official invitation, on the 23<sup>rd</sup> of December 2010 Chinese foreign minister Yang Jiechi informed his South African counterpart Minister Nkoana-Mashabane that China, in its capacity as rotating chairperson of BRIC, based on an agreement reached by fellow member states officially invites South Africa to be a full member of BRICS, with request to attend the third summit in Sanya, Hainan.<sup>62</sup>

Sanya declaration in April 2011 stands as the most recent BRICS general agreement at summit level, emphasizing the theme "broad vision and shared prosperity" as a platform for dialogue and cooperation, though the *Sanya declaration* not as well structured as its immediate predecessor, it did specifically highlight: the concurrent term of all member states on the UN security Council for the year 2011 with particular concern for in the Middle East and North Africa, noting joint discern for the use of force and infringement on territorial integrity and sovereignty. With South Africa's inclusions the declaration includes clause which supports the African Union High-Level Panel Initiative on Libya and development in Africa within the framework of New Partnership for Africa's Development (NEPAD), as well as additionally encouragement for the hosting of COP17 in Durban.

The summit churned out an all encompassing rhetoric advocating the individual concerns of all member states, the reiterated plan of action showed limited divergence from what was formulated prior at the Brazil 2010 Summit, with the continuation to hold topical based meetings between respective delegations on health, development, think tank symposiums, agriculture and within the BRICS business forum. Meetings of representatives from BRICS member states in during annual meetings of the UN and under the G20 framework in the IMF and World Bank was reemphasized, with informal periodical gatherings of representatives from member states in international organizations based in New York and Geneva. Stemming from this is the proposal to establish a BRICS group within UNESCO to further common strategies.<sup>63</sup>

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<sup>62</sup> Government of South Africa, Minister Nkoana-Mashabane on South Africa's Full Membership of BRICS, <http://www.info.gov.za/speech/DynamicAction?pageid=461&sid=15414&tid=26188>, 24 Dec 2010.

<sup>63</sup> South Africa Presidency, Sanya Declaration on BRICS, 13 April 2011, <http://www.info.gov.za/speech/DynamicAction?pageid=461&sid=17834&tid=32162>, 15 April 2011

The formation of BRICS was originally initiated by informal discussions and meetings of the countries involved mostly in correlation with ongoing international events such as the annual UN General Assembly and G20 meetings, these joint communiqués set up the foundations of cooperation for the grouping to respond collectively to topical international issues. Dialogue amongst the four founding members was vibrant in the global arena in the years before its first official summit in 2009, and acted as a foretaste to the functioning of these countries coordinating issues of mutual concern in a formal grouping. Ultimately it is through the annual official Summits where general strategy and action is configured.

As Sanya produced the first declaration emulating the newly updated BRICS formation, in many ways it was overly inclusive and the action plan was broad, lacking the uptake on further calibrating goals and strategies theoretically expected as meetings and summits of member states progress. Though BRICS still rests in its early stages, the current workings of the group thus far shows its executed functioning vacillates between nebulous and comparatively malleable.

#### 3.4) Functioning of BRICS

There are two general mechanisms being constantly, albeit loosely, employed. Following the foundational precedence of BRICS member states gathering within the framework of international organizations, BRICS currently gathers on the side as a correlating working group to strategize common positions within the UN, IMF and World Bank at their respective headquarters.

While concurrent to this, annual BRICS summits are used as a platform to centralize approaches of the alliance and to promote independent sectorial meetings between respective committees aimed at improving multilateral cooperation. Though much of the collective discourse in international organizations takes place on an informal basis between representatives of member states in association with their participation in formal institutions. However independent BRICS summits are the main arena which provides the continuous formation for the mode of operation.

The grouping works steadily to institutionalize itself through ministerial meetings, gatherings of permanent representatives at international institutions, annual summits and the concurrent

business cooperation forums which accompany these meetings. BRICS action is yet to evolve beyond mainly discourse, lacking a fully fledged cooperation agenda. More coherencies in BRICS can be achieved through the application of agreed upon agenda, which is yet to be seen. The plan of action emerging as the eventual consequence of the BRICS summit declarations omits clear cut goals showing the unison which help define the growing political entity of BRICS.

BRICS in practice is still most cohesively grouped around the mutual umbrella term of emerging economies, dealing with economic and trade issues can thus be more effectively achieved as a prelude to higher levels of strategic cooperation in international diplomacy.

Though the functioning of BRICS is still being constantly defined, it is safe to assume that it will continue to remain in the confines of soft power focus in omitting security issues on its general agenda. At most BRICS roam on the political and economic levels of the *chessboard of power*, with a clear mitigation of coalition efforts to diffuse unipolar military power in the international sphere.

### 3.5) Comparing the Characteristics of BRICS Countries

#### *3.5.1) Analyzing Reservations on South Africa's Eligibility*

BRICS is conventionally thought of as the cluster of the world's most prominent rising economies, with impressive growth forecasts and expected economic dominance which in turn can be translated into political power. Before becoming a political alliance the grouping was originally linked solely through economic likeness and investment potential, despite its evolution towards agendas that are more diverse insofar as encompassing political objectives, it is still commonly thought of as a gang of economic rising powers.

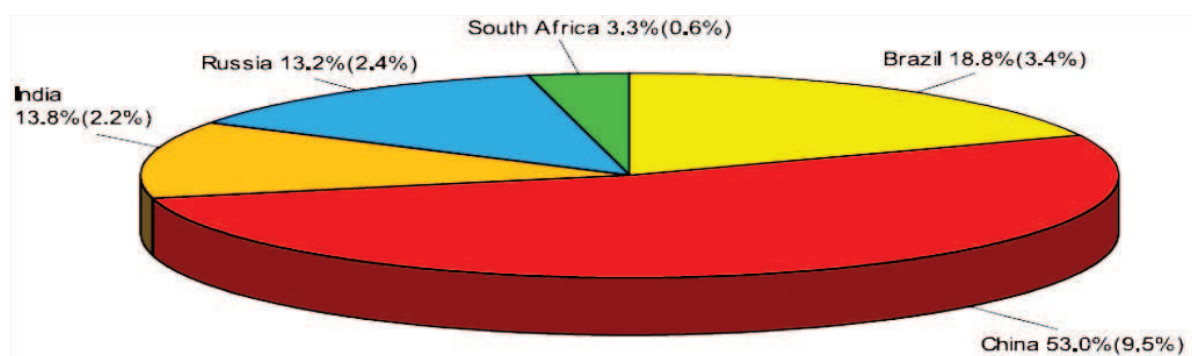
Therefore when South Africa was invited to join BRICS, there was much speculation and discussion on whether or not the country's entry into the grouping was a legitimate fit in relative comparison to the economic prowess of its counterparts, South Africa very noticeably lags behind in being able to yield the same investment and financial indicators as fellow member

states. In global fiscal rankings South Africa is much further down the list than other BRIC states, putting the congruence of BRICS into question.

There exists the perception that there is less commonality between South Africa and fellow BRICS member states, and if by convention the grouping is one based on rising power commonality there would seem to be limited gain in including South Africa, the smallest partner of the group. Commentators sometimes refer to the fortuitous inclusion in the bloc as a great opportunity for the country to “punch above its weight”,

In total BRICS (South Africa included) represents 40% of the world’s population, and close to a quarter of its economic output. In forecasting for growth in these economies (South Africa excluded) predict that by 2020 the bloc will become a economic hegemon whose combined economies will be larger than that of the US at around a possible 25\$trillion. Jim O’Neil the Goldman Sachs manager who originally coined the term BRICS has asserts that in addition four founding BRIC members Mexico, Turkey, Indonesia and South Korea will in total become the eight future growth markets of the world economy.<sup>64</sup> If after all the strongest commonality and prerequisite of the BRICS bloc are similar economic characteristics, than in terms of emerging economic credentials, there are other candidates who merit membership from an economic growth perspective more than South Africa.

#### ***GDP as Percentage of BRICS Total (2010)***



Source: 2011 BRICS Statistical Report.<sup>65</sup>

<sup>64</sup> Zhang, C, O’ Neil Says BRIC Nations No longer Emerging Markets, [http://www.chinadaily.com.cn/china/brics2011/2011-04/13/content\\_12317967.htm](http://www.chinadaily.com.cn/china/brics2011/2011-04/13/content_12317967.htm), April 2011. Last accessed: 12/12/2011

<sup>65</sup> Nunes, E, Ma, J, Das, S, *et al*, 2011 BRICS Statistical Report, <http://www.stats.gov.cn/english/statisticaldata/otherdata/brics2011/P020110412519517071238.pdf>, Jan 2011.

***Table Comparing Indicators of BRICS Countries (2010 Data)***

|                                                              | <b>Brazil</b> | <b>Russia</b> | <b>India</b> | <b>China</b> | <b>South<br/>Africa</b> |
|--------------------------------------------------------------|---------------|---------------|--------------|--------------|-------------------------|
| Total population<br>(unit in millions)                       | 191           | 142           | 1182         | 1338         | 50                      |
| Real GDP Growth Rate                                         | 7.50%         | 4.00%         | 10.10%       | 10.30%       | 2.80%                   |
| GDP- <i>at current prices</i><br>(Est. unit in billion US\$) | 2000          | 1460          | 1300         | 5800         | 360                     |
| Inflow of FDI<br>(Est. unit in billion US \$)                | 46            | 14            | 25           | 105          | 1.5                     |

*Source: 2011 BRICS Statistical Report*<sup>66</sup>

South Africa's economic credentials dwarf in comparison, making it difficult to form a compelling argument based on economic weight, BRIC partners are identified by their structural importance to the global economy with a significant population, markets, proportion of global trade and investment potential.<sup>67</sup> In glancing at the comparisons, South Africa noticeably dwarfs in all these criteria.

However it is important to note that the intentions of the BRICS grouping was to evolve beyond mere economic association in the perception of the global investment community, the BRICS political grouping at summit level is a coordinated attempt to translate combined economic power into international political clout. Therefore accounting for the economic gap between South Africa and BRIC partners are geo-political considerations and diplomatic strategy.

In an effort to consolidate the impression that BRICS is a rising force, the inclusion of South Africa forms from the logic that it will facilitate the BRIC partners' consolidated efforts to push for engagement with Africa. In line with the common vision for a more equally distributed

<sup>66</sup> Loc. Cit

<sup>67</sup> Cooper, A, The Diplomatic Logic of South Africa's Entry into BRICS, World Politics Review: Article, <http://www.worldpoliticsreview.com/articles/8505/the-diplomatic-logic-of-south-africas-entry-into-brics>, April 2011.

multipolar world, the addition of a regional African power boosts legitimacy as a “South-South” grouping thereby increasing the power of a collective voice when speaking on behalf emerging market and developing states; effectively aiding BRICS when dealing with issues of fairness in the global system. Moreover, South Africa has in the past shown itself to be a reliable and present participant in several coalitions with other BRIC members, most notably in the G8 outreach 5, IBSA, BASIC and the G20.<sup>68</sup> In addition to this South Africa, the most diversified economy and largest investor, in the global south, on the Africa continent, with companies active in at least half of all African countries.<sup>69</sup> Thus, from a wider perspective, when it comes to relative comparisons of representatives from each region, South Africa is an apt geopolitical choice as the largest economy in Africa and accounts for a third of total GDP in sub-Saharan Africa; it offers a point of entry into the continent, particularly when it comes to resource exploitation taking into consideration the BRIC propensity to invest.<sup>70</sup> In a mutually beneficial opportunity BRICS markets provide a broader destination for South African goods while at the same time this association provides scope for enhanced cooperation in niche synergies such as agriculture, technology and infrastructure as well as sources of investment capital to further develop corporate expansion projects.<sup>71</sup>

Recent reports by the IMF and the McKinsey Global Institute indicate that Africa’s improved economic potential, based on the current trajectory the continent will reach better prospects in coming decades with enormous raw material reserves, 60 percent of usable arable land, a young population which can be harnessed for increased labor and consumption as well as improved economic governance positions Africa as the new center, or “last frontier” for global economic growth.<sup>72</sup>

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<sup>68</sup> Loc.cit

<sup>69</sup> Xinhua News, South Africa Brings Special Insights into BRICS, Beijing Times, [http://en.ce.cn/subject/brics/brics/201104/12/t20110412\\_22359022.shtml](http://en.ce.cn/subject/brics/brics/201104/12/t20110412_22359022.shtml), 12 April 2011. Last accessed: 10/12/2011

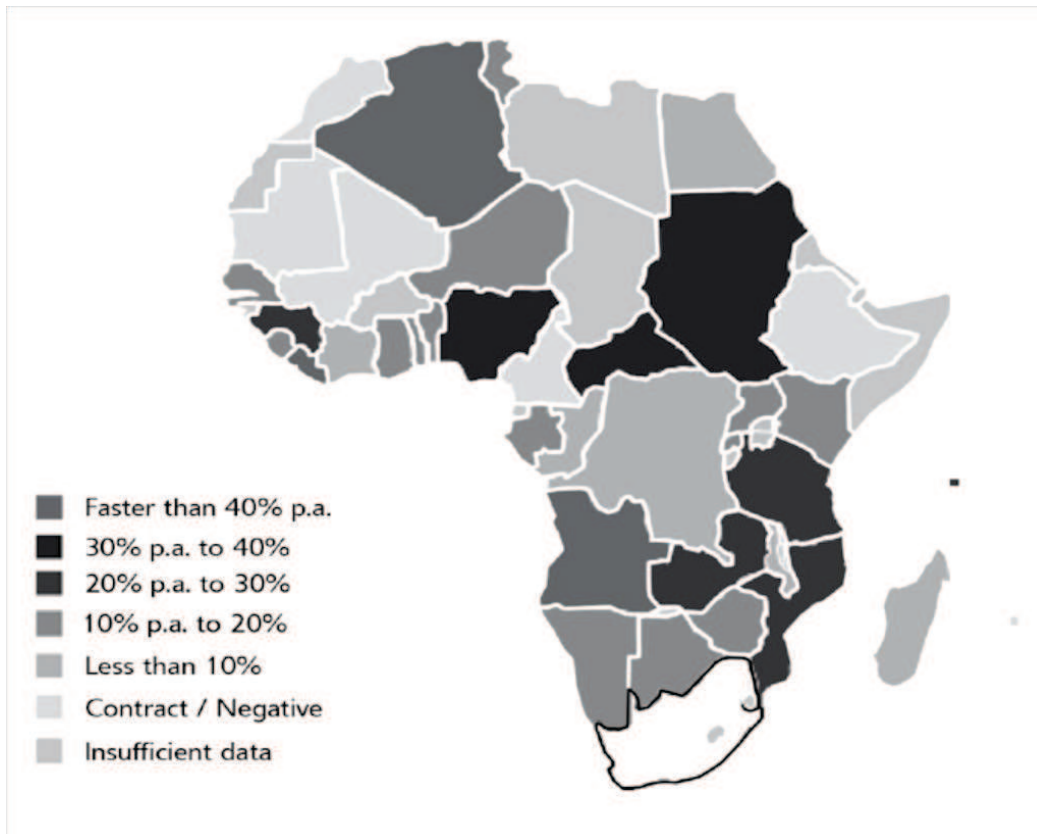
<sup>70</sup> Makwiramiti, A, BRICS: A Friendship of Convenience?, Consultancy Africa, [http://www.consultancyafrica.com/index.php?option=com\\_content&view=article&id=789:brics-a-friendship-of-convenience-&catid=87:african-finance-a-economy&Itemid=294](http://www.consultancyafrica.com/index.php?option=com_content&view=article&id=789:brics-a-friendship-of-convenience-&catid=87:african-finance-a-economy&Itemid=294), 01 July 2011. Last Accessed 05/12/2011

<sup>71</sup> Oxford Analytica, South Africa’s BRICS Membership Will Disappoint, Daily Brief, <http://www.oxan.com/Analysis/DailyBrief/Samples/SouthAfricaBRICSMembership.aspx>, 18 March 2011

<sup>72</sup> Carim, X, “Perspective: Department of Trade and Industry”, in Kornegay, F and Masters, L, From BRIC to BRICS, Institute for Global Dialogue, May 2011. P.79

South Africa was ranked 19<sup>th</sup> by the UN's world investment prospects survey, which examined countries according to their eligibility as host economies for FDI. China was placed first followed by India, Brazil, the US and Russia. Therefore despite the economic disparity, all BRICS countries are considered prime destinations for foreign investment, suggesting an alluring proposition for potential of FDI exchanges between BRICS economies. More importantly, given that Africa's commercial terrain is a difficult landscape to manage the South African corporate sector has an already existing pan-African presence which is attractive to foreign multi-nationals with the propensity to invest and expand on the continent.<sup>73</sup>

### ***South Africa's Growth in Exports to the African Continent Since 2000***



*Source: Standard Bank Research*<sup>74</sup>

<sup>73</sup>Freemantle, S, "Perspective: Standard Bank Is There an IBSA-BRIC Business Future?", in Kornegay, F and Masters, L, From BRIC to BRICS, Institute for Global Dialogue, May 2011. P.99

<sup>74</sup> Loc. Cit

Considering the familiarity of South Africa's corporate sector with engaging in business within Africa, it is viewed as an optimal bridge for international corporate entities, particularly from the BRICS countries to connect more directly in the continent's growth trajectory in terms of business activity.

Therefore the logic of South Africa's inclusion is twofold; the position of South Africa as the prime economy and proverbial leader on the continent provides BRICS with a strategic political and economic conduit. Not only drawing on diplomatic strategy of harnessing an Africa representative but keeping opportunities open for foraging future trade and investment ties as well. However it is important to note that despite the narrative surrounding African credentials enhancing BRICS geopolitical significance, and its perceived influence on the continent and as an economic point of entry that was a major factor which attracted membership into the grouping, it should be noted that regardless of South Africa's political self perception as the continent's representative and spokesperson in the international arena whether or not it truly is able to assume the guise of Africa's collective interests is still questionable.

However it is important to note that as the BRICS grouping gradually and presumably grows into the shoes of a collective future economic hegemon, it will be vital for South Africa to pull its weight amongst fellow partners and demonstrate efficacy; to do this it must be able to offer more than the rhetoric and perception which furthered its initial entrance into BRICS.

### *3.5.2) Atypical Member: Russia in BRICS*

BRICS formation is in itself an obvious group of diverse states, at different levels of development, democratic and non-democratic, and economic standing. As questions are posed on South Africa's economic eligibility to the congruence of the group, Russia must also be picked out as the atypical member. Unlike its fellow BRICS countries, it is not a developing state by the traditional definition. It did not suffer to any degree a subjugation of colonialism or the development challenges that arose thereof, it does not grapple with the novelty of a budding international diplomatic persona nor is it necessarily a genuine regional power considering the power dynamics of the European continent. Russia has remained in a relative degree of segregated participation from major multilateral networks and coalitions. More true to form is

the characterization of Russia as a former superpower, eager to regain a status, therefore to this end what Russia shares with emerging regional powers is the aspiration of dislodging western hegemony in order to gain a greater share of the world stage as its common denominator.<sup>75</sup> Combined BRICS actions and statements strongly reflect the sentiments of the global south and often reach out into the status of south-south cooperation. Despite this Russia was a vital driving force behind the formation and continued gathering of BRICS, stems largely from its individual interest, multilateral networks help aid its ambition to pursue a more prominent role in the international system by mitigating its isolation. Therefore Russia's congruency with developing world sentiments is strategically etched into the need to obstruct western international agendas in a effort to forward its own.

### 3.6) Overview of Current Relations between China and South Africa

In the past few years increase exchanges on all levels had grow exponentially between China and South Africa, as expected with budding economic interaction, diplomatic engagements and political agreements thereof have also further developed. Since the Pretoria declaration on establishing a partnership between the two countries, a more concise strategic partnership was developed in 2004, followed by the elaboration on this in the program of cooperation on deepening the strategic partnership between China and South Africa in 2006. Concurrent to increased and expected growth of trade and investment, both respective governments sought to further solidifying and coordinated bilateral engagements through forming the comprehensive strategic partnership in 2010, which can be assumed to be one of the determining factors in the prelude to South Africa's invitation into BRICS at China's insistence.

#### *3.6.1) Comprehensive Strategic Partnership*

From the 23<sup>rd</sup> to the 26<sup>th</sup> of August 2010 China and South Africa further developed bilateral relations by upgrading to adopt a *comprehensive strategic partnership*. The declaration that emerged was one that reiterated but also further defined past diplomatic rhetoric.

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<sup>75</sup> Laidi, Z, "The BRICS Against the West", CERI Strategy Papers, *Sciences Po*, No. 11, November 2011. P.9

In the high level exchange between President Zuma and President Hu, the declaration articulated the enhancing of future strategic bilateral dialogue through annual ministerial meetings between China's Ministry of Foreign Affairs and South Africa's Department of International Relations and Cooperation to be held in addition to the two year bi-national commissions. In the sphere of economic cooperation a joint working group will be established under the joint economic and trade committee to study statistical discrepancies in bilateral trade, whilst China has pledged to support South Africa's manufacturing industry through increased investment and to promote value added activities. Additionally, companies will be encouraged to look into cooperation for infrastructural projects.<sup>76</sup>

With regards to international and regional affairs, both countries have reaffirmed their commitment to promote and protect multilateralism as well as enhance the representation of developing world countries in international financial institutions. Furthermore, special mention is made about the G20 voicing support for concerted effort towards developing world representation in addressing and facilitating global economic recovery. And in relation to respective agenda based multilateral forums, China expressed support for South Africa's initiatives in the AU, the implementation of NEPAD, and participation in other Regional Economic Organizations. Special mention of the Forum for China Africa Cooperation (FOCAC) was also made articulating China's undertaking to enhance institution building and implementation of FOCAC programs, and acknowledging South Africa's offer to host the 6<sup>th</sup> ministerial conference in 2015.<sup>77</sup>

The current declarations between the two countries epitomize a new precipice in relations and heightened interaction, as economic engagement is further facilitated and solidified by diplomatic engagement and the policy agreements stemming from these interactions.

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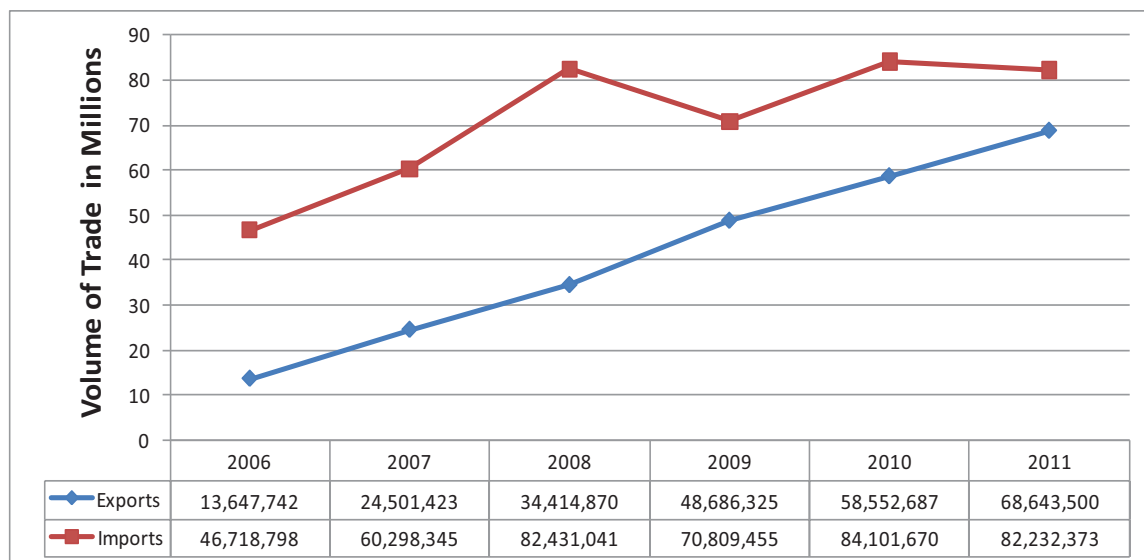
<sup>76</sup> Department of International Relations and Cooperation, Beijing Declaration on the Establishment of A Comprehensive Strategic Partnership between the People's Republic of China and the Republic of South Africa, Official document, 24 August 2010.

<sup>77</sup> Loc. Cit.

### 3.6.2) *A Crescendo in Sino-South African Economic Relations*

Since the formal establishment of relations in 1998 and the creation of the bi national commission in 2001, trade and investment between China and South Africa has grown exponentially. Increased economic relations between two countries acts as both a prelude and obligatory basis for increased bilateral ties on a political level, ultimately trade provides an opportunity for both sides to reap individual benefits. And can be considered as the cornerstone in the foundation in China's relationship with South Africa, notwithstanding the diplomatic strategic usefulness of being in good relations.

***Graph Showing South Africa's Trade with China***

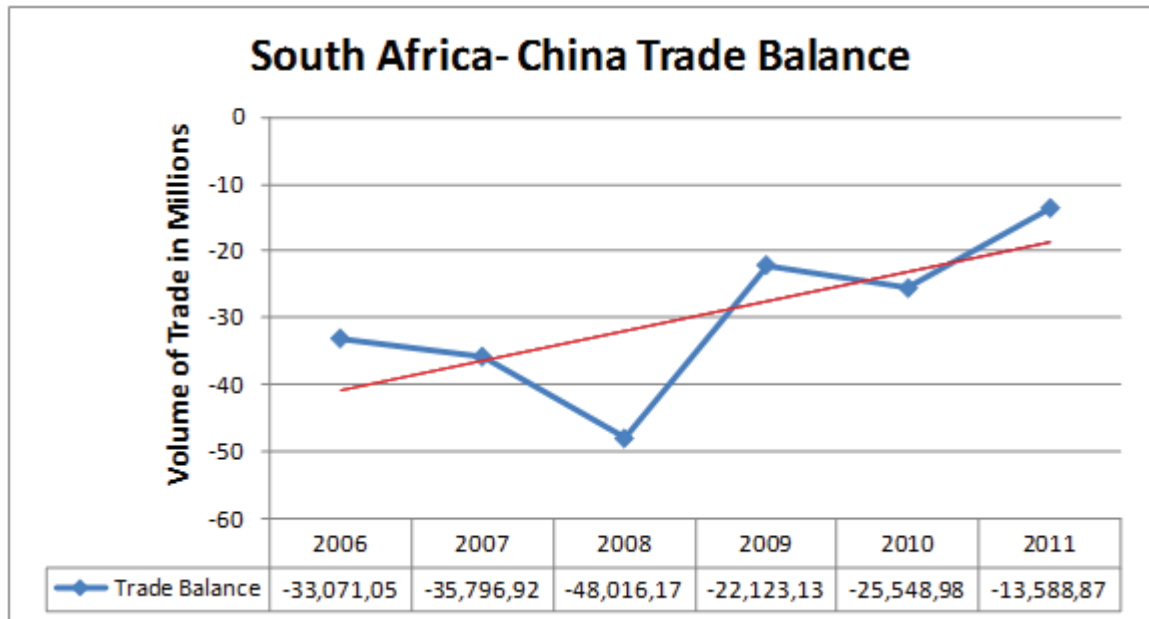


Source: Department of Trade and Industry<sup>78</sup>

The exponential growth of trade between the two countries can be highlighted through the rise in exports and imports. In 2006 South African trade with China totaled US\$13.6million in exports and US\$48.7million in imports, by 2011 exports and imports totaled US\$68,6million and 82.2million respectively. In terms of trade composition exports to China includes chromium, manganese, copper, coal, nickel and aluminum. While imports from China mostly included manufactured electronic and industrial devices categorized as machine parts and accessories, and data processing machines.<sup>79</sup>

<sup>78</sup> Graph formatted from data available from the DTI. See reference 79.

<sup>79</sup> Department of Trade and Industry, South African Trade by Countries- China, 2007-2011, <http://apps.thedti.gov.za/econdb/raportt/RA6483.html>, Last accessed: 15/12/2011



Source: Department of Trade and Industry<sup>80</sup>

As trade increases with China the trade deficit between the two countries has shown a steady decrease in recent years, with the trade gap gradually growing smaller. However it is important to note that while the reduction of trade deficit is promising, the composition of trade is equally as important. South African exports are still primary by nature and included only a limited amount of value added and manufactured goods, on the other hand China's imports consist almost entirely of manufactured or secondary goods.

The two countries have established a bilateral mechanism under the bi national commission for trade and investment cooperation, where issues such as trade imbalance, are regularly discussed through the Joint Economic and Trade Committee (JETC).<sup>81</sup> With regards to investment, Chinese investment in South Africa is in excess of R37billion since 2003, roughly R3.8billion of which is focused on metals. In 2008 the Industrial and Commercial Bank of China purchased 20percent of Standard Bank for R43billion. South Africa ranks second in China's mining investment in Africa, behind the Democratic Republic of the Congo. Whilst South African companies such as Naspers,

<sup>80</sup> Graph formatted from the available data, *Loc. Cit.*

<sup>81</sup> Department of Trade and Industry, *China Country Briefing*, [http://www.dti.gov.za/parliament/052610\\_Briefing\\_1\\_China.pdf](http://www.dti.gov.za/parliament/052610_Briefing_1_China.pdf). 2010. P. 4

AngloGold, First National Bank, and SAB miller have investments in China which total roughly US\$600million.<sup>82</sup>

In March 2010, the SA-China Economic and Trade Forum which was held in Pretoria, saw companies from both countries partake in a contract signing ceremony amounting to a total of US\$ 311 million.<sup>83</sup> Trade and investment play an imperative role to political relations both in the bilateral China-South Africa engagement and on a larger level between fellow BRICS states. Much like other African Countries such as Tanzania, Ghana, Nigeria and Ethiopia, China features as the largest trading partner of South Africa.

South Africa, on the other hand does not feature on China's top 5 trading partner's list which includes the EU, US, Japan and South Korea. Amongst the other top ten African countries that trade with China: Angola, Nigeria and Sudan all of which are oil based in exports, South Africa is China's second largest Africa trading partner (behind Angola) and holds the unique position in being the largest trading partner with a diversified economy accounting for 18% of China's total trade with Africa.<sup>84</sup>

Therefore despite the waning of the trade deficit, in terms of unadulterated economic leverage South Africa is still in an obligatory position with its largest trade partner, however in terms of political and economic tact South Africa offers a amicable and reliable partner in the region and thus, from a broader perspective is able to yield a small leverage against China's economic incentives.

South Africa's diplomatic actions and incorporation with the business sector in its engagement both on bilateral and multilateral level with China and BRICS reflect the awareness of the potential gains in strengthening economic relations through available opportunities. President Zuma arrived in Beijing prior to the signing of the *comprehensive strategic partnership agreement*, with a 350 strong delegation of business leaders representing companies across

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<sup>82</sup> *Ibid.* P.6

<sup>83</sup> *Ibid.* P.7

<sup>84</sup> Yong, L, *China's Trade Rush with Africa*, Forum on China Africa Cooperation, <http://www.focac.org/eng/zfgx/t820242.htm>, April 2011.

Last accessed: 14/12/2011

sectors. With over a dozen bilateral agreements signed on this occasion.<sup>85</sup> The state visit was kick started with the meeting of the South-Africa China business council, where President Zuma emphasized the expansion of foreign trade for South Africa is a means in pursuit of the ultimate goal of improving the standards of living. Economic growth is viewed as a catalyst to achieving development goals, and therefore in relation to domestic goals China's partnership in economic interaction is clearly outlined.<sup>86</sup>

These actions and diplomatic statements are illustrations of South Africa's willingness to take advantage of new trade and investment opportunities. The independent initiative indicates clearly defined domestic objectives as ends to the means of fostering foreign trade with China.

### *3.6.3) China's Clout in South Africa's Ascension to BRICS and Respective Individual Benefits*

South Africa's insistence in joining BRIC can be traced back to the 2009 summit in Russia where through private diplomatic communication President Zuma requested that member states consider including South Africa as an African representative in the grouping. It was however, not until the comprehensive partnership meeting in Beijing that President Hu formally accepted South Africa's request shortly followed by an official invitation.<sup>87</sup>

Entry into BRICS was collectively agreed upon by all members, though it is palpable to see the strategic individual benefit that both China and South Africa gain from this arrangement in terms of political tactic and economic prospects. For China benefits in a public diplomacy, inviting South Africa into BRICS as a partner will help counter continuing negative accusations of neo-colonialist resource exploitation by reaffirming the willingness to include and show consideration for African representation.<sup>88</sup>

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<sup>85</sup> Consulate-General of the PRC in Cape Town, China, South Africa Upgrade Relations to "Comprehensive Strategic Partnership", <http://capetown.china-consulate.org/eng/gdxw/t726883.htm>, 24 Aug 2011. Last accessed: 14/12/2011

<sup>86</sup> Speech by President Zuma, Address by President Zuma to South Africa-China Business Forum, Beijing, <http://www.dfa.gov.za/docs/speeches/2010/jzum0824.html>, 24 Aug 2010.

<sup>87</sup> China Interview: World Dialogue, Transcript of Interview with Malcomson Representative at the South African Embassy, <http://www.focac.org/eng/zfgx/t808932.htm>, 23 March 2011. Last accessed: 15/11/2011

<sup>88</sup> Oxford Analytica, Op. Cit

Bringing in South Africa to the cluster can be seen as a further consolidation of bilateral relations both on an exclusive basis and in non-exclusive multilateral basis. In other words the kinship with South Africa can be leaned on to China's benefit in related multilateral forums such as FOCAC and BASIC, giving China a useful partner and obligatory supporter, furthermore the incorporation of all IBSA countries into BRICS ensures that China (along with Russia) is able to steer developing world agenda through the influence of this grouping. China's persuasion in BRICS allows it to cast a shadow of influence over IBSA thereby maintaining position as the global chief manager in guiding rhetoric and action on behalf of the developing world.

In China-South Africa relations and its multiple extensions into BRICS, FOCAC and to a lesser extent BASIC, China has political capital with its engagement with the rest of Africa. And fits squarely into the narrative of China's Africa Policy, using South Africa as a strategic lynchpin, as illustrated by attempts through diplomatic declaration, in the *comprehensive strategic partnership agreement*, to further integrate South Africa in FOCAC through uniting on issues of development. And in line with China's economic aspirations, South Africa's corporate sector is an important player in trade and investment within and beyond the SADC region, with an annual amount of investment at an estimate US\$ 1.4 billion. South Africa holds a strong position in regions' finance, power generation, telecom, construction and agricultural sectors. Thereby offering corporate entities with networks and learnt experience in operations which China-BRICS related capital can help fund and further elaborate.<sup>89</sup>

On the peripheral concerns of international disapproval for China's contribution towards pollution, enhanced multilateral engagement with South Africa further reinforces the bonds in the BASIC grouping, allowing a buffer against developed world's apprehension on agreements over climate change. In retrospect of the past short term, the invitations of South Africa to become a fully fledged member seems premeditated in timing ahead of the Copenhagen 17 conference, and temporary term on the UN Security Council.

On the other hand for South Africa, there too lie individual benefits. South Africa wants to be a part of an active force in the reshaping of the global order, reinforcing the existing and future

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<sup>89</sup> China Times, China-South Africa Cooperation Under BRICS Framework, <http://www.focac.org/eng/mtsy/t816478.htm>, 04 April 2011. Last accessed: 14/12/2011

bilateral engagement with these four countries. As the economic and political prowess of BRICS grows, so will South Africa's influence on the continent by association to it. Though there may be some potential strain in this arrangement as South Africa's individual interests in many parts differ from its neighbors. In principle, belonging to BRICS, allows South Africa new opportunities to trade and investment as it deepens a linkage with global growth centers. With support from China, under a multilateral trade framework that is ongoing in its definition, there is potential in linking up specific industries such as agriculture, manufacturing, infrastructure, minerals beneficiation between South Africa and BRIC partners.<sup>90</sup> Additionally, in terms of political prestige, BRICS membership allows South Africa to reassert its position as regional leader in the international arena.

Moreover, hypothetically South Africa, though not as immense as fellow rising powers, is still thrown up against the same threshold as other BRICS member states when it comes to formal and informal constraints in the international system. Membership of this group allows a platform to voice concerns and eliminated future possible impediments to be encountered on the path of South Africa's economic growth. The current relative amorphous tendency of the group can be ironically beneficial to a newcomer member state, as it affords leniency to shape the ever changing agenda and functioning of BRICS. Essentially allowing South Africa, and by loose extension Africa, a handle in being able to define a part in where it fits into the ever changing global order.

### 3.7) BRICS versus IBSA: Preclusion or Propagation?

Though BRICS has diverted much attention as a new consolidated centre of cooperation amongst dominant states of the global south, its emergence was preceded by the middle power grouping of India-Brazil-South Africa (IBSA).

IBSA was launched in 2003, and much like BRICS, was intended to be a forum for dialogue and cooperation where countries could collectively tackle the common agendas of influencing change in the global economy and restructuring institutions of global governance. A club of like minded democratic regional powers, IBSA has seemingly lost momentum over the years and

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<sup>90</sup> Oxford Analytica. Op. Cit.

particularly and since the recent formation of BRICS its future as an effective block has been put into question. In the analysis surrounding BRIC (before the inclusion of South Africa), there remained the projecting concern that BRIC would marginalize South Africa and divide south-south cooperation as Brazil and India would most likely side with more powerful states of China and Russia. However the IBSA-three countries now exist as an informal fraction within BRICS, posing the question about whether or not BRICS will overshadow IBSA to a point of preclusion, rendering the IBSA forum to be redundant and obsolete or if the dual existence and functioning of both will be successfully incorporated into mechanisms which assist in propagating and coherently coordinated the agendas of the countries involved.

On the one hand, South Africa's inclusion in BRICS ensures dual participation in both IBSA and BRICS thereby nullifying the potential of marginalization from international groupings; however the influence of bigger players such as China and Russia may disintegrate the cohesiveness of the IBSA-three countries effectively rendering the IBSA group unnecessary due to the similar objectives of the two groupings.

The IBSA group has its origins at the G8 Evian Summits in 2003, subsequent to India, Brazil and South Africa being invited as developing world participants to the summit, the IBSA dialogue forum was established in 2004. The forum has since met five times at summit level to discuss issues of trade and other international issues of mutual concern. IBSA has an informal structure, without a official secretariat, a method of engagement which BRICS has also followed with its structure and grouping. Stemming from the lack of a permanent secretariat both IBSA and BRICS rely on multiple factors of engagement through wide latitude of sectors in encouraging increased multilateralism between the countries. IBSA having been the older forum of the two, has had time to develop and evolve in the way it functions as a forum, by practice IBSA has established three pillars approach. First, are the political forums at summit level which issue declarations and communiqués, conveying the countries' shared opinions on main issues. Second, are working groups which include forums that span across different topics ranging from trade and business, media to gender issues. Third is the IBSA facility fund, designed to finance

development projects in developing countries, the fund is managed by the UNDP and has assisted in poverty alleviation projects in Haiti, Burundi and Timor-Leste amongst others.<sup>91</sup>

Trilateral trade is one of the main concrete areas of cooperation where visible results have been achieved, with trade increase between the three countries rising from \$3.9 billion in 2003-2004 to approximately \$10.4 billion in 2007-2008. Discussions are still ongoing for the formation of trilateral trade arrangement between the three countries.<sup>92</sup>

Though there is a fare amount of overlap between IBSA statements and the objective announced in BRICS meetings, IBSA's aspirations for change and greater representation for the global south in international organizations is also largely reverberated by BRICS, therefore in this regard India, Brazil and South Africa through the combined weight of BRICS may be able to exert more influence by having their agendas in international organizations such as the UN and WTO being jointly represented by China and Russia in BRICS. IBSA has its own sectoral working groups who have established a method of engagement on their own accord regardless of this similar repetition in the BRICS arena, therefore the functional cooperation fostered will mostly likely be maintained considering the time and effort invested in the IBSA initiative. Furthermore one distinct feature of IBSA which is largely absent in BRICS is the IBSAMAR, the India, Brazil and South Africa Naval Exercises,<sup>93</sup> with security cooperation in defense for the purpose of education and training. Essentially IBSA and BRICS are not coalitions which represent and either/or zero sum option for their member states.<sup>94</sup> Therefore there lies the potential to in managing IBSA's agenda so that it is complementary to that of BRICS, whilst still maintaining relevance for the dialogue forum.

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<sup>91</sup> Sotero, P, Emerging Powers IBSA and the future of South- South Cooperation, *Special Report: Woodrow Wilson International Centre for Scholars*, August 2009. P.4-6.

<sup>92</sup> Ibid. P.5

<sup>93</sup> SAIIA Diplomatic Pouch, All Hands on Defense at IBSA Summit, <http://www.saiia.org.za/diplomatic-pouch/all-hands-on-deck-for-defence-at-the-ibsa-summit-rethinking-south-africa-s-position.html>, April 2010. Last accessed: 12/11/2011

<sup>94</sup> Kornegay, Op. Cit., P.27

## **Chapter 4: BRICS in the 2011 United Nations Security Council**

### **4.1) Introduction**

The United Nations Security Council essentially serves as the principle organ of global governance in the international arena, in 2011 the BRICS member states held seats on the UNSC. Permanent members Russia and China were accompanied by Brazil, South Africa and India, serving temporary rotating terms. Analysis of actions and statements made within the United Nations Security Council (UNSC) for 2011 is particularly poignant considering that BRICS all encompassing presence in the highest body of the UN shows reminiscence of whether or not there is a degree of cooperation matching the new emerging concerted rhetoric of these countries. The council can be viewed as a microcosm representing the push and pull dynamics of global geopolitical conflict and cooperation, with the potential to shape the future strategic landscape. Considering BRICS fundamental intentions of the pursuit of instilling global south interests, an all inclusive BRICS-UNSC can be viewed as a testing ground for efficacy of the multilateral strategic partnership in regard to how successful they are to advancing each of their own individual agendas in tandem with the Security Council and fellow multilateral BRICS partners. Intertwined in this process, the nature and credibility of the foreign identities of the new members of the UNSC is also tested. As the IBSA three has had to navigate the traditional western powers of the US, UK and France balanced with their pseudo coalition partners of China and Russia.<sup>95</sup>

The long standing narrative of Brazil, India and South Africa in pursuit of Security Council restructuring is yet to be seen. Although the presence of BRICS in the UNSC prompts the discussion of whether or not the rising influence of IBSA three countries is ever more present in the UNSC would naturally instigate any concerted effort to follow through on the rhetoric.

For South Africa more specifically, the international context in which it takes the second tenure on the Security Council has changed significantly. With the concurrent interplay of the increased bilateral ties with China and multilateral ties with other BRICS states being balanced with mounting self perceived expectation to lead an African agenda in tandem with Nigeria, whose presence is an added dynamic to maneuver as it too attempts to drive the interests of the

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<sup>95</sup> Kornegay, F, Op. Cit. P23-24

continent forward. Moreover, South Africa has also attempted to bear the burden of correlating Africa Union decisions with countries' whose crisis are concurrently brought to the UNSC.

2011 has proven to be a particularly challenging year for the international community in regards to maintaining global peace and security amidst a series of uprisings and revolutions across North Africa and the Middle East. The Jasmine Revolution in Tunisia was the catalyst of the Arab Spring which eventually saw mass protests and reactive violent suppression across at least fifteen countries.<sup>96</sup> In this context, of particular importance was Libya and Syria, both of whom necessitated Security Council action in regards to the repercussions of violent uprisings in their respective countries. In addition to the happenings of the Arab Spring, the conflict in Sudan change course as South Sudan became the newest recognized independent state in the world. As a result of the events in 2011, a much debated topic of *protection of civilians* became a prominent subject of discourse across several issues and draft resolutions that came before the Security Council.

Of the 66 resolutions adopted by the UNSC this year, 40 of them concerned Africa, while 115 out of 213 of the public meetings convened dealt with issues related to the African continent. In addition to the much focused upon events of the Arab spring, resolutions were passed on both South Sudan. Considering that South Africa has positioned itself explicitly and implicitly as the representative and leader for Africa issues in the global arena. UNSC activity in 2011 provides an enclave of analysis for South Africa's foreign policy in action. With Sino-South African bilateral relations reaching a new precipice, this dynamic combined with the newfound proverbial grouping of the BRICS states provide a relevant basis of analysis for voting activity amidst conflict and accommodation in the UNSC.

The 2011 rotating non permanent council members in addition to South Africa, India, Brazil also included Colombia, Germany, Bosnia and Herzegovina, Gabon, Lebanon and Nigeria, Portugal. As of January 2012 the newly elected countries of Azerbaijan, Guatemala, Morocco, Pakistan and Togo will begin their two-year terms replacing Bosnia and Herzegovina, Brazil, Gabon, Lebanon and Nigeria. Whilst Russia and China remain as permanent and veto members on the

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<sup>96</sup> Namely Algeria, Bahrain, Egypt, Iran, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Saudi Arabia, Syria, Yemen and Tunisia.

council, Brazil has just concluded its tenth tenure on the UNSC, in equal standing with Japan as one of the most frequent non-permanent members. India is currently serving for the seventh time whilst it remains South Africa's second tenure since the 2007-2008 rotation.<sup>97</sup>

South Africa's voting behavior during its first tenure on the UNSC sparked widespread criticism for failing to demonstrate congruence with international expectations of the country to uphold perceived principles to human rights and democracy. Much of the commentary during the previous tenure cited growing economic relations with China as a possible reason for voting decisions taken, implying that a *quid pro quo* dynamic was being played in the background.

South Africa's current tenure has thus far been marked with criticism for indecisiveness in foreign policy objectives specifically in relation to Libya. The series of events which unfolded through a wave of uprisings, as far as the BRICS dimension to UNSC voting goes in the case of Libya South Africa was seen to be largely out of synch with not only the BRICS grouping but the expectations of the international community as a whole. This chapter analyses the voting behavior and diplomatic positions of BRICS member states over the three main issues of Libya, Syria and Sudan before the UNSC, by fleshing out Security Council resolutions and statements made by official representatives at its meetings. Examining on the level of cooperation taken between South Africa and China as well as amongst BRICS states at the UNSC for 2011, showing that as the year progressed a stronger sense of cooperation arose which was particularly evident in the difference of unity shown and expressed between the crisis of Libya and Syria.

The China-South Africa nexus is evident in the combined cooperation in political stance and voting positions in the Security Council which has been further amplified by the enhanced assistance of other BRICS states. There is indication of a fair degree of yielding to each other's agendas, where in Libya's case both China and Russia conveyed their disapprove through abstentions, along with Brazil and India, and choose not to block the *no fly* resolutions to which South Africa had voted "yes" and initially supported. In the case of Syria, South Africa had strongly supported Russia and China's apprehension on the intended reimplementation of a Libyan *no fly zone* demilitarized model as a infringement on sovereignty, which too had the

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<sup>97</sup> UN Department of Public Information, Security Council 2011 Roundup, <http://www.un.org/News/Press/docs/2012/sc10518.doc.htm>, 12 January 2012. Last accessed:12/01/2012

backing of India and Brazil both in the form of abstentions and diplomatic rhetoric before the Security Council. All BRICS states explicitly commended South African led AU efforts, on the referendum and subsequent separation of North and South Sudan, an issue which has been ongoing since South Africa's first tenure on the Security Council.

In the previous opportunity to examine cooperative behavior between China and South Africa on the UN Security Council, there existed a fair amount of congruency in the perspective taken on the issues which came before the council, the common stance was a combination of individual agendas which remain on the same side of the coin, in addition to a general developing world solidarity present in the reactive resistance of western led agendas in the global south. 2011 was the second tenure in which China and South Africa's simultaneous presence on the Security Council was accompanied by fellow developing world leaders of Brazil and India, in addition to Russia had resulted in a BRICS five member strong grouping within the UN.

#### 4.2) China and South Africa Concurrent Membership: Past Reputations on the UNSC 2007-2008

During the previous concurrent membership of both South Africa and China in 2007-2008, several pivotal human rights cases concerning various countries had come before the council. China's voting behavior, though still provoking criticism is often anticipated by human rights activists in international civil society. However South Africa's voting behavior in the previous tenure concerning several key cases had sparked a storm of negative criticism often citing a surrendered bilateral relationship with China as one of the explanations for the synergies in voting.

Considering the numerous cases involving African countries or thematic debates which are strongly relevant to the continent, both South Africa and China's position are placed from unique perspectives balancing self interest and the maintenance of wider relations. The 2007-2008 tenure provided cases which would affect the interests of the two countries. Controversial voting over resolutions for Myanmar, Zimbabwe and Sudan had become the focal point for highlighting developing world resistance to sanctions in the UNSC, and the struggle for the pursuit of their respective agendas.

In review, though neither India or Brazil were on the UNSC for 2007-2008, although individual agendas may differ, many of the synergized voting patterns of China and South Africa were also mirrored by Russia indicating the probability of a general position being formed in the UNSC against western developed states by leaders of the global south.

#### *4.2.1) Zimbabwe*

Prior to the power sharing agreement between Robert Mugabe and Morgan Tsvangari, the situation in Zimbabwe was considered of grave humanitarian concern by western states. A draft resolution had come before the UNSC in July 2008 attempting to place sanctions and travel bans on Zimbabwe and its' top officials. The resolution was sponsored by the US and the UK, and vetoed by China and Russia.<sup>98</sup> South Africa had too voted no to the resolution citing that it was a member of the efforts in the AU and Southern African Development Community (SADC) which were instigating their own process to quell the situation. South Africa's proverbial African leadership position was an obvious factor in disagreeing with the resolution, rather prioritizing the agreements made through regional led efforts than endorse a western proposed punitive action which would have been received with great resentment and undermined the then ongoing SADC mediation process.<sup>99</sup> The growing trade relationship between China and Zimbabwe at the time was also an undeniable factor in affecting Chinese agenda, by proxy China's diaspora economic interests needed a safeguard, in addition to fleshing out cooperation with South Africa in the international arena. Therefore the congruency shown in disapproving sanctions on Zimbabwe was a combination of individual interests which translated into a cooperative common stance.

#### *4.2.2) Myanmar*

Of similar international condemnation was Myanmar's totalitarian regime, which has long been considered to enjoy the buffer of China's guardianship in the global arena. Though significant progress regarding the country's improvements towards democracy has been made since South

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<sup>98</sup> BBC News, Zimbabwe Sanctions Vetoed, <http://news.bbc.co.uk/2/hi/7502965.stm>, 12 July 2008. Last accessed: 07/02/2012.

<sup>99</sup> Masters, L, South Africa in the UN Security Council 2011-2012, Institute for Global Dialogue, 18 November 2010. Pg. 13-14.

Africa's first tenure, the UNSC held an emergency session in January 2007 to consider a joint call for sanctions initiated by the US however Russia, China and South Africa had all voted against sanctions citing similar reasons. That Myanmar's situation was not considered a threat to international peace and security which is the ultimate intended purpose of the Security Council, reinforced by the argument that even ASEAN had declared the situation was not going to be a threat to the region.<sup>100</sup> In rhetoric, South Africa had made the vote based on principle, reasserting its stance against the perceived misuse of the UNSC beyond its mandate. However its vote against sanctions in Myanmar could have been equally influenced by increasing bilateral trade with China, choosing not to take an antagonistic stance on issues which did not directly affect South Africa's national interests. From China's strategic vantage point, it was and remains Myanmar's biggest trading partner, a bilateral trade which holds key prospects for China's procurement of oil and gas.<sup>101</sup> Both China and Russia repeated the position that involvement in the internal affairs of another country could not be supported, reinforcing the explanation of general opposition of the resolution being influence by principle on enforcing the integrity of state independence.

#### *4.2.3) Sudan*

Prior to South Sudan's independence, the conflict in Sudan epitomized by the genocide in Darfur necessitated international action in finding a solution. Differing views both among African states, and between African and Western states was a point of contention, though a Comprehensive Peace Agreement had existed since 2005 states were still struggling over its actual implementation. Stemming from a investigation on accusations of war crimes and genocide in Sudan, the International Criminal Court (ICC) had chosen to indict Sudanese President Omar Al Bashir. The AU, along with China and Russia had long shown reluctance over the endorsement of drastic actions against Sudan in order to affect change.

However unlike their previous non-affirmative positions on human rights issues in Myanmar and Zimbabwe, both China and South Africa voted for resolution 1769(2007) on Sudan. The

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<sup>100</sup> *Loc. Cit*

<sup>101</sup> US Department of State, *Burma*, <http://www.state.gov/r/pa/ei/bgn/35910.htm>, 03 August 2011.  
Last accessed: 07/01/2012

document authorized the formation of an AU-UN hybrid peacekeeping mission in Darfur, which was unanimously passed by the UNSC. Both China and South Africa had supported the text because despite disagreement with Western states over the handling of punitive measures on Sudan, the document called for a objective peacekeeping mission with the sole purpose of the protection of civilians in the Darfur region.<sup>102</sup> As it was endorsed by the AU, South Africa was in full support of the mission, China considering its African engagement and need to maintain a relatively amicable international image prior to the Olympics had too supported it.

However the split over Sudan in the UNSC became most apparent when the ICC indictment of President Omar Al Bashir came to light. South Africa in tandem with most African countries had strongly opposed it. In closed door discussions at the Security Council, South Africa along with Libya, China and Russia wanted to defer the indictment saying that it would endanger prospects of peace in the Darfur region.<sup>103</sup> South Africa's diplomatic efforts in the Darfur peace process would have been further jeopardized if it is was seen to have supported the indictment, additionally China's oil and resource trade with Sudan may have been hindered as the endorsement of this indictment was a step too far in antagonizing relations with Sudan. Furthermore China had to support the opinion of the AU in order to maintain its marketing as a development partner of Africa.

Much of the prior congruency in voting between China and South Africa on the UNSC was motivated by a combination of individual agendas culminating in a common position, in addition to an already existing bilateral relationship based strongly on the rhetoric of mutual cooperation. However it is also important to note that for the most part Russia had taken a similar stance on all the relevant issues, pointing to a general comparable perspective amongst rising and developing states of the global south. The dimension of BRICS presumably adds impetus to this common stance. Upon analyzing South Africa's second tenure on the UNSC, which coincidentally falls in the same rotation group as India and Brazil, has sparked a familiar level of criticism for recent voting decisions taken.

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<sup>102</sup> UN Department of Public Information, *Security Council Authorizes UNAMID*, 5727<sup>th</sup> Meeting, <http://www.un.org/News/Press/docs/2007/sc9089.doc.htm>, 31 July 2007. Last accessed: 04/01/2012

<sup>103</sup> News from Africa, *UN Security Council Split over Bashir Indictment*, [http://www.newsfromafrica.org/newsfromafrica/articles/art\\_11247.html](http://www.newsfromafrica.org/newsfromafrica/articles/art_11247.html), July 2008. Last accessed: 02/01/2012

### 4.3) Libya

The past conflict in Libya was a source of much international attention, out of all the countries in North Africa and the Middle East it was the only uprising which escalated into full blown civil for in 2011.<sup>104</sup>

#### *4.3.1) History of Qaddafi Rule in Libya*

Moammar Al Gaddafi led the military coup against then King Idris of Libya in 1969, thus commencing a drastic restructuring of the Libyan regime using his self penned *Green Book* as a political anthology for principles and ideology Al Qaddafi oversaw the redistribution of land and wealth, reallocating oil revenues by instilling a gradual network of nepotism over the decades, distributing members of his tribe, extended family and loyal supporters in key government and military positions managing a loosely decentralized power buffer against his opposition.<sup>105</sup>

The most notorious feature of Libya's foreign policy was its confrontation with the United States over the years. Having long characterized by the West as backing separatists, Islamic movements and terrorists groups as legitimate parties seeking self-determination, Libya was on the United States' list for states that sponsored terrorism until a gradual rapprochement of relations occurred between the two countries in 2003. Nevertheless, despite the improvement of Libyan relations with the international community in recent years, domestic grievances remained a ubiquitous source of discontent for the general civilian public.

#### *4.3.2) Overview of Libyan Uprising and Civil War*

Following the international coverage of the Tunisian Jasmine revolution in December 2010, sporadic uprisings in Libya began the following month eventually culminating in February as several hundred protestors took to the streets of Benghazi resulting in the "day of rage" as protestors defied violent crackdowns by the Libyan government. The National Transitional

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<sup>104</sup> *Save for the potential escalation in Syria which overlaps into 2012*

<sup>105</sup> Blanchard, C, Libya: Background and US Relations, *Congressional Research Service Report*, <http://fpc.state.gov/documents/organization/109510.pdf>, August 2008. P.3-5.

Council took over Libya amidst the upheaval claiming temporary leadership of the country for the duration of the process of ousting Qaddafi's leadership.<sup>106</sup> In the escalation of social unrest rebels and pro Gaddafi forces battle for strongholds of main cities and oil reserves in the country, the astronomically sudden and severe nature of internal conflict results in the matter being put forward to the Security Council. Totalling 19 formal meetings during the conflict's duration, the first resolution was passed unanimously on the 26<sup>th</sup> of February.<sup>107</sup> Resolution 1970 was the UNSC's attempt at swift reaction to the situation in Libya and demanded an end to violence and suppression of civilians, with a referral of the matter to the ICC and placing all encompassing sanctions of an arms embargo as well as asset freeze and travel ban on officials in Libyan leadership. The sentiments expressed by state representatives on the Council began as largely undivided; as all members including BRICS states conveyed general concern and condemnation for the violent suppression in Libya.<sup>108</sup>

#### *4.3.3) Resolution 1973 and the "No Fly Zone"*

As the conflict continued, the most notable of all resolutions passed in 2011, was the adoption of resolution 1973 on the 17<sup>th</sup> of March. Stressing the need to protect civilians under threat of further attack by the government forces of the Libyan Arab Jamahiriya, attached to which the official no fly zone was implemented. Where all flights in the airspace of Libya was banned to prevent aerial attacks on civilians, with the exception of plane flights were related to assisting civilians or evacuating foreign nationals. Particularly noting respect for the League of Arab States in acknowledging the need to implement a no fly zone over Libya. As well as further detailing the arms embargo urging state's to inspect their territories including seaports, airports and the high seas for vessels bound to or from the country. Furthermore member states were ruled to ban all flights permission to land on their territory if they were registered or operated by

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<sup>106</sup> Washington Post, *Middle East and North Africa in Turmoil Timeline*, <http://www.washingtonpost.com/wp-srv/special/world/middle-east-protests/>. Last accessed: 05/01/2012

<sup>107</sup> UN Department of Public Information, *Op. Cit. Security Council 2011 Roundup*

<sup>108</sup> UN Press Release, *Adopting Resolution 1970 in Wake of Crackdown on Protests*, <http://www.un.org/News/Press/docs/2011/sc10187/Rev.1.doc.htm>, 26 February 2012. Last Accessed: 06/01/2012

Libyan nationals, and forbid any aircraft to take off from their territory if it was carrying supplies of armaments to aid the Libyan government.<sup>109</sup>

Voting for this resolution resulted in a final tally of ten in favor to none against with five abstentions namely Brazil, India, China, Russia and Germany. Noting here, that with the first most important incident before the UNSC where all BRICS members were present, the grouping voted mostly in synch with each other by choosing to abstain, with the exception of South Africa. The explanations given by the representatives of the countries who chose to abstain lingered in the realm of expressing general doubts over whether or not the enforcement of a no fly zone over Libya would be the best possible course of action to protect the civilian population and prevent further escalation of violence and upheaval.

Though the resolution resembled formal international action and implementation towards a *no fly zone in Libya*, it is important to note that international action and calls to implement a no fly zone preceded the issue's submission before the Security Council on the 17<sup>th</sup> of March 2011. A month earlier there had been several external political statements made from various entities expressing the need to enforce the no fly zone, initial publically voiced by Britain and France, the international consensus at the UNSC grew stronger as rebel leaders on the National Transitional Council had urged the international community to implement immediate action on demilitarized airspace in order to prevent further casualties,<sup>110</sup> concurrent to this was US congressional dialogue on the situation in Libya which eventually resulted in the passing of the non binding resolution 85 urging the UN to consider demilitarizing Libyan airspace.<sup>111</sup> The matter was also discussed by the Arab League having reviewed and agreed upon by all 22 members that it was necessary in the interim for the UN to authorize a no fly zone which was to be immediately lifted once the crisis had ended.<sup>112</sup> Therefore the passing of the no fly zone resolution through the UN was posited on a concert of international consensus from relevant

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<sup>109</sup> United Nations Security Council, Resolution 1973(2011), *Adopted by the Security Council at its 6498<sup>th</sup> Meeting*, 17<sup>th</sup> March 2011. P.1-4

<sup>110</sup> CNN Wire Staff, Rebel Leader Calls for Immediate Action on No Fly Zone, <http://edition.cnn.com/2011/WORLD/africa/03/09/libya.civil.war/>, 10 March 2011. Last Accessed 04/01/2012

<sup>111</sup> Senator Menendez, Robert, S.RES.85. Strongly Condemning the Gross and Systematic Violations of Human Rights in Libya, *The Library of Congress*, <http://thomas.loc.gov/cgi-bin/bdquery/z?d112:S.RES.85;.01/03/2011>. Last accessed: 31/12/2011

<sup>112</sup> Al Jazeera, Arab States Seek Libya No Fly Zone, <http://www.aljazeera.com/news/africa/2011/03/201131218852687848.html>, 12 March 2011. Last accessed: 27/12/2011

political entities, a situation which member states voting on the UNSC (subsuming BRICS) at the time was most likely cognizant of.

#### *4.3.4) Interpretations Around South Africa's Controversial Voting on Res1973(2011)*

South Africa's voting on resolution 1973 remains the most criticized international foreign policy action in 2011. Considering the Libyan situation posed itself as the first major international situation where the pseudo official BRICS voting remained in tandem with South Africa being the only exclusion. Much confusion and speculation surrounded commentary against South Africa as the BRIC four nations had opted to abstain from the resolution while South Africa had voted in favor of the no fly zone, followed by public condemnation through President Zuma and various other diplomats for NATO's enforcement of demilitarized airspace. South Africa's voting behavior stuck out like a sore thumb from the rest of BRICS in public international perception, pinned as an example of the inability of the five nations to coordinate actions in the UN, whilst the collective abstention by the BRIC four was simultaneously interpreted by some to be a failure in asserting dissatisfaction with the concern of foreign military intervention infringing on the sovereignty of another state. However upon much closer inspection reasons for South Africa's voting behavior on resolution 1973 was influenced by a complex set of factors behind the scenes. Therefore this section first seeks to detangle the explanations given for an affirmative vote on the no fly zone, followed by an analysis and interrogation of the implications of the BRIC-four abstentions and diplomatic sentiments over the issue which followed in order to grasp a better understanding and better deduce whether or not there was some resemblance of BRICS coordinated action in the UN over the Libyan issue.

The point of contention placed upon South Africa's voting behavior was that it not only contradicted with the BRICS collective action of abstaining, but statements released by top ranking officials from the government thereafter seemed to directly oppose the initial supportive sentiment embodied in a positive vote for a no fly zone over Libya. Despite having been one of the ten "yes" votes on the UNSC Res1973 which formally approved the no fly zone. Several days after the resolution was passed President Zuma very publically condemned foreign military

intervention in Libya, reiterating that respect for the territorial integrity is vital.<sup>113</sup> The unfolding of events had portrayed South Africa's foreign policy alignment over the Libyan no fly zone debacle as duplicitous at best and incoherent with incompetence at worst. Leading to some political analysts to speculate that the "yes" vote on resolution 1973 was an embarrassing mistake made by a representative at the Security Council.

Further sparking an investigation of what the events which unfolded by Dr. Eusebius McKaiser as the presentation for the 2011 Ruth First Memorial public lecture entitled *Looking an International Relations Gift Horse in the Mouth, South Africa's Response to the Libyan Crisis*.<sup>114</sup> The research for this presentation consisted of interviews from South African officials and diplomats located at the United Nations, the Department of International Relations and Cooperation, and in Cabinet.

President Zuma's human rights day speech a week after the resolution had passed expressed a direct contradiction of South Africa's actions at the UN, stating the sentiment resonated the position of the AU. The AU Peace and Security Council, which South Africa remains a prominent member had held a meeting the week before the *no fly zone issue* came before the UNSC. The issue of demilitarized airspace over Libya was extensively discussed although there was no final resolution on opposition against a *no fly zone*. During the drafting of resolution 1973 the South African team was in constant communication with Pretoria and representatives at the AU over the issue, expressing concerns that the text of the document was open to exploitation as it was "not water tight and susceptible to abuse".<sup>115</sup> As a precautionary measure South African diplomats did in fact further clarify with the AU whether or not a position was taken on a *no fly zone*. As it turns out AU officials informed South African diplomats that no official position was taken thereby leaving the matter open to interpretation. What is known is

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<sup>113</sup> Ferreira, E, *Zuma Warns Against Foreign Military Intervention on Libya*, Mail and Guardian, <http://mg.co.za/article/2011-03-21-zuma-warns-against-military-intervention-in-libya>, 21 March 2011. Last accessed: 30/12/2011

<sup>114</sup> *Event was attended and endorsed by deputy President Kgalema Mothlanthe*

<sup>115</sup> McKaiser, E, *Ruth First Memorial Lecture: Looking an International Relations Gift Horse in the Mouth SA's Response to the Libyan Crisis*, Great Hall University of the Witwatersrand, 17 August 2011. Full transcript available at: <http://journalism.co.za/2011-ruth-first-memorial-lecture-media.html>

that initially the African Union Panel which consisted of South Africa, Uganda, Mauritania and the DRC stated that AU consensus was the rejection of foreign military force in Libya.<sup>116</sup>

According to policymakers in line with principles upheld by the AU, the responsibility to protect clause had to be taken into account with regards to South Africa's voting. The principle dictates that though first and foremost the responsibility to protect civilians is the state's obligation however if in an event where the state is unable or fails to do so, than the onus is on the African collective. In regards to the concern voiced over the Libya's civilian population, South Africa's position and the African position was in synch with the distress raised by the international community over the treatment of protestors and the violence that the civilian population had been exposed to as a result of the uprisings in Libya. Therefore doubts expressed over the possible loopholes in the text of the document were overridden by the imperative to protect civilians in a vote against Gaddafi's forces abusing state powers.<sup>117</sup> Additionally, South Africa was placed between a rock and a hard place as any abstention or no vote to the resolution could have been marketed by the P3 (US, UK and France) as a demonstration of South Africa's continuous lack of ability to come to the table and responsibly address pressing human rights issues, in the sense that a non-affirmative vote on would have flouted all of the document's main clauses which articulated the pressing need to protect the human rights of civilians.

In short, South Africa's "yes" vote to resolution 1973 was born out of the need to protect civilians which was supported by the text in the document despite existing doubts over how the no fly zone was going to be implemented. It is also important to note that fellow African representatives of Gabon and Nigeria had also voted "yes" to the document. Therefore on the surface it seemed that South Africa's voting over Libya was aligned exclusively to the African bloc more than that of the BRICS grouping. Indeed in Zuma's human rights day address it was highlighted that "The UN Security Council resolution should be *implemented in letter and spirit* by all members of the UN Security Council. [...] Operations aimed at enforcing the no-fly zone and protecting civilians should be limited to just that. They should not harm or endanger the civilians that Resolution 1973 sought to protect".<sup>118</sup> A sentiment which was further echoed by

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<sup>116</sup> Al Jazeera, Op. Cit.

<sup>117</sup> Mckaiser, E, Op. Cit.

<sup>118</sup> Ferreira,E, Op. Cit.

Nigerian Ambassador Adegboyega C. Ariyo saying that support for the resolution went in so far as its attempt to peaceful resolution to the conflict and where it allows for humanitarian aid to reach those that need it. Resolution did not call for the killing and destruction of the Libyan people on either side of the conflict.<sup>119</sup>

A similar interpretation of the mishap which occurred over the no fly zone definition was also given by former President Mbeki, the South African representatives assumed in their understanding of the term “no fly zone”, was only limited to the prevention of planes being flown over the demarcated airspace and excluded the active and pre-emptive shelling of Libyan air bases and other strategic landmarks which could have the tendency to put civilians in danger.<sup>120</sup>

A no fly zone in its broadest definition means that there is the enforcing of a certain territory’s airspace as a demilitarized zone in order to prevent civilians from aerial attack. It has been enforced to varying degrees in recent decades most notably over Iraq and Bosnia. Though the main aim is to prevent planes being flown over the airspace with intention to launch aerial attacks on civilians, in some instances it does include initial and continued attacks by external forces on airbases in the marked territory as an assurance that there is no possibility of planes being flown off runways.

Upon closer inspection of the document the text of resolution 1973 gives no direct definition to include an explicit explanation of the bombing of airbases as a part of the procedures involved in implementing the no fly zone, though it is implicitly alluded to in both the preamble and main clauses of the document. It also does not identify NATO as the specific military force liable for implementing military actions approved over a no fly zone, though there is also implicit inference of this in the preamble. Where there is reference to establishing “safe areas in places exposed to shelling as a precautionary measure” and main clauses of paragraph 8 where the term “take all necessary measures to enforce compliance” relates to these two aforementioned matters respectively.

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<sup>119</sup> Sasman, C, *MPs Criticize NATO’s Strike in Libya*, <http://www.namibian.com.na/news/full-story/archive/2011/april/article/mps-criticise-nato-strikes-on-libya/>. Last accessed: 01/01/2012

<sup>120</sup> Mbeki, T, Former President of the Republic of South Africa, *Dinner Conversation with Wits delegation (author present) at the African Presidential Roundtables Conference*, Maritim Hotel, Mauritius, 3 June 2011.

- *Taking note also* of the decision of the Council of the League of Arab States of 12 March 2011 to call for the imposition of a no-fly zone on Libyan military aviation, and to establish safe areas in places exposed to shelling as a precautionary measure that allows the protection of the Libyan people and foreign nationals residing in the Libyan Arab Jamahiriya,

8. *Authorizes* Member States that have notified the Secretary-General and the Secretary-General of the League of Arab States, acting nationally or through regional organizations or arrangements, to take all necessary measures to enforce compliance with the ban on flights imposed [...] the measures they are taking to implement this ban, including by establishing an appropriate mechanism for implementing the provisions of paragraphs 6 and 7 above.<sup>121</sup>

In both instances of protection from shelling and using all means necessary to enforce the no fly zone could have fallen under the broad construal of the text, the text allows a malleability and open ended opportunity for interpretation. Thereby explaining the subsequent rhetorical catch up that South African and other African states played in voicing their opposition on the over infringement of sovereignty by NATO on Libya through the use of Res1973 as a mechanism. Therefore in the legal sense the actual implementation of Res1973's no fly zone, had boiled to a matter of transcribed schematics in the application of the wording when it came to NATO being the actual military entity enforcing demilitarized airspace in the manner that it did.

Thus South Africa's overarching actions over the Libyan case has been labeled another failure in coordinating public diplomacy. Public diplomacy is characterized as successfully marketing ideas and actions of foreign policy in public opinion. It seems that South Africa had been in drafting an alternative AU lead plan for Libya behind the scenes through the sending in of an AU panel to negotiate peace with rebel forces excluding Qaddafi as reflected in res1973 where the document did yield acknowledgement to the deploying of AU to send a ad hoc high level

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<sup>121</sup> United Nations Security Council, Op. Cit., Resolution 1973(2011), P 1-3.

committee from the peace and security council along with a UN special envoy to initiate dialogue for political reforms. The enforcement of military intervention by NATO was largely seen by the AU as counter productive to any attempts on the diplomatic side to achieve settlement for stability in Libya. South Africa had failed to successfully communicate to the world this version of events and equally failed at coherently and assertively expressing the circumstances surrounding its perspective on voting “yes” to the no fly zone, in that though it supported the sentiment and intention of the resolution. It did not support the manner and method in which those clauses aim at protection civilians was enforced. The unfolding of events and the political response to it thereafter was not made clear enough, instead South Africa’s reaction was roughly patched together by a series of disconnected public statements which made little logical sense in public international opinion.

However aside from badly communicated public diplomacy, it does need to be noted that in the fractured international discourse leading up to resolution 1973 there was a strong and clear indication that the P3 had intended to use NATO to enforce the no fly zone, and that such enforcement would most definitely include the pre-emptive bombing of strategic landmarks. In the beginning of March prior to UNSC action, NATO forces were already being authorized for deployment to the Mediterranean sea of Libya’s coast whilst Defense Secretary Robert Gates had addressed the US Congress by stating that a “no fly zone begins with an attack on Libya to destroy air defenses”<sup>122</sup>. Had South Africa and other African states been more receptive and pragmatic in accepting the political realities and unfolding international intentions over the no fly zone issue as the BRIC four nations demonstrated through their articulated apprehension and abstentions, then perhaps the document would not have been passed in its current form nor would South Africa have voted “yes” to it without raising caution to military intervention.

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<sup>122</sup> Labott, E, US Mulling Military Options Over Libya, [http://articles.cnn.com/2011-03-02/us/libya.military.options\\_1\\_gadhafi-government-arab-league-libyan-people?\\_s=PM:US](http://articles.cnn.com/2011-03-02/us/libya.military.options_1_gadhafi-government-arab-league-libyan-people?_s=PM:US), 02 March 2011. Last accessed: 04/01/2012

#### 4.3.5) *The BRICS Collective Position on Resolution 1973*

In analyzing whether or not voting amongst BRICS in the Security Council shows hints of previously discussed and agree upon positions, it is important to note that not all votes made by BRICS states need not to be the same in order to reach a desired outcome. BRIC states (South Africa excluded) all abstained, noting in particular veto powers of China and Russia deliberately choose not to block the resolution with negative votes. Therefore even though voting between South Africa and BRIC countries was not in synch, it does not preclude a degree of amicable correlation. The abstentions came as an expression of doubt and discontent rather than strong condemnation for the implementation of the no fly zone. In all five of abstentions involving the BRIC four plus Germany, voiced diplomatic sentiments which were later repeated by South Africa.

India's explanation of their abstention representative Manjeev Puri stated that over concern for the welfare of the Libyan population, the report of the UN envoy to Libya still had not been received therefore the resolution was based on very little clear information on the actually situation in Libya. More importantly there lacked certainty on how the proposed measures were going to be enforced, which in their view was crucial in such an important decisions with wide ranging implications. Similarly, Brazilian representative Maria Viotti expressed doubts over whether or not military enforcement would realize the common objective of protecting civilians considering the possibility that it may inflict more harm then good by exacerbating current tensions thereby putting Libyans at even greater risk. In the same breath both the veto powers of Russia and China had explained that their abstentions were strongly tied specifically to the unanswered question of how the resolution would be enforced and by whom, as well as what the limits of engagement would be. Stating specifically that it's passing was not in line with Security Council practice of mulling questions in full before voting on a document. China made specific mention of the fact that in line with respect for the wishes of the Arab League and African Union it chose not to veto as it attached great importance to their requests.<sup>123</sup>

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<sup>123</sup> UN Department of Public Information, Security Council Approves "No Fly Zone" Over Libya, <http://www.un.org/News/Press/docs/2011/sc10200/Rev.1.doc.htm>, 17 March 2011. Last accessed: 03/01/2012.

By abstaining, the BRIC-four were allowed to fence sit safely and show disapproval while avoid blame for the massacre of civilians by the Qaddafi regime. It is indicative of their long term reactive rejection for western led military intervention, particularly when their direct interests are not at stake.<sup>124</sup> Moreover, the curbing of downright opposition against Res 1973 indicated a show of consideration for the states who voted in support of it, particularly noting South Africa and the other African members of Gabon and Nigeria.

The intention of western countries was not only to uphold the proverbial protection of civilians and assist in freedom towards a fair and just democracy in Libya. But falling of the Qaddafi regime resembled the opportunity to cut off a perceived pariah state as well as secure relative stability for at least one other center of oil production. For South Africa, on the other hand, the dilemma presented a diplomatic obligation to be at the forefront of what was perceived as an African issue. One that required AU led action in the international arena. Therefore South Africa's direct interests were affected to a greater degree than other BRICS states. The ad hoc sentiments voiced by South Africa on behalf of Africa strongly resembled to the same concerns bought up by the BRIC four members in the explaining their abstentions.

Abstention provided a place for accommodation for the poorly expressed wishes of the AU to ensure the responsibility to protect civilians, as specifically indicated by China. Therefore when taking in the statements made by the South African government after voting on resolution 1973, and the initial statements made by the BRIC four country representatives, what can be deduced is that in the complexity of the Libyan debacle, though diplomatic sentiments were congruent amongst BRICS states, particularly when it came to South Africa's sharing the same feelings of doubt upon implementation of the no fly zone. The coordinated action for this congruence was most certainly not present, attributed to South Africa's voting decision which was necessitated by its interpretation of the principles of the AU.

Taking note that though South Africa's membership of BRICS had been publicized, the Libyan crisis occurred prior to its official ascension into the grouping at the Hainan summit in April, that following month. Therefore though there are indications of dialogue over Libya between South

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<sup>124</sup> Cecire, M, "BRICs Fall Flat on UNSC Libya Vote", in World Politics Review Special Report Libya the Accidental War, May 2011, P.39.

Africa and the BRIC four states, particularly China, considering the immediate and abrupt nature of the Libya crisis which prompted an equally swift need to instigated international action had thrown South Africa-BRIC coordination off its bearings, further exacerbated by the preoccupation with mediating policy action between the UNSC and the AU. Despite the flaccid yielding by BRIC four states to Res1973, the deficit of better coordinated action between South Africa and BRICS can also be partially attributed to the premature formation and limited platform and opportunity for South Africa's agenda to be fully articulated with fellow BRIC states.

There was an attempt by BRICS to address this less coordinated deficit of cooperation over Libya through the Sanya declaration which emerged out of the first official five member BRICS summit in April 2011. In paragraph 9 of the declaration, members acknowledged the concurrent presence of all BRICS states on the UN Security Council and noted the importance of working together effectively to facilitate future coordination on issues under the UNSC's consideration. Furthermore there was a concerted reiteration for the respect for territorial integrity and sovereignty of each nation and the avoidance of the unnecessary use of force. The integration of South Africa's agenda into BRICS was made obstinate through paragraph 10 which articulated a common position of concern over Libya, emphasizing the role of the African Union High- Level Panel Initiative on Libya.<sup>125</sup>

Though attempts to reverse the slow uptake on a coordinated UNSC-BRICS position with regards to Libya's no fly zone was passively addressed by the Sanya declaration. The debacle that Libya presented had far reaching implications for the public perception of South Africa's foreign policy both domestically and internationally.

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<sup>125</sup> South African Presidency, *Op. Cit*, *BRICS 2011 Sanya Declaration*

#### *4.3.6) BRICS Coordinated Action and Common Stances on Libya after the Hainan Summit*

Much media attention was focused on the initial UNSC decision over Res1973; however there has been a less balanced analysis of the subsequent Security Council follow up as the Libyan situation progressed. Equal investigation should be forwarded to the voting behavior and diplomatic stance taken by the BRICS countries after Res1973 and ensuing April BRICS summit in order to gain a balanced and all encompassing perspective of BRICS action within UNSC on Libya.

Following NATO airstrikes, struggle between rebel forces and the Libyan government continued with the National Transition Council asserting that a ceasefire agreement was only credible if it included Qaddafi's departure. In May International Criminal Court chief prosecutor Luis Moreno-Ocampo in a follow up to the referral made in Res1970 of prosecuting human rights abuses, informed the Security Council that taken into account credible evidence of civilians being subjected to systematic arrests, tortures, killings and enforced disappearances. Arrest warrants were due to be issued for individuals in the leadership who were responsible for some of the abuses. The BRICS response was largely unanimous in tone and sentiment, India who is not a signatory of the Rome Statute voiced a continued support for the matter indicating that it wanted a cessation of violence. However it did note with some concern, as did South Africa, with Res1970's paragraph 6 which allows the UNSC to waiver the exclusive jurisdiction of states not part to the Rome statute. This concentrated expression on concerns over the implementation of clauses through the lofty interpretation of wording in Council resolutions was further reiterated by Russia and China, the latter who also additionally and specifically endorsed the AU's five point road map on Libya. In short the rhetoric expressed by BRICS in the Res1970 follow up was a combined apprehension on the potential for the exploitation of text contained in the clauses of UNSC resolutions.<sup>126</sup>

In June, Mauritania's foreign minister and member of the AU high level panel addressed the Security Council clearly registering his discontent with the marginalization and disregard for the AU's diplomatic effort in attempting to resolve the Libyan crisis. Noting in particular that the

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<sup>126</sup> UN Department of Public Information, Chief Prosecutor of the ICC Tells Security Council He Seek Warrant for Arrest, <http://www.un.org/News/Press/docs/2011/sc10241.doc.htm>, 04 May 2011. Last accessed: 03/01/2012

AU high level ad hoc committee had been in constant contact with all partners involved, highlighting that President Zuma with the endorsement of the committee had flown to Libya and discussed the situation with Colonel Al Qaddafi as a means to bring an end to the crisis, and that the AU had drafted an roadmap for Libya calling for a ceasefire and immediate cessation of hostilities as a short term goal, something that was being implicitly pushed aside despite Res1970 and Res1973 recognizing the role of the AU.<sup>127</sup> The briefing before the Security Council was reaffirmed by South Africa's Dr. Mashabane, speaking on behalf of the AU articulated unease that despite the NATO led action there were still casualties and no apparent end to the violence in Libya, further clarifying that South Africa had originally supported Res1973 because it hoped that it would create an enabling environment for Libyans to resolve the conflict themselves rather than an imposed regime change by outside influence. The emphasis for South Africa and the AU was on a solution which was tailored by the Libyan people, in line with the sentiments expressed in the AU roadmap.<sup>128</sup> It was also noted that both President Zuma, along with UN special envoy Al-Khatib were planning another trip to Libya presumably to facilitate dialogue over a ceasefire.

South Africa was central to the AU's initiative on finding a solution to Libya, the two main concerns of South Africa and Africa put before the Security Council were identified as the marginalization of the AU's position on the issue, and the conveyance of apprehension that the NATO led airstrikes was not only potentially harming civilians but failed to bring about an improvement to the unrest. South Africa's two concerns were supported by China and Russia respectively in May, a month prior to the AU's representatives addressing the council in June. Indicating that there was some form of dialogue between South Africa and their veto allies of Russia and China, shaping their positions in a comprehensible and complementary manner before the UNSC.

By August NATO launched "operation mermaid dawn", eventually claiming Tripoli and key cities of Sirte, Sabha, Zuwara from Qaddafi's forces. Leaving most of the country under the

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<sup>127</sup> UN Department of Public Information, AU Will Never Hide From Responsibility in Resolving the Libyan Conflict, <http://www.un.org/News/Press/docs/2011/sc10280.doc.htm>, 15 June 2011.  
Last accessed: 03/01/2012

<sup>128</sup> UN Department of Public Information, Briefing Security Council on Situation in Libya, <http://www.un.org/News/Press/docs/2011/sc10297.doc.htm>, 27 June 2011. Last accessed: 03/02/2012

supervision of the National Transition Council, taking account of the improved situation by September Res2009 had been passed by the UNSC. The crux of the document initiated the UN Mandate for the United Nations Support Mission in Libya (UNSMIL), for an initial duration of three months to assist in the restoration of public security, additional to supporting transitional justice, and undertaking inclusive political dialogue to promote national reconciliation. The document also reaffirms the arms embargo and modified the asset freeze authorizing funds for humanitarian and public service needs, with regards to the *no fly zone* the UNSC opted to have a loosening of the clauses in Res1973. Despite both passive and overt rhetoric from BRICS countries on the disapproval of the imposition, the resolution expressed the readiness to lift the no fly zone upon the continued improvement of the situation and in consultation with Libyan authorities.<sup>129</sup> With representatives Baso Sanqu from South Africa and Vitaly Churkin from Russia noting their respective anticipation to a complete lift on the *no fly zone*.<sup>130</sup>

The beginning of a culminating end for the Libyan conflict was marked by the death of Qaddafi, caught while attempting to escape rebel forces in a sewage tunnel in October 2011, signifying the cessation of forty years of totalitarian rule in Libya.<sup>131</sup> Following the formal declaration of liberation on October 23<sup>rd</sup>, the UNSC unanimously adopted Resolution 2016 to terminate all the provisions of the *no fly zone* in Res1973;<sup>132</sup> it fully acknowledged the declaration of liberation and the transition process with the official end of the Qaddafi era there was no longer any foreseeable need for NATO remain active in military interventions. In the immediate aftermath of the conflict the ICC prosecutor Luis Moreno-Ocampo addressed the UNSC on the investigation of human rights violations in Libya, with the announcement that a warrant for arrest was issued for each of Muammar Al Qaddafi's sons for crimes committed against civilians. It was also made known that there had been allegations of crimes committed by NATO forces including the detention of civilians suspected to be mercenaries and the killings of detained combatants to be impartially investigated by the court. In the response to the ICC's address India reiterated that though it was not a signatory on the Rome Statute it encouraged the ICC to remain

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<sup>129</sup> United Nations Security Council, Resolution 2009 (2011), *Adopted by the Security Council at its 6620<sup>th</sup> Meeting*, 16 September 2011.

<sup>130</sup> UN Department of Public Information, South Africa, Russian Federation Call for Early Lifting of No Fly Zone, <http://www.un.org/News/Press/docs/2011/sc10389.doc.htm>, 16 Sep 2011. Last accessed 04/01/20112

<sup>131</sup> Washington post, *Op. Cit.*

<sup>132</sup> United Nations Security Council, Resolution 2016(2011), *Adopted by the Security Council at its 6640<sup>th</sup> Meeting*, 27 October 2011.

impartial in investigating all crimes alleged committed by all parties in Libya, and that everyone under the Rome statute should be held accountable for crimes committed regardless of political considerations. Russia articulated a more detailed position, by pointing out the loss of civilians lives directly related to NATO bombing and supported the investigation into Qaddafi's death. With South Africa paralleling in the same sentiments in addition to drawing attention to the mass murder of sub-Saharan Africans amidst the conflict. While Brazil and China too voiced a common support for the ICC initiative.<sup>133</sup> BRICS response to the report leaned on the support for the objectivity of ICC investigations on both sides, which includes investigating NATO's alleged actions with the equal amount of weight.

#### 4.4) Syria

BRICS coordinated voting and position has been most obvious in the case of Syria for the year 2011. What was obvious was the common voting stance taking by BRICS states on the draft resolution. The over cautiousness and disapproval of BRICS for Security Council draft resolutions on Syria is in many ways a knee jerk reaction to the concurrent authorized and irreversible actions taken by NATO in Libya.

##### *4.4.1) Background to the Syrian regime and coverage of conflict*

Syria's government has been largely viewed as a non-democratic nepotistic regime. After the Ba'ath Party took over the government in 1963, by 1970 Hafez Al Assad succeeded as president beginning what would be almost thirty years of rule over Syria. His reign during the cold war was marked by a close alliance with the former Soviet Union, and strong criticism of the US and the west in general. With Hafez Assad's death in 2001 the transfer of power was handed to his eldest surviving son Bashar Al Assad, with close family members and members of the minority Alawite tribe in key political and military positions in Syria, with the historical propensity to vehemently suppress opposition. The Assad regime remained in full control even after the death of its founding leader. Having long been a strong Arab voice of disapproval against America,

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<sup>133</sup> UN Department of Public Information, ICC Prosecutor Briefs Security Council on "Libya Case", 6647<sup>th</sup> Meeting, <http://www.un.org/News/Press/docs/2011/sc10433.doc.htm>, 2 Nov 2011. Last accessed 04/01/2012

and an important neighbor in the region with regards to Israeli-Arab relations.<sup>134</sup> Carried on from his father, Bashar Al Assad still maintained a relative degree of anti-west and anti-Israeli sentiments, however lacking from his predecessor was the reputation to maintain a stable Syria through years of experience in power as a compensation for the absence in the growth of economic and political rights and opportunities.

There have always been expressions of discontent in the past within Syria against the Assad family's control of the Ba'ath Party's regime. The 2011 Syrian uprisings were triggered by the wider Arab spring, with sporadic protests occurring for several weeks before social media in the region attempted to organize a "day of rage" protests in early February 2011. Despite continued efforts by the government to quell the protests by March large groups of people gathered in Damascus resulting in mass crackdowns, and several hundred people marching in the city of Daraa, many in the Syrian cabinet resigned to President Assad and hundreds of political prisoners were released as a concession by the government to civilian opposition. By April international media reported on Syrian government forces actively opening fire on protestors in several towns and cities across the country. Further continued by reports of the army opening fire on civilians indiscriminately in the uprising's main hub of Daraa, as well as rounding up suspected protestors.<sup>135</sup>

#### *4.4.2) Syrian Situation before the United Nations Security Council*

On April the 27<sup>th</sup> Under-Secretary-General for Political Affairs B. Pascoe briefed the Security Council at its 6524<sup>th</sup> meeting on the situations in Syria, characterizing it as a mix of measures to reform matched with increasing violent suppressions and stating that despite the promise of reform contained in the announced legislative changes, such as the lifting of the state of emergency which has been in place since 1963 and the issuing of a decree that would give stateless Kurds previously denied citizenship in the country, crackdowns on anti-government protestors had vehemently intensified. There were allegations of artillery fire against civilians, the shooting of medical personnel attempting to aid the wounded, raids against hospitals and

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<sup>134</sup> Zisser, E, Commanding Syria: Bashar Al Asad and the First Years in Power, Palgrave Macmillian, New York, 2007. P.10-14.

<sup>135</sup> Washington Post, Op. Cit, *Syrian Timeline*

mosques and the destruction of medical supplies. In addition to the wide scale detention of human rights activists, lawyers, and journalists, as well as the torture of those detained in connection with protests including children. Though it is reported that most of the protests were peaceful, there were a few which saw protestors using violence to cause the death of security forces. The UN could also verify that basic municipal services of water and electricity as well as telephone lines had been cut to the cities.<sup>136</sup>

Following this briefing, delegates of the UNSC took to the floor voicing mixed views, though most countries urged an end to the violence and stressed importance for the respect of human rights amidst protests, the Russian Federation's statement was particularly focused on noting that it felt the provoked internal conflict in Syria was an effort deliberately geared at inviting international interference which, in Russia's opinion, would only result in a dangerous cycle. Further destabilizing the security of the Middle East and complicating the situation. South Africa's statement was terse and common in calling for restraint from all parties, while Indian delegate Hardeep Puri stressed that the council needed to reassert that it was the responsibility of sovereign states to respond to the aspirations of their own people and that the Council's mandate was to urge all sides to seek resolution through peaceful means. Brazil emphasized that the solution to the problem was national dialogue with as little outside pressure as possible and China pointed towards constructive international help in line with the UN charter. The Syrian representative at the Council responded with strong reservation to the West's alleged intervention in his country citing that the US state department has given financial support since 2005 to Syrian opposition figures, warning that some states were trying to interfere with the affairs of others under the responsibility to protect rubric which has been largely rejected by the developing world.<sup>137</sup>

Despite Syria's statement before the Security Council being strongly characterized by anti-American sentiment, what the speech had managed to successfully imply was that the global south was becoming increasingly adamant against interference by the west. The diplomatic tone reverberated by the BRICS block at the first UNSC meeting over Syria, led bluntly by Russia

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<sup>136</sup> UN Department of Public Information, Under-Secretary-General for Political Affairs Briefs Security Council on Syria, 6524<sup>th</sup> Meeting, <http://www.un.org/News/Press/docs/2011/sc10235.doc.htm>, 27 April 2011. Last accessed: 04/01/2012

<sup>137</sup> Loc. Cit

due to historical and strategic concerns, was largely a connotation for respect of non-interference and sovereignty with regards to the situation.

Subsequently and inevitably the situation in Syria came before the UNSC in the form of a resolution. On the 30<sup>th</sup> of June the Council convened, unrest in Syria brought about concerns on the fragile ceasefire agreement in the region with Israel. Proposing that the United Nations Disengagement Observer Force (UNDOF), which has been in place since 1974 to supervise the ceasefire agreement, be extended for a further six months until December 2011. Stemming from fears that the instability in Syria would result in the breach of the Israeli-Syrian ceasefire agreement and thereby further threaten peace and security in the region, in addition to possibly provoking inter-state conflict.

Resolution 1994(2011), notes with concern that the middle east remains tense and calls upon all parties to fully implement the ceasefire resolution 338(1974), urging all parties to respect the terms of the disengagement of forces agreement.<sup>138</sup>

Although resolution 1994(2011) was unanimously adopted, member states differed on the degree of relevance this issue had before the Security Council. The resolution in itself was a short reiteration safeguarding the role and mandate of the UNDOF in the Golan Heights, and very limited in injecting new controversial clauses to the situation. Therefore though it did not directly contradict or threaten the interests of any particular state, it was to an extent used by the US to provide an international rhetorical safeguard on Israeli interests against a constantly changing Syria. In the responses to this resolution the US delegation stated that they were specifically concerned with the Syrian government using the killing of civilians in demonstrations in the UNDOF mandated area as an obvious ploy to distract attention and incite violence in the area.

Both Russia and China expressed support for the renewing of the UNDOF's mandate but cautioned that the extension of the mandate and the situation in Syria should be seen as separate matters, the question of Syria and the extension of the mandate should not be linked, as the internal unrest continues to be the internal matter of a sovereign state. India, Brazil and South

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<sup>138</sup> United Nations Security Council, Resolution 1994(2011), *Adopted at the 6572<sup>nd</sup> Meeting*, 30 June 2011.

Africa remained relatively docile on Res1994 while the P2<sup>139</sup> communicated their apprehension on a insidious attempt to link the political unrest in Syria with the UNDOF as a Security Council issue. Russia specifically pointed out that their support for the resolution and the overall unanimity of the UNSC was based on the technical nature of the text which did not directly address the situation in Syria, further highlighting to the council that Syria was not supposed to be on its agenda.<sup>140</sup>

What was increasingly obvious about Syria's issues being discussed in the UNSC was Russia's reactive need to guard its historic ally against Western interference. With the support of China, attempts to deal with Syria in the same manner as Libya was being constantly thwarted by the BRICS group, clearly demonstrated in its successful efforts to block a draft resolution on unrest in Syria.

#### *4.4.3) Culmination of BRICS Blocking the Draft Resolution on Syria*

As uprisings and mass revolts in Syria remained ever persistent, the UNSC in its 6598<sup>th</sup> meeting issued a statement expressing grave concern and condemning Syrian authorities for alleged violation of human rights in civilian protests. The statement which was read by India who held the rotating seat of the UNSC presidency for the month of August, articulated profound regret for the deaths of hundreds of people, urging for an immediate end to the violence and calling for restraint from all sides. Most notable is the statement which in addition to calling on Syria to implement its announced reforms, is the reaffirming of the Council's strong commitment to sovereignty, independence and territorial integrity of Syria, explicitly stressing that the solution to the crisis can only be Syrian-led. This presidential statement regarding Syria mostly reflected sentiments of the developing states present in the UNSC.<sup>141</sup> Concurrent to asserting its concern for the situation in Syria it was vehemently clear in endorsing a self made solution in line with the utmost respect for the state's independence.

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<sup>139</sup> Russia and China

<sup>140</sup> UN Department of Public Information, Concerned About Standing Ceasefire UNSC Renews the UNDOF, <http://www.un.org/News/Press/docs/2011/sc10305.doc.htm>, 30 June 2011 Last accessed: 04/01/2012

<sup>141</sup> UN Department of Public Information, Security Council Condemns Syrian Authorities, 6598<sup>th</sup> Meeting, <http://www.un.org/News/Press/docs/2011/sc10352.doc.htm>, 3 August 2011. Last accessed: 04/01/2012

However two months later a draft resolution came before the Council sponsored by the UK, France, Germany and Portugal. The document intended to address the conflict in Syria, though it strategically emphasized a reiteration of the text in respect for sovereignty narrative present in the president's statement on Syria. The draft, in addition to demanding the immediate cessation to the violations of human rights use of violence against civilians, in its second last clause expressed the intention to overview Syria's implementation of the resolution within 30 days and incited measures under article 41 of the UN charter as a possible option.<sup>142</sup> On the surface, the draft resolution appeared of pure intention and contained enough rhetoric to support developing world concerns on interference of internal affairs. However the clause which incites article 41 of the charter directly implies that the UN would be considering the implementation of sanctions and the possible authorization of military intervention thereafter is Syria continuously fails to comply with the clauses set out in the resolution within the prescribed 30 days.

Article 41 states that the Council may decide what measures not involving the use of armed forces are to be employed to give effect to its decisions and may call upon the members of the UN to apply such measures which may include complete or partial interruption of economic relations and of rail, sea, air, postal, radio, and other means of communication and the severance of diplomatic relations.<sup>143</sup>

By extension, under international law and allowable UN practice article 41 also allows direct lead into *article 42* of the UN charter. Which states that should measures provided for article 41 be inadequate or have proved to be inadequate it may take such action by air, sea and land forces, as may be necessary to restore or maintain international peace and security. Such action may include demonstrations, blockade and other operations by air, sea, or land forces of members of the United Nations.<sup>144</sup>

What the draft resolution was effectively trying to propose was the initial steps towards active sanctions and possible future military implementation in Syria, presumably similar to that imposed on Libya. The draft also tactfully made direct mention of the diplomatic efforts of the

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<sup>142</sup> United Nations Security Council, France, Germany, Portugal and the United Kingdom: Draft Resolution, S/2011/612, 04 October 2011.

<sup>143</sup> United Nations Charter, Chapter VII: Action With Respects to Threats to Peace, San Francisco, 1949, P.9

<sup>144</sup> Loc. Cit.

Arab League, South Africa, Russia, Brazil, India and Turkey in addressing the situation. What was apparent was the mustering of support in aligning the document's text to resonate developing world sentiment, in an effort to gain favor with the BRICS states. Revisiting the strategy employed in Libya where resolution text could be later interpreted to legitimize interventionist action.

In the voting for this resolution, while India, Brazil and South Africa abstained, China and Russia vetoed blocking the passing of the text. The document received 9 yes votes, 2 vetoes and 4 abstentions. Thereby making BRICS plus Lebanon the main drivers of the non-affirmative majority in the Security Council with regards to this resolution, in this instance South Africa did not vote on par with Nigeria and Gabon, instead its diplomatic sentiments remained squarely with the grouping of BRICS.

Once again, though the BRICS votes were not unanimously identical. It was an obvious coordination of non-affirmative voting behavior in the UNSC. The IBSA three countries need just to abstain if it is assured that one or both of the P2, Russia and China, would be placing a veto ensuring that the resolution does not come to pass. Lessons learnt, for South Africa in particular, from the Libyan case was that resolution text could be easily manipulated by being interpreted to include a wider spectrum of actions, such as the implementation of sanctions followed by full and extensive no fly zone in Syria.

In the respective responses to the failure to adopt this particular draft resolution, Russia said that it was obvious the differences over the draft were not about the text but rather on the difference of political approaches. Voicing disagreement with the accusatory tone against Damascus and the ultimatum of sanctions, bluntly noting its shock that NATO's actions in Libya was being used as a model for future actions. Clarifying that it in no way supported or condoned the Assad regime and actions taken by the current government, however stressed that dialogue was the best response and that change itself was gradual and not immediate like most Syrians would demand it be. China, mentioned that any actions taken should be in compliance with the UN Charter which urges non-interference in international affairs. Noting with concern that sanctions might further exacerbate the situation. Both Russia and China had co-sponsored an alternative document/ draft resolution to which internal Syrian dialogue was encouraged as the most

effective way to end the crisis. The same sentiments were repeated by IBSA three countries, South Africa's statement warned that any decision on Syria issued by the UNSC needed to be aware of the territorial integrity, considering that the text had been abused, alluding to the case of Libya and that implementation of clauses have gone beyond mandates. Conveying concern for the imposition of punitive measures was designed as a prelude to other actions, as the resolution's sponsors had rejected language which ruled out military intervention thereby hinting towards their eventual intentions. Brazil and India both mentioned the lack of sufficient dialogue in addressing sanctions and other intended actions in the text.<sup>145</sup>

#### *4.4.4) Strategy and Maneuvering: West versus BRICS over Syrian Draft Resolution*

The Syrian case in following UNSC action on Libya and the BRICS official Hainan Summit presented an interesting opportunity for BRICS member states to leverage the an alliance in order to safeguard their own respective interests. Syria is a vital player in the dynamics of Israel-Arab politics and therefore by extension it is a vital player in US-Israeli-wider Middle East politics. Over zealous intervention by the west through legitimately endorsed actions by the UNSC is of ephemeral concern to developing world leaders as it reasserts US led intervention by infringing on the staunchly held principles of sovereignty and territorial integrity in the global south. For Russia in particular, the limiting of NATO action in the region and military intervention upon its long standing ally has been a main concern, resulting in the continued efforts to propose a draft resolution as an deterrence to the implementation of article 41 and 42 in the UN charter. The power buffer against the US and further NATO action is also partially shared by China, who acts as the other partner in support while being backed by Brazil and India.

South Africa in regarding the Syrian issue had a chance to reassert its principle against the use of force, following the debacle on Libya. Determined to affirm its reservations against being blind sided by the ploy to over reach mandates through the use of vague text in resolutions, the debate South Africa had on Syria in the UNSC mainly involved the deliberate fleshing out of implicit intentions ingrained in the text ensuring that if it were to support a document it would explicitly exclude the use of military force. Upon initial impression the draft resolution on Syria repeated

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<sup>145</sup> UN Department of Public Information, Security Council Fails to Adopt Draft Resolution Condemning Syria, 6627<sup>th</sup> Meeting, 04 October 2011. Last accessed: 04/01/2012

strong developing world and BRICS sentiment on the respect for Syrian-led action save for the consideration of implementing article 41 in a ultimatum against Syria thereby opening the door to sanctions and further military intervention thereof if sanctions were perceived to have no effect. The draft had made attempts to laud South Africa, Brazil, Russia, India and Turkey on diplomatic efforts in engaging with Syria; furthermore the documents sponsors deliberately excluded the US but included its other prominent European allies. As tactics used to quell possible anti-US sentiments amongst global south leaders, superficial grooming of rhetoric aimed at winning over the amicable support from states who would otherwise vehemently oppose sanctions as a gateway into further intervention.

What the Syrian issue has demonstrated is a combined effort to block western led actions on the Security Council. BRICS could not be perceived as passively endorsing the expansion of intervention in the Middle East from Libya to Syria. Instead allowing for a Arab League led solution, despite Syria's long standing uneasy relationship with the Arab League. The coordinated action on Syria is telling of its direct relation to actions passed on Libya where all BRICS states felt that it was overstep in the mandate. What was markedly different was the newly learned awareness still fresh from Libya, cautioning BRICS states into showing a great deal of reservation regarding vague text and insidious intention embedded in UNSC resolutions.

#### *4.4.5) BRICS Joint Communiqué on the Situation in the Middle East and North Africa*

On the 24<sup>th</sup> of November 2011, the deputy Foreign Ministers of BRICS met to discuss the years' events concerning the Middle East and North Africa (MENA), the communiqué announced and consolidated a common position on a range of pressing issues involving different countries in the region. This consolidated response further reiterated BRICS collective stance, though it emphasized the role of the Security Council, the communiqué noting that its primary responsibility is to maintain peace and security. Stating that it was inadmissible through outside intervention in the internal political process, therefore with regards to Syria, external interference not in accordance with the UN Charter should be excluded. In this context the experience of the international community with regard to Libya needs a thorough review to see if the actions taken were in conformity with the provisions of the relevant resolutions of the UNSC. Additionally it

voiced support for an Arab League led initiative in Syria, and the consolidated efforts of the Africa Union in aiding transitional stability in Libya.<sup>146</sup>

The narrative highlights BRICS discontent and perception of the over reach taken by NATO with regards to the resolutions passed. It is also clear that among BRICS states; military intervention has not been diplomatic viewed as something which is in line with the provisions of the UN Charter.

Moreover the communiqué makes inference to the BRICS stance on the settlement of Arab-Israeli conflict, announcing support for the Madrid Principles and the Arab Peace Initiative, and welcomed the Gulf Cooperation Council's initiative concerning the peaceful transition of power in Yemen.<sup>147</sup> The communiqué outside the UNSC was a consolidate effort to reaffirm a BRICS stance on the issues that were prominent and present in the international arena.

#### 4.5) BRICS Voice Support for AU Efforts in South Sudan

South Africa during the first tenure on the UNSC in has been previously branded and accused of being a “rogue democracy” with regards to its voting behavior vis-à-vis Sudan. The country had gone through significant changes since South Africa's last tenure on the Security Council, with a long and persistent facilitated process which resulted in the 2005 Comprehensive Peace Agreement, and implemented efforts to assist in South Sudan's independence by holding a referendum in January 2011. Sudan is of particular importance to South Africa, perseverance of the AU facilitated process eventually yielded results on several main issues, an effort which was largely led by South Africa through the diplomacy of former president Mbeki as a carry over from his term of office. Securing respect for the AU High Level implementation panel in Sudan within the UNSC was of utmost importance to South Africa, adamant that this long running conflict was solved by African led solutions.

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<sup>146</sup> Russian Ministry of Foreign Affairs, Joint Communiqué on the Outcome of the Meeting of BRICS Deputy Foreign Ministers on the Situation in the Middle East and North Africa, [http://www.mid.ru/brp\\_4.nsf/0/89A37436A9B44BC2442579530024C8D4](http://www.mid.ru/brp_4.nsf/0/89A37436A9B44BC2442579530024C8D4), Moscow, 24 November 2011.

Last accessed: 23/12/2011

<sup>147</sup> Loc. Cit.

2011 saw South Sudan officially gain its status as an internationally recognized independent state, with acceptance into the United Nations, and establishing missions in the disputed Abyei region and the official UN mission in South Sudan (UNMISS).<sup>148</sup> The ongoing Doha mediation process was jointly held by the AU and UN with the main rebel groups as an effort to facilitate dialogue to agreement.

What was palpable in the discourse surrounding Sudan and South Sudan before the Security Council was the BRICS conveyance of support for the AU-led efforts in sharp contrast with the omission of similar sentiments by other Council members. Following the announcement of the acceptance of the South Sudan independence referendum, delegate statements were revealing of their diplomatic sentiments. While the US and UK strongly criticized their ongoing concern for the Abyei region. The Russian Federation affirmed their support for the Doha mediation process, and emphasized that lasting stability in Sudan was dependent on the continued support of the AU. China, India and Brazil echoed a very similar rhetoric, with Brazil particularly noting that their bilateral trade with both North and South Sudan had grown considerable in the area of agriculture and bio-fuels. South Africa, having a central role on the matter recalled the AU's solemn declaration on Sudan and expressed the continents solidarity. While urging rebel groups outside the peace process to join the Doha talks.<sup>149</sup> A similar repertoire was reiterated when it was announced to the Council that both North and South Sudan had signed an interim agreement to pull out of the resource rich Abyei region, BRICS states specifically congratulated the efforts of Mr. Mbeki and others on the AU High Level Implementation Panel.<sup>150</sup>

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<sup>148</sup> UN Department of Public Information, *Op. Cit., Security Council 2011 Round-Up*

<sup>149</sup> UN Department of Public Information, *Presidential Statement Welcomes Acceptance of Referendum, 6478<sup>th</sup> Meeting*, <http://www.un.org/News/Press/docs/2011/sc10169.doc.htm>, 9 February 2011.  
Last accessed: 04/01/2012

<sup>150</sup> UN Department of Public Information, *North, and South Sign Interim Agreement, 6558<sup>th</sup> Meeting*, <http://www.un.org/News/Press/docs/2011/sc10286.doc.htm>, 20 June 2011.  
Last Accessed: 04/01/2012

#### 4.6) China and South Africa in the Wider Grouping of BRICS: 2011 Security Council in Review

Despite the transition from Mbeki to Zuma on the domestic front, South Africa's position and foreign policy on the Security Council remains largely congruent with the principles established by the ANC, with only very minor changes. With the tendency to bring the responsibilities and loyalties attached to its position as a leader in the AU to its decisions and diplomatic stance at the UNSC. For China, previous and continuous geopolitical considerations remain the same. Much like the South Africa's first tenure on the UNSC, 2011 has provided cases where similarity and correspondence can be drawn between China and South Africa in both voting positions and diplomatic statements in the UN. An addition to this dynamics has been the formal advent for BRICS, though still lacking in a formal bloc framework blueprinting more specific principles and objectives with regards to cooperation within the UN. The practice of case by case consideration by BRICS states have thus far been the main *modus operandi* for collective action in the UNSC.

It is important to note that the novelty of the BRICS grouping by nature produces a trial and error period where coordinated cooperation in the broader sense is still an ongoing process of discourse and formation. Within the UNSC, BRICS cooperation can be gauged by examining each case and comparing voting decisions as well as political statements made. The controversy surround the initial BRICS reaction to Res1973 on Libya has been given an extensive examination in this chapter, following the BRIC-four abstentions and South Africa's "yes" vote, widespread criticism was cast on the seeming inconsistency with the BRICS' respective foreign policies and the nature of the voting thereof.

In the follow up of the voting China had specifically indicated that though it disagreed with the implications of the text in the document if did not block the resolution out of consideration for the wishes of African states. While Brazil, Russia and India had all vouched that an abstention would suffice as their disapproval. South Africa's initial support was based on the AU's objective in the need to protect Libyan civilians which was marred with military intervention of the no fly zone in the technical process of influencing outcomes through the text of resolutions. The stance on Libya thereafter was relatively congruent amongst BRICS states. China's yielding

a veto on Libya and the overall BRIC-four states' willingness to provide leeway for Res1973 which South Africa had originally supported, shows that there was a cooperative consideration made by BRIC states, to provide a opening for South Africa in its capacity as a prominent leader of AU agenda to pursue its own outcomes in the UNSC.

A perceivably more united BRICS showed in the collective stance taken on Syria. Actively influenced by UN action in Libya and spurred on by the BRICS official summit in Hainan which implemented a greater degree of cohesion by allowing for focused dialogue outside the UN. BRICS states vehemently opposed a draft resolution which allowed for a possibility of implementing sanctions, the ineffectiveness of which was a prerequisite to military intervention in articles 41 and 42 of the UN charter. South Africa had supported Russia's rhetoric of outright opposition on proposed measures to be taken over Syria's crisis, backed by China in a double veto against the draft document. The firm stance against the intentions of the Western proposed resolution allowed BRICS states to assert their position on the disapproval for intervention which infringement on sovereignty. The efforts made by the Syrian government to introduce reform in order to appease the grievances of civilians is used as a defense by BRICS states for the veto, citing that unlike Libya, Syria had taken steps to instigate reform at the will of its people and thus should be left to its own integrity in resolving the matter, and UN intervention should rather be substituted by the more relevant Arab League.

The BRICS meetings outside the UNSC with regards to issues concerning the Middle East and North Africa, indicate a consolidated move to further define and group cohesively their stance to pressing international issues. The stance strengthened the sentiments and actions taken in the UNSC by BRICS states in regard to MENA issues, particularly their position on both Libya and Syria.

China's support for South Africa and by proxy efforts of the AU in Sudan's transitional split is indicative of the continuation of previously existing cooperation between the two countries; however during the second tenure South Africa has received this gradual reverberated wide support from the BRICS base as well. China and greater BRICS' encouragement for joint AU-UN led missions particularly in the resource rich Abyei region, may be attributed to the move to align themselves with South African efforts in the AU in its capacity as key mediator in the

settlement of the conflict as a strategic point of departure in order to gain political mileage for future trade relations with both North and South Sudan.

The analysis and overview of voting in the Security Council for the year 2011 commencing subsequently after the formation of BRICS indicates that initially there was a slow uptake on coordinated cooperation in voting particularly with Libya, however as the year progressed and the learnt experiences drawn from commentary and criticism were cycled, a greater showing of group voting and united rhetoric on issues presented before the UNSC thereafter.

The China-South Africa nexus has been continued during the first year of South Africa's second tenure on the Security Council. Previous congruency over Myanmar, Zimbabwe and Sudan was motivated by a combination of individual agendas culminating in a common position, in addition to an already existing bilateral relationship based strongly on the rhetoric of mutual cooperation. As current elaboration China-South Africa cooperation in the context of BRICS has resulted in an increased support base in common stances taken to defensively erode western hegemony.

#### 4.7) BRICS and UN Security Council Reform: The Absence of Prospects

Though it is highly unlikely that over the course of one year, BRICS countries would make an active effort to lobby for the restructuring of the UNSC over the more immediate and pressing issues put forward in before the Council. An analysis of BRICS states in the Security Council cannot be had without yielding reflection upon the long debated issue of UN reform which is a collective aspiration for the BRICS non permanent members.<sup>151</sup>

The increased awareness of the BRICS presence on the UNSC and more frequent participation and activism on international issues, will spur on the consideration of whether or not BRICS countries, more specifically the IBSA three countries will choose to maintain the status quo in an effort to remain pragmatic with the terms of cooperation in the company of Russia and China, or fully commit to mobilizing real effort for UNSC reform and/or expansion. The actual presence of all five states working on the UNSC provides a glimpse of the level of cooperation in the UN that could be expected from this grouping, albeit a short amount of time, it serves as an appetizer for the general stance and trends that BRICS states gravitate towards.

The active presence of India, Brazil and South Africa on the UNSC in the context of the novel BRICS grouping prompts discussions and inquiry into the prospects of Security Council reform, relating to the propensity of the IBSA three states to advocate reform for the inclusion of themselves as continentally prominent representatives from the global south.

If the ultimate cumulative goal of the BRICS five states is to pragmatically bring about a mechanism from which they have stronger leverage on international issues and simultaneously push their own agendas, than the current structure of the Security Council provides limited assistance in achieving that goal. The obvious limitations of a two year non permanent membership and the disproportionate distribution of voting power means that India, Brazil and South Africa need to constantly rely upon Russia and China to agree to veto on issues and overcome potential divergent interests.

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<sup>151</sup> India, Brazil and South Africa

Given the rigidity of the UNSC and the extreme unlikelihood that veto states would willingly reconfigure power that would collectively diffuse their influence, Security Council reform was last given serious consideration under the impetus of former secretary general Kofi Annan.<sup>152</sup> As far as post efforts go in lobbying for restructuring, India and Brazil has had an alignment with the G4 including Germany and Japan as a interest group for UNSC membership. In the General Assembly, the G4 have been directly opposed by the Uniting for Consensus group otherwise known as the Coffee Club, under the leadership of Italy, whom call for consensus amongst member states before any decisions on membership are made. Variations of proposed models have included the expansion from 15 to 24 members of which six additional permanent seats are added, or by creating 8 new four year renewable terms for non-permanent members.<sup>153</sup> All of the suggested models have had very limited political mileage in being translated into serious action by the permanent five. Even if the Council transforms into accepting permanent members with non-veto positions, it is still seen to be a largely ineffective proposal.

The geopolitical power dynamics and contention amongst member states makes consensus in the General Assembly itself a difficult endeavor. Japan's bid is strongly opposed by China and South Korea, India is opposed by Pakistan while Brazil is opposed by Argentina and Mexico.<sup>154</sup> In the African bloc, there was previously general support for the forerunners of Nigeria, South Africa and Egypt, but an insidious source of contention remains particularly between South Africa and Nigeria when endorsing one state representative for Africa.

Therefore despite India, Brazil and South Africa's long term and somewhat distanced aspirations to join the UNSC as more prominent players, a situation which would in theory ensure the influence of BRICS in the UN and legitimize official positions in the international arena, the power politics and geopolitical competition involved in the process diminish these prospects greatly. On principle and historic precedence China strongly opposes the G4 owing to the membership of Japan and India, sparking rivalries in the expansion of influence. Regardless of the rhetoric in diplomatic statements and paragraph 8 of the Sanya BRICS Declaration

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<sup>152</sup> Ikome, F & Samasuwo, N, "UN Reform Towards A More [In] Secure World?", in *Global Insight*, Iss. 49, April 2006. P1

<sup>153</sup> Ariyoruk, A, *Players and Proposals in the Security Council Debate*, *Global Policy Forum*, <http://www.globalpolicy.org/component/content/article/200/41204.html>, 3 July 2005. Last accessed: 06/02/2012

<sup>154</sup> Malik, J, "Security Council Reforms: China Signals its Veto", in *World Policy Journal*, Spring 2005 P.24

announcing Russia and China's support and understanding for India, Brazil and South Africa's desire to play a greater role in the UN. There is almost a non-existence in paralleled action to follow through on this conveyed support.<sup>155</sup>

If anything China has used the rhetoric of support to Countries with UNSC reform aspirations as a expression of dissatisfaction and additional power buffer against the G4. More recently as Pakistan took up the 2012 non permanent rotation on the UNSC in concurrent with India's remaining year. China explicitly and deliberately declared that it attached "great importance to Pakistan's request for a seat on the UNSC [made at the 66<sup>th</sup> General Assembly meeting in September 2011]",<sup>156</sup> highlighting an obvious move against India's support base and by extension the support base for Japan in the G4. The occasionally strained relationship between China and India over this particular matter and the show of antagonism over endorsement of membership hints to a degree of separation and divergent interests within BRICS which have yet to be fully provoked to the surface.

Despite the structure of the Security Council being anachronistic in nature, irrelevant in correlation with an ever changing global order, where there are alternate centers of power outside the UN, a category to which is aptly applicable to BRICS.

Though Brazil, Russia, India, China and South Africa have demonstrated a fair amount of cooperation in the year 2011 with their fortuitous concurrent membership on the UNSC, due to the absence of prospects for Council reform in the near future the grouping's influence in the UN's top organ will be limited to parallel consultations with BRICS states who serve on the UNSC<sup>157</sup> and based heavily upon very broad agendas formed by overarching developing world solidarity. In this regard South Africa's bilateral relationship under the principle of South-South cooperation will be vital, as well as managing the added impetus of over BRICS states as a basis for support.

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<sup>155</sup> South African Presidency, *Op. Cit*, *Sanya Declaration*

<sup>156</sup> Xinhua News Agency, *China Backs Pakistan's Bid for UN Security Council Seat*,

[http://www.china.org.cn/world/2011-10/19/content\\_23671782.htm](http://www.china.org.cn/world/2011-10/19/content_23671782.htm), 19 Oct 2011. Last accessed: 07/01/2012

<sup>157</sup> Includes non permanent members who are serving a rotation in addition to the permanent members of China and Russia.

## **Chapter 5: BRICS Guarding Economic Prosperity**

### **5.1) Introduction**

The international financial crisis of 2008-2009 necessitated a sense of collective coordination from emerging economies to shelter the possible spillover effects. The crisis has highlighted the inadequacies of the current system with the dollar as its lynchpin. Historical evidence indicates that there is a strong temptation for countries to gravitate towards protectionism as consequential actions after a recession. For emerging markets increased protectionism and weakening currency is a threat to the framework which secures international economic growth. In a post- crisis era the BRICS economies not only face the threat of trade protectionism but must also manage the inflationary effect of capital inflows from developed countries making them prone to capital flight and bubble bursts.

The collective economic aspiration of the BRICS countries is the main tenet of the grouping and most palpable common purpose. With the residual precariousness of the global economy still lingering after the 2008 financial crisis, emerging market leaders have legitimate concern over the future state of the global economy. For the BRICS member states, core priorities included securing the prospects for future growth while safeguarding current economic strengths. In order to achieve their aims, a substantial amount of leverage over the global financial architecture is crucial through expanding the dialogue for reform of both the World Bank and the IMF.

A main center of collective concern for BRICS countries is navigating the possible globalised spillover effects of the financial crisis while concurrently consolidating their positions on both prominent international financial issues and within international financial institutions. These actions branch off into independent meetings outside formal institutions, attempted coordination within the G20, and the further implementation of Summit conclusions regarding stance and planned actions on currency and banking.

The BRICS economies combined represent over 12\$trillion in value, solidifying their position as an engine for global growth, the collective share of the global economy amounts to roughly 19 percent and is expected to continue to increase exponentially over the next two decades. Despite this BRICS are still not prominent enough decisions makers in the international economic system.

Western developed countries remain the rule makers and judges.<sup>158</sup> Therefore efforts to reform the international financial system through the relevant institutions is a priority for BRICS as a means to secure future economic prosperity by obtaining a greater share in general decisions making. Reforms in the IMF and World Bank are strongly geared towards more significant representation; improved representation translates to enhanced attainment of the interests and agendas for the BRICS emerging markets.

After a meeting of the BRICS trade ministers at the Sanya summit, India's commerce and Industry Minister Anad Sharma had stated that the group was discussing measures to expand economic cooperation, and that the five countries will be coordinating their synergies on reforms of global institutions like the IMF and World Bank, as well as enhancing cooperation in the G20 and the WTO.<sup>159</sup>

The BRICS maneuvering on the economic and financial stage can be analyzed in the prism of influencing agenda in the G20 and the response on thematic issues such as currency adjustment and methods in which to curb the global financial crisis in emerging market economies. The formation of BRICS results by default as a smaller grouping within the network of the G20 major economies, thus BRICS coordinated action in both rhetoric and logical assumption can be calibrated in the G20. Most recently the G20 meeting in Cannes, France provided BRICS with an opportunity to coordinate amongst themselves as a unit before the actually conference took place.

This chapter analyzes the collective actions and statements made by BRICS states to address their concerns of the instability in the global economy which threatens to override their prospects of economic growth. These efforts are made in two fold, first through formal groupings outside formal institutions such as the G20, and through voiced urgency to implementing reform of

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<sup>158</sup> International Center for Trade and Sustainable Development, "BRICS Looking to Formalize Growing Economic Influence", in Bridges Weekly Trade News Digest, Vol. 15, no.4, 20 April 2011.

<sup>159</sup> Singh, M, BRICS Vows to Oppose Trade Protectionism, *Economic Times*, [http://articles.economictimes.indiatimes.com/2011-04-13/news/29413576\\_1\\_trade-protectionism-trade-ministers-g-20](http://articles.economictimes.indiatimes.com/2011-04-13/news/29413576_1_trade-protectionism-trade-ministers-g-20), 13 April 2011. Last accessed: 12/11/2011

international financial institutions, particularly the IMF. This chapter looks at the details and implications of the reform advocated by BRICS, the events of 2011 in the IMF's leadership also allowed BRICS an opportunity to exert their stance on the election of the funds new chief. Russia's recent ascension into the WTO subsequently means that there is a full BRICS presence in the organization, this section also attempts to elaborate on the implications. Concurrent to BRICS actions in formal organizations concerning trade and finance related matters, the group has also attempted to form a loose framework as an alternative mechanism to address their mutual concerns on finance and trade. An analysis into these peripheral effects reveals that they are specific and fill a niche in intra-BRICS economic relations. The BRICS informal reforms outside of existing international financial architecture indicates the propensity of proactive measures to both ensure and enhance the collective future prosperity of their economies.

## 5.2) BRICS and the G20 Major Economies

The G20 was originally formed in 1999 by developing countries in response to the financial crisis that was ensuing in the late 1990s. Its purpose was to promote cooperation and consultation between the worlds' major economies on issues related to the international financial system. At summit level the G20 convene on an annual basis, while drawing on technical assistance from the expertise of international organizations, the group aims to discuss economic and finance related issues in order to better maintain stability and prosperity in the international economy. Respective finance ministers and central bank governors are often present and party to the discussions and negotiation process of the summits. Members of the G20 have in the past successfully created a framework for strong, sustainable and balanced growth through realigning national policies so that they are more in line with the needs of the global economy. They have also recently agreed to a financial regulation plan in order to deal with the financial crisis. However one of the main objectives of the G20 related to the ambition of its developing member states is to instigate a change in global financial architecture, especially in regards to the economic decision making process by promoting governance reform in the World Bank and the IMF in particular.<sup>160</sup>

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<sup>160</sup> G20, What is the G20, <http://www.g20-g8.com/g8-g20/g20/english/what-is-the-g20-/what-is-the-g20-/what-is-the-g20.70.html>, . Last accessed: 14/01/2012

What should be noted is that though there is a range of disparity in the G20, from western developed states to rising developing states from Asia, Africa and South America, there have been eight main developing world members who have strong claims to being the 'core' global south group within the G20. Brazil, South Africa, India and China are generally regarded to be amongst them.<sup>161</sup> The BRICS Sanya declaration and subsequent coordination actions has targeted the G20 as the platform through which they choose to implement BRICS common agenda related to maintain collective economic prosperity by guarding the stability of the international economy. It is important to distinguish the difference between the G20 major economies from the G20 developing states agricultural coalition within the WTO. The G20 major economies consists of all BRICS states in addition to other substantial players in the developing world such as Argentina, Indonesia, , Mexico, Saudi Arabia, Turkey as well as states who fall within the developed world grouping such as the United States, Australia, Canada, Japan, South Korea, the United Kingdom, France, Germany, Italy, and the European Union at large.<sup>162</sup>

With the G20 summit in Cannes, France and the advertised presence of all BRICS member states, the grouping is a microcosm of rising powers in action. BRICS' overall aim reiterated through joint statements and summit documentation is to actively push for the reform of international financial architecture and pursue ways in which to cushion the effects of the financial crisis on emerging market economies. In short, BRICS represent a group within the G20 whom are more adamant to instigate a stronger direction for agenda setting both in line with their collective and individual needs. With the recent financial crisis still sparking discourse over the best mode for recovery, the G20 has been obligated to reconnect with its origins in the current financial and economic environment. Seeking to ensure a mitigation of economic downturn and securing a more prosperous future for its member base through creating the platform for the dialogue of institutional reform.

The presidents of the BRICS states met prior to the commencement of the G20 summit, at the Hotel Carlton in November 2011 to order to better coordinate their positions and discuss ways in

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<sup>161</sup> Rieffel, L, *The G20 Summit: What is it all About?* Brookings Institution, [http://www.brookings.edu/opinions/2008/1027\\_governance\\_rieffel.aspx](http://www.brookings.edu/opinions/2008/1027_governance_rieffel.aspx) , 27 Oct 2008. Last accessed: 14/01/2012

<sup>162</sup> G20, *Op. Cit*, *What is the G20*

which to implement common agendas through the Cannes 2011 action plan. At the BRICS exclusive meeting ahead of the G20, the five states discussed in addition to the G20 agenda, the Eurozone debt crisis, the fragile world economy, the reform of the international currency system and the regulation of reserves.<sup>163</sup>

Developing world bloc-type alliances have gradually evolved to shifting coalitions focusing on particular issues and combining developed and developing countries. The G20 epitomizes the learned experience of coalition building and BRICS as a group within it represents an avenue for the refinement of engineering a shifting coalition in the international global economy.

The G20 with the growing individual and international clout of each respective BRICS member, has the potential to drown out the G8, as all members present in the G8 are also present in the G20, furthermore the rising influence of BRICS leading the G20 as a support base further nullifies the meetings of the G8 plus outreach five<sup>164</sup>. As the rising core group within the G20 of Indonesia, Saudi Arabia, Turkey and Mexico gain more clout internationally along with the BRICS countries, the alternative power base of the G8 wanes by comparison.

At BRICS summits, it has been demonstrated that the grouping prefers to use the vehicle of the G20 as an extended mechanism in which to achieve their agendas in reforming the global financial architecture and remains the premier forum for international cooperation out of the multiple country groupings formed in the IMF and over international economic and financial issues. The G20 supersedes the G77, and is overtaking the G8. By composition the G20 resembles a greater degree of transparency; as the globalized nature of the international economy obligates states to step outside of their exclusive developed and developing clubs into diverse forums where all developed, emerging market and developing states are represented.

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<sup>163</sup> Pereira, A, BRICS Countries Convened Ahead of G20 Summit in Cannes, BRICS Information Center, <http://www.brics.utoronto.ca/reports/111114-leaders-ap.html>, 03 Nov 2011. Last accessed: 09/01/2012

<sup>164</sup> Which overlaps in membership between the G8 major economies, BRICS and Mexico

### 5.3) BRICS Summit Concurrence on Economic and Financial Issues

BRICS states have at summit level been coherent about their stance on reforming international financial institutions. Reform has been a topic of discourse and asserted plan since the first BRICS summit in Yekatrinnaburg 2009 mostly based on the collective position that emerging countries should be given greater representation within the governing structures of international financial institutions to reflect their growing importance and represent their perspectives within these institutions. The rhetoric is geared towards reconsidering “voice and vote” as well as “mission and mandate” of the IMF and World Bank to better accommodate the BRICS states.<sup>165</sup>

The G20 has been the main mechanism used to advocate reform of Bretton Woods institutions. At the 2005 Ministerial meeting in China, members agreed that quotas and representation of the IMF and the World Bank should be increased in order to mirror changes in global economic weight, the 2009 G20 London summit leader committed to reevaluating the leadership selection of International Financial Institutions, with BRICS states driving the rhetoric behind the dissatisfaction of the US and European domination of the World Bank and IMF. Additional to dedication towards making IFI's more transparent and accountable. G20 member have also endorsed voiced reforms of the World Bank increasing the voting power of developing countries transitioning to 4.5% from 2008 onwards.<sup>166</sup>

The BRICS declaration stemming from the 2010 Brasilia summit declared that the G20, with significant contribution from the BRICS states have increased the resources available to the IMF. Noting that under the principle of fair burden sharing, a substantial shift in the voting power in favor of emerging market economies and developing countries is vital to bringing their participation in decision making processes. Calling attention to the voting power reform of the World Bank and quota reform of the IMF to be concluded, furthermore it highlighted for the need to implement a merit based selection method for the heads of the IMF and World Bank.<sup>167</sup>

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<sup>165</sup> Marchyshyn, M, BRICS Leaders Conclusions on International Financial Reform 2009-2011, *BRICS Information Centre*, 30 November 2011, P.1

<sup>166</sup> *Ibid*, P2.

<sup>167</sup> Russia Parliament, Joint Statement of the BRIC Country Leaders, *Second BRIC Summit Brazil*, [http://eng.news.kremlin.ru/ref\\_notes/5](http://eng.news.kremlin.ru/ref_notes/5), 25 April 2010 Last Accessed: 12/12/2011

From the BRICS perspective, reform is a means to achieving assured financial stability in the future, considering the pressing need to foster greater cooperation in the global economy following the financial crisis of 2008-2009.

The Sanya BRICS summit proposed an added dimension to an already established BRICS stance on financial reform, member states declared that the inadequacies and deficiencies of the existing international monetary and financial systems exposed by the global economic downturn needed to be addressed through a broad based international reserve currency, steering away from reliance on the dollar, which would provide greater stability and certainty, the improvement of the system to be instigated by adjusting the role and expanding the composition of Special Drawing Rights (SDR) in the IMF.<sup>168</sup>

#### 5.4) BRICS' Limited Concern over Reforms at the World Bank

Reform of both the IMF and World Bank has been on the BRICS agenda since its inception, the general dissatisfaction with these institutions is the dominance in shares which western developed countries hold over emerging market countries and developing countries. The change in quota and shares of these institutions have been long implored by BRICS states, at the 2009 BRIC Finance Ministers meeting, the group had concluded that international efforts should be consolidated in handling global economic and financial challenges stemming from the 2008-2009 financial crisis, with the stabilization of the international financial system through recapitalization, liquidity support and the cleaning of bank balance sheets a necessary priority and focal point. The communiqué made little mention of the World Bank, only that the second phase of voice and representation reforms should be sped up.<sup>169</sup>

In April 2010, the 186 countries of the World Bank group endorsed the boosting of its capital by more than \$86billion and giving developing countries more influence. The International Bank of reconstruction and Development (IBRD), the organization's arm which lends to developing countries has increased its capital and increased shares for developing countries. Achieving a 3.3

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<sup>168</sup> Presidency of South Africa, *Op. Cit*, *Sanya Declaration*

<sup>169</sup> Russian Foreign Ministry, *BRIC Finance Ministers' Communiqué*, <http://www1.minfin.ru/en/news/index.php?pg4=3&id4=7173>, *Horsham England*, 13 March 2009. Last accessed: 12/12/2011 ,

percent increase in voting power for developing and transition countries, bringing their total share to 41.19 percent. Operation reforms were also made in increasing the transparency of the Bank by disclosing new access to information and launching the Open Data Initiative providing free and easy access to information for developing countries.<sup>170</sup>

After a meeting with both the IMF and World Bank, the BRICS finance ministers' joint communiqué in Washington 2011 expressed growing concern over the state of the global economy. However it included little mention of World Bank reform. As emerging market economies, BRICS states' primary concerns are with the stabilization of the international financial and monetary system which would ensure its economic growth through global trade, in a post crisis era though the support for greater developing world representation at the World Bank is a crucial principle to BRICS's identity as the lobbyist entity on behalf of the global south. None of the BRICS states rely heavily on World Bank loans, thus the focus of energy on reforms within this institution is placed lower on its priorities list.

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<sup>170</sup> Theis, D, World Bank Reforms Voting Power, <http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:22556045~pagePK:64257043~piPK:437376~theSitePK:4607,00.htm> ,*Press Release: 2010/363/EXT*, 25 April 2010. Last accessed: 12/12/2011

### 5.5) BRICS' Main Concern: Reform of the IMF

Reform of the IMF has been employed by BRICS as the precipice institution in which to engage in efforts to stabilize the international financial system. The BRICS Finance Ministers' Washington Communiqué was strongly weighted in conveying the imperatives of IMF reform. Stating that while BRICS countries had recovered quickly from the 2008-2009 financial crisis, the composition of their economies as emerging markets meant that member states have been subjected to inflationary pressures, and the growth prospects of all the BRICS' economies have been dampened by global market instability. Expressing concern that the medium to long term plans of fiscal adjustment in developed countries have created an uncertain environment for global growth, declaring that the group was open to making additional efforts in working with other countries and International Financial Institutions in order to address the present challenges to global financial stability. A greater share and stronger leverage for BRICS in international financial institutions is crucial in the long term for safeguarding their collective economic prosperity.<sup>171</sup> Increased representation translates to enhanced presence in the decision making processes of the institution thereby ensuring the interests and agendas of emerging market economies are looked after. Thus BRICS countries are more concerned with IMF reforms which in their view has not been implemented with a strong enough sense of urgency. The dialogue and actions pertaining to reforms in the IMF mostly revolve around the increase of quota shares, the shifting of voting power, modification of regional representation in its governance structures and an ongoing discourse on the composition of Special Drawing Rights (SDR).

#### *5.5.1) IMF Quota Reforms*

In investigating the BRICS motivation behind IMF reform, it becomes abundantly clear that the IMF has lagged behind in reflecting the BRICS states growing share of the global economy. The influence of member states within the IMF is determined by quotas, quotas essentially reflect the status of participation and leverage a member country has in the organization. The IMF assigns members with a quota which is broadly based on its relative position in the global economy; the

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<sup>171</sup> Indian Ministry of Finance, BRICS Finance Ministers Joint Communiqué, <http://www.brics.utoronto.ca/docs/110922-finance.html>, Washington, 22 September 2011. Last accessed: 13/12/2011

quota determines the country's maximum financial commitment to the organization otherwise known as payment subscriptions. Voting in the IMF is weighted by country's contributions/subscriptions; the quota also represents a member state's share of voting power in IMF decisions. Quotas also determine the access limit to the amount of financing a member state can obtain from the organization, under special arrangements a member can borrow up to 200% of its quota annually and 600% cumulatively for fiscal regulation.<sup>172</sup> Thus when emerging powers lobby for the increase in quotas it directly affects an increase of voting power and loan rights.

Quotas are calculated in the IMF's unit currency known as special drawing rights (SDR), SDR is a pooled together from a basket of currencies from the world's major economies. In recent years the push for quota reviews has become increasingly prominent lead mostly by the impetus of Brazil, China, India and Russia under the self characterization of emerging markets through the G20 as its main mechanism for change. Quota increase is argued by rising states as crucial to increasing the legitimacy and effectiveness of the fund.

Reform packages implemented by the IMF are technically conducted in five year cycles; in 2008 the G20 lobbied for dialogue on reform to enhance the position of emerging markets and developing countries. From this initial effort in December 2010, a package for far reaching reforms, known as the *2008 Amendment on Voice and Participation* was approved by the IMF's Board of Governors and took effect from March 2011 onwards. The shift in quota share was implemented from the IMF's fourteenth general review of quotas, the accepted realignment represented a major shift in more than 6 percent from over represented to under represented members, essentially providing greater shares to emerging market and developing countries. The shift in quota and voting power is generally a adjustment whereby IMF shares are taken from developed-over represented countries and transferred to emerging market-under represented countries; additionally in the process of these reforms emerging market member states have stipulated that the voting power and quota shares of the poorest members are protected and not diluted in the process.<sup>173</sup>

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<sup>172</sup> International Monetary Fund, *Factsheet: IMF Quotas, About the IMF*,  
<http://www.imf.org/external/np/exr/facts/quotas.htm>, 13 Sep 2011.

Last accessed 31/12/2011

<sup>173</sup> International Monetary Fund, *IMF Quota and Governance Publications: June 2006- March 2011*,  
<http://www.imf.org/external/np/fin/quotas/pubs/index.htm>, 06 Jan 2012. Last accessed:10/01/2012

### ***BRICS Member States Quota Share and Voting Power in the IMF***

*As of 2011, reform package from 2010 has not yet been implemented*

|                                 | <b>Quota: SDR in<br/>Millions</b> | <b>Quota: % of<br/>Total</b> | <b>No. of Votes</b> | <b>% of Total<br/>Votes</b> |
|---------------------------------|-----------------------------------|------------------------------|---------------------|-----------------------------|
| <b>Brazil</b>                   | 4250.5                            | 1.79                         | 43246               | 1.72                        |
| <b>Russia</b>                   | 5945.4                            | 2.50                         | 60195               | 2.39                        |
| <b>India</b>                    | 5821.5                            | 2.45                         | 58956               | 2.34                        |
| <b>China</b>                    | 9525.9                            | 4.00                         | 96000               | 3.81                        |
| <b>South Africa</b>             | 1868.5                            | 0.79                         | 19426               | 0.77                        |
| <b>Total of<br/>187 Members</b> | <b>237993.4</b>                   | <b>100</b>                   | <b>2518501</b>      | <b>100</b>                  |

*Source: IMF<sup>174</sup>*

Although the *2008 Amendments on Voice and Participation reforms* symbolized the success of emerging market countries in particular in leveraging the G20 and other members within the fund to advocate relevant change in their favor, reforms remain a continued topic of discourse and are a perpetual agenda for rising states. As illustrated at the 2010 G20 summit in South Korea, further efforts were pursued, particularly by BRICS states<sup>175</sup> to continue the realignment of quotas in addition to increasing quota shares and interrogation into reform of the IMF's governance structure specifically with the Executive Board.

The next round of proposed reforms includes the doubling of quotas, currently IMF total quotas stand at 236billion (SDR) which is roughly the equivalent of 374billionUS\$, the doubling of quotas will bring these resources to a total of 476.8 billion (SDR) which is 748BbillionUS\$.<sup>176</sup> Quota doubling is expected to come from financial contributions of the BRICS states, with the

<sup>174</sup> Table formatted from IMF Data: *IMF Members Quotas and Voting Power*, <http://www.imf.org/external/np/sec/memdir/members.aspx>, Last updated and accessed: 10 Feb 2012.

<sup>175</sup> Active efforts mostly by Brazil, Russia, India and China with South Africa's support

<sup>176</sup> International Monetary Fund, *G20 Agreement on Quotas and Governance, Questions and Answers*, <http://www.imf.org/external/np/exr/faq/quotasgov.htm>, 06 Jan 2012. Last accessed: 10/01/2012

exception of South Africa. Not only does this mean that the pool of financial resources available for member states to loan from is increased which is an extended safe measure to bail out states who are may in future suffer financial crisis. There will also be a shift in voting power, half of which will come from developed economies and one third of which will come from oil producing economies while the remainder will be calculated through respective member contributions, this effectively means that once these new reforms are implemented Brazil, Russia, India and China will rise to solidify their positions amongst the top ten IMF shareholders along with the US, Japan and the big four EU states of Germany, France, Italy and the UK. More importantly the projected end results of these reforms will mean that for the first time in the IMF's history, as fast growing emerging market countries hold stronger sway in the institution, the combined voting power of the US and EU states in the top ten will fall below 50 percent.<sup>177</sup>

In addition to this, the existing quotas of African countries and other developing states with smaller shares in the fund will remain unaffected, in other words the combined increase in total quotas and shifts in voting power will not take away from African states' current voting percentage in the IMF. The timeline for this phase of IMF reforms is proposed to be 2014 subsequent to approval by its various governing bodies, where the next IMF quota review will take place two years ahead of schedule, with a new formula to calculate country quotas in the organization to be established by 2013. Under this new proposed shift, 108 developing countries will either gain or maintain their quota share.<sup>178</sup>

#### *5.5.2) Reform of IMF Governance Structures*

In principle the IMF's governance structure is meant to reflect the position of each member country in the global economy. The more power the economy, the greater weight in voting share a member state is supposed to have in the organization. The change in the current world economy no longer correlates with the governance structures of the IMF. As emerging market economies grow in influence, the greater their financial potential to the fund and thus a greater share should be yielded to these economies. Reform of the IMF is only effective if the

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<sup>177</sup> *Loc. Cit.*

<sup>178</sup> IMF Survey Magazine, *IMF Board Approves Far-Reaching Governance Reforms*, *IMF Survey Online*, <http://www.imf.org/external/pubs/ft/survey/so/2010/NEW110510B.htm>, 05 Nov 2010. Last accessed: 05/01/2012

governance structures of the organization correlate with the proposed change in quota reform. As the focus of current reforms are to reflect the larger role that emerging markets and developing countries play in the global economy, this redistribution needs to be shown in the methods in which IMF governing staff are elected.

Currently, the IMF's governing organs are divided into the international monetary and financial committee and the development committee who advise the board of governors on areas of common concern affecting the global economy and issues related to economic development respectively. The board of governors which are represented by member states' finance and reserve bank officials, the board reserves the right to approve quota increases, SDR allocations, the admittance of new members, and amendments to the article of agreement document. Other than that, the board delegates most of its powers to the Executive Board of the IMF.<sup>179</sup>

The current Executive Board is a 24 member committee which conducts the daily business of the IMF, the executive directors on the board are elected by the Board. Currently five seats on the executive board are reserved for the five countries holding the largest quotas (US, France, Germany, UK and Japan) while the remaining 19 are elected by member states mainly through assigned grouped constituencies of four or more countries. Constituencies are roughly grouped to geographical regions, while China and Russia considered single constituencies due to their larger quotas and have been afforded their exclusive seats to the Executive Board. Brazil, India and South Africa must lobby their chosen candidates through their own respective constituencies.

Brazil shares a constituency with 8 other states from Latin America and the Caribbean, but holds 61 percent of the vote within this constituency thereby making it the main decision maker in dictating who they want representing the constituency- currently Brazilian Paulo Batista. Similarly, India shares a constituency with its smaller neighboring states of Bhutan, Bangladesh and Sri Lanka. India holds a monopoly of 83 percent of the votes in its constituency. South Africa on the other hand belongs to the African constituency of 20 states, and holds 24 percent to total voting power in close range to Nigeria who holds 22.5 percent within the same

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<sup>179</sup> International Monetary Fund, How the IMF Makes Decisions, *Factsheet*, <http://www.imf.org/external/np/exr/facts/govern.htm> , 16 Sep 2011 Last accessed: 06/01/2012

constituency.<sup>180</sup> Therefore unlike fellow BRICS members South Africa's position in being able to exert influence through the Executive Board from its group constituency is diluted due to its limited voting power.

If the new reforms come into effect than all directors on the board will be elected by member states from 2012 onwards, doing away with the reserved single seats for developed countries, although weight in voting shares will still apply.<sup>181</sup> The change in quotas and voting power project that the Executive Board after the reforms indicated that advanced European economies will hold two fewer seats, which are to be gained by the emerging market and developing countries.<sup>182</sup>

### *5.5.3) Electing the New Head of the IMF: BRICS Incongruence?*

The managing director for the IMF is selected for five year tenures by the Executive Board, and is responsible for day to day running of the fund including the organization, appointment and dismissal of staff. The Executive Board draws up a shortlist of three nominees who have been suggested by member states and confirmed their desire to be put forward for the position. The Executive Board then selects the Managing Director by majority votes cast after a month long process, therefore although the objective is still to get consensus amongst members of the Executive Board, developed states who have higher voting shares still sway the end decision.

After the controversy surrounding former IMF head Dominique Strauss-Khan leading to his eventual resignation, emerging countries and the developing world had an opportunity to add their input in the selection process of a new IMF head, the position has historically and traditionally been held by a European. This precedent has been criticized by the global south, stating that the same consideration should be giving to candidates from developing world

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<sup>180</sup> International Monetary Fund, *IMF Executive Directors and Voting Power, Factsheet*, <http://www.imf.org/external/np/sec/memdir/eds.aspx>, 12 January 2012. Last accessed: 14/01/2012

<sup>181</sup> Therefore developed countries will still get more votes and will more likely still be able to elect their desired candidates onto the Executive Board.

<sup>182</sup> IMF Survey Magazine, *Op. Cit.*

backgrounds. Prior to the beginning of the selection process shareholders expressed that non-Europeans should be considered for the job with equal standing.<sup>183</sup>

Though there is no existing rules in the IMF which stipulated the requirements of a managing director's nationality, the practice is a result of a long standing gentlemen's agreement between the US and Europe. Since the inception of the Bretton Woods institutions, the majority shareholders of US and European countries have always yielded to each other for the head of the IMF to be European and the head of the World Bank to be American. There in practice the US and Western Europe have dominated the board through their majority quotas, despite Brazil and South Africa at the beginning of the selection process calling for the next head of the IMF to be a candidate from the developing world.<sup>184</sup>

BRICS countries released a statement regarding the IMF head selection process which was presented by its' representative directors<sup>185</sup> on the Executive Board. The press release was used to convey the collective stance of BRICS states with regards to this issue. Articulating that the convention and practice of selecting the managing director of the fund based on nationality undermines the legitimacy and credibility of the fund. Drawing attention to the public announcement made in 2007 when former head Dominique Strauss Khan was elected, Mr. Jean-Claude Juncker president of the Euro group declared that the next IMF head will not be European. BRICS states called for the selection of the next person to be in on broad consultation with the membership and be based on competency of qualification with strong political acumen and technical background, regardless of his/her nationality. Relating back to the IMF's new general undertaking of reflecting the growing role of emerging economies, the BRICS public statement called for the adequate representation of emerging market and developing members in the fund,

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<sup>183</sup> Thomas, L, IMF Job Should Be Open to Non-Europeans: OECD Head, <http://www.reuters.com/article/2011/05/20/us-imf-oecd-idUSTRE74J2J620110520>, 20 May 2011. Last accessed 21/12/2011.

<sup>184</sup> Keating, J, Why is the IMF head Chief always a European?, *Financial Times*, [http://www.foreignpolicy.com/articles/2011/05/18/why\\_is\\_the\\_imf\\_chief\\_always\\_a\\_european](http://www.foreignpolicy.com/articles/2011/05/18/why_is_the_imf_chief_always_a_european) 18 May 2011. Last accessed: 13/12/2011

<sup>185</sup> Each BRICS state has a representative on the Executive Board, with Moeketsi Majoro (Lesotho) representing South Africa through the African constituency in this regard.

from this perspective, the new IMF head should thus be committed to change and reform of the institutions so as to adapt it to the new realities of the world economy.<sup>186</sup>

In response to the accumulated discontent and potential controversy over the election of the next IMF head, the dean of the Executive Board Mr. Shakour Shalaan announced that the board adopted a selection process which would take place in a transparent and merit based manner. All candidates were required to have a distinguished record of policy making at senior levels and demonstrate the managerial and diplomatic skills needed to lead a global institution.<sup>187</sup>

Candidates for the position from the global south were rumored to include South Africa's head of the National Planning Commission Trevor Manuel and Kazakhstan's Central Bank Chief Grigory Marchenko. The final shortlisted candidates however turned out to be French Finance Minister Christine Lagarde and Mexico's Central Bank Chief Agustin Carstens. Ultimately, Christine Lagarde was successfully being appointed the eleventh head of the IMF on the 5<sup>th</sup> of July 2011 after a month's long selection process. Despite the BRICS uniting in protest over the presumption of a European head of the IMF, BRICS member states eventually showed their support and backed Lagarde's candidacy even though they had originally called for the "abandoning the obsolete unwritten convention that requires that the head of the IMF be necessarily from Europe".<sup>188</sup>

In this regard, the pragmatic consideration for the most appropriate candidate to lead the IMF was taken into account by BRICS over rhetoric of anti-west domination in the institution. Despite Agustin Carstens' developing world background and experience in the fund, he has been criticized for overseeing a feeble economic stimulus package in his own country, with Mexico being the hardest hit by the financial crisis out in the global south. Furthermore Carstens

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<sup>186</sup> IMF Press Release, Statement by IMF Directors representing BRICS on the Selection Process for Appointing the IMF Managing Director, *Press release no. 11/195*, <http://www.imf.org/external/np/sec/pr/2011/pr11195.htm>, 24 May 2011. Last accessed: 15/12/2011

<sup>187</sup> IMF Press Release, IMF Executive Board Initiates Selection Process for Next IMF Managing Director, *Press Release no. 11/191*, <http://www.imf.org/external/np/sec/pr/2011/pr11191.htm>, 20 May 2011. Last accessed: 15/12/2011

<sup>188</sup> Reuters, Christine Lagarde set to declare IMF hand as BRICs combine to keep "obsolete" Europe out, *The Telegraph*, <http://www.telegraph.co.uk/finance/economics/8535074/Christine-Lagarde-set-to-declare-IMF-hand-as-BRICs-combine-to-keep-obsolete-Europe-out.html>, 25 May 2011. Last accessed: 16/12/2011

education and rationale sympathies stemming from the Chicago school of market first regulation last has been widely question by the global downturn.<sup>189</sup>

Lagarde on the other hand, in her career in politics and law has held a widely well respected reputation, having been ranked as the best finance minister in the Eurozone, not only had she gained the backing of the G8 in general, Lagarde travelled to both China and Brazil in an effort to win the favor of the BRICS states and successfully managed to lobby public backing from China, and private support from Brazil.<sup>190</sup> On the matter of exclusivity on Europe's monopoly over the position, Lagarde herself stated that she was not arguing for her candidacy based on the fact that she was European.<sup>191</sup>

Aside from the subtle contradiction made by BRICS states which indicated incongruence between the initial political sentiments and eventual actions taken over the issue, considerations of the best candidate for IMF head out of the list of available options turned out to be a European. Although BRICS states had consulted with each other in finding a candidate who could fit the profile, there was no appropriate nominee whom they could legitimately back for the running, as highlighted by Chinese finance officials in explaining their support for Christine Lagarde.<sup>192</sup> Moreover, there was strong strategic concerns from BRICS which had to take precedence over the principle of greater representation for the global south; the mutual anxiety of the spillover effects of the Greek debt crisis, BRICS as emerging markets leaders are conscious of the possible threats to their own economic growth from a collapse in the Eurozone, therefore an IMF head who has both experience and respect in finance related matters in Europe better serves BRICS' strategic interests in guarding their future economic prosperity.

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<sup>189</sup> Gallagher, K, Why Agustin Carstens Should Not be the Next IMF Head, *The Guardian: Global Development*, <http://www.guardian.co.uk/commentisfree/cifamerica/2011/jun/03/imf-economics>, 03 June 2011. Last accessed: 17/12/2011

<sup>190</sup> Brazil was against the election of Agustin Carstens.

<sup>191</sup> Deen, M and Kennedy, S, Lagarde Declares Candidacy for IMF Head, *Bloomberg News*, <http://www.bloomberg.com/news/2011-05-25/>, 25 May 2011. Last accessed: 13/12/2011

<sup>192</sup> Kennedy, S, and Miller, R, Christine Lagarde Cements IMF Support, *Bloomberg News*, <http://www.bloomberg.com/news/2011-05-25/>, 25 May 2011. Last accessed: 13/12/2011

#### 5.5.4) Expanding the Composition of Special Drawing Rights (SDR) to Include Emerging Market Currencies

With the financial crisis lowering the reliability of the US dollar and Euro as the world's major currencies, BRICS states whose primary interest of economic growth are being jeopardized by massive capital inflows from developed countries. As the dollar depreciates due to the residual effects of the economic downturn, the ripple effects on emerging market economies are largely negative. Global investors prompted by the lowering value of the dollar and economic recovery in developed countries have a propensity to move capital into emerging market economies in order to take advantage of assured growth rates.

Special Drawing Rights was originally created as a supplement to the then international reserves of gold and the US dollar in a bid to help aid the expansion of world trade and financial development. However after the collapse of the Bretton Woods system and the transfer to floating exchange rates, SDR became mainly used as a supplementary reserve asset and is exchanged for freely useable currencies by the fund's members, in addition to being the unit of account for the IMF. The value of SDR is determined by a basket of currencies, collectively calculated from the Yen, Euro, Pound and the US Dollar. Official review for the composition of SDR is done every five years, with the next review expected to take place in 2015.<sup>193</sup>

**Table: Current Exchange Rate per Unit of SDR**

*Based on exchange rates week beginning 6<sup>th</sup> of February 2012*

|                                   | <b>Brazil<br/>(Real)</b> | <b>Russia<br/>(Ruble)</b> | <b>India<br/>(Rupee)</b> | <b>China<br/>(Yuan)</b> | <b>South<br/>Africa<br/>(Rand)</b> |
|-----------------------------------|--------------------------|---------------------------|--------------------------|-------------------------|------------------------------------|
| <b>Currency<br/>Units per SDR</b> | 2.661                    | 46.716                    | 75.221                   | 11.803                  | 9.751                              |

*Source: IMF<sup>194</sup>*

<sup>193</sup> International Monetary Fund, Special Drawing Rights, *IMF Factsheet*, <http://www.imf.org/external/np/exr/facts/sdr.htm>, 13 Sep 2011. Last accessed: 05/01/2012.

<sup>194</sup> Table formatted from data. International Monetary Fund. SDR Currency Unit, [http://www.imf.org/external/np/fin/data/rms\\_five.aspx](http://www.imf.org/external/np/fin/data/rms_five.aspx), 04/02/2012. Last accessed: 04/02/2012

BRICS and other emerging market economies are currently continuing the conversation in looking for alternatives to reliance on the US dollar as the international reserve currency, the Sanya declaration concluded that the international financial crisis exposed inadequacies and deficiencies of the existing monetary system has called for a broad based international reserve currency system to provide greater stability and certainty for the global economy. Though at the moment SDR is only used by members of the IMF to support international reserves. BRICS in multilateral forums have kept the ongoing dialogue on possibly using the SDR as an alternative to global reserve currency. The role of SDR could be expanded through diversified composition and encouraging its use as a unit of account to denominate global trade thereby insulating against exchange rate volatility. Expanding composition would not only provide an enhanced role for SDR but by incorporating a widely used emerging market currencies it would reflect the increasing weight of their economies in global trade and finance as well as facilitate the internationalization of these currencies.<sup>195</sup>

Diversification away from a structurally weak dollar was successfully reverberated by BRICS through the 2011 G20 Cannes Communiqué “We agree that the SDR basket composition should continue to reflect the role of currencies in the global trading and financial system. The SDR composition assessment should be based on existing criteria, and we ask the IMF to further clarify them. To adjust to currencies’ changing role and characteristics over time, the composition of the SDR basket will be reviewed in 2015, or earlier, as currencies meet the existing criteria to enter the basket”.<sup>196</sup>

When the Executive Board met to discuss the reevaluation the SDR basket currencies in assessing the range of options available which could be implemented in the long term, in order to enhance the role of SDR to contribute to the long term stability of the international monetary system, a number of directors cautioned that including currencies that are not fully convertible in the SDR basket could reduce its’ attractiveness to IMF member states. Also noted that expanding the SDR basket to major emerging market currencies under appropriate conditions, and based on

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<sup>195</sup> Moghadam, R, “Strengthening the International Monetary System: Taking Stock and Looking ahead”, IMF Strategy Paper, Prepared by the Strategy, Policy and Review Department, <http://www.imf.org/external/np/pp/eng/2011/032311.pdf>, 23 March 2011. P. 21

<sup>196</sup> Verma, S, G20 Defers, *Financial Times Online*, <http://ftalphaville.ft.com/blog/2011/11/04/727971/>, 04 Nov 2011. Last accessed: 12/12/2011

transparent criteria, could further expand the SDR role in the international system. Officials observed that besides the theoretical advantages of diversifying SDR, the process itself faces significant technical and political challenges.<sup>197</sup>

In this hypothetical projection of including emerging market currencies, the Yuan by default of China's share of global exports would be a candidate under consideration. However in the IMF's evaluation of the Renminbi's potential within the SDR basket it was noted that the currency did not meet the criteria to be determined a freely useable currency, despite being de-pegged from the US dollar it is still considered to be highly managed by authorities,<sup>198</sup> in contrast with all the other SDR currencies which are largely free floating. Furthermore the only congruent position taken by BRICS so far is its call of serious consideration in adding emerging market currencies to the SDR, beneath the surface the economic heterogeneity amongst its members have the potential to be a source of contention and contradiction. Brazil, India and to a certain extent South Africa hold mutual concern on the possible effects that an undervalued Yuan may have on their exports. Russia has been benefiting from the soaring rise in prices of oil and commodity prices, while China a major importer on the other hand has been criticizing the increase in those prices and calling for stabilization in commodity prices.<sup>199</sup> The differences in economic systems and individual economic interests of the BRICS members may simmer to impede consensus on specific international monetary and finance regulation issues.

Thus far the existing consensus within BRICS and the G20 is enhancing emerging market presence through emerging market currency representation in the international monetary system, and agreement on the potential for expanding the basket to include currencies of large emerging market economies in line with their growing role in global trade and finance. The extended consensus between BRICS, the G20 and the IMF's Executive Board is to continue wider consultation as a incremental step to a long term process in reviewing the role and composition of SDR for the purposes improving international financial stability and consistency.

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<sup>197</sup> International Monetary Fund, *IMF Executive Board Concludes Meeting on Enhancing International Monetary Stability- A Role for the SDR?*, *Public Information Notice no.11/2*, <http://www.imf.org/external/np/sec/pn/2011/pn1122.htm>, 02 Feb 2011. Last accessed: 12/12/2011

<sup>198</sup> Moghadam, R, "Enhancing International Monetary Stability- A Role for SDR?", *IMF Strategy Paper, Prepared by the Strategy, Policy and Review Department*, <http://www.imf.org/external/np/pp/eng/2011/010711.pdf>, 07 Jan 2011.P.20

<sup>199</sup> International Center for Trade and Sustainable Development, *Op. Cit, Bridges Weekly Digest*

The volatility of the dollar necessitates BRICS states, in their mutual concerns as emerging markets, to look for alternatives in reserve currency for greater stability. However concrete decisions over the matter have yet to be made leading up to the IMF's official review of the SDR in 2015.

## 5.6) BRICS and the WTO: Looking Ahead

### *5.6.1) Pre-BRICS Developing Country Alignment: 2003 Cancun*

The 2003 ministerial conference in Cancun is a prime example of developing country coalitions, leading to coordinated effective action. At the time this particular type of developing world action was innovatively different, more importantly the stance presented showed a high level of cohesion. Prior to the official Cancun Summit, developing countries became aware of the US and EU's tendency to negotiate before hand and collude on issues, specifically on agriculture. As a pre-emptive response to developed world collusion, countries in the developing world began instigating their own interests groups prior, networks of developing countries began to set their own agendas and expectations of the Cancun conference. Many of these states were also members of the Cairns group, a club of agricultural exporting countries.<sup>200</sup>

The main concern for developing countries was that much of their national income was derived by exporting agricultural goods, which then had to compete in the international market with products from subsidized developed nations of the US and EU, thereby narrowing their prospects for increased profits and overall economic growth within the industry vital for a developing economy. An alternative framework for proposal was initially drafted by Brazil and India, which was later joined by China's collaboration. The alternative proposal was put forward and signed by several developing states, South Africa included, which came to be known as the Group of 20 at Cancun.<sup>201</sup> This developing world coalition went beyond blocking the efforts of the developed

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<sup>200</sup> Narlikar. A and Tussie, D, The G20 at The Cancun Ministerial: Developing Countries and Their Evolving Coalitions in the WTO, Blackwell Publishing, Oxford , 2004. P951

<sup>201</sup> **G20+ of exclusively developing countries coalition was formed over agricultural issues and consists of 23 members:** Argentina, Bolivia, Brazil, Chile, China, Cuba, Ecuador, Egypt, Guatemala, India, Indonesia, Mexico, Nigeria, Pakistan, Paraguay, Peru, Philippines, South Africa, Tanzania, Thailand, Uruguay, Venezuela, Zimbabwe.

world at the WTO but also took initiative by proposing a feasible alternative, on export subsidies the G20 proposed a differentiate formula where over a period of years export subsidies to products of particular interest to developing countries are eliminated and requested further commitment that members will commit for the elimination of export subsidies for the remaining products over a predetermined amount of years.<sup>202</sup> Thereby in total guaranteeing that over an extended period of time, the developing world would no longer have to contend with the developed world's subsidies.

As a new exemplar of emerging power proactive diplomacy, China, India and Brazil led the block consensus comprising of a cohesive mass of developing countries regardless of possible fault lines between the diverse members of the group. Instead of fragmentation the coalition at Cancun successfully stood steadfast against coordinated western developed world agenda thereby eventually stalling the Doha round.<sup>203</sup> At the core of this coalition were the legitimate and cohesive claims of the emerging powers of Argentina, Brazil, India, China and South Africa each with regional leadership legitimacy.<sup>204</sup> Cancun demonstrated the potential success that BRICS states, with exception of Russia, had in leading and lobbying for their interests. As Russia finally joins the WTO, with the presence of all BRICS members in the organization and the propensity of these states to engage proactively, BRICS actions in the WTO may come to greater effect.

#### *5.6.2) All BRICS in the WTO: Russia's Ascension*

Until recently the anachronistic nature of BRICS was further amplified by the anomaly of Russia as a non-member of the WTO. The common economic aspirations of the countries combined with their voiced ambition in reforming both the IMF and the World Bank was diluted by the omission of Russia and thereby the potential for a concerted BRICS presence in the WTO.

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**Not to be confused with the G20 Major Economies aforementioned in this chapter which includes Russia and developed countries.**

<sup>202</sup> *Ibid.* P.952

<sup>203</sup> *Ibid.* P.954

<sup>204</sup> *Ibid.* P.960

The negotiations for Russia's ascension into the WTO have been in elaboration for 18 years, stalled by various issues most recently by the objection of Georgia in relation to what it perceived to be the 2008 invasion. In December 2011, at the 8<sup>th</sup> Ministerial Conference in Geneva, consensus by members were constructed ultimately approving Russia's ascension into the WTO, with the condition of ratifying the deal within the following 220 days to become a fully fledged member of the organization.<sup>205</sup> Russia with its concurrent credentials of BRICS member, UNSC permanent member and leading oil and gas producer has been able to gain all rounded access in the international system through its ascension into the WTO. Considering the global economic downturn, Russia had recently decided to accept the package offered, by opening up to foreign investment stipulated by the WTO and further concentrated effort to complete the process, as a means of securing future economic competitiveness.<sup>206</sup>

For BRICS this means, cementing the full integration of all its members as a foundational starting point to instigate proverbial change in the international system. Unlike the imbalanced structural rigidity of the World Bank and IMF, the WTO is a consensus based organization which technically does not offer unequal leverage for any particular country in its member structure. Full inclusion of all BRICS members means that there is a lobby group with significant clout in the global economy who have the option to challenge the WTO's standards and implementation of liberalized trade practices, not to mention an extra state aligning with the Brazil, China, India and South Africa for developing world agendas by the mere fact that it challenges western trade hegemony, provided these actions do not conflict with Russia's immediate national interests. In terms of synchronization within WTO groupings, Russia is the only BRICS member not present in the G20 developing country-agriculture based coalition formed prior to its ascension at Cancun in 2003.<sup>207</sup>

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<sup>205</sup> World Trade Organization, Ministerial Conference Approves Russia's WTO Membership, *News Item*, [http://www.wto.org/english/news\\_e/news11\\_e/acc\\_rus\\_16dec11\\_e.html](http://www.wto.org/english/news_e/news11_e/acc_rus_16dec11_e.html), 6 December 2011.  
Last accessed: 31/12/2011

<sup>206</sup> BBC News, Russia Becomes WTO Member After 18 Years of Talks, <http://www.bbc.co.uk/news/business-16212643>, 16 December 2011 Last accessed: 31/12/2011

<sup>207</sup> Russia along with developed western states is a member of the G20 Major Economies, but not the G20 WTO Cancun group comprised exclusively of developing countries.

### 5.6.3) BRICS meeting of Trade Ministers Prior to the 8<sup>th</sup> WTO Conference

The trade ministers of Brazil, Russia, India, China and South Africa in Geneva on the 14<sup>th</sup> of December to discuss common agendas and put forward a statement representing the collective BRICS sentiment at the WTO ministerial. Recalling the statements made in the Sanya declaration on BRICS commitment to the Doha Development Round, and congratulating Russia for its recent ascension. Russia, confirmed that the ratification of the commitments in relation to its membership will be expected to be implemented from mid 2012 onwards.

Expressing the need for the WTO to further develop its rules and structures to address the concerns of developing countries, and welcoming the addition of more Least Developed Economies to the organization<sup>208</sup> contribute to the shared goal of achieving universality in the WTO. Emphasizing that under the present economic circumstances international trade is crucial to global recovery, and as a result BRICS states are strongly opposed to all forms of protectionism. Pointing out that developed world protectionism is most prevalent in agriculture with regards to trade distorting subsidies is most harmful as not only generates food insecurity through local farmers no longer have the means to maintain domestic production, but denies the development potential of this key sector as well.<sup>209</sup>

Additionally the joint BRICS statement also clarified that despite the impasse experienced by the Doha Round, members are willing to conclude the round based on the adoption of the draft modalities last edited in the text of the December 2008 round. Affirming that they are vehemently against “plurilateral approaches” taken to undermine the multilateral nature of the negotiations, in other words BRICS states reiterate that they will undeniably reject any agreement negotiated out of pre-conference and in collusion between western developed states. Whilst conveying that priority must be given to the implementation of the Hong Kong Ministerial Declaration regarding *duty free quota free initiative*, as well as the topical matters of cotton and agriculture in relation to strong commitment with the cotton four (C4) economies

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<sup>208</sup> Montenegro, Samoa and Vanuatu

<sup>209</sup> BRICS Information Centre, Ministerial Declaration of the BRICS Trade Ministers, <http://www.brics.utoronto.ca/docs/111214-trade.html>, Geneva, 14December 2011. Last accessed: 09/01/2012

being crucial to the process. In addition to mention of support for BRICS technical cooperation in areas which are relevant to Africa countries.<sup>210</sup>

The BRICS ministerial meeting before the WTO conference indicates the continued commitment and willingness of BRICS member states to put effort into coordinating their actions in international institutions by way of informal meetings before or parallel to official summits. Statements released prior give an indication of the general direction and sentiments of the BRICS states. Emerging from the narrative is an attempt in rhetoric to draw and show solidarity for other developing states particularly those with least developed economies in negotiations of the WTO.

The two main priorities expressed were the BRICS consolidated positions on the clause in stemming from the Hong Kong Ministerial Declaration of 2005 which relates to paragraph 45 of the framework agreement whereby least developed countries are exempt from any reduction requirement with regards to market access and custom duties on foreign imports, but it is also stipulated that “*developed Members, and developing country Members in a position to do so, should provide duty-free and quota-free market access for products originating from least-developed countries*”.<sup>211</sup> A clause which has been reiterated by BRICS as not all members, with implicit finger pointing at the western developed states, have made the *duty-free-quota-free from LDCs* point fully operational in their countries. On the contention over cotton subsidies, which remains a topic of dispute between the United States and the Cotton-four group of African countries (Burkina Faso, Chad, Benin and Mali), though concessions being secured from the US is still ongoing, it is widely accepted amongst the developing world that the Doha round will not conclude unless an agreement over cotton is reached.<sup>212</sup> In principle the cotton four group represents the affirmation of African and developing world assertiveness over crucial areas of interests in the WTO, the success of the cotton four countries in demonstrating that as LDC’s they have had a substantial impact against US trade hegemony is a precedent which is widely supported by BRICS states and the developing world at large.

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<sup>210</sup> Loc. Cit.

<sup>211</sup> World Trade Organization, Ministerial Declaration: Annexes, *Report by the Chairman of the Special Committee on Agriculture*, Hong Kong Ministerial 2005, [http://www.wto.org/english/thewto\\_e/minist\\_e/min05\\_e/final\\_annex\\_e.htm](http://www.wto.org/english/thewto_e/minist_e/min05_e/final_annex_e.htm) , Adopted 18 December 2005. Last accessed: 15/01/2012

<sup>212</sup> Birkbeck, C and Harboud, M, Developing Country Coalitions in the WTO: Strategies for Improving the Influence of the WTO’s Weakest and Poorest Members, *Working Paper: Global Economic Governance Programme*, Oxford University, no. 63, July 2011, \_P.14

The ministerial statement before the WTO meeting reveals the aspirations of BRICS to use the wide latitude of groups in developing world from least developed countries to African cotton producers as a support base for their agenda. Showing solidarity and offering to leverage clout of behalf of their interests is by extension strategically threading a loose coalition of the developing world at large. It is a continuation to push for G20 developing world agendas originating from Cancun to be continually accessed and taken seriously at the WTO. Although with its recent ascension, it is still uncertain the degree of support Russia will give to agricultural issues of fellow BRICS and developing countries which is not its first priority considering Russia's strong concentration in the oil and gas industries.

The potential evolution of BRICS action through the G20 developing countries within the WTO is the probability of forming a new type of malleable BRICS led coalition to be used in exerting influencing the Doha round, of the coalitions existent in the WTO context BRICS members supersede in political clout and economic leverage the larger issue based coalitions (such as G33 and NAMA 11), the characteristic based groups (G77 and LDC grouping) and the regional based groupings (African group and group of Latin American countries).<sup>213</sup>

Though it is yet to be seen what actions BRICS will choose to implement in affecting their agendas through the WTO, whether that be efforts to block defensively or actively pursue their own interests offensively. What can be deduced from a wider perspective of BRICS in the international system is that the group has a tendency to defend broad principles relevant to the developing world. Despite the two specific priorities mentioned in the BRICS pre-WTO ministerial meeting, it is still uncertain as to the direction of the grouping in terms of their focus on single issues versus the wide variety of cross cutting issues. How much real support BRICS will get from fellow members in the developing world, and the degree of yielding from developed countries in the WTO over key trade issues are areas which too remain premature to determine.

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<sup>213</sup> Ibid., P.6

#### 5.6.4) BRICS Potential to Build Coalition from Learned Experience within the G20+ (WTO)

Cancun was largely seen to be a circumstantial grouping, however leading on from historical experiences the formation of BRICS solidifies member states' propensity to forge ahead with their own agendas. Though the cohesiveness of BRICS affecting the stalled Doha rounds is yet to be demonstrated, there lies potential in a strong degree of coalesce based on social learning and the practice of coalition building by emerging powers in the WTO. The BRICS grouping has had two decades of coalition forming,<sup>214</sup> stemming from their learned experience of being involved in different coalitions over the decades developing countries have a bank of knowledge to draw from. Aside from regional based groupings, two types of distinct coalitions were formed, bloc type coalitions and issue based alliances. The former is based strongly on ideational and identity related influences where they combine like minded countries and over time adopt collective positions across a spectrum of issues, while the later is formed for instrumental reasons and are directed towards specific threats and dissipate once the particular issue has been addressed.<sup>215</sup> From the bloc type coalitions before and during the Uruguay Round in the early days of GATT to the gradual G10 informal group of developing countries, the G20 by way of past experience has built a coalition based on a combination of bloc type and issues based, which was solidified between developing states at Cancun, this allows for a malleability and perseverance of the coalition.

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<sup>214</sup> With the wayward exception of Russia, as the Former Soviet Union decades prior was more preoccupied with Cold War alliances. *Note the G20+ agricultural bloc of the WTO is not to be confused with the G20 major economies group.*

<sup>215</sup> Narlikar. A and Tussie, *Op. Cit*, P.957

### 5.7) Reforms Outside of Current International Structures

In addition to BRICS states keeping the ball rolling on reform of international financial institutions. Much of the agreements made in ministerial meetings and at summit level has put forward proposals to form pieces of an alternative framework for inter-BRICS trade, economic and financial cooperation as a separate entity from existing international organizations.

#### *5.7.1) Common Currency Plan: Circumventing the Volatility of the Dollar and the Euro*

With the US in economic recovery and implementing quantitative easing on the dollar to lower its value in order to boost exports, the Eurozone/Greek crisis causing consternation, both the Euro and dollar show signs of eroding at a time when the BRICS countries as a group hold more than half of the world's foreign reserves in these currencies. Circumventing the use of the US dollar and Euro as currencies for international trade remains a main goal of emerging economies currently within the structures of the IMF and outside formal institutions in the wider global economy. BRICS states have conveyed plans for a single currency unit within the grouping to use for trade amongst themselves, thereby circumventing the need to convert local currencies into Euros or Dollars when trading with each other. South Africa's trade and industry minister Rob Davies stated that "one of the critical issues in question is conduction trade between ourselves [BRICS] that does not require recourse to third-country currency and to convertible currencies like the dollar and euro, which are incredibly volatile these days."<sup>216</sup>

Minister Davies did note that such an endeavor would be a complicated long term process, where an initial clearing out arrangement needs to be made. And there would be important structural changes to the way BRICS currently trade. This initial proposal was drawn up prior to South Africa's ascension into the group, and was sent back to the drawing board when South Africa became an added member. With South Africa having backed the common currency plan behind closed door discussions with the other members, the issue will be on the new agenda for the next BRICS summit in India 2012. However there is apprehension over the currency proposal, critics argue that although among the BRICS members there are several overlapping bilateral and

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<sup>216</sup> Redvers, L, SA Backs BRICS Common Currency Plan, *Mail and Guardian Business: the Big Interview*, 18-24 November 2011.P.10

multilateral trade agreements, there is no formal trade convention in place yet, therefore discussions on a common currency plan can be considered premature.<sup>217</sup>

#### 5.7.2) *BRICS Contact Group for Economic Cooperation*

BRICS economies account for 45% of global growth, much of which is export driven and requires products entry into foreign markets, the aftermath of the financial crisis resulted in many developed economies becoming reluctant with endorsing lax free trade for emerging market products. The increasing mutual concern of trade protectionism was raised at summit level, as developed economies implement defensive trade policies to guarantee their own recovery; emerging markets require continued global trade to guarantee their much needed economic growth which is crucial to both domestic stability and development. In the post crisis global economic downturn BRICS countries by safeguarding the interests of other developing countries could ensure economic growth through multilateral trade with the global south.

The BRICS trade ministers' declaration prior to the WTO conference had also made mention of the contact group initiative which was proposed at the Sanya summit and subsequently elaborated on. Acting effectively as a trade liaison mechanism, the group was established and entrusted with examining and "proposing an institutional framework and concrete measures to expand and enhance economic cooperation both among the BRICS and between BRICS and all developing countries within a south-south perspective".<sup>218</sup> The contact group met for the first time in Beijing on the 2<sup>nd</sup> of December 2011 and was set further its discussion at the next BRICS summit. The trade ministers of the five countries recognized the growth potential in trade flows and investments amongst developing countries and stated that BRICS in this regard should play a leading role, as deepened an enlarged economic cooperation amongst BRICS and the global south may be conducive to not only shared interests but to helping promote growth in the international economy as well.<sup>219</sup>

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<sup>217</sup> Loc. Cit

<sup>218</sup> BRICS Information Centre, Op. Cit, *Ministerial Declaration of the BRICS Trade Ministers*.

<sup>219</sup> Loc. Cit.

### 5.7.3) BRICS Exchange Alliance

What is markedly different about the formation of the BRICS Exchange Alliance is the fact that it is largely a corporate sector initiative, and for the most part it is independent of summit level or ministerial level consultation. Though Security Exchanges is one of the sub-forums of the BRICS summits, it is largely coordinated and led in absence of government officials. The idea was originally conceived by the Hong Kong Stock Exchange (HKSE) with dual conversations between CEO Charles Li and Johannesburg Stock Exchange (JSE) CEO Russell Loubser before being brought to the attention of the stock exchanges of fellow BRICS members. The unveiling of the cross listing agreement was announced in October 2011 during the 51<sup>st</sup> Annual General Meeting of the World Federation of Exchanges hosted in Johannesburg. The idea of the BRICS Exchange Alliance is for respective BRICS stock exchanges to list each other's benchmark indices<sup>220</sup> in their own domestic stock exchanges thereby exposing local investors to the options of investing in other emerging market stock in their respective local currencies, providing overall worldwide easier access to benchmark equity index derivatives.<sup>221</sup>

The plans to implement this alliance was step up prudently in a three stage process, first was to initiate an agreement with all respective BRICS stock exchanges, currently the alliance consists of seven stock exchanges, Russia and India contributing two stock exchanges each, while Brazil and South Africa put forward BM&FBOVESPA and the JSE respectively and the HKSE as the initial representative for China.<sup>222</sup> The second phase is to launch this initiative from June 2012, depending on how well received the alliance is the third phase will consist of listing the futures and options of specific stocks from BRICS countries on each other's domestic stock exchange listing boards.<sup>223</sup>

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<sup>220</sup> Initial benchmark index to be determined by respective Stock Exchanges on the basis of that index's being able to attract the most investor attention on the stock exchange of fellow BRICS economies.

<sup>221</sup> Minney, T, BRICS Stock Exchange Forms Alliance, *African Capital Markets News*, [http://www.africancapitalmarketsnews.com/1315/brics\\_stock\\_exchanges\\_form\\_alliance/](http://www.africancapitalmarketsnews.com/1315/brics_stock_exchanges_form_alliance/), 15<sup>th</sup> October 2011. Last accessed: 12/01/2012

<sup>222</sup> Russia's two largest stock exchanges are undergoing a merger; MICEX group with the RTS group, though both are still currently listed as separate. India is putting forward both the Bombay Stock Exchange (BSE) and the National Stock Exchange of India (NSE). While the HKSE is currently China's only stock exchange representative, CEO Charles Li is adamant that mainland China's stock exchanges will join the alliance eventually.

<sup>223</sup> Hong Kong News, BRICS Exchange Alliance Announced, *HKEx News Release*, <http://www.hkex.com.hk/eng/newsconsul/hkexnews/2011/1110122news.htm>, 12/10/2011. Last accessed: 12/01/2012.

The combined listed market capitalization of the alliance is estimated to be at \$9,02-trillion, with an equity market trading value of \$422bn and 9 481 listed companies.<sup>224</sup> In an interview JSE CEO Russell Loubser stated that the alliance will most likely succeed as investors are looking to diversify their portfolios with foreign stock from emerging markets, the cross listing means that investors will not need to pay the transaction costs of exchange rates and going through a foreign broker. Furthermore, if the initial phases of the alliance network is successful, then there lays the vast potential of listing individual stock on BRICS' stock exchanges and/ or forming a collective BRICS index in the financial market.<sup>225</sup>

Not only is the exchange alliance a consolidated effort to integrate the corporate sector of BRICS member states, but also serves as a marketing mechanism for global investors to be exposed to companies within the prominent BRICS economies who each hold varying degrees of significant growth. It indicates that entities within the corporate sectors are gravitating towards relying on fellow BRICS economies' trade and investment cooperation as a vehicle for growth, in addition to negating the use of exchange rate controls, as cross listings will be done in local currencies.

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<sup>224</sup> Business Day, *BRICS Stock Exchanges Announce Alliance*, *Info provided by I-Net Bridge*, <http://www.businessday.co.za/articles/Content.aspx?id=155808>, 12/10/2011. Last accessed: 12/01/2012

<sup>225</sup> Interview with Eleni Giokos, Program: *Mad Markets*, *ABN Digital*, 12 October 2011. Webcast available at: <http://www.abndigital.com/page/multimedia/video/closing-bell/1059060-12-October-Mad-Markets-and-BRICS-Exchange-Alliance-with-JSE-CEO-Russell-Loubser>

#### 5.7.4) *Mutual Credit Lines and Developing Banks Cooperation*

On the sidelines of the Sanya summit, the development banks of each BRICS country signed an agreement at their first meeting to increase cooperation and adapt a framework for mutual credit lines denominated in their local currencies in an effort to further negate the use of the dollar. With the mutual concern over the long term fate of the dollar, the framework accord was signed by Russia's state development bank the Vnesheconombank (VEB) Bank, China's Development Bank, the Development Bank of South Africa (DBSA) and Brazil's BNDES. With China taking the initiative by pledging to pump up to 10 billion Yuan in loans to lend to fellow BRICS economies', and while Russia's VEB chairman Vladimir Dimitriev stated that his country was looking to diversify their loans and thus was looking to borrow the equivalent of 500 million Yuan.<sup>226</sup> China's banks have already lent up to 141 billion US\$ to overseas markets as of the end of 2010, with \$38 billion of which were loaned to BRICS economies.<sup>227</sup> Therefore the new framework is intended to be integrated into existing practices, thereby further formalizing BRICS connections with regards to the operations of their development banks. The inter-bank agreement is meant to facilitate further capital flows and trade financing.

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<sup>226</sup> Pretoria News, *BRICS Want Global Monetary Shake Up*, <http://www.pretorianews.co.za/brics-want-global-monetary-shake-up-1.1057500>, 25 April 2011. Last accessed: 14/12/2011

<sup>227</sup> Economic Times, *China Development Bank Ready to Pump 10bn Yuan to BRICS*, *Trade Mark Southern Africa News*, <http://www.trademarksa.org/news/china-development-bank-ready-pump-10-bn-yuan-brics>, .Last accessed: 12/12/2011

#### 5.7.5) BRICS Response to the Eurozone crisis

Stemming from Greek's debt dilemma the European Union has been tied up with intensive talks in solving the ongoing 2011 Eurozone crisis, BRICS countries' who depend on the baseline stability of the international monetary system and consistency in the global economy, the spillover effects of the crisis is a mutual concern to emerging market countries as it is to western developed countries. BRICS have mulled over the option of providing debt relief for the Eurozone, with China and Brazil being the main impetus behind the drive. The crisis was a central issue of discussion at the Cannes G20 summit, while statements of potential offers have been made by individual BRICS countries both bilaterally and multilaterally through the meetings of the G20 and BRICS. Experts predict that if the Greek scenario spreads to other debt ridden countries in the Eurozone, than a second global financial crisis is guaranteed. Christine Lagarde has welcomed efforts by the BRICS group to contribute to the solving of the crisis, as it stands the Eurozone will require an estimate of 1.5trillion Euros to bail out by the end of 2012, more than the resources which the European Financial Stability Fund (EFSF) can afford. Analysts state that financial support from BRICS economies is highly probably, either through IMF mechanisms or through individual bilateral agreements. China has been at the forefront in this regard, having already bought 100billion Euros worth of Italian debt whilst holding further bilateral meetings with EU members.<sup>228</sup>

A collective BRICS bailout deal will most likely be conducted through the mechanisms of the IMF, while individual BRICS countries continue to enhance dialogue over resolving the crisis on their own accord. The financial assistance to the Eurozone crisis is both a preemptive move to prevent the potential contagion it will have on the global economy and a political stalking horse future relations with Europe. This can be strategically capitalized on at a later stage to exert leverage on international issues.

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<sup>228</sup> Vasman, A, BRICS use Eurozone Crisis to Come into their Own, *Russia Beyond the Headlines*, [http://rbth.ru/articles/2011/11/12/brics\\_use\\_eurozone\\_crisis\\_to\\_come\\_into\\_their\\_own\\_13749.html](http://rbth.ru/articles/2011/11/12/brics_use_eurozone_crisis_to_come_into_their_own_13749.html), Nov 2011. Last accessed: 12/12/2011.

#### 5.8) China-South Africa Relations within BRICS Actions in Guarding Economic Prosperity

South Africa's asymmetry in the grouping as an internationally insignificant smaller economy despite being regionally important is glaringly highlighted in its absence of presence over IMF and World Bank reforms, though China-South Africa cooperation can be gauged from the mutual support for south-south solidarity and lobbying for the interests of the global south in the wider BRICS grouping. South Africa's small economy within the BRICS group has limited its presence and participation on larger reform issues in international financial institutions. South Africa holds a much smaller share of IMF quotas, and is the only BRICS member not in the top ten, due to its limited capacity to financially contribute South Africa by way of limited economic clout is less able to assist with EU bailouts.

South Africa remains the only African member of the G20 major economies, now considered to be the premier political grouping with regards to addressing the multifaceted issues facing the global economy. Historically South Africa has also been party to south-south cooperation within the WTO, but remains the noticeable less active than Brazil, India and China in the organization.

Though IMF reforms are vital and a focus for China's strategic interests, South Africa's interests are better served in BRICS' alternative economic cooperation frameworks. Without doubt the broad concern of all BRICS states is the lingering instability of the global economy due to the volatility of the dollar, and uncertainty of the Eurozone dilemma, with exception of South Africa other BRICS members with significant shares in the IMF have urged reform of the institution as a safe measure to oversee an increased role in the decision making process over international monetary and fiscal issues, increased BRICS ascendancy implicitly serves South Africa's interests in the sense that the efforts of larger BRICS economies such as China strives towards achieving global stability which would benefit all emerging market and developing countries. The EU is one of South Africa's main export zones, therefore South Africa's relations with China and as a member of BRICS benefits by association from its partners being on the top ten shareholders list of the IMF, even though South Africa itself is dwarfed in this regard.

Even in the IMF, South Africa plays a role of de facto representative for Africa. During Christine Lagarde's visit to the country she stated that she wanted to discuss challenges facing Africa and

emerging markets more generally, as South Africa was “not only a vital member of the IMF, it is also an important player in the G-20 process. This will be an opportunity for me to receive feedback on current challenges from such an important African voice”.<sup>229</sup> As South Africa’s economy continues to project growth, and the prospects for the Southern African Development Community (SADC) remain positive, currently relations with China and BRICS can be leveraged in future to assist in lobbying for areas of mutual interest in the IMF.

South Africa’s participation in economic cooperation with BRICS felt more outside current formal international organizations and in the alternative frameworks for trade and economic cooperation. The BRICS currency plan was readjusted to accommodate South Africa’s ascension into the group indicating the willingness of member states to fully integrate plans for economic growth to include South Africa. Furthermore the BRICS exchange alliance was a initiative solely driven by representatives of China and South Africa in the stock exchange. The setting up of mutual credit lines and cooperation with development banks may serve South Africa’s interests as a venue of financing in its infrastructural projects.

When questioned by members of parliament about the implications of South Africa’s unbalanced trade with China and other BRICS economies, Trade and Industry Minister stated that with regards to balancing bilateral trade with China, South Africa is upgrading efforts on industrial development National Industrial Policy Framework and Industrial Policy Action Plan. In addition to encouraging high value added exports from South Africa to China, this is a model of engagement which can also be applied to the BRICS countries. As there lies potential to structure preferential trade agreements, procurement arrangements and sectoral cooperative agreements.<sup>230</sup>

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<sup>229</sup> IMF Press Release, *Statement by IMF Director at the Conclusion of her Visit to South Africa*, Press Release no. 12/1, <http://www.imf.org/external/np/sec/pr/2012/pr1201.htm>, 07 Jan 2012. Last accessed: 16/02/2012

<sup>230</sup> National Council of Provinces, *Question for Written Reply by: K Sinclair (COPE)*, Q.309, *see appendix*.

## **Chapter 6: Conclusions, Challenges and Prospects**

### **6.1) Conclusions**

This study has carefully examined both rhetoric and actions of the BRICS group since the official inclusion of all five members in April 2011, with particular focus on South Africa and South Africa's relationship with China in this context. BRICS having emerged from a investment banking acronym to a political forum at summit level and thereby prompted discourse on what the implications of a multi-regional emerging power grouping may have in the global arena. This study has examined the significance of BRICS as a formation which and influenced a revisit to the theoretical conjecture of increasing multipolarity in the international system, what is clear stemming from the composition of BRICS in the context of the global arena is that the world is no longer structured around clear cut north-south divides as it was during the period of the non-aligned movement's inception.

The composition and divides of equality and power within the global south itself has further complicated and diluted into a diverse asymmetrical pattern with rising states grasping greater economic influence while still being considered members of the global south. BRICS is indicative of the sub divide of states emerging at the forefront of the developing world with considerable economic and political clout challenging western led agenda and assuming leadership and representation for the broader global south.

The group has thus far demonstrated persistence in attaining a leveled and equal right in the share of international decision making whether that be over peace and security issues or on international financial and economic issues.

The infancy and novelty of the grouping is characterized by a lack of formal structure, however member states have demonstrated a relative degree of commitment to the forum by arranging BRICS meetings of ministers and other relevant officials in congruence with major international summits and within international organizations. With all BRICS states on the UN Security Council for the year 2011, a relative degree of cooperation and coalesce was demonstrated by the stance taking by the five countries on matters related to the Arab Spring, the narrative and

actions were largely backed by arguing the need to respect sovereignty and protect territorial integrity of the states involved. The sovereignty argument is both the theory and principle which BRICS have used to counter proposals drafted by developed states in the UN. In an ever interdependent and interconnected world, the rising and emerging BRICS states are using this grouping as a fulcrum for asserting their independence and position on relevant issues of concern to their national interests. Therefore BRICS states, democracies included, have a propensity to diverge from the vision of Western countries to support the principle of sovereignty above all.

BRICS as emerging market economies have the collective concern of a post crisis instability affecting their respective potential for growth in the world economy, the BRICS states have also show a level of commitment in strategizing around areas of mutual interest, through the pivot of the G20 major economies with regards to the reform of international financial institutions with particular attention being weighted on the IMF due to the instability of the international monetary system. The overall intent of reforms was to rebalance quotas so the emerging BRICS markets are yielded increased representation in these organizations. Additionally the group has begun several initiatives outside of international structures to facilitate economic cooperation within the grouping as a means to ensure economic growth by expanding opportunities with fellow emerging economies. The setting up of a common currency plan and BRICS stock exchange alliance are a case in point of efforts to circumvent the possible pitfalls of dollar and euro uncertainty in the aftermath of the 2008-2009 global economic downturn.

BRICS's is commonly criticized for its lack of formal structure and permanent secretariat however the current amorphous nature of BRICS allows for a certain amicability in the working group, where underlying tensions are not directly tapped into which could create impediments in cooperation. Though greater definition in agenda and plan of action is crucial to the future effectiveness of BRICS, overly stringent definition of structure similar to that of replicating an institution may not be the most pragmatic or beneficial course of action. As a loose working group allows the coalition of countries to navigate around collective and individual issues that could as a means of tactfully avoiding tensions in the international community. The unity and efficacy of groupings hit roadblocks when individual state interests are threatened, thus aspirational overreach needs to be guarded against.

China-South Africa relations has grown exponentially since the first establishment of official relations in the post apartheid era. The recent years the intensification of relations based on the rhetoric of south-south cooperation has seen the upgrading of a strategic partnership to further refined comprehensive strategic partnership. South Africa's ascension into BRICS was strongly influenced by the insistence of China, due to improved bilateral relations and respective mutual strategic benefits. The BRICS dimension has provided China-South Africa relations with extra partners in propagating common stances in the international arena. With South Africa's second tenure on the UN Security Council, its aspirations for put the interests of Africa first was largely respected and support by China and other BRICS states. Though South Africa's credentials and legitimacy in the BRICS grouping has been widely contended, despite being a smaller economic player globally, its inclusion presents a geopolitical advantage for the group. However, South Africa's smaller economic clout becomes glaringly noticeable in the BRICS efforts to reform international financial institutions, though South Africa supports the principle and actions geared to reforms in the IMF and World Bank, despite the recent shift in quota shares to emerging BRICS economies, South Africa benefits the least in individual gain on these terms due to the smaller size of its economy which translates to very limited impact in these institutions. Thus cohesion with BRICS partners who are slowly gaining in this aspect will prove to be a peripheral benefit for South Africa, in addition to the BRICS effort in improving trade, economic and financial cooperation through the establishment of the BRICS trade liaison contact group and the stock exchange alliance.

## 6.2) Challenges

The main challenge that BRICS is faced with is its limited ability to evolve into a proper official grouping which leverages for a common political agenda in a concise and collective stance on international issues. Though there has been a commitment of BRICS officials to meet and discuss common perspectives concurrent to larger international multilateral meetings, the heterogeneity and diverging interests of individual members presents itself as a stubborn impediment to the future of BRICS as a group. Although amongst the BRICS members, state with growing economic clout have growing individual political power in the international arena, the collective economic clout in BRICS may not necessary translate into a common political agenda due to the differences and disagreements between states. Furthermore, even though BRICS has demonstrated a limited degree of coherence on general and broad issues, asserting independence and a desire to be an alternative to a western centric world. The ultimate crucial ties that individual countries have to the EU and the United States couples with the awareness of BRICS incompatibility on detailed political issues creates a perception of *arriere pensee* among BRICS states, where countries hold strong reservations as to investing further effort in formalizing the group. What is noticeable is that agreements and frameworks set up by BRICS states are largely focused on trade and economic cooperation and mostly absent of specific politically charged agendas.

Additionally each BRICS member state faces their own domestic and internal challenges which take precedent over multilateral groupings. National interests stemming from internal challenges that each country faces can be contradictory to each other in the BRICS arena. Therefore under the current circumstances the transformation of the BRICS economic group into a formal political alliance remains elusive.

### *6.2.1) South Africa's Position in BRICS: Gateway or Stepping Stone to Africa?*<sup>231</sup>

Implicitly tied to South Africa's ascension into BRICS is the potential it provides member states in accessing the African market. South Africa's has leveraged its position as an experienced regional player as a credential into BRICS, the question analysts pose is what BRICS will require in return from South Africa. The speculation is that the position as a successful political and economic conduit between the African continent and BRICS member states is crucial to South Africa's legitimacy in the group. Thus the presence of South Africa in BRICS means that BRICS gives South Africa an incentive to work towards pan-africanism, with increased economic integration in SADC and the rest of the African region as a starting point in order for SA to solidify its rightful position in the grouping.

In her response to South Africa's ascension into BRICS Minister Mashabane stating that "We will be a good gateway for the BRIC countries. While we may have a small population, we don't just speak for South Africa, we speak for Africa as a whole... we bring the most diversified and most advanced economy on the continent. We may not be the same size, but we can open up opportunities for them and through that, we can complete our economic integration on the continent."<sup>232</sup> This could prove to be very difficult in the future and the reinforced stance by South Africa foreign policy could be aspirational over reach.

The continued talks dedicated to attempts in setting up a trilateral free trade agreement through the continent joining together the three trade regions of the Southern African Development Community, the East African Community and the Common Market for East and Southern Africa- effectively forming a free trade area from "Cape to Cairo". This has been widely criticized as an improbable undertaking due to the amount of impediments hindering such a project, due to the limited reduction of tariffs across sectors and the poor quality of infrastructure in facilitating trade. The trilateral free trade area were to be achieved it could take more than a

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<sup>231</sup> Kornegay, F, *Conference: BRICS Shaping the New Global Architecture*, Woodrow Wilson Center, 28 June 2011. Webcast of conference available at: <http://www.wilsoncenter.org/event/brics-shaping-the-new-global-architecture>

<sup>232</sup> Freemantle, S and Stevens, J, "Beyond the Diplomatic Applause", *Economic Strategy: BRIC and Africa*, *Standard Bank*, 26 January 2011. P. 5

decade.<sup>233</sup> Short of limited success in establishing a lead role in trade facilitation on the continent is the danger of South Africa forfeiting its comparative advantage in Africa to BRIC states, thereby diminishing its own economic growth. BRIC firms capacity to emerge as more robust business entities on the continent increase competitiveness thereby making South Africa more of a stepping stone than gateway to Africa's economic growth potential.<sup>234</sup>

The same risk is felt in the political arena; South Africa's presence in international organization constantly claims to be representative of the continents agenda, even though it has demonstrated strong commitment to AU's principles particularly on the UN Security Council, the sentiments of other African countries towards South Africa may be less than amicable. Lingered reactive resentment from fellow African states for the assumption of leadership on their behalf may further diminish South Africa's advantage. As demonstrated by the AU's election of the next Commission Chairman. Former SA foreign minister Nkosazana Dlamini-Zuma, is seeking to depose incumbent AU Commission Chairman Jean Ping. However at elections in Ethiopia, South Africa did not lobby the necessary two thirds majority with AU member states. West and Central African countries were the main supporters of Dr. Jean Ping.<sup>235</sup>

Without legitimate and visible backing from the African continent, South Africa loses its trump card with BRICS thus undermining its position as a strategically useful partner in the group.

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<sup>233</sup> Draper, P, Door Closing on SA's Gateway Status”, *Mail and Guardian*, <http://mg.co.za/article/2011-09-09-door-closing-on-sas-gateway-status/> , 09 Sep 2011. Last accessed: 11/11/2011

<sup>234</sup> Freemantle S and Stevens, J, Op. Cit, P.6

<sup>235</sup> Cohen, M, South Africa Dominance on the Continent May Derail Bid for AU Post, *Bloomberg News*, <http://www.bloomberg.com/news/2012-01-26/south-africa-s-dominance-in-africa-may-derail-bid-for-key-continent-post.html> , 27 Jan 2012. Last accessed: 01/02/2012

### 6.2.2) China and India Territorial Disputes

Of the most obvious bilateral disputes between the BRICS members is the historical tension between India and China. Some analysts speculate that a factor which largely motivated China's invitation of South Africa into BRICS was to nullify IBSA and diminish India's alternate channels of developing world cooperation.<sup>236</sup> In an ongoing border dispute strongly connected with China's territorial claims on Tibet and predating the Sino-India border war of 1962 with China insisting that the north east India side of the border has always historical been a part of India. Although a mutually agreed *line of actual control* was signed by the two countries in 1996, the dispute has remained etched in the political relations of India and China with a fair amount of animosity. Tensions rose again in 2009 when the strategically important Tawang border town of Tibet was ramped up by Chinese and Indian troops on both sides in a military skirmish.<sup>237</sup> India's hosting of the Dalai Lama in exile has been an added source of hostility with China retaliating by supporting Pakistan's claims on disputed territory with India. Despite increased and prosperous economic ties in recent years, there remains a guarded cooperation between the two countries at international level. From a wider multi-lateral perspective the dynamics of India and China playing off each other's rivals impedes any strong degree of political cohesion between the two countries thereby affecting the cohesion of the whole group as well.

### 6.3) Prospects

BRICS two most prominent members are about to undergo significant internal change in leadership. Though it is unlikely that the possible change in leadership in the two countries will necessarily lead to any dramatic change both Russia and China's foreign policy The personal political opinion of respective leaders may result in a subtleties of altered attitudes towards Western developed states and BRICS member states.

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<sup>236</sup> Sharma, R, *BRICS vs IBSA*, *The Diplomat*, <http://the-diplomat.com/indian-decade/2011/03/02/bric-vs-ibsa-china-vs-india/>, 2 March 2011. Last accessed: 12/11/2011

<sup>237</sup> Wong, E, *China and India Dispute Enclave at the Edge of Tibet*, *New York Times*, <http://www.nytimes.com/2009/09/04/world/asia/04chinaindia.html?pagewanted=all>, 03 Sep 2009. Last accessed: 15/12/2011.

It is unlikely considering the internal contradictions of the group for BRICS to evolve into an official organization or adopt permanent structures in the near future. However, there remains room in international relations where BRICS countries can bind together and form agreements of broad and general issues of mutual concern. Cooperation will most likely remain strongly within the realms of fostering economic growth and trade development amongst countries as political congruency is too difficult to be drawn due to divergent national interests.

The speculated main topic of focus at the New Delhi 2012 BRICS summit is on fixing and guarding against the global recession. With Russia's ascension into the WTO, the BRICS meetings of Trade Ministers will be focused on forming a collective position on issues related to the WTO with particular spotlight on the conclusion of the Doha Round. With further elaboration on work done in technical working groups related to health and agricultural programs, the BRICS summits remain a lucrative opportunity for the corporate sector to leverage and elaborate contacts in their business networks. The BRICS status as a malleable dialogue forum morphing their responses to international issues from general mutual concerns will most likely remain.

However considering the interconnectedness of individual BRICS members, BRICS has the potential to be utilized as a hybrid coalition of sorts, a centre of focus amidst member states who have a network of coalitions spanning across their respective regions. In the BRICS formation, IBSA, BASIC, the Shanghai Cooperation Organization exists as internal configurations. The lingering characteristic of BRICS remains a common aspiration for securing economic prosperity regardless of whatever contradictions may arise within and between states. What is also evident in BRICS' current infancy is that its defensiveness is strong in guarding against agenda's which are not in its best interests, but it is yet to be seen if BRICS will be able to become more offensive in lobbying for its objectives, in order for this to occur the group will have to overcome the difficulties of diverging interests by showing more coherent and consolidated action.

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[Submission of Thesis: February 2012]

# Appendix

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# **Statement Representing Brazil, Russia, India, China and South Africa on the Selection Process for Appointing an IMF Managing Director by the IMF Executive Directors**

Press Release No. 11/195

May 24, 2011

We, as Executive Directors representing Brazil, Russia, India, China and South Africa in the International Monetary Fund (IMF), have the following common understanding concerning the selection of the next Managing Director of the International Monetary Fund:

- 1) The convention that the selection of the Managing Director is made, in practice, on the basis of nationality undermines the legitimacy of the Fund.
- 2) The recent financial crisis which erupted in developed countries, underscored the urgency of reforming international financial institutions so as to reflect the growing role of developing countries in the world economy.
- 3) Accordingly, several international agreements have called for a truly transparent, merit-based and competitive process for the selection of the Managing Director of the IMF and other senior positions in the Bretton Woods institutions. This requires abandoning the obsolete unwritten convention that requires that the head of the IMF be necessarily from Europe. We are concerned with public statements made recently by high-level European officials to the effect that the position of Managing Director should continue to be occupied by a European.
- 4) These statements contradict public announcements made in 2007, at the time of the selection of Mr. Strauss-Kahn, when Mr. Jean-Claude Juncker, president of the Euro group, declared that “the next managing director will certainly not be a European” and that “in the Euro group and among EU finance ministers, everyone is aware that Strauss-Kahn will probably be the last European to become director of the IMF in the foreseeable future”.
- 5) We believe that, if the Fund is to have credibility and legitimacy, its Managing Director should be selected after broad consultation with the membership. It should result in the most competent person being appointed as Managing Director, regardless of his or her nationality. We also believe that adequate representation of emerging market and developing members in the Fund’s management is critical to its legitimacy and effectiveness.
- 6) The next Managing Director of the Fund should not only be a strongly qualified person, with solid technical background and political acumen, but also a person that is committed to continuing the process of change and reform of the institution so as to adapt it to the new realities of the world economy.

Aleksei Mozhin, Executive Director (Russia)

Arvind Virmani, Executive Director (India)

Jianxiong He, Executive Director (China)

Moeketsi Majoro, Executive Director representing South Africa

Paulo Nogueira Batista Jr., Executive Director (Brazil)

From: <http://www.imf.org/external/np/sec/pr/2011/pr11195.htm>

**Sanya Declaration on BRICS, 13 April 2011 - BRICS Leaders Meeting, Sanya, Hainan, China, April 2011**

15 Apr 2011

1. We, the Heads of State and Government of the Federative Republic of Brazil, the Russian Federation, the Republic of India, the People's Republic of China and the Republic of South Africa, met in Sanya, Hainan, China for the BRICS Leaders Meeting on 14 April 2011.
2. The Heads of State and Government of Brazil, Russia, India and China welcome South Africa joining the BRICS and look forward to strengthening dialogue and cooperation with South Africa within the forum.
3. It is the overarching objective and strong shared desire for peace, security, development and cooperation that brought together BRICS countries with a total population of nearly 3 billion from different continents. BRICS aims at contributing significantly to the development of humanity and establishing a more equitable and fair world.
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.
6. In the economic, financial and development fields, BRICS serves as a major platform for dialogue and cooperation. We are determined to continue strengthening the BRICS partnership for common development and advance BRICS cooperation in a gradual and pragmatic manner, reflecting the principles of openness, solidarity and mutual assistance. We reiterate that such cooperation is inclusive and non-confrontational. We are open to increasing engagement and cooperation with non-BRICS countries, in particular emerging and developing countries, and relevant international and regional organizations.
7. We share the view that the world is undergoing far-reaching, complex and profound changes, marked by the strengthening of multipolarity, economic globalization and increasing interdependence. While facing the evolving global environment and a multitude of global threats and challenges, the international community should join hands to strengthen cooperation for common development. Based on universally recognized norms of international law and in a spirit of mutual respect and collective decision making, global economic governance should be strengthened, democracy in international relations should be promoted, and the voice of emerging and developing countries in international affairs should be enhanced.
8. We express our strong commitment to multilateral diplomacy with the United Nations playing the central role in dealing with global challenges and threats. In this respect, we reaffirm the need for a comprehensive reform of the UN, including its Security Council, with a view to making it more effective, efficient and representative, so that it can deal with today's global challenges more successfully. China and Russia reiterate the importance they attach to the status of India, Brazil and South Africa in international affairs, and understand and support their aspiration to play a greater role in the UN.
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.

10. We wish to continue our cooperation in the UN Security Council on Libya. We are of the view that all the parties should resolve their differences through peaceful means and dialogue in which the UN and regional organizations should as appropriate play their role. We also express support for the African Union High-Level Panel Initiative on Libya.
11. We reiterate our strong condemnation of terrorism in all its forms and manifestations and stress that there can be no justification, whatsoever, for any acts of terrorism. We believe that the United Nations has a central role in coordinating the international action against terrorism within the framework of the UN Charter and in accordance with principles and norms of the international law. In this context, we urge early conclusion of negotiations in the UN General Assembly of the Comprehensive Convention on International Terrorism and its adoption by all Member States. We are determined to strengthen our cooperation in countering this global threat. We express our commitment to cooperate for strengthening international information security. We will pay special attention to combat cybercrime.
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 stabilise 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.
16. Recognising that the international financial crisis has exposed the inadequacies and deficiencies of the existing international monetary and financial system, we support the reform and improvement of the international monetary system, with a broad-based international reserve currency system providing stability and certainty. We welcome the current discussion about the role of the SDR in the existing international monetary system including the composition of SDR's basket of currencies. We call for more attention to the risks of massive cross-border capital flows now faced by the emerging economies. We call for further international financial regulatory oversight and reform, strengthening policy coordination and financial regulation and supervision cooperation, and promoting the sound development of global financial markets and banking systems.
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.
18. We support the development and use of renewable energy resources. We recognise the important role of renewable energy as a means to address climate change. We are convinced of the importance of cooperation and information exchange in the field of development of renewable energy resources.

19. Nuclear energy will continue to be an important element in future energy mix of BRICS countries. International cooperation in the development of safe nuclear energy for peaceful purposes should proceed under conditions of strict observance of relevant safety standards and requirements concerning design, construction and operation of nuclear power plants.
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.
21. We call on the international community to actively implement the outcome document adopted by the High-level Plenary Meeting of the United Nations General Assembly on the Millennium Development Goals held in September 2010 and achieve the objectives of the MDGs by 2015 as scheduled.
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.
24. We underscore our firm commitment to strengthen dialogue and cooperation in the fields of social protection, decent work, gender equality, youth, and public health, including the fight against HIV /AIDS.
25. We support infrastructure development in Africa and its industrialisation within framework of the New Partnership for Africa's Development (NEPAD).
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 Organisation 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 Organisation
27. We reviewed the progress of the BRICS cooperation in various fields and share the view that such cooperation has been enriching and mutually beneficial and that there is a great scope for closer cooperation among the BRICS. We are focused on the consolidation of BRICS cooperation and the further development of its own agenda. We are determined to translate our political vision into concrete actions and endorse the attached Action Plan, which will serve as the foundation for future cooperation. We will review the implementation of the Action Plan during our next Leaders Meeting.

28. We intend to explore cooperation in the sphere of science, technology and innovation, including the peaceful use of space. We congratulate the Russian people and government upon the 50th anniversary of the flight of Yuri Gagarin into the space, which ushered in a new era in development of science and technology.
29. We express our confidence in the success of the 2011 Universiade in Shenzhen, the 2013 Universiade in Kazan, the 2014 Youth Olympic Games in Nanjing, the 2014 Winter Olympic and Paralympics Games in Sochi, the FIFA 2014 World Cup in Brazil, the 2016 Olympic and Paralympics Games in Rio de Janeiro and the FIFA 2018 World Cup in Russia.
30. We extend our deepest condolences to the people of Japan with the great loss of life following the disasters that struck the country. We will continue our practical support to Japan in overcoming consequences of these catastrophes.
31. The leaders of Brazil, Russia, India and South Africa extend our warm appreciation to China for hosting the BRICS Leaders Meeting and the Hainan Provincial Government and Sanya Municipal Government and their people for their support to the Meeting.
32. Brazil, Russia, China and South Africa thank India for hosting the BRICS Leaders Meeting in 2012 and offer their full support.

## **BRICS Action Plan From Sanya Summit**

We formulated the Action Plan, laying the foundation for the BRICS cooperation, with the purpose to strengthen BRICS cooperation and benefit our peoples.

### **I. Enhance existing cooperation programs**

1. Hold the third Meeting of High Representatives for Security Issues in the latter half of 2011 in China.
2. Hold the meeting of Ministers of Foreign Affairs during the 66th Session of the United Nations General Assembly.
3. Hold sherpas/sous-sherpas meeting in due time.
4. Representatives to international organizations based in New York and Geneva meet periodically in an informal manner.
5. Ministers of Finance and Governors of Central Banks meet under the G20 framework and during the annual meetings of the World Bank and International Monetary Fund.
6. Hold the Meeting of Agriculture Expert Working Group and the second Meeting of Ministers of Agriculture in 2011 in China, and cooperate in issues including establishment of BRICS System of Agricultural Information and holding a seminar on food security.
7. Hold the Meeting of the heads of the National Statistical Institutions in September 2011 in China.
8. Hold the second BRICS International Competition Conference in September 2011 in China, and explore the possibility of signing an Agreement on Cooperation between Antimonopoly Agencies.
9. Continue to hold the BRICS Think-tank Symposiums, and consider establishing a network of research centers of all BRICS countries.
10. Hold another Business Forum prior to the next BRICS Leaders Meeting.
11. Strengthen financial cooperation among the BRICS Development Banks.
12. Implement the Protocol of Intent among the BRIC Countries' Supreme Courts.
13. Release the Joint Statistical Publication by BRICS Countries.
14. Continue to hold the Meeting of Cooperatives.

### **II. New areas of cooperation**

1. Host the first BRICS Friendship Cities and Local Governments Cooperation Forum in 2011 in China.
2. Host the Meeting of Ministers of Health in 2011 in China.
3. Engage in joint research on economic and trade issues.
4. Update, as appropriate, the Bibliography on the BRICS countries.

### **III. New proposals to explore**

1. Cooperate in the cultural field according to the agreement of the BRICS leaders.
2. Encourage cooperation in sports.
3. Explore the feasibility to cooperate in the field of green economy.
4. Hold a meeting of Senior Officials for discussing ways of promoting scientific, technological and innovation cooperation in BRICS format, including by establishment a working group on cooperation in pharmaceutical industry.
5. Establish, at UNESCO, a "BRICS-UNESCO Group", aiming at developing common strategies within the mandate of the Organization

Source: [The Presidency](#)

Issued by: Department of International Relations and Cooperation

15 Apr 2011

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## **JOINT COMMUNIQUÉ ON THE OUTCOME OF THE MEETING OF BRICS DEPUTY FOREIGN MINISTERS ON THE SITUATION IN THE MIDDLE EAST AND NORTH AFRICA**

24-11-2011

On November 24th, 2011, Deputy Ministers of Foreign Affairs of Brazil, Russia, India, China and South Africa met in the format of BRICS to discuss the situation in the Middle East and North Africa (MENA).

The Participants in the meeting underlined the legitimacy of the aspirations of the peoples of the region for greater political and social rights. They agreed that the transformation processes in the region created the need to search for ways of addressing crises in MENA within the framework of international law and only through peaceful means, without resorting to force, through establishing a broad national dialogue with due respect for independence, territorial integrity and sovereignty of the countries in the region. They rejected violence as a means of achieving political goals. They emphasized the need for full respect of human rights by all sides, especially by the authorities, in protecting unarmed civilians.

The role of the UN Security Council was emphasized, since it bears the primary responsibility for the maintaining international peace and security. It was noted that all parties should strictly implement UNSC decisions. They noted that it was inadmissible to impose solutions on the MENA states through outside intervention in the internal political processes.

The BRICS Deputy Foreign Ministers stressed that the only acceptable way to resolve the internal crisis in Syria is through urgent peaceful negotiations with participation of all parties as provided by the Arab League initiative taking into account the legitimate aspirations of all Syrians. Any external interference in Syria's affairs, not in accordance with the UN Charter, should be excluded. In this context the experience of the international community with regard to developments in Libya needs a thorough review to see if the actions taken were in conformity with the provisions of the relevant resolutions of the UN Security Council.

The Participants expressed their support for the Libyan people's democratic aspirations on the basis of public consensus and through a comprehensive national political dialogue with participation of all segments of Libyan society. They reaffirmed the importance of strengthening the leading role of the United Nations and its Security Council in post-conflict settlement and reconstruction in Libya. In this regard, the Participants emphasized the importance of establishment of the United Nations mission in Libya tasked to support the transition process in the country. They also noted the demand for consolidated efforts by the international community, including those of the African Union, with a view to help overcome the devastating consequences of the civil war and reaffirmed the readiness of the BRICS countries to make meaningful contributions to building a free, democratic and stable Libya that enjoys development.

The BRICS countries welcomed the signing of the GCC initiative concerning the peaceful transition of power in Yemen, which took place in Riyadh on November 23. They highly appreciated the constructive position of the Yemeni parties, which demonstrated their responsibility and concern for the interests of the country and its people. The Participants acknowledged the successful efforts undertaken by the international community, Secretary-General of the GCC Mr. Abdellatif Zayani and representative of the UN Secretary-General Mr. Jamal Benomar. The Participants called on all the political forces of Yemen to now do their utmost to implement the agreement on transition of power peacefully. The Participants considered that the approach adopted for addressing the situation in Yemen, based on the

dialogue between the authorities and the opposition, can be applied to similar situations in the region.

The Participants agreed that the period of fundamental transformation taking place in the states of the Middle East and North Africa should not be used as a pretext to delay resolution of lasting conflicts but rather it should serve as an incentive to settle them, in particular the Arab-Israeli one. Resolution of this and other long-standing regional issues would generally improve the situation in the Middle East and North Africa. Thus, at the meeting, the Participants confirm their commitment to achieving comprehensive, just and lasting settlement of the Arab-Israeli conflict on the basis of the universally recognized international legal framework including the relevant UN resolutions, the Madrid principles and the Arab Peace Initiative.

The BRICS states support the resumption of the Palestinian-Israeli negotiations aiming at the establishment of an independent, viable and territorially contiguous Palestinian State with full sovereignty within the 1967 borders, with agreed-upon territorial swaps and with East Jerusalem as its capital. They also encouraged the Quartet to intensify its efforts towards early realization of these goals.

The Participants support Palestinian efforts to achieve UN membership. They also underscored the importance of direct negotiations between the parties to reach final settlement. They call upon Palestinians and Israelis to take constructive measures, rebuild mutual trust and create the right conditions for restarting negotiations, while avoiding unilateral steps, in particular settlement activity in the Occupied Palestinian Territories. They advocated the earliest reunification of the Palestinians. A united position of the Palestinians based on the PLO principles and the Arab Peace Initiative would contribute to progress towards a Palestinian-Israeli settlement, achieving lasting peace and providing security for all the countries and peoples of the region.

The Participants are highly concerned about security and stability in the Gulf region, call for political dialogue in resolving differences and are against the use and threat of force. They advocate settling the situation concerning Iran's nuclear programme only through political and diplomatic means and establishing dialogue between all the parties concerned, in particular between Iran and P5+1, as well as between Iran and the IAEA, in order to clarify the questions regarding Iran's nuclear programme. It has been emphasized that imposing additional and unilateral sanctions on Iran is counterproductive and would only exacerbate the situation. The BRICS States expressed their hope for the successful holding of the 2012 Conference to be attended by all states of the Middle East, on the establishment of the Middle East free of nuclear weapons and all other weapons of mass destruction, on the basis of arrangements freely arrived at by the states of the region.

The Participants stressed the necessity to build a system of relations in the Gulf region that would guarantee equal and reliable security for all States of the sub-region.

The Participants agreed on the convenience of regular consultations on the Middle East and North Africa issues in different fora, including the UN, and reaffirmed their support for informal meetings among their representatives.

Moscow, 24 November 2011

Russian Ministry of Foreign Affairs

From: [http://www.mid.ru/brp\\_4.nsf/0/89A37436A9B44BC2442579530024C8D4](http://www.mid.ru/brp_4.nsf/0/89A37436A9B44BC2442579530024C8D4)

## Ministerial Declaration BRICS Trade Ministers (Geneva)

We, the Ministers of Brazil, China, India, Russia, and South Africa, have met on 14 December 2011 in Geneva, before the 8th World Trade Organization (WTO) Ministerial Conference.

Following up on our previous meeting held in Sanya, China, on 13 April 2011, we are pleased with the recent establishment of a contact group entrusted with the task of proposing an institutional framework and concrete measures to expand economic cooperation both among BRICS countries and between BRICS countries and all developing countries, within a South-South perspective. We notice that the contact group met for the first time on December 2nd, 2011, in Beijing, China, to further its work.

We also note that India would be hosting the Fourth BRICS Summit in New Delhi on 29 March 2012 and the first substantive meeting of the BRICS trade ministers would also take place on 28 March 2012. This would provide a good opportunity to review the outcomes of the MC8 and to devise a common approach on the way ahead.

We recognise the huge growth potential both in trade flows among developing countries and in cooperation in investments in the coming decades. We believe that the BRICS countries should play a leading role in South-South cooperation. We are accordingly committed to further expanding economic, trade and investment ties among our countries. Deepened and enlarged economic cooperation of the BRICS countries may be conducive not only to serving our shared interests but also to helping promote growth in the global economy. We agree that steps to strengthening economic and trade cooperation among our countries should be taken in an incremental, proactive, and pragmatic manner.

We further recall that, in Sanya, we highlighted our commitment to the WTO trade regime and to the Doha Development Agenda (DDA).

In this context, the WTO BRICS countries congratulate Russia, the largest economy outside the multilateral trading system, on the successful conclusion of the accession process to the WTO, and look forward to the forthcoming Ministerial Conference to formally endorse Russia as a new member. This will be a crucial step in making the WTO even more representative and legitimate, further strengthening the multilateral trading system.

We express satisfaction at the completion of the accession processes of three other new WTO members: Montenegro, Samoa, and Vanuatu. We also welcome the approval of a new set of guidelines for the accession of the Least Developed Countries that will contribute to our shared goal of reaching universality in WTO membership.

In this process of buttressing the multilateral trade system, we underscore the pressing need to further develop its rules and structure to address in particular the concerns and interests of developing countries. The WTO must maintain its central role in monitoring the implementation of the multilateral trade disciplines and commitments, including in the key area of dispute settlement. It also serves as a forum for discussion of trade related matters that all members agree to be relevant and pertinent. The negotiating functions of the Organisation must also be preserved and energised.

We attach great importance to the role of the WTO in keeping protectionist forces at bay. Under the present global economic conditions, international trade plays an even more critical role in stimulating economic growth and development. We are in full agreement that all forms of protectionism must be resisted. At the same time, we underscore the need for developing countries to retain and use, when necessary, any existing WTO-consistent policy space. We also underline that trade distorting subsidies granted by developed economies, particularly in agriculture, are one of the most harmful forms of protectionism. These subsidies generate food insecurity and deny the development potential of this key sector in countries that already face formidable challenges to participate in global trade flows.

We are particularly concerned with the existing impasse in the Doha Development Round. Despite these circumstances, we will remain fully engaged in negotiations with a view to concluding the single undertaking within the shortest possible timeframe. We emphasise that negotiations on any component of the DDA must be based on the mandates multilaterally agreed since the launching of the Round in 2001 and on the delicate balance of trade-offs achieved over the last 10 years, which are also reflected in the draft modalities texts of December 2008. We remain willing to conclude the Round on the basis of those draft modalities.

We agree that the DDA negotiating stalemate should not discourage members from seeking results in specific areas where they agree that progress is possible. We will instruct our negotiators to engage effectively and constructively whenever such agreement exists. These efforts must not lose sight, however, of the centrality of development in the Doha mandate. Any early outcomes must deliver first on elements of interest to the poorest among the membership. Issues of interest to the developing and the least developing countries must be at the forefront, without linkages to other areas. The full implementation of the Hong Kong Ministerial Declaration regarding the duty-free-quota-free initiative, as well as topics like cotton and agriculture, must be given priority and constitute an integral part of any early agreements. These efforts must be wholly consistent with the existing mandates and observe the principles of transparency and inclusiveness. In this context, we will not encourage or support plurilateral approaches, or any other negotiating modality that may compromise or weaken the multilateral nature of the negotiations.

We welcome measures taken by our agencies of technical cooperation in areas which are especially relevant to African countries. They complement initiatives undertaken by the WTO and other relevant international organizations. We underline the need to keep pursuing and enhancing aid-for-trade initiatives that benefit our trading partners. The cooperation with the Cotton-4 economies is a landmark in this field and we commit to maintain and intensify it.

The Minister of the Russian Federation recalls that her country is expected to start implementing its commitments in the WTO as of mid-2012. She affirms that, with full WTO membership attained, Russia is going to participate in a constructive and active manner in the DDA negotiations in view of the crucial role that a balanced DDA outcome would have in the strengthening and development of the world trade system.

Published by Brazilian Ministry of Foreign Affairs

From: <http://www.itamaraty.gov.br/sala-de-imprensa/notas-a-imprensa/declaracao-dos-ministros-de-comercio-do-brics-genebra-14-de-dezembro-de-2011>

# BRICS Finance Ministers' Joint Communiqué

Washington DC, September 22, 2011

We, the BRICS Finance Ministers and Central Bank Governors, met on September 22, 2011 in Washington DC, USA, amid growing concern regarding the state of the global economy.

While BRICS countries recovered quickly from the 2008-09 global financial crisis, some of us have been subject to inflationary pressures and growth prospects of all our countries have been dampened by global market instability. In advanced countries, the build up of sovereign debt and concerns regarding medium to long-term plans of fiscal adjustment are creating an uncertain environment for global growth. Also, excessive liquidity from aggressive policy actions taken by central banks to stabilize their domestic economies has been spilling over into emerging market economies, fostering excessive volatility in capital flows and commodity prices.

The immediate problem at hand is to get growth back on track in developed countries. In this context we welcome the recent fiscal package announced by USA as well as the decisions taken by Euro area countries to address financial tensions, notably by making the EFSF flexible. It is critical for advanced economies to adopt responsible macroeconomic and financial policies, avoid creating excessive global liquidity and undertake structural reforms to lift growth create jobs and reduce imbalances.

The current situation requires decisive actions. We are taking necessary steps to secure economic growth, maintain financial stability and contain inflation. We are also determined to speed up structural reform to sustain strong growth which would advance development and poverty reduction at home and benefit global growth and rebalancing. The contribution of BRICS countries and other emerging market economies to global growth is rising and will increase further. However, global rebalancing will take time and its impact may not be felt sufficiently in the short-term. We will also work to intensify trade and investment flows among our countries to build upon our synergies.

The BRICS are open to consider making additional efforts in working with other countries and International Financial Institutions in order to address the present challenges to global financial stability, depending on individual country circumstances.

We are concerned with the slow pace of quota and governance reforms in the IMF. The implementation of the 2010 reform is lagging. We must also move ahead with the comprehensive review of the quota formula by January 2013 and the completion of the next review of quotas by January 2014. This is needed to increase the legitimacy and effectiveness of the Fund. We reiterate our support for measures to protect the voice and representation of the IMF's poorest members. We call on the IMF to make its surveillance more integrated and evenhanded.

Multilateral Development Banks are considered by developing countries as important partners in helping them meet their long term development finance needs. In the current global economic environment, the Banks need to mobilize more resources to increase their assistance to low income and other developing countries including finding ways of expanding their lending capacity, so that development finance is not neglected.

In the face of a slowdown of global economic growth, it is necessary to maintain international policy co-operation and co-ordination. We remain committed to work with the international community, including making contributions to the G20 Cannes Action Plan consistent with national policy frameworks to ensure strong, sustainable and balanced growth. We shall work together in searching for a coordinated solution to the current challenges as we did in 2008-09.

Source: [Ministry of Finance, Government of India](#)

From: <http://www.brics.utoronto.ca/docs/110922-finance.html>



## Security Council

Distr.: General  
17 March 2011

### **Resolution 1973 (2011)**

**Adopted by the Security Council at its 6498th meeting, on  
17 March 2011**

*The Security Council,*

*Recalling* its resolution 1970 (2011) of 26 February 2011,

*Deploring* the failure of the Libyan authorities to comply with resolution 1970 (2011),

*Expressing* grave concern at the deteriorating situation, the escalation of violence, and the heavy civilian casualties,

*Reiterating* the responsibility of the Libyan authorities to protect the Libyan population and *reaffirming* that parties to armed conflicts bear the primary responsibility to take all feasible steps to ensure the protection of civilians,

*Condemning* the gross and systematic violation of human rights, including arbitrary detentions, enforced disappearances, torture and summary executions,

*Further condemning* acts of violence and intimidation committed by the Libyan authorities against journalists, media professionals and associated personnel and *urging* these authorities to comply with their obligations under international humanitarian law as outlined in resolution 1738 (2006),

*Considering* that the widespread and systematic attacks currently taking place in the Libyan Arab Jamahiriya against the civilian population may amount to crimes against humanity,

*Recalling* paragraph 26 of resolution 1970 (2011) in which the Council expressed its readiness to consider taking additional appropriate measures, as necessary, to facilitate and support the return of humanitarian agencies and make available humanitarian and related assistance in the Libyan Arab Jamahiriya,

*Expressing its determination* to ensure the protection of civilians and civilian populated areas and the rapid and unimpeded passage of humanitarian assistance and the safety of humanitarian personnel,

*Recalling* the condemnation by the League of Arab States, the African Union, and the Secretary General of the Organization of the Islamic Conference of the serious violations of human rights and international humanitarian law that have been and are being committed in the Libyan Arab Jamahiriya,

*Taking note* of the final communiqué of the Organisation of the Islamic Conference of 8 March 2011, and the communiqué of the Peace and Security Council of the African Union of 10 March 2011 which established an ad hoc High Level Committee on Libya,

*Taking note also* of the decision of the Council of the League of Arab States of 12 March 2011 to call for the imposition of a no-fly zone on Libyan military aviation, and to establish safe areas in places exposed to shelling as a precautionary measure that allows the protection of the Libyan people and foreign nationals residing in the Libyan Arab Jamahiriya,

*Taking note further* of the Secretary-General's call on 16 March 2011 for an immediate cease-fire,

*Recalling* its decision to refer the situation in the Libyan Arab Jamahiriya since 15 February 2011 to the Prosecutor of the International Criminal Court, and *stressing* that those responsible for or complicit in attacks targeting the civilian population, including aerial and naval attacks, must be held to account,

*Reiterating its concern* at the plight of refugees and foreign workers forced to flee the violence in the Libyan Arab Jamahiriya, *welcoming* the response of neighbouring States, in particular Tunisia and Egypt, to address the needs of those refugees and foreign workers, and *calling on* the international community to support those efforts,

*Deploring* the continuing use of mercenaries by the Libyan authorities,

*Considering* that the establishment of a ban on all flights in the airspace of the Libyan Arab Jamahiriya constitutes an important element for the protection of civilians as well as the safety of the delivery of humanitarian assistance and a decisive step for the cessation of hostilities in Libya,

*Expressing concern* also for the safety of foreign nationals and their rights in the Libyan Arab Jamahiriya,

*Welcoming* the appointment by the Secretary General of his Special Envoy to Libya, Mr. Abdel-Elah Mohamed Al-Khatib and supporting his efforts to find a sustainable and peaceful solution to the crisis in the Libyan Arab Jamahiriya,

*Reaffirming* its strong commitment to the sovereignty, independence, territorial integrity and national unity of the Libyan Arab Jamahiriya,

*Determining* that the situation in the Libyan Arab Jamahiriya continues to constitute a threat to international peace and security,

*Acting* under Chapter VII of the Charter of the United Nations,

1. *Demands* the immediate establishment of a cease-fire and a complete end to violence and all attacks against, and abuses of, civilians;

2. *Stresses* the need to intensify efforts to find a solution to the crisis which responds to the legitimate demands of the Libyan people and *notes* the decisions of the Secretary-General to send his Special Envoy to Libya and of the Peace and Security Council of the African Union to send its ad hoc High Level Committee to Libya with the aim of facilitating dialogue to lead to the political reforms necessary to find a peaceful and sustainable solution;

3. *Demands* that the Libyan authorities comply with their obligations under international law, including international humanitarian law, human rights and refugee law and take all measures to protect civilians and meet their basic needs, and to ensure the rapid and unimpeded passage of humanitarian assistance;

#### **Protection of civilians**

4. *Authorizes* Member States that have notified the Secretary-General, acting nationally or through regional organizations or arrangements, and acting in cooperation with the Secretary-General, to take all necessary measures, notwithstanding paragraph 9 of resolution 1970 (2011), to protect civilians and civilian populated areas under threat of attack in the Libyan Arab Jamahiriya, including Benghazi, while excluding a foreign occupation force of any form on any part of Libyan territory, and *requests* the Member States concerned to inform the Secretary-General immediately of the measures they take pursuant to the authorization conferred by this paragraph which shall be immediately reported to the Security Council;

5. *Recognizes* the important role of the League of Arab States in matters relating to the maintenance of international peace and security in the region, and bearing in mind Chapter VIII of the Charter of the United Nations, requests the Member States of the League of Arab States to cooperate with other Member States in the implementation of paragraph 4;

## **No Fly Zone**

6. *Decides* to establish a ban on all flights in the airspace of the Libyan Arab Jamahiriya in order to help protect civilians;

7. *Decides further* that the ban imposed by paragraph 6 shall not apply to flights whose sole purpose is humanitarian, such as delivering or facilitating the delivery of assistance, including medical supplies, food, humanitarian workers and related assistance, or evacuating foreign nationals from the Libyan Arab Jamahiriya, nor shall it apply to flights authorised by paragraphs 4 or 8, nor other flights which are deemed necessary by States acting under the authorisation conferred in paragraph 8 to be for the benefit of the Libyan people, and that these flights shall be coordinated with any mechanism established under paragraph 8;

8. *Authorizes* Member States that have notified the Secretary-General and the Secretary-General of the League of Arab States, acting nationally or through regional organizations or arrangements, to take all necessary measures to enforce compliance with the ban on flights imposed by paragraph 6 above, as necessary, and *requests* the States concerned in cooperation with the League of Arab States to coordinate closely with the Secretary General on the measures they are taking to implement this ban, including by establishing an appropriate mechanism for implementing the provisions of paragraphs 6 and 7 above,

9. *Calls upon* all Member States, acting nationally or through regional organizations or arrangements, to provide assistance, including any necessary over-flight approvals, for the purposes of implementing paragraphs 4, 6, 7 and 8 above;

10. *Requests* the Member States concerned to coordinate closely with each other and the Secretary-General on the measures they are taking to implement paragraphs 4, 6, 7 and 8 above, including practical measures for the monitoring and approval of authorised humanitarian or evacuation flights;

11. *Decides* that the Member States concerned shall inform the Secretary-General and the Secretary-General of the League of Arab States immediately of measures taken in exercise of the authority conferred by paragraph 8 above, including to supply a concept of operations;

12. *Requests* the Secretary-General to inform the Council immediately of any actions taken by the Member States concerned in exercise of the authority conferred by paragraph 8 above and to report to the Council within 7 days and every month thereafter on the implementation of this resolution, including information on any violations of the flight ban imposed by paragraph 6 above;

## **Enforcement of the arms embargo**

13. *Decides that* paragraph 11 of resolution 1970 (2011) shall be replaced by the following paragraph : “Calls upon all Member States, in particular States of the region, acting nationally or through regional organisations or arrangements, in order to ensure strict implementation of the arms embargo established by paragraphs 9 and 10 of resolution 1970 (2011), to inspect in their territory, including seaports and airports, and on the high seas, vessels and aircraft bound to or from the Libyan Arab Jamahiriya, if the State concerned has information that provides reasonable grounds to believe that the cargo contains items the supply, sale, transfer or export of which is prohibited by paragraphs 9 or 10 of resolution 1970 (2011) as modified by this resolution, including the provision of armed mercenary personnel, *calls upon* all flag States of such vessels and aircraft to cooperate with such inspections and authorises Member States to use all measures commensurate to the specific circumstances to carry out such inspections”;

14. *Requests* Member States which are taking action under paragraph 13 above on the high seas to coordinate closely with each other and the Secretary-General and *further requests* the States concerned to inform the Secretary-General and the Committee established pursuant to paragraph 24 of resolution 1970 (2011) (“the Committee”) immediately of measures taken in the exercise of the authority conferred by paragraph 13 above;

15. *Requires* any Member State whether acting nationally or through regional organisations or arrangements, when it undertakes an inspection pursuant to paragraph 13 above, to submit promptly an initial written report to the Committee containing, in particular, explanation of the grounds for the inspection, the results of such inspection, and whether or not cooperation was provided, and, if prohibited items for transfer are found, further requires such Member States to submit to the Committee, at a later stage, a subsequent written report containing relevant details on the inspection, seizure, and disposal, and relevant details of the transfer, including a description of the items, their origin and intended destination, if this information is not in the initial report;

16. *Deplores* the continuing flows of mercenaries into the Libyan Arab Jamahiriya and *calls upon* all Member States to comply strictly with their obligations under paragraph 9 of resolution 1970 (2011) to prevent the provision of armed mercenary personnel to the Libyan Arab Jamahiriya

#### **Ban on flights**

17. *Decides* that all States shall deny permission to any aircraft registered in the Libyan Arab Jamahiriya or owned or operated by Libyan nationals or companies to take off from, land in or overfly their territory unless the particular flight has been approved in advance by the Committee, or in the case of an emergency landing;

18. *Decides that* all States shall deny permission to any aircraft to take off from, land in or overfly their territory, if they have information that provides reasonable grounds to believe that the aircraft contains items the supply, sale, transfer, or export of which is prohibited by paragraphs 9 and 10 of resolution 1970 (2011) as modified by this resolution, including the provision of armed mercenary personnel, except in the case of an emergency landing;

#### **Asset freeze**

19. *Decides* that the asset freeze imposed by paragraph 17, 19, 20 and 21 of resolution 1970 (2011) shall apply to all funds, other financial assets and economic resources which are on their territories, which are owned or controlled, directly or indirectly, by the Libyan authorities, as designated by the Committee, or by individuals or entities acting on their behalf or at their direction, or by entities owned or controlled by them, as designated by the Committee, and *decides further* that all States shall ensure that any funds, financial assets or economic resources are prevented from being made available by their nationals or by any individuals or entities within their territories, to or for the benefit of the Libyan authorities, as designated by the Committee, or individuals or entities acting on their behalf or at their direction, or entities owned or controlled by them, as designated by the Committee, and directs the Committee to designate such Libyan authorities, individuals or entities within 30 days of the date of the adoption of this resolution and as appropriate thereafter;

20. *Affirms* its determination to ensure that assets frozen pursuant to paragraph 17 of resolution 1970 (2011) shall, at a later stage, as soon as possible be made available to and for the benefit of the people of the Libyan Arab Jamahiriya;

21. *Decides* that all States shall require their nationals, persons subject to their jurisdiction and firms incorporated in their territory or subject to their jurisdiction to exercise vigilance when doing business with entities incorporated in the Libyan Arab Jamahiriya or subject to its jurisdiction, and any individuals or entities acting on their behalf or at their direction, and entities owned or controlled by them, if the States have information that provides reasonable grounds to believe that such business could contribute to violence and use of force against civilians; (2011), particularly paragraphs 9 and 10 thereof, or to have assisted others in doing so;

## **Panel of Experts**

24. *Requests* the Secretary-General to create for an initial period of one year, in consultation with the Committee, a group of up to eight experts ("Panel of Experts"), under the direction of the Committee to carry out the following tasks:

(a) Assist the Committee in carrying out its mandate as specified in paragraph 24 of resolution 1970 (2011) and this resolution;

(b) Gather, examine and analyse information from States, relevant United Nations bodies, regional organisations and other interested parties regarding the implementation of the measures decided in resolution 1970 (2011) and this resolution, in particular incidents of non-compliance;

(c) Make recommendations on actions the Council, or the Committee or State, may consider to improve implementation of the relevant measures;

(d) Provide to the Council an interim report on its work no later than 90 days after the Panel's appointment, and a final report to the Council no later than 30 days prior to the termination of its mandate with its findings and recommendations;

25. *Urges* all States, relevant United Nations bodies and other interested parties, to cooperate fully with the Committee and the Panel of Experts, in particular by supplying any information at their disposal on the implementation of the measures decided in resolution 1970 (2011) and this resolution, in particular incidents of non-compliance;

26. *Decides* that the mandate of the Committee as set out in paragraph 24 of resolution 1970 (2011) shall also apply to the measures decided in this resolution;

27. *Decides* that all States, including the Libyan Arab Jamahiriya, shall take the necessary measures to ensure that no claim shall lie at the instance of the Libyan authorities, or of any person or body in the Libyan Arab Jamahiriya, or of any person claiming through or for the benefit of any such person or body, in connection with any contract or other transaction where its performance was affected by reason of the measures taken by the Security Council in resolution 1970 (2011), this resolution and related resolutions;

28. *Reaffirms* its intention to keep the actions of the Libyan authorities under continuous review and underlines its readiness to review at any time the measures imposed by this resolution and resolution 1970 (2011), including by strengthening, suspending or lifting those measures, as appropriate, based on compliance by the Libyan authorities with this resolution and resolution 1970 (2011).

29. *Decides* to remain actively seized of the matter.

## **Designations**

22. *Decides* that the individuals listed in Annex I shall be subject to the travel restrictions imposed in paragraphs 15 and 16 of resolution 1970 (2011), and *decides* further that the individuals and entities listed in Annex II shall be subject to the asset freeze imposed in paragraphs 17, 19, 20 and 21 of resolution 1970 (2011);

23. *Decides* that the measures specified in paragraphs 15, 16, 17, 19, 20 and 21 of resolution 1970 (2011) shall apply also to individuals and entities determined by the Council or the Committee to have violated the provisions of resolution 1970.

# Draft Resolution on Syria (Vetoed)

United Nations

S/2011/612



## Security Council

Distr.: General  
4 October 2011

Original: English

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### France, Germany, Portugal and United Kingdom of Great Britain and Northern Ireland: draft resolution

*The Security Council,*

*Expressing* grave concern at the situation in Syria,

*Recalling* its Presidential Statement of 3 August,

*Welcoming* the Secretary-General's statements articulating continued concerns about the ongoing violence and humanitarian needs, calling on the Syrian Government to halt its violent offensive at once, calling for an independent investigation of all human rights violations during recent demonstrations, and *stressing* the need to hold to account those responsible for human rights violations,

*Noting* Human Rights Council's report of its 17th Special session (A/HRC/S-17/1), including the decision to dispatch an independent international commission of inquiry to investigate all alleged violations of international human rights law since March 2011 in Syria,

*Recalling* the Syrian Government's primary responsibility to protect its population, and the Secretary-General's call for the Syrian Government to allow unhindered and sustained access for humanitarian aid and humanitarian organizations, *welcoming* OCHA's humanitarian assessment mission and *urging* the Syrian authorities to cooperate comprehensively with the United Nations,

*Stressing* that the only solution to the current crisis in Syria is through an inclusive and Syrian-led political process with the aim of effectively addressing the legitimate aspirations and concerns of the population which will allow the full exercise of fundamental freedoms for its entire population, including of the rights of freedom of expression, assembly and peaceful protest, and *further stressing* that such a political process can only be advanced through an environment free from any sort of violence, fear and intimidation,

*Noting* the announced commitments by the Syrian authorities to reform, and *regretting* the lack of progress in implementation,

*Reaffirming* its strong commitment to the sovereignty, independence, territorial integrity and national unity of Syria,

*Deeply concerned* by the continuing deterioration of the situation in Syria and the potential for further escalation of the violence, and *reaffirming* the need to resolve the current crisis in Syria peacefully,

*Welcoming* the engagement of the Secretary-General and the League of Arab States, and all other diplomatic efforts aimed at addressing this situation, including those of Turkey, Russia, Brazil, India, South Africa, and regretting the lack of a substantive response by the Syrian authorities to these demands,

1. *Strongly condemns* the continued grave and systematic human rights violations and the use of force against civilians by the Syrian authorities, and expresses profound regret at the deaths of thousands of people including women and children;

2. *Demands* an immediate end to all violence and *urges* all sides to reject violence and extremism;
  3. *Recalls* that those responsible for all violence and human rights violations should be held accountable;
  4. *Demands* that the Syrian authorities immediately:
    - (a) cease violations of human rights, comply with their obligations under applicable international law, and cooperate fully with the office of the High Commissioner for Human Rights;
    - (b) allow the full exercise of human rights and fundamental freedoms by its entire population, including rights of freedom of expression and peaceful assembly, release all political prisoners and detained peaceful demonstrators, and lift restrictions on all forms of media;
    - (c) cease the use of force against civilians;
    - (d) alleviate the humanitarian situation in crisis areas, including by allowing expeditious, unhindered and sustained access for internationally recognized human rights monitors, humanitarian agencies and workers, and restoring basic services including access to hospitals;
    - (e) ensure the safe and voluntary return of those who have fled the violence to their homes;
  5. *Calls for* an inclusive Syrian-led political process conducted in an environment free from violence, fear, intimidation, and extremism, and aimed at effectively addressing the legitimate aspirations and concerns of Syria's population, and *encourages* the Syrian opposition and all sections of Syrian society to contribute to such a process;
  6. *Requests* the Secretary-General to continue to urge the Syrian Government to implement paragraphs 2 and 4 above, including by appointing at the appropriate time a Special Envoy in consultation with the Security Council, and *encourages* all States and regional organizations to contribute to this objective;
  7. *Encourages* in this regard the League of Arab states to continue efforts aimed at ending the violence and promoting such an inclusive Syrian-led political process;
  8. *Strongly condemns* attacks on diplomatic personnel and recalls the fundamental principle of the inviolability of diplomatic agents and the obligations on host States, including under the 1961 Vienna Convention on Diplomatic Relations, to take all appropriate steps to protect embassy premises and prevent attacks on diplomatic agents;
  9. *Calls upon* all States to exercise vigilance and restraint over the direct or indirect supply, sale or transfer to Syria of arms and related materiel of all types, as well as technical training, financial resources or services, advice, or other services or assistance related to such arms and related materiel;
  10. *Requests* the Secretary-General to report on implementation of this resolution within 30 days of its adoption and every 30 days thereafter;
  11. *Expresses* its intention to review Syria's implementation of this resolution within 30 days and to consider its options, including measures under Article 41 of the Charter of the United Nations;
  12. *Decides* to remain actively seized of the matter.
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**THE NATIONAL COUNCIL OF  
PROVINCES QUESTION FOR  
WRITTEN REPLY**

**390. Mr K A Sinclair (COPE-NC) to ask the Minister of Trade and Industry:**

Whether his department has any plans to address the R23.7 billion trade deficit that has been incurred as a result of the trade between South Africa and China in the 2010-11 financial year; if not, what is the position in this regard; if so, (a) what plans, (b) how will his department address this deficit and (c) how will South Africa's entry into Brazil, Russia, India and China group affect this deficit? CW489E

**Response**

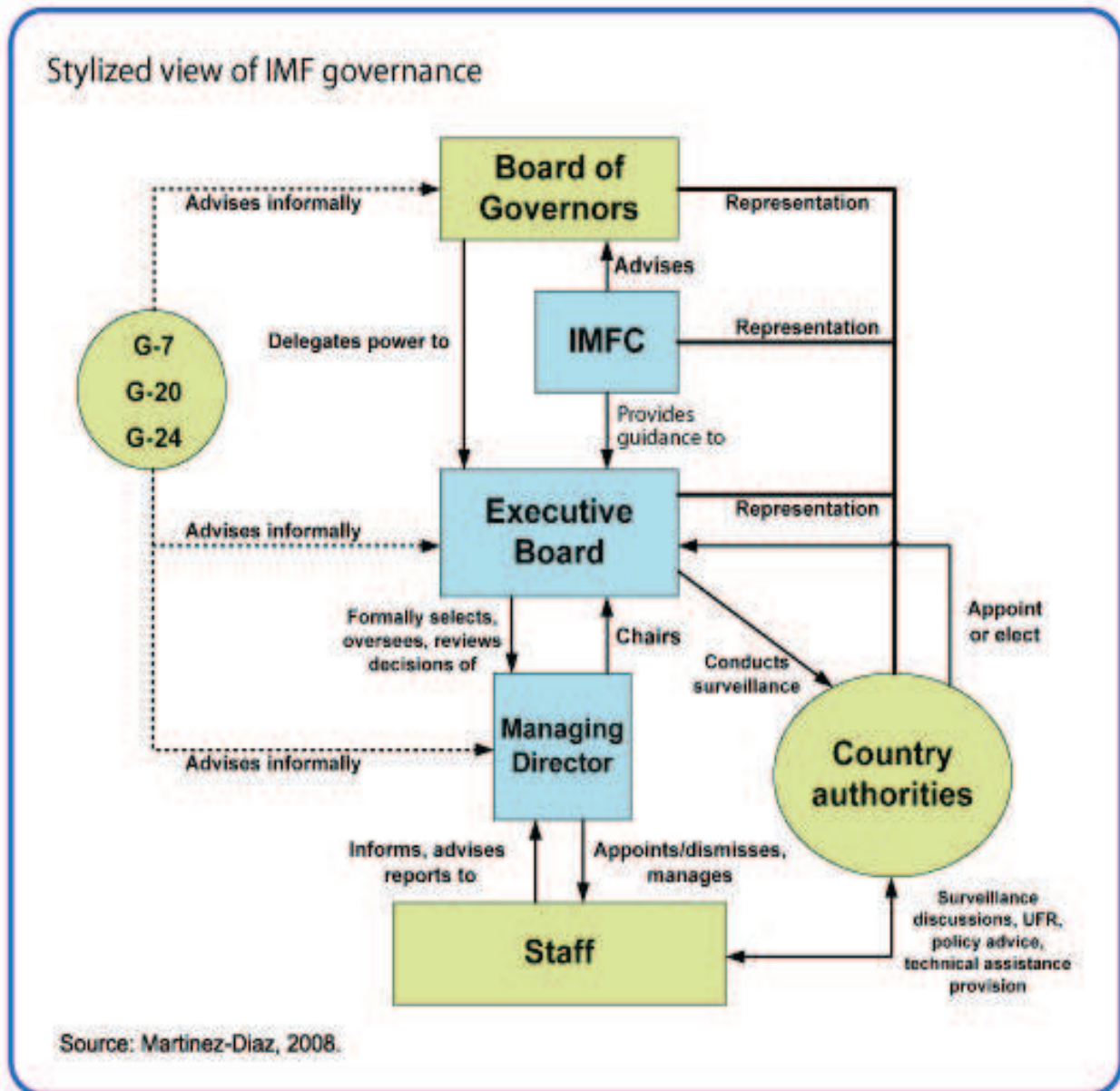
It is important to consider changes in trade flows with our partners over time. According to South Africa's trade figures, the trade deficit with China has been in decline, moving from R45.5 billion in 2008 to R24.5 billion in 2010. It is also important to note that South African trade statistics are not consistent with those of China. According to China's trade figures, bilateral trade is balanced. The discrepancy has to do with differences in the way trade flows are recorded. The main reason appears to be that South African authorities record exports to Hong Kong and to China separately. Much of our exports to Hong Kong are shipped onwards to China, and Chinese authorities as record these as imports into China.

While nominal balances are important to consider, the more important concern in our view has been in the structure of bilateral trade with China. South Africa's exports are dominated by low-value added raw materials while imports from China are dominated by higher value added, manufactured goods. This structure of trade, in our view, is not sustainable in the longer term.

Rectifying this pattern requires that we step up our efforts on industrial development and upgrading as set out in the National Industrial Policy Framework and Industrial Policy Action Plan. In parallel, we are working with China to encourage higher value added exports from South Africa. Under the Comprehensive Strategic Partnership with China, we have an agreement to promote higher value added products from South Africa and an undertaking for greater investment from China into beneficiation projects in South Africa.

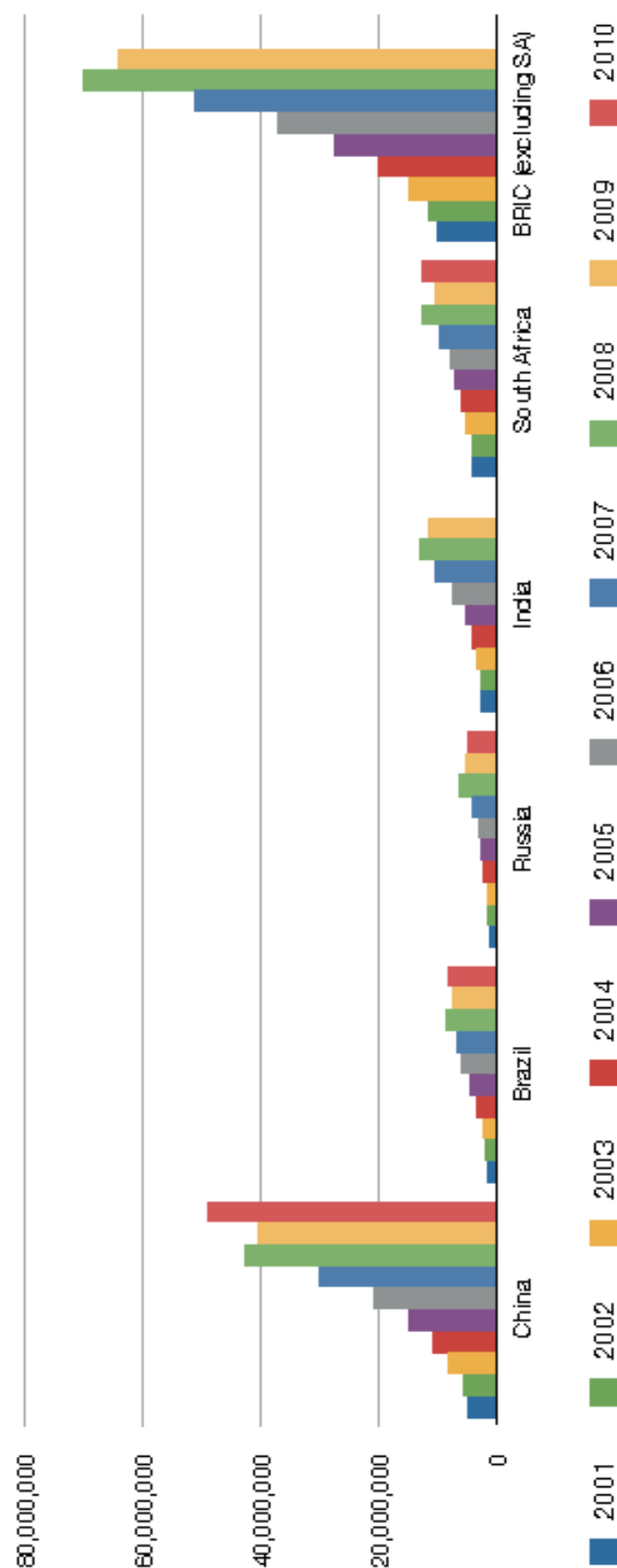
This could be a model for engagement with other BRICS countries and we see enormous opportunities to structure new kinds of trade and investment agreements with BRICS that foster complementarities and cooperation in the industrial, agricultural and service sectors. Appropriately structured preferential

trade agreements, procurement arrangements, sectoral cooperative agreements, alongside targeted investment and export promotion activities, can help to forge a trade relationship in which South Africa will export higher value added, sophisticated products that embody higher levels of technology, support industrial upgrading, and place us on a long-term, sustainable economic development path.



From: <http://www.imf.org/external/np/exr/facts/govern.htm>

## Countries exports to Africa (not including SA)



Source: International Trade Centre