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South Africa in BRICS: prospects and constraints

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A Dissertation submitted to the School of Social Sciences, Faculty of Humanities, University of the Witwatersrand, Johannesburg, in the fulfillment of the requirements for the degree of Masters of Arts in International Relations by research.

Johannesburg, October 2014

DECLARATION

I, Frangton Chiyemura declare that SOUTH AFRICA IN BRICS: PROSPECTS AND CONSTRAINTS submitted for the Master of Arts Degree in International Relations at the Department of International Relations, School of Social Sciences, Faculty of Humanities, University of the Witwatersrand, Johannesburg, is my original work and has not been submitted before, at this or any other institution of higher education. I further declare that I am the owner of the copyright thereof, and all used materials in the dissertation have been duly acknowledged.

…… ……..

Student's Signature **Date**

ABSTRACT

The rise of Brazil, Russia, India and China (BRICs) and the inclusion and integration of South Africa to form BRICS has sparked debates on the revival and significance of Global South/South-South Cooperation. No other subject has arguably contributed to the Global South debates and questions as much as BRICS. The elucidation and debate about BRICS and the Global South had seemed incomplete until the inclusion of South Africa in the forum. With this, some accounts and projections have been given about why South Africa was included. Such accounts by-passed the main question of the benefits and risks for South Africa. Therefore, this study was driven by the need to explore and establish the benefits, risks and uncertainties that befalls South Africa virtually by being a BRICS member. Based on a qualitative research approach in which interviews, extensive literature review and a historical analysis narrative, the study found that South Africa's participation in BRICS-though junior member has more potential benefits than risks. Such an analysis was made possible specifically by the employment of international political economy, social constructivism and the political coalition approaches as key theoretical cornerstones that underpinned the study.

Keywords and terms

BRICS, Global Governance, Global South/North, South Africa and South-South Cooperation

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DEDICATION

This study is dedicated to my fiancé, Maryjane Vhahangwele Muladzi, our son Kuzivakwashe, my siblings (present and departed) Egline, Artwell, Tinashe, Tatenda, Ngonidzashe, Natasha, Sharon, my dear mother Susan Chiyemura and my dear father John Chiyemura. This is for you. I love you all.

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LIST OF ABBREVIATIONS AND ACRONYMS

AISA	Africa Institute of South Africa
ANC	African National Congress
APRM	African Peer Review Mechanism
AU	African Union
BASIC	Brazil, South Africa, India and China
BBC	BRICS Business Council
BDB	BRICS Development Bank
BRICS	Brazil, Russia, India, China and South Africa
BTTC	BRICS Think Tank Council
CGETI	Contact Group on Economic and Trade Issues
COMESA	Common Market for East and Southern Africa
CPSA	Communist Party of South Africa
CRA	Contingent Reserves Arrangement
CSP	Comprehensive Strategic Partnership
DIRCO	Department of International Relations and Cooperation
DTI	Department of Trade and Industry-South Africa
ECA	Economic Commission for Africa
FDI	Foreign Direct Investment
FDI	Foreign Direct Investment
FOCAC	Forum on China-Africa Cooperation
G7	Group of 7
G77	Group of 77

G77+China	Group of 77 plus China
G8	Group of 8
GDP	Gross Domestic Product
HSRC	Human Science Research Council
IBSA	India, Brazil and South Africa
ICC	International Criminal Court
IDZ	Industrial Development Zones
IGD	Institute of Global Dialogue
IMF	International Monetary Fund
IPAP	Industrial Policy Action Plan
MENA	Middle East and North Africa
MERCOSUR	Argentina, Brazil, Paraguay, Uruguay, Venezuela and Bolivia
NAM	Non-Aligned Movement
NDP	National Development Plan
NEPAD	New Partnership for Africa's Development
NIPF	National Industrial Policy Framework
OAU	Organisation of Africa Unity
OECD	Organisation for Economic Co-operation and Development
PAC	Pan African Congress
PTA	Preferential Trade Agreement
RDP	Reconstruction and Development Programme
RSA	Republic of South Africa
SACP	South African Communist Party

SACU	Southern Africa Customs Union
SADC	Southern African Development Community
SAIIA	South African Institute of International Affairs
SARB	South African Reserve Bank
SASAC	State-Owned Assets Supervision and Administration Commission
SEZ	Special Economic Zones
SWAPO	South West Africa People's Organization
UK	United Kingdom
UN	United Nations
UNCATD	United Nations Conference on Trade and Development
UNECA	United Nations Economic Commission for Africa
UNGA	United Nations General Assembly
UNSC	United Nations Security Council
USA	United States of America
USSR	Union of Soviet Socialist Republics
WB	World Bank
WITS	University of the Witwatersrand
WTO	World Trade Organisation

1.0 Chapter One: Introduction

> […] then 2009 saw the end of what was known as the third world, we are now in a new, fast evolving multi-polar world economy-in which some developing countries are emerging as economic powers, others are moving towards becoming additional poles of growth, and some are struggling to attain the potential within this new system-where North and South, East and West are now points on a compass, not economic destinies (Zoellick, 2010:40).

1. 1 Introduction

The post-Cold War political dispensation has ushered in a new global order in which there is a fundamental shift in conceptions of geo-politics from the Global North to the Global South[1]. New powers and zones of influence have emerged in which countries such as China, India, South Africa, Indonesia and Brazil amongst others; command a measurable size of influence. These emerging power zones are contributing to development of a multi-polar system in the architecture of world politics. With the rise of the Global South, quite often, attention has been given to China and India and their potential role towards the re-balancing of the world order. Such a narrative does not only bypass the possibility of a balanced world order in which Latin America and Africa are included, rather it also reduces the Global North domination in international relations. Some contend that the emergence of BRICS-Brazil, Russia, India, China and South Africa tends to portray an emerging new world order that may pose a threat to the western nations, or at least destabilise their domination (Qobo, 2013; Carmody, 2013). This has emerged as an area of much debate in the post-global financial crisis of 2008.

As a result of these shifts in the conceptions of geo-politics, much hype and hope (though too optimistic) is present particularly in South Africa about its participation in BRICS. With the integration of South Africa into this club of emerging economies on 27 December 2010, BRICS suggests the rise of multilateralism in international relations with southern characteristics (Prashad, 2013). Even though BRICS signals a new and important development in international relations, to understand it, we need to link it with Global South historical and present trajectories[2]. Broadly, this project explores the rise of BRICS and how

[1] Developing (non-industrialised or in the process of industrialisation) nations which are in most cases located in the southern hemisphere

[2] Linking BRICS and Global South has always been an area of great debate in academic disciplines. This study as such joins the discussion by attempting to link BRICS with Global South perspective. As for South Africa,

this contributes to the configuration and re-orientation of international relations. Specifically, the introduction of South Africa in BRICS has more potential economic benefits and conversely brings Africa into play on global economic trajectories. As such, some contend that the integration of South Africa in BRICS resembles an era of great economic potential for Pretoria to influence policy making and alignment among the non-industrialised developing countries within economic considerations-in particular Africa (Dube, 2013). To date, it is not clear and has not been fully explored whether South Africa's entry in BRICS will provide much desired economic objectives and forging of new investment partners. Evidence of multilateralism seems to suggest that there are also constraints, risks and uncertainties of forum based frameworks (Dube, 2013). As for South Africa, some content that it is difficult to quantify the nature, level and possible opportunities in BRICS (Draper, 2011). Some argues that regardless of South Africa's entry in BRICS, economic progress and infrastructural development had been on the rise prior to BRICS formation (Draper, 2013).

South Africa is the smallest economy in BRICS. According to Besada, Tok and Winters (2013:2), South Africa's economy grew by 2.8 per cent in 2010, lower than China's 10.3 per cent, India's 9.7 per cent, Brazil's 7.5 per cent and Russia's 4.5 per cent. Additional to that, South Africa has an approximated population of 54 million (2014 estimates) far lesser than India's 1.2 billion (2011 Census), China's 1.4 billion (2013 estimations), Brazil's 190 million (2010 Census) and Russia's 142 million (2010 Census) (StatSA, 2014; World Population Review, 2014). Amongst other factors that can be used to measure the strength of South Africa's level of competency in comparison to other BRICS nations as shown above, Pretoria has less significant power. With this, there is little consensus on the implications of South Africa's participation in BRICS (Besada, Tok and Winters, 2013:2).

Wooldridge (2011) claims that South Africa has less economic weight to influence policy decisions in BRICS, hence there is few economic gains and more risks. Yanshuo (2011) argues that South Africa's membership in BRICS is associated with more benefits towards its drive for economic growth. Bond (2013) contends this by noting that South Africa's

India, Brazil and arguably China, such a status may be applied, but with Russia, the case is different. However, for the fact that Russia has often been identified with the interests and values of the developing world, this study as well-confers Russia a Global South status. Regardless of that, a greater detail and conceptual interrogation of BRICS-Global South argument is given on chapter 2.

participation in BRICS extends China and India's new imperialist agenda in Africa. From the above, there exist a lot of confusions, undetermined thoughts, projections and assumption about South Africa's participation in BRICS. This study attempts to clear such confusions and undetermined thoughts, projections and assumptions, by specifically looking at the prospects and constraints for South Africa in BRICS. The study contends that South Africa's participation in BRICS could be assessed through two possible ends: Prospects and Constraints. As such this study is driven by the research question below.

1.2 Research Question

South Africa's position in BRICS has not been fully explored (Schulz, 2013). This study attempts to explore the prospects and constraints of South Africa in BRICS. Though South Africa is small in economic outlook as compared to other countries in the BRICS alliance, it still has favourable characteristics that support its participation. This project is mainly concerned with the following question:

(i) What are the economic, political and social prospects and constraints for South Africa's participation in BRICS?

1.3 Aim of the study

This study is informed by the need to explore the available political, economic and social prospects and constraints for South Africa in BRICS.

1.4 Rationale of the study

Available scholarship has neglected the broader political, economic and social prospects and constraints for South Africa in BRICS. Rather, a few studies have looked into South Africa in BRICS specifically on why it was invited to be the fifth member. This study is of uttermost importance as it explores further-not only the reasons for its invitation but specifically the prospects and constraints towards participation in such a group. Given that there is limited literature on South Africa in BRICS and BRICS-Africa relations, this study will add knowledge to this debate and probably open new debates specifically on how reform agenda of global governance can be realised in BRICS. The study also recognises that except from the motives that led to the invitation of South in BRICS, political, economic and social prospects and constraints are also important for Pretoria's policy considerations. This study does not simply reproduce available arguments presented elsewhere (maybe by politicians, statesman or heads of states) it attempts to separate rhetoric from reality through an attempt to offer a critical perspective of South Africa's –BRICS participation as a whole.

1.5 Literature review

The inclusion of South Africa in BRICS since 2011 has attracted scholarly and academic interest in the wake of Global South politics in particular on why South Africa was invited and not other deserving nations[3]. In this regard, different academics, journalists, statesman, members of diplomatic corps, research and policy institutes present different and at times identical analysis on South Africa's membership in BRICS. The section of this chapter specifically explores, analyses and discusses different views on South Africa's membership in BRICS. The discussions shall be centred on a broad generic debate about BRICS, and the motives behind South Africa in BRICS, which culminates in unpacking the lacunae in the scholarship. This will present the entry point for the study by integrating all frameworks of analysis which often have been omitted in the scholarship of South Africa and BRICS. Therefore, as an entry point, South Africa's position in BRICS is primarily based on its national interest progression. As shown by Volchkova and Ryabtseva that

> the BRICS forum might play an important role in promoting South Africa's role on the continent. For example, Russia believes it is possible to increase South Africa's influence among its neighbours and in the overall global economic arena through the development of a national currency exchange within BRICS. If the BRICS countries manage to execute trade in national currencies, all remaining African countries might settle accounts with Russia, Brazil, India and China in South African Rands (Volchkova and Ryabtseva, 2013:8).

This implies that BRICS platform act as an avenue through which South Africa may advance its national interest. Such a view raised by Volchkova and Ryabtseva is further supported by Vandemoortele, Bird, Du Toit, Liu, Sen and Soares (2013) who argues that BRICS offers an opportunity through which Global South elite nations can build better blocks enshrined within development trajectories of their national interest. Consequently, the BRICS forum is seen as a platform for South Africa to champion its economic development backlog (Vandemoortele, et al, 2013). Pretoria believes that by participating in BRICS, this will contribute to a national interest progression on trade and investment to and from other BRICS nations. However, Notshuwana (2012) believes that the alliance does not provide equal and mutual levels of benefit as China, India, and Brazil have seemingly benefited more than South Africa and Russia. Even though BRICS is seen as a platform through which South Africa will jointly do business in Africa and the world at large through a codified BRICS brand name, it is questionable whether this advantage is likely to assist the poor at home.

[3] On this note, O'Neil projections noted that South Africa was not a deserving member in BRICS, since it was way far on the N11 projections.

Khana (2013) argues that South Africa being the least developed nation in this group of emerging economies indicates that South Africa is being used as a *face* through which other BRICS nations will engage Africa via South Africa. For Khana, South Africa cannot match the level of competition-rather South Africa is being swallowed while unknowingly pushing the Chinese interest. As noted by Smith (2011), this raises a lot of questions on whether South Africa will cope with the pressure and competition exerted by China, India, Brazil and Russia. These are just claims which scholarship is making. Ultimately, this call for the need to fully explore what political, economic and social prospects and constraints befalls South Africa by being a BRICS member.

South Africa's national interest in BRICS is premised on commercial interests amongst other factors. Already, South Africa is the second largest investor in Africa, something that calls for the maintenance of such economic stature (World Bank Report, 2013). In light of the above information, South Africa's membership in BRICS should then be seen as a move for South Africa to consolidate its position within the realm of commercialism (Fynn, 2012).

South Africa realises the importance of promoting the development of African continent as a region. As such, it is one of South Africa foreign policy interest to promote African development. As defined elsewhere, Africa's Agenda is a position in which South Africa advances the interest of the continent at a global level (New Development Plan, 2013). This strategy includes supporting all the African Union's structures and its agencies in an effort to create conducive environment for sustainable socio-economic and political development. As such, it may be argued that a large pool of academics shares an identical position on South Africa's Africa First Agenda in BRICS (Dube, 2013; Landsberg and Moore, 2013). Fynn (2012) quotes Rob Davies, the minister of Trade and Industry in South Africa when he states that,

> We (South Africa) are very conscious of the fact that we are in there (BRICS) in part as an emerging economy in our own right but also in part because we are a presence in the African continent.

Additionally Rob Davies quoted by Fynn (2012:8) notes that

> The African continent faces a number of challenges in leveraging its combined economic strength and growing consumer market. Weak border operations and poor infrastructure – rail, road and power – are among the issues that hamper continental economic integration.

South Africa's presence in BRICS acts as the gateway through which Africa's problem are brought to the table with other emerging nations, and there is optimism that such a platform will bring about a development trajectory for Africa. However, one should note that Rob Davies is being too optimistic since Africa's socio-economic and political problems require a holistic approach to mitigate and alleviate them. Therefore Africa's development failures come from a multi-faceted background in which the political condition is at the core.

South Africa's Africa Agenda goal is enshrined within a greater need of economic integration that is cost effective in trade, capital investment and foreign direct investment parameters. Stuenkel (2013) note that South Africa's level of economic development coupled with its high infrastructure development capacity offers favourable and conducive climate and environment through which other BRICS members can engage with Africa via Pretoria. Kornegay and Bohler-Muller (2013) argues that the presence of South Africa in BRICS resembles one of the Mbeki's legacies. Such a legacy presents Africa with an opportunity to promote socio-economic development. Such a position as noted by Kornegay and Bohler-Muller offers an explanation of Africa First in South Africa's foreign policy Agenda. Additionally, South Africa's road to independence from apartheid involved the entire continent of Africa; this may help to explain why South Africa's position in BRICS is important-a payback approach. The entire continent of Africa supported South Africa internationally, regional and globally to down-campaign apartheid.

The Gauteng Province Report on BRICS (2013) claims that South Africa is the linkman/middle man between BRICS and Africa. However, South Africa's linkman's role seems too optimistic since some African countries such as Zimbabwe, Zambia and Sudan have monolithically engaged with BRICS nations such as China, India and Russia. Essop Pahad (2014) argues that

> South Africa should be mindful of its respective interest in BRICS. The Good Samaritan role is inapplicable to international politics. The gateway or middleman role is much complicated than South Africa thinks……

An address by former Deputy Minister of International Relations and Cooperation, Mr Ebrahim I Ebrahim, on the occasion of a Public Lecture titled, *Reflections on BRICS: Prospects for South Africa and Africa*, at the University of Johannesburg, Soweto Campus, 25 October 2012 reiterated that South Africa's position in BRICS should be seen as the most soluble opportunity through which the African Agenda can be internationalised and strengthened through increased relations with members of the Global South. This is seen as a diplomatic platform through which South Africa advances the African Agenda. Stuenkel (2013) argues that Africa requires a position in the architecture of global politics. For the fact that Africa has been side-lined from such activities by the legacies and institutions of colonialism, its voice has been silenced by the marauding might of the Global North nations. With the emergence of BRICS, Carmody (2012) believes that South Africa should lead the torch for Africa's recognition in the architecture of global politics. Such a view is also supported by Habib (2009) who argues that South Africa is Africa regional powerbase.

At the 5th BRICS summit, South Africa was able to advance such a move for the consolidation of the African Agenda. The summit held in Durban, from 26-27 March 2013, South Africa under the theme; *BRICS and Africa: Partnership for Development, Integration and Industrialisation*, promoted South Africa's national interest and Africa's Agenda interest. As highlighted by constructivism approach, South Africa's membership in BRICS is to advance the African Agenda in which an Africa First form of identity and interest is important[4]. Landsberg and Moore (2013) prominent scholars on South Africa's post-apartheid foreign policy have always positioned a better Africa concept- which in turn provides a regional integration framework. South Africa is seen as a champion of economic development in Africa, and as such functionally integrates African economies in BRICS, a reason to explain the invitation of 15 African states during the 2013 BRICS summit in Durban (Kornegay and Bohler-Muller, 2013). The Africa First orientation premised on South Africa's foreign policy is further enhanced by South Africa's call for the establishment of a permanent member of an African nation representation at the UNSC (Kuzmin (2013). Kingah (2011) believes that South Africa calls for a balanced representation in the Bretton Woods institutions such as IMF, the WB and WTO. Kimenyi and Lewis (2011) argue that Africa should have a say and position in the architecture of global politics.

[4] Constructivism approach is one of the theories that inform the study. Greater detail of this approach is made in chapter 2

Furthermore, other BRICS nations decided to invite South Africa because it understands the African continent realities and challenges on the ground. Carmody (2012) argues that South Africa acts as a gateway for other BRICS nations to Africa. However, South Africa like other BRICS nations has diverse and cosmopolitan populations with internal strife and challenges. Bond's (2013) and Gumede (2013) critique this by arguing that South Africa and the other BRICS members are destined to usurp Africa's resource using the soft power approach in the form of aid and investment. Given the fact that South Africa is the demographically, territorial and economically smallest nation in the group, little or nothing has been clearly spelled out as regards the implications that may arise for South Africa in this alliance. Additionally, Prashad (2013) believes that BRICS does not have respect for workers and the environment. If BRICS nations are profit driven, are they that different from the traditional imperialist such as US and Britain amongst others? In this regard, Ampiah and Naidu (2008:4) lament that China is in itself exploitative, extractive, and destructive and a platform through which Africa's underdevelopment may be perpetuated. Such claims of BRICS being of negative influence towards South Africa have not been fully explored. As such, this study attempts to fill in that knowledge gap by specifically exploring the political, economic and social prospects and constraints for South Africa in BRICS.

In summation the literature review above traces various scholarly and academic standpoints presented by different scholarship on South Africa's membership in BRICS. This overview has identified that, South Africa's membership in BRICS is driven by its national interest. However, the literature as it stands fails to account for the "How" and the "To what extent" part for South Africa in BRICS. This might be caused by scarcity of scholarship on South Africa's participation in BRICS. Regardless of such scarcity, a few scholarships drawn from Stuenkel, Bond, Gumede, Carmody, Dube, Khana, Fynn amongst others have touched on the subject matter. Instead, their studies have largely concentrated on why South Africa was invited to BRICS, and do not explicitly address the political, economic and social ramifications that befalls South Africa by the virtue of being a BRICS member. Taking off from the existing scholarship, this study therefore seeks to explore the prospects and constraints of South Africa's membership in BRICS. In the absence of an institutional strategic framework, BRICS engagements has its own degree of co-variance and co-operation, which at one point or the other; may be seen to be harmful or favourable to South Africa's economic development drive-and this has to be accounted for.

1.6 Research Methodology

This study is primarily informed by qualitative research methods. A qualitative research method implies the use of analytical, descriptive and interpretative approach to sociality (Creswell, 2003). Gray (2009:229) adds that qualitative research emphasizes depth of understanding and deeper meaning of the human experience and generation of theoretically rich observations. Bless, Higson-Smith and Kagee (2006:184) maintains that qualitative research is conducted using qualifying words and descriptions to record and investigate aspects of social reality.

With the nature of the research question and aim, this study makes use of both primary and secondary sources of data. As part of primary sources of data, I conducted interviews between March and April 2014. Eight interviews were conducted with academics working on South Africa in BRICS. Of the eight interviews that were conducted, two were telephone and six were face to face interviews. I had to resort to telephone interviews because the two respondents were located far away from my Centre. Of those two telephone interviews, one of the respondents was so busy that it was just by grace that he gave me a telephone interview as an alternative. These eight interviews were given by members of South Africa's Department of Trade and Industry (DTI), Human Science Research Council-South Africa, HSBC Bank employee, Mapungubwe Institute for Strategic Reflection, SAIIA and Chris Hani Institute. Some of the interviews were drawn from BRICS Think Tanks academics that had represented South Africa on the 6th BRICS Academic Symposium in Brazil, 2014.

I also had conversations with University of Johannesburg lecturers and Wits academics who provided some key pointers in unpacking South Africa's position in BRICS. The respondents were purposively selected on the basis of area of speciality, accessibility and availability. Moreover, these respondents' work is heavily centred on BRICS. To supplement the primary data gathered from the interviews, I also consulted secondary sources of data gathered from the public domains and databases of IMF, WB, BRICS Information Centre, African Development Bank, GEGAfrica Portal, Goldman Sachs Group, WTO, UNECA, UNCTAD, ECA, SARB, SAIIA and BRICS governmental websites. Lastly, extensive analysis of literature drawn from mainly reports, books, articles, chapters, internet data and journalistic reports on South Africa and the BRICS was made. These sources of data were accessed from

the University of the Witwatersrand (Wits), University of Johannesburg (UJ), South Africa Institute of International Affairs (SAIIA) and the Africa Institute of South Africa (AISA) libraries.

1.7 Limitations of the study

The study has few limitations, which were however minimised. Firstly, BRICS is still an emerging economic group that has many aims and objectives that are still in the pipeline, thus making it difficult to reach conclusions. However, this study is important since it attempts to explore the greatest number of prospects and constraints for South Africa in BRICS. This implies that as a field of study, BRICS has few classic and substantive literatures. Very few scholarly studies have been made about BRICS with specific reference to South Africa. However, such limitations were alleviated by precisely employing a series of interviews with different academics, personnel in governmental departments that deal with BRICS.

During the period of doing interviews, many academics were busy and arranging appointments was really a difficult task. This was because most these respondents were preparing for the 6th BRICS academic symposium which was to be held in March 2014, Brazil. Some of the respondents denied me access to some of the information citing the confidentiality of the data. Some figures and statistics were difficult to access and even unavailable in some instances. However, all these limitations were minimized, as I had to exercise patience in making and arranging appointments. On data unavailability, I had to reduce my variables and time frames so as to obtain data that was available.

1.8 Structure of the study

Chapter 2 gives a background on South Africa, theory component and conceptual frameworks of the study. To a lesser extent, the study maps South Africa's history and current economic and international status. In addition, the section explores the reason why South Africa was invited to be the fifth member in BRICS. To a greater extent, the section illuminates the theories that inform the study. Furthermore, the section unpacks some conceptual dynamics by interrogating terms like Global South, South-South Cooperation, BRICS-Global South status and the concept of 'BRICS as an original Bandung'.

Chapter 3 historicises the relations between post-Apartheid South Africa and BRICS relations from as early as 1955 during the Bandung conference. As an attempt, the study does

not claim that relations between South Africa and BRICS countries started in 1955, but traces the relations that existed out of state-craft (in this instance relations between ANC, PAC and SACP with Brazil, Russia, India and China) and how they have continued or changed in this new political dispensation. As such, country level analysis is made.

Chapter 4 discusses the prospects for South Africa's participation in BRICS. This is done by exploring and evaluating possible political, economic and social prospects for South Africa. Specifically, the chapter explores broad thematic sections of trade, FDI and global governance reform among others.

Chapter 5 discusses the political, economic and social constraints for South Africa's membership in BRICS. In this section, the study evaluates the possible risks and uncertainties for South Africa in BRICS.

Chapter 6 concludes the study. Key research findings and summary are presented in this chapter. Concluding and future remarks are also made in this section.

2.0 Chapter 2: Background, Theory and Conceptual Frameworks of the study

2.1 Introduction

This chapter gives a background, theory component and conceptual framework of the study. Though little attention is given to the political history of South Africa and its foreign policy issues, a greater detail of theory and conceptual components are discussed in this section. On theory component, international political economy, constructivism and political coalition approaches are discussed, which informs the study. This chapter also presents key important discussions on issues of BRICS Global South status, South-South Cooperation and the 'BRICS original Bandung moment' claims. This culminates by unpacking the ambiguities and complexities on BRICS and the Global South debates.

2.2 South Africa: Mapping the present from a historical backdrop

The end of apartheid in 1994 ushered in a new political dispensation of democracy in South Africa that contributed to the country gaining re-admission in the international community after 34 years (1960-1994) of political and economic isolation due to apartheid sanctions (Landsberg, 2010). To re-gain its international confidence, South Africa re-invigorated its foreign policy through transformation of diplomatic relations and re-establishment of relations with other nations (developed and developing) so as to attract increased trade, aid and investment flows. This in essence contributed to South Africa's participation in regional (Southern African Development Community-SADC), continental (African Union-AU) and bilateral and multilateral arrangements. South Africa's foreign policy targets an advance of domestic interests such as the promotion of economic development by opening joint investments, attracting foreign direct investment, promoting infrastructure development and trade within regional integration frameworks (Landsberg, 2010). Regional integration has been portrayed by South Africa as a way of promoting economic development in Africa. This led to Mbeki to advance the African Agenda/Africa First framework (Schoeman, 2003). The African agenda is a conception that is located within a broader framework of Africa first in development circles. Such a conception considers a peaceful and stable political system as a pre-requisite for sustainable socio-economic development for Africa. South Africa promotes this by strengthening the African Union and its structures in the development of an environment that positions Africa on the architecture of global politics after its years of marginalisation due to colonialism (Landsberg, 2013).

Historically, South Africa was under apartheid rule from 1948 to 1990. Apartheid was a government backed form of rule based on racialism. Blacks, coloureds and Asians were disenfranchised and they did not have the power to vote, and to that extent they were territorially segregated under the apartheid rule. Such segregation created separate development which favoured the minority whites. It was violence initiated by revolutionary parties such as the ANC, PAC amongst others and a condemnation from the international community that led to abolishing of apartheid. Such revolutionary parties received weapons and military training from countries such as China, Cuba and Russia, which led to the start of relationships with the respective countries. Post-apartheid government has strengthened ties with Russia, India, China and other African nations from a liberation struggle basis.

South Africa's post-apartheid foreign policy is regarded as one of the achievements of the post 1994 period. In this post-apartheid dispensation, South Africa regained trust and influence in world politics (Landsberg, 2006). To date, South Africa's foreign policy has been complex and wide ranging. It has not been consistent and cohesive, due to contradictions in the principles set by Mandela and the presidencies that succeeded him (Landsberg, 2012). Mandela set a government that was built on promotion of human rights, and the current leadership sets its government on economic development priorities. With this in mind, some have claimed that South Africa is reflecting a pragmatic foreign policy identity (Landsberg, 2012).

2.3 South Africa's pragmatic foreign policy identity

At present, president Zuma's foreign policy seems to be more concerned with processes rather than outcomes. Foreign policy processes are defined as the steps and stages that are taken, including the processes of consultations, formulations and implementations. In South Africa, the *de facto* one party state system in which the ANC heads the government enjoys greater monopoly over the day to day running of the government. This gives ultimate power and influence to president Zuma to preside over key foreign policy issues regardless of inputs from the general public. For example, Zuma recently deployed soldiers to the Central Africa Republic without proper consultations leading to unnecessary loss of life. Additionally president Zuma chooses to supress Taiwan Republic's call for independence from China by avoiding tabling such a dialogue at United Nations. Paul-Simon Handy a visiting distinguished scholar of international relations at Rhodes University lamented in October

2013, that South Africa's foreign policy is enshrined within broader horizons of advancing its economic development priorities at the expense of human rights (Handy, 2013). Handy further claims that president Zuma choses to pursue economic diplomacy as a means of capitalising returns on foreign direct investment and increased trade within his foreign policy ideals. In response to China's lobbying, Zuma's administration denied a visa to the Dalai Lama to visit South Africa for several times[5].

Internationally, South Africa assumes a self-attributed role of spokesperson in Africa by virtue of its regional hegemon status. Such a position is highly demanding and in most cases strains the national budget. However, South Africa under the leadership of Thabo Mbeki saw the revitalisation of regional frameworks such as Southern African Development Community (SADC), Southern Africa Customs Union (SACU), and Common Market for East and Southern Africa (COMESA); and the transformation of the Organisation of Africa Unity (OAU) to African Union (AU), New Partnership for Africa's Development (NEPAD), African Peer Review Mechanism (APRM) and many other frameworks of operations (Landsberg and van Wyk, 2012). Mbeki's term brought the so called African Renaissance which implied the need for Africa to be restored as the contributor and beneficiary of human civilizations in the era of globalization (Mbeki, 2000). Since South Africa was the bearer of the idea, this positioned South Africa as a continental powerhouse. The African Renaissance idea materialised in bearing other institutional mechanisms such as New Partnership for Africa's Development (NEPAD) among others (Cossa, 2009). This neo-liberal approach enabled South Africa to assume a regional hegemon status which later positioned it to be the strong and certain candidate for BRICS membership. These regional frameworks promoted regional integration in which South Africa increased its regional hegemonic position. However, it should be noted that the success story behind the revitalisation of these regional frameworks came as a result of mutual cooperation with other countries of the region.

Given such a rich foreign policy, South Africa has built strong bilateral and multilateral relations amounting to a total of 108 diplomatic missions worldwide at a country level [Department of International Relations and Cooperation-(DIRCO, 2O13)]. Additionally,

[5] For example it is claimed that the government's squeamishness has nothing to do with Dalai Lama, but it is everything to do with not wanting to annoy China, the new economic powerhouse and a potential source of growth for South Africa's flagging economy.

South Africa has diplomatic representation at international organisations such as European Union, United Nations, International Monetary Fund, World Bank, African Union and United Nations Economic Commission for Africa (DIRCO, 2013). Since South Africa is a hegemonic force among other factors, it was invited to become the fifth BRICS member in 2010 (Carmody, 2012). Availability of foreign diplomatic missions for South Africa is very critical as they ensure mutual political, social and economic relations so as to promote interdependence. Such interdependence acts as an incentive for increased forms of cooperation rather than conflict.

Economically, South Africa constitutes the largest Gross Domestic Product share of Sub-Sahara Africa, making it the largest economy in the continent (World Bank Report, 2013)[6]. South Africa has a vibrant economy that is supported by a large base of mineral and natural resources wealth such as gold, diamond, platinum, huge energy base production and other resources. Coupled with the above, South Africa has an excellent and functional infrastructure system which promotes business development. Additionally, South Africa has a modern banking and financial system which is friendly for business. Availability of modern banking sector has enhanced the development of a stable macro and micro financial climate that favours the establishment of corporates which promotes business. Given the above footprints in South Africa, the culture of innovation and flexible yet stable regulatory frameworks has contributed to South Africa attracting a measurable size of foreign direct investments (World Bank Report, 2013).

Furthermore, South Africa has attracted considerable volumes of foreign direct investment. The peaceful transition from an authoritarian apartheid government to a democratic government through a negotiated settlement created less risk for the business environment. Such a peaceful transition gave hope and assurance to the investors. Additionally, the location of South Africa close to the sea makes it the large recipient of foreign direct investment as it acts as a gateway for the rest of the southern Africa region (Draper and Freytag, 2011; Scholvin and Draper, 2012). This implies easy trade facilitation with limited expense for the traders. The presence of Mandela and Mbeki was a further incentive that

[6] By the time of writing this project, South Africa was the largest economy in Sub-Sahara Africa.

attracted foreign direct investment due to the free-market economic system the government pursued. This contributed to economic development in South Africa.

As an economic hegemonic power in Sub-Saharan Africa, South Africa commands a considerable amount of influence in the sub-regional and the continental organisation such as SADC and AU among others. Such an influence has a potential to rise given its newly adopted membership in BRICS. At most, South Africa has the potential to advance its national interest while at the same time advance the African Agenda as espoused by Mbeki (Landsberg, 2010).

Domestically, South Africa has a fair consumer base which equally promotes trade between and among other emerging nations such as China, India, Brazil and Russia. Already, (but not limited to) China and India have firmly invested in South Africa in particular in the banking sector, transport, renewable energy sector, mining sector and infrastructure development sector (Gauteng Province Report on BRICS, 2013). This contributes to South Africa having a huge return investment in Africa. As a middle power, South Africa assumes a regional powerbase which ultimately comes with responsibilities to champion and position Africa's agenda in this complex and emerging multi-polar global system.

2.4 South Africa's inclusion in BRICS-An arranged marriage?

South Africa's invitation to BRICS has been an area of much debate. I simply join the academic discussion and debate by adding different views as explained below. Upon a series of diplomatic and government to government negotiations, South Africa was admitted to BRICS. The diplomatic talks which started during the second BRICs summit in Brazil materialised positively for South Africa. But South Africa's inclusion in BRICS has been widely supported by China, to which some critics and cynics argue that South Africa's position in BRICS is an arranged marriage (Jung and Alden, 2013). In responding to the rationale behind South Africa's position in BRICS, I argue that there are two main reasons-economic and political strategic considerations. South Africa was the largest economy in Africa and by that virtue qualified it to be a regional power house on the continent. South Africa's political stability offers little risk to other BRICS nation, and for that matter it was the best candidate. Draper (2011:209) argues that by the virtue of South Africa's

> […] relative economic weight in Africa and the soft power bequeathed by its peaceful transition to democracy, it has assumed the role of the go-to partner in Sub-Sahara Africa.

In reaching such conclusions, Draper believed in South Africa's strategic economic importance to BRICS through the gateway concept. Draper and Freytag (2011) also argue that private institutions use South Africa as a hub and regional headquarters for its businesses in Africa. Additionally, Games (2012:1) argues that

> …for more than a decade international companies have chosen South Africa as the preferred entry point into Africa.

As such foreign companies have opted to establish headquarters in South Africa. South African government has rather positioned itself as a gateway for Africa, a more business led approach than the political one. The current Minister of the Department of International Relations and Cooperation- Nkoana-Mashabane highlighted that South Africa's inclusion in BRICS comes from long standing tradition of relation based on similar and shared values in international relations. Minister of Trade and Industry Dr Rob Davies noted that,

> We [South Africa] continue to be a significant gateway into the African continent. We made a distinction between being a gateway and a gatekeeper. We do not try to say that all trade and investment relations from other BRICS countries must come through us. It would be a lost cause if we tried to do that. But we know that many companies from BRICS and from elsewhere find it convenient to work with South Africa and Southern African Institutions in terms of their broader continental programs. In one way or another, our fellow BRICS members realise that in choosing us.

However, the gateway concept is a hugely contested terrain to validate. Domestically, South Africa is experiencing serous challenges to champion the African gateway claims (Matshiqi, 2013). Such challenges within domestic frontiers include civil and social unrest coupled with high inequality between and among racial group; and failure of the government to meet and address electorate interest which causes a great fear to the investors. Regionally speaking, Africa is big, broad and very diverse. It is difficult for South Africa to consolidate such diversity and difference into commonality. Instead, South Africa's geographical location rather plays the gateway concept specifically for Southern Africa, for West/East/Central and North Africa it might be a different story altogether (Games, 2012).

In spite of the above, South Africa's rationality in BRICS should not be entirely understood within a broader conception of economics only-a political perspective should also be

considered. As noted by Stuenkel (2013) South Africa's inclusion in BRICS is rather seen as a political move that is legitimate in the eyes of Global South. Additionally, Pheko noted that

> South Africa maybe the smallest economy and population in the grouping but it comes with a great deal of political influence and economic potential both domestically, in SADC and the African continent. It is after all the major investor and political player in the continent… (Pheko, 2011).

BRICS as such needs to be seen as a political bloc, a reason that led to South Africa's inclusion. Even though wide speculations might be presented in accounting for the rationale behind the inclusion of South Africa in BRICS, this study specifically locates it within economic and political reasons as highlighted above.

2.5 Theoretical frameworks

The current South Africa-BRICS relations in this context entail a mixture of political and economic relations specifically on trade, aid, investment, and global governance reform analysis. Additionally, BRICS as an alliance and a network of emerging economies resembles to a certain extent similar social values such as a rejection of North's domination in international politics amongst others. The existences of such similar social values help to explain the 'social constructivist' approach of South Africa-BRICS relations. Recently, the idea of building coalitions (or multilateralism) as a means to respond to the threats of globalisation represents a theoretical underpinning of political coalitions. Therefore, to a certain extent, among other theoretical cornerstones, South Africa-BRICS relations are shaped by the political coalition theory. In this regard, to fully understand the prospects and constraints of South Africa's participation in BRICS, the study is informed by international political economy, social constructivism and political coalitions as key theoretical frameworks.

2.5.1 International political economy approach

The prospects and constraints for South Africa's participation in BRICS can be understood within the framework of international political economy. The international political economy has its origins in the 18th century when it was used as a technique of studying the inter-relation between politics and economics. This included among other things a combined study of commercial activities and the study of politics. Karl Marx with his Marxian analysis redefined the concept of international political economy within a global perspective. International political economy as espoused by a Marxist school of thinking postulates that,

there is a direct if not mutual proportion between economics and politics in international relations. In this regard, it can be said, even though with reservations, the Marxists international political economy, entails the role of political entities in economic choices and how it determines power politics in the international system.

Understanding political economy therefore requires one to analyse it with particular reference to the field in which the discourse emerged. Mercantilist approaches made some ground breaking attempts by integrating political economy with international relations. But such integration was specifically located within international economics. Marxism also employed political economics approach in analysing capitalism. Therefore, in this current dispensation where new power and avenues of influence are emerging, it is important to use international political economy to give a clear distinction in exploring the relations between the North and the South. In this regard, Gill and Law (1988) note that developing countries are more sensitive to economic interdependence than developed capitalist countries. At the centre of such sensitivity and resentment is the capitalist world side-lined Global South. This study therefore attempts to locate an emerging economic and political network or coalition between BRICS nations within a broader framework of international political economy. Subsequently the study will underscore how constructivism and political coalition theories help to account for the existence of the BRICS group.

From a realist informed international political economy approach, the anarchical nature of the world compels states to pursue power in order to make themselves secure. The absence of an international unitary body that governs or acts as a watchdog over states' activities leaves the state with limited options but to act out of rationality against international anarchy. Within economic terms, states have the responsibility therefore to build solid, sustainable mutual economic alliance based on comparative gains. Within such thinking, Waltz brings to the fore that the state's increased unitary role is derived from the increased fear of dependency and fear of relative gains (Keohane and Nye, 1989). Realist informed international political economy approach indicates that the state is the primary actor in the global arena, whether on the basis of cooperation or conflict or cooperation on economic terms (Morgenthau, 1948). A realist international political economy approach also asserts that foreign powers in this instance other BRICS nations only intervene in some states for their own national interests

rather than to save the suffering humanity as they do not have an obligation to protect human dignity elsewhere. In this regard, BRICS nations may be seen as the primary actors in advancing the desired political and economic objectives. Therefore relations between South Africa and other BRICS nations may exist within the premises of economic and political engagements which are realist informed. In light of globalisation and power shifts, states pursue state-led alliances as a response to the threats of globalisation. Therefore South Africa's membership in BRICS may be seen as a move to respond to the threats of globalisation. Again the position of South Africa in BRICS gives room to advance national, regional, continental and global interest. As Gilpin (2001) indicates that there is need for cooperation in the world so as to balance economic alliances, amity and trade.

From a neo-liberalist informed international political economy, Francis Fukuyama with his famous book '*The End of History and the Last Man Standing'* expanded the whole concept of neoliberalism enshrined within capitalism as the only ideal channel to follow economic development in the world. Neo-liberal political economists assume that there is need for transfer of economy from the state to the private sector (Wallerstein, 1979). However, China in BRICS seems to favour state owned enterprises which equally challenge the notion of a neo-liberal perspective. China, India, Russia and Brazil's growing influence in Africa is thus a mere extension of a neo-liberal perspective. Neo-liberal political economist thus notes that, there is a direct connection between liberalism and capitalism on the basis that the ownership and control of the economy by the private sector, promotes private interests at the expense of state development (Guy, 1978). Prashad (2013) argues that the BRICS initiative has arisen because of the exploitation of the workers and the environment. For example China's growth has been also attached to the poor working and living conditions of workers in particular within mining industry (Kotschwar, Moran and Muir, 2011; Prashad, 2013). But, for Prashad, BRICS elites are not replacing the North but joining them, driven by the concept of neo-liberalism and capitalism. To this extent, BRICS may be argued to be employing (even though with modifications) the Washington Consensus (Ban and Blyth, 2013). Washington Consensus is a collection of recommendation and policy options for a favoured private sector ownership and control of the economy within a Western based approach to the economy. South Africa in BRICS under the current scenario, guided by a neo-liberal political economy approach tends to favour floating exchange rates, trade liberalization, and privatisation of

state enterprises, deregulation and above all existence of legal security policies that protects property rights.

A closer analysis indicates that capitalism has always been the rule of the game regardless of geo-political location and identification-whether South or North. Emerging economies are following the same development path followed by the developed countries, which includes the exploitation of workers and the environment. This resembles an elite Global South form of cooperation in which one may argue that there is no difference between China and United States towards economic development trajectories. Thus, BRICS may be identified as an elite form of South-South Cooperation, but to get a more clear sense, there is need to employ a constructive approach as elaborated below.

2.5.2 Constructivism approach

This study amongst other theories is also informed by constructivism. Early adherents of constructivism theory include work done by among others Nicholus Onuf, John Ruggie, Richard K, Ashley and Friedrich Kratochwil. In 1992, Alexander Wendt brought constructivism within the field of international relations. In his article *Anarchy is What States Make of It: the Social Construction of Power Politics*, Wendt (1992) argues that power politics which has been widely understood from liberal and realist perspectives needed room to be understood in a socially constructed system. In fact in this theoretical configuration, Wendt notes that power politics is not given by nature but rather it is constructed and transformed by ideational human practise.

As a theory, constructivists tend to focus on issues pertaining to the role of ideas, norms, knowledge, and culture in world politics. Hopf (1998:172) notes that "the constructivist research program has its own puzzles that concentrate on issues of identity in world politics and the theorization of domestic politics and culture in international relations theory". Such a focus in this instance reproduces the collective role of ideas and understandings on social life-a process constructivist terms 'inter-subjective' (Finnemore and Sikkink, 2001). As for Alder (1997), Price and Reus-Smith (1998), Ruggie (1998) and Wendt (1999), constructivism presents a social analysis based on human interactions which are governed and shaped by ideational factors-not simply material ones (Finnemore and Sikkink, 2001). In addition to the

above, this social analysis is also "the most important ideational factor which is widely shared or an 'inter-subjective' belief, which is not reducible to individuals. These shared beliefs construct the interests and identities of purposive actors" (Finnemore and Sikkink, 2001:398). Thus, constructivism focuses on 'social facts' such as things like "money, sovereignty and rights-which altogether have no material reality but exists only because people collectively believe they exists and act accordingly" (Finnemore and Sikkink, 2001:398). As a result of this, constructivism believes in the notion that state identity fundamentally shapes state preferences and actions (Finnemore and Sikkink, 2001:398). Driving the facts back home, South Africa's participation in BRICS in this regard is among other factors a socially constructed one. South Africa believes on the need to redress issues of global governance, a belief shared by India and Brazil respectively-and to a certain extent China. Thus, South Africa as a state understands BRICS grouping as a possible platform that has similar interests and values; in particular-issues pertaining to reform of global governance. This is a key component in constructivism theory as espoused by Hopf (1998:175) that "a state understands others according to the identity it attributes to them, while simultaneously reproducing its own identity through daily social practice…"

As a challenge to realism and liberalism, constructivism coins that international relations is socially constructed (Finnemore, 1996). This history and social values that shapes international relations is therefore a direct reproduction of ideas that are historically and socially constructed. In this essence, South Africa and other BRICS nations have almost similar history[7]. BRICS represents an association of the like-minded nations which is primarily determined by ideas of a better and egalitarian world order in which developing countries have a say in the architecture of international relations. Among other factors, South Africa's participation in BRICS therefore represents non-materialistic based considerations, but beliefs. This helps to explain the possibility of synergies that may emerge for South Africa's membership in BRICS.

[7] In this instance, South Africa, India, Brazil (and arguably China) have experienced the ills of colonisation. More so, BRICS nations experiences high poverty, underdevelopment, anti-colonialism, anti-western sentiments, and the need for a new world order that is balanced and representative-(though arguably to China and Russia)

In essentiality, issues of interest and identity are key components of constructivism. While constructivism by-passes a thorough discussion on what identity and interest is, this study does not at all cost try to define the two. Identity and interest are in themselves contested terrains; as such a referral point is driven straight to what I consider as the key identity and interest vantage points for South Africa and other BRICS nations. Though South Africa and BRICS nations have differences, a common compromise of having a similar anti-western rhetorical identity helps to explain the significance of ideas and beliefs-(one of the key principles of constructivism) in their engagements.

Borrowing from functionalism, Haas (1964) argues that cooperation in one area leads to cooperation in another area within the framework of integration. This constitutes a major similarity in the context of South Africa-BRICS relations. Since South African liberation movements parties like ANC, PAC and SACP among others have a rich history of relations with Russia, India, China and Brazil, the current dispensation thus arguably is shaped by such a shared historical past-which altogether is socially constructed.

Finnemore (1996) in "*National Interests in International Society"* develops a systemic approach to understanding state interests and state behaviour by investigating an international structure, not of power, but of meaning and social value. Given the above, social values need thus to be developed and modified specifically according to societal settings in which they emerge. In this instance, any state's behaviour is therefore determined by identity and interest that governs them. As a matter of fact, this study is thus, informed by constructivism as a theory that helps to explain the participation of South Africa in BRICS. Since BRICS is seen as a coalition, a network or an alliance so to say, there is need to employ a political coalition approach and the next section explores the political coalition theory.

2.5.3 Political coalition approach

Apart from the international political economy and constructivism approaches, this study is also informed by the political coalition approach. The political coalition theory has emerged as a result of states' increased coalition formations. States coalitions have increased due to a number of factors that might include among others the effects of globalisation (Cakmak, 2007). First coined by Ricker William Harrison in 1962, the theory introduces the idea of size

principle and minimal winning. In this globalised world in which states are increasingly intertwined, coalitions therefore act as best alternatives to handle and subvert any negative crisis such as the 2008 global financial crisis. Political coalition theory as espoused by Riker (1962) and early adherents (Gamson, 1961) note that, coalitions are shaped by a common locus that involves the following principles. Firstly, coalitions contribute resources to be used for the sole purpose of the coalition. Secondly, coalitions exist within a win-win situation in which members experience positive-sum gains. Thirdly coalitions are built on non-utilitarian strategy basis and preferences.

Based on a political coalition approach, there is solidarity and probability of effectively dealing with a global problem through a unified approach rather than through individualism. A common type of a political coalition, BRICS resembles the concept of political formation theory. Seemingly, political coalition theory notes that a coalition is an organisation of entities working together to achieve a common end. This implies that coalitions are outcomes of pragmatic approaches (Cakmak, 2007).

Gamson (1961) highlights that a coalition may be defined as a social unit in which it might exist in the form of a group which follows the same coalition strategy. Such a coalition exists either as a state coalition, voting block or an association. A coalition from its date of formation frequently meets, and has a joint use of resources. Therefore, coalitions are built to have a common voice. To concretise this, Bobo, Kendall and Max argue that,

> Coalitions are not built because it is good, moral, or nice to get everyone working together. The only reason to spend the time and energy building a coalition is to amass the power necessary to do something you cannot do through one organization (Bobo, Kendall and Max, 1991:70).

There is generally little value in consensus in a coalition, and the stability of a coalition requires tacit neutrality of the coalition on matters which go beyond the immediate prerogatives (Gamson, 1961). A political coalition maybe seen to be a joint venture of factions with overlapping interest and objectives, which members of the pact cannot solely achieve without the others. There is greater power and influence in a coalition than as an individual. In this theoretical configuration, Cakamak (2007) argues that within a political coalition, one should expect to meet diversity. Like BRICS which shows a cosmopolitan

composition, this helps to explain why this study in this instance contextualizes BRICS as a political coalition. Additionally, coalitions have objectives or orientations they set to achieve. Such orientations and objectives come from strategic planning. Veneklasen and Miller (2002) argue that by bringing together the strengths and resources of diverse, yet numerous and single minded groups, a coalition generally manages to create a determinative impact towards change. As explained in the paragraphs above, South Africa and other BRICS nations have common objectives, frequently meet, have joint use of resources, is an outcome of pragmatic ends and above all, are influenced by the idea of principal size and minimal winning. By this, I imply that South Africa and other BRICS nations believe that as a collective unit they yield more bargaining power in world politics.

2.6 BRICS Overview

In 2001, Jim O'Neil an economist from Goldman Sachs coined the BRIC acronym in reference to Brazil, Russia, India and China to describe an economic group of nations (O'Neil, 2001). Around December 2010, South Africa was invited to serve as the fifth member to the group. South Africa accepted the offer and became an active member from 2011, leading to the BRICS acronym in 2011 (Carmody, 2012). Research carried by International Monetary Fund (IMF) in 2012 and the BRICS Report of 2012, concluded that BRICS constitutes 40% of the world economy and world population, 25% of the global Gross Domestic Product (GDP), 15% of the World Trade, 25 % of the Foreign Currency Reserve (calculated from the percentage of the GDP), and 24% of Foreign Direct Investment (FDI). The FDI Outflows were at 29.26% lower than the FDI Inflows which were at 44.3% (IMF, 2012). Given the above economic statistical representations, one can conclude that BRICS nations are emerging players from the Global South destined to change the course of history, in particular on trade and global FDI distribution, flow and stock. The Economist (2010:68) points that, trade between developing countries and BRICS is rising twice as fast as world trade. Even more strikingly, while growth has headed south, debt has headed north, the opposite of what happened in the 1970s and 1980s when poor countries ran up vast debts (PWC Economies, 2013). Gross public debt in the rich countries is rising from about 75 percent of GDP at the start of the 2007 to a forecast of 110 percent by 2015. Public debt in the emerging markets is below 40 percent of GDP.

Therefore, the rise of BRICS as articulated by Carmody (2012 is mirrored by the relative decline of the West. The West had a relative share of the world GDP at 72 percent in 2000 now at 53 percent in 2011 (IMF, 2011). Such conclusions are drawn from the views that BRICS is articulating an economic led diplomacy enshrined within the soft-power approach. This drive for a new power shift may with time exert influence on the need to set new international norms that have Global South nations at heart (Dube, 2013).

As an entity, BRICS went through different stages to reach its current stage. Therefore, understanding the establishment of BRICS, one has to look at the road travelled, factors and attributes that contributed to formalisation of the BRICS nations as an official economic group. Firstly, I analyse Jim O'Neil's projections regarding BRICs as an investment/market led group. Secondly, I argue that the establishment of BRICS comes from the presidential diplomacy and coordination in G20 between China, Russia, India and Brazil. Thirdly, I argue that BRICs establishment was aided by the global economic crisis of 2007[8]. Lastly, I argue that the establishment of BRIC-(S) is located within the Global South-*Third World Project* revival-a process some will call the original Bandung moment (Dube, 2014; Moore, 2014; Carmody, 2012).

Jim O'Neil projected the strength and significance of BRICs within investment and market oriented approach. Such a projection was based on four different scenarios which were based on various nominal GDP assumptions for 11 countries (the G7 and BRICs) and different assumptions about exchange-rate conversion. The nominal GDP assumptions reflected his best guess about the likely trend rate of real GDP growth and inflation (O'Neil, 2001). In the paper titled, *Building Better Global Economic BRICs* Jim O'Neil further notes that Brazil, Russia, India and China heavily influenced the transmission of global monetary, fiscal and other economic policies, as well as the need for general international economic and political co-operation (O'Neil, 2001). Jim O'Neil's conclusions were thus reached on the basis of the emerging economies low-risk towards long term financial investment and how that could

[8] As I argue, I do consider that of course, global economic crisis did not only affect global north nations rather, global south were affected too, but this gave an impetus for BRICS nations to want to form a coalition to respond to such threats in the future as a collective unit.

possibly shift market, trade and investment priorities to the BRICs nations. In the words of the paper, O'Neil concludes by noting that,

> …maybe we need a better global economic forum to help implement this. It is time for better global economic BRICs (O'Neil, 2001).

Two years later, Jim O'Neil released yet another paper concerning the BRICs nations titled *Dreaming with BRICs: The Path to 2050* in which he concludes that BRICs impact would come at an earlier stage than he had anticipated in his 2001 paper. As such, he notes that by 2050 or earlier than that, the BRICs' economies together could be larger than the G6 in GDP terms. By 2025 they could account for over half the size of the G6. Currently they are worth less than 15% (O'Neil, 2003). As quoted from the BRICS Report of 2012, O'Neil notes that,

> by 2040, GDP for BRICs' economies collectively would be larger than the Group of Six (G6)[9] in terms of United States (US$) dollars. By 2025, it is predicted that BRICs economies will account for over half the size of the G6.

When it comes to the political led-BRICS, then credit is due to diplomatic efforts by the countries involved. In light of this, I discuss the diplomatic efforts that led to the establishment of BRICS in 2009. To gain further comprehension behind the establishment of BRICs, I argue that diplomatic efforts by the four countries (Brazil, Russia, India and China) played a pivotal role. As noted by the BRICS Report of 2012,

> […] a platform was created for dialogue, information sharing, identification of common interest and the coordination of actions.

Diplomatic negotiations materialised in 2006 at the 64th Session of the United Nations General Assembly Meeting in the USA in which the four BRICs Foreign Affairs Ministers held a meeting side by side with the UNGA. It is important to highlight the key concepts that contributed to these four emerging economies to want to form a political front. Firstly, in this age of globalisation, multilateralism proves to be the way of dealing with threats of globalization such as currency fluctuations and volatility, poverty, climate change, HIV and AIDS, terrorism, economic underdevelopment, peace and security among others. Secondly, the global economic crisis (to be discussed later) threatened the fabric of these countries and lastly the Global South solidarity course. The G20 as noted by the BRICS 2012 Report also played an equally important platform in bringing common solidarity and positions towards the need for *a southern*-led political front. Between 2007 and late 2008, a series of meeting

[9] The G6 is made up of the United States, United Kingdom, France, Germany, Italy and Japan. The G7 consists of the same members as the G6, with the addition of Canada.

between different government officials of the four countries were held. Such meetings materialised in bringing common positions such as building a more democratic international system founded on the rule of law and multilateral diplomacy[10]. Additionally, there was need for immediate action in responding to increasing global food prices. The BRIC countries also resolved to work together and with other countries in order to strengthen international security and stability (Anonymous, 2014). These meetings boasted confidence and partial mutual trust to an extent that there was need to formalise the relations through a political led front-thus leading to a summit in Yekaterinburg, Russia in 2009. Within these diplomatic actions and meetings, it is unclear which country took the lead towards the formal establishment of relations between the four initial nations. However, it is widely believed that China, India and Russia took the lead (Stuenkel, 2013).

Lastly, the establishment of BRICS should be understood as the resurgence of the Third World Project located within a Global South revision/revival. Indeed many Global South scholars positions BRICS as a revised Global South project, most notably Vijay Prashad who is quick to point out that the defeat of Third World Project around late 1980s contributed to a fragmentation of Southern nations in the architecture of international relations. Some however note that, even though seen as a Third World Project, BRICS is more of an elite group which is siphoning Global South resources under the cover of South-South Cooperation (Bond, 2013; Gumede, 2013).

As I join the discussion, the rise of BRICS though arguably can be seen within lenses of Global South resembles an 'unravelling era of the original Bandung spirit' (Christian and Papa, 2012). The resuscitation of the third world project after its demise has been a difficult task. In this regard, such a search for a position in the echelons of world politics by the third world has been a difficult trajectory. This has introduced a considerable amount of geopolitical ambiguity. Although the present BRICS formation is characterised by varying degrees and types of interdependence and dependence, the location of such a movement in the Global South conception is necessary. Individual states in BRICS may not have influence and may in fact be quite powerless in world politics, but the collective of five nations has

[10] However this point creates a bone of contention if one has to look at the concept of rule of law and democracy with specificity to China and Russia's poor rule of law and human rights records.

definitely more status and influence as espoused by constructivism approach. In fact, BRICS has become an important instrument for conducting collective diplomacy in the world context. To be sure, the current global system is in a state of flux and transition, and the collective power of the BRICS yields a significant, less subordinate role in the emerging global order. The euphoria with which the rise of BRICS is associated, a possibility of a post-Washington consensus is approaching; hence the expected analytical contribution of the so called Beijing *Consensus*[11] and the Mumbai *Consensus*[12]. The value of this potential may perhaps be better understood when one views BRICS as a Global South Forum.

2.7 Strengths and weaknesses of BRICS: Synergies and complementarity

The BRICS countries have their strong and weak areas. The security and stability of each BRICS country is inseparably linked to the security of all BRICS. This explains the concept of synergy and complementarity. However, it should be noted that there are many variables that are used to determine the level of strength for a country. In explaining BRICS strengths and weaknesses, I purposefully chose to use the following variables which are easier to define and understand. There are political connotations which in most scenarios are determined by the so called 'soft power' and 'hard power' analysis. I arrived to this conclusion after critically analysing the BRICS Joint Statistical publication of 2013, BRICS Report of 2012, the Gauteng BRICS Report of 2013 and the *Global Competitiveness Report* of 2012-2013. On the later, Global Competitiveness Report is an economic outlook approach that looks at various attribute at a country level. Such a report is best explained by the Global Competitive Index. This is explained as

> a set of institutions, policies, and factors that determine the level of productivity of a country. The level of productivity, in turn, sets the level of prosperity that can be reached by an economy. The productivity level also determines the rates of return obtained by investments in an economy, which in turn are the fundamental drivers of its growth rates. In other words, a more competitive economy is one that is likely to grow faster over time… (Global Competitive Forum, 2012:4).

[11] Beijing Consensus is a term that represents an alternative economic development model to the Washington Consensus of market-friendly policies promoted by the IMF, World Bank and United States of America Treasury, often for guiding reform in developing countries.

[12] The Mumbai Consensus is a term used to refer to India's particular model of economic development, with a "people-centric" approach to managing its economy which may be taken up by other developing nations in time. India's model of economic growth, which has relied on its domestic market more than exports, boosted domestic consumption rather than investment, pursued service-oriented industries rather than low-skilled manufacturing industries, has greatly differed from the typical Asian strategy of exporting labour-intensive, low-priced manufactured goods to the West. This model of economic development remains distinct from the Beijing Consensus with an export-led growth economy, and the Washington Consensus focused instead on encouraging the spread of democracy and free trade.

Table 1: BRICS Strengths and Weaknesses Analysis		
Country	STRENGTHS	WEAKNESSES
Brazil	-Abundant natural resources (iron ore, hydropower, timber, coffee, soya beans, sugar cane, iron and crude oil) -Political stable -Model Democracy	-Lacking economic infrastructure -Poor investment in road, rail ports and energy) -Very high lending interest rate (@16.25% average) -High socio-economic inequality
Russia	-Huge deposits of oil -Natural gas, coal and other minerals -A skilled labour force -Relative political stability -Permanent Member of the UNSC	-Has the lowest investment rates compared to other emerging economies -Uncompetitive industries -Obsolete capital equipment -Not democratic
India	-Strong information and technology and service sector -Has coal, manganese and natural gas -Huge Human Capital base - Model Democracy and Politically Stable -Moderate foreign investment -large market base	-Very large public debt -Infrastructure development still poor
China	-Very strong manufacturing base -Industrially competitive -Strong foreign financial investment - large deposits of coal, iron ore, petroleum and natural gas	-Environmental Insecurity -Increasing income inequality resulting in social tension -Currency Undervaluation -Undemocratic

	-Huge pool of labour supply -Large market base -Permanent Member of the UNSC -Largest Economy in BRICS	
South Africa	-Abundant deposits of gold, platinum, coal and chromium -Fairly stable political environment -Model Democracy -Competitive financial and business service sector -Good Transport and Finance Infrastructure	-Very high unemployment rate -Lowest Economy in BRICS -High labour cost -Declining manufacturing sub-sector to GDP -Increased Labour upheavals

Source: Author but computed from the (Global Competitive Index Report, 2012/13; BRICS Report 2012; Gauteng BRICS Report 2013; BRICS Joint Statistical 2013 Publication)

2.8 BRICS and the Global South Conundrums: Ambiguities and Complexities

Quite often, BRICS is seen as a form of Global South powerhouse, but a closer analysis tends to portray a different picture altogether-a hybrid form of an institution. This section tries to unpack the term Global South, South-South Cooperation and the Global South status of BRICS as a whole. While the Global South status may convincingly be applied to South Africa, India, Brazil and arguably China, the matter is different with Russia. South-South Cooperation has emerged as a means for increased solidarity by countries defined as Global South. Central to the difficulty of unpacking South-South Cooperation is the absence of consensus around what exactly is the Global South. While a large pool of academics, statesman, economists, policy makers and politicians, both from the North or the South, provides different outlooks on the term Global South; it still remains a hugely contested terrain. The origins of the term go back to the idea of the 'Third World' which emerged strongly in a post-1945, Cold war context, the term itself being coined by a French demographer, Alfred Sauvy in 1952[13]. The concept found popularity during and after the Second World as well as the Cold War era. Third World was then used to literally classify those countries that did not align themselves to the First and Second World countries during the Cold War era. Third World countries thus included those from Africa, Asia, East Europe and Latin America (Karpilo, 2010).

With the demise of the Cold War, the term Third world lost its relevance both because of the changed geopolitical circumstances and mounting economic problems in the 1970s and 1980 (Prashad, 2008). It was only after Brandt commission that the term 'South' gained populace (Prashad, 2008). The evidence of increasingly unequally development between Euro-American nations and the 'Third World' led to the Brandt Commission which first popularized the terminology of North and South. This led to the development of the terms Global South/Global North. The concept of North–South is considered a multi-faceted divide enshrined within the socio-economic and political divide between the developed world and the developing world. The North is made up of the G8 members including the United States of America, United Kingdom, France, Germany, Italy, Canada, Russia and Japan[14]. In this

[13] The term "Third World" was initial coined by a French demographer Alfred Sauvy in 1952 in an article that he wrote for the French magazine, L'Observateur in 1952, after World War II and during the Cold War-era.

[14] Russia is a member of the G8 which resembles the North. This is an area of much debate since Russia is part of the BRICS-an often claimed Global South coalition.

regard, the concept of the North is mostly interchangeably used with the term 'West', First World, Developed Nations.

Given the changes and continuities in the use of the terms *North* or *South*, *East* or *West* the term Global South is understood as essentially covering those countries that are developing and are relatively less industrialised. Thomas and Wilkin (2004:242) argue that Global South should in this instance be understood as nations with relatively low per-capita income. Such low income per-capita differentiates less/non-industrialised nations including China from the industrialised nations of Western Europe, North America, Japan and Australasia. These countries vary in size, structure of their economies, level of economic, social, political and technological development. This is furthered by difference in the cultural and political systems of governance. Vohra and Mathews (1997) note that the countries of the Global South have common histories and rich diversities which transcends their differences. This therefore gives them a similar identity and solidified agenda to want to cooperate and integrate[15].

With all these contestations in defining the Global South, Grovogui (2011) argues that the term Global South should therefore never be mistakenly used to refer to a geographical location, but to underdevelopment questions. As for Grovogui, the Global South implies a symbolic designation meant to capture the semblance of cohesion that emerged when former colonial entities engaged in political projects of decolonisation and moved towards the realization of a postcolonial international order (Grovogui, 2011:176). Mignolo (2013) in turn argues that the term Global South should be identified as nations that embrace liberalism, Marxism, post modernism and feminism in a different way than the Global North. As such, it is clear that Global South nations hail from diverse political, social, cultural and traditional setups.

While it might be difficult to judge whether Global South should be identified as a formidable political and economic force to be reckon with, similar issues and causes are found across its nations. These include the need for a new political, economic, social and

[15] But it should be noted that availability of similar identity does not loosely translate to identical interest

technological space that caters for all, regardless of geographical location, race, economic model, colour, identity and political governance system. To try and simplify the debate, Grovogui (2011) believes that Global South should be seen as an idea which is amplified by a common set of principles and practises, experiences and expectations of a reformed global governance system.

Having attempted to unpack what Global South entail, this sections tries to define what South-South Cooperation means. In his report presented to the *High Level Panel on the Post 2015 Development Agenda* of May 2013, Stuenkel defined South-South Cooperation as the relationship that exists within frontiers such as cultural, economic, social, political and developmental issues by nations that are less industrialised or of the Global South. As for Stuenkel, such relationships are based on a history and collective future that lies within broader horizons of the need for better and reformed world systems that do not necessarily represents the minority, rather an equitable world system that calls for a better, just and people oriented world.

In 1971, the then President of Kenya Jomo Kenyatta made a projection noting that (quoted in Mawdsley, 2011:3)

> South-South Cooperation refers to the exchange of resources, personnel, technology and knowledge between developing countries-a loose definition that can cover almost any form of interaction from south-south foreign direct investment by Asian, African, and South American multinational firms, to diplomatic meetings and agreements, to the provision of technical experts.

Kenyatta's definition is useful and represents modern day South-South Cooperation framework. What has evolved over the years is an institutional approach to South-South Cooperation. As seen by the emergence of Non-Aligned Movement (NAM), G77+China, IBSA, BASIC and BRICS formations indicate and attest to how South-South Cooperation has been institutionalised.

Armijo (2007) defined South-South Cooperation as an emerging world without the West, an idea that implies the world resting on the interactions and interconnectivity within Global South. Such interactions and interconnectivity lies in the flows of goods and services, money,

people, ideas, culture and political systems. Armijo further stresses that such rate and rise of interactions and interconnectivity within the developing nations is catching the Global North unaware.

At the core of South-South relations is the need for voice or say in the architecture of global politics. Global South nations are so vulnerable to the external pressures exerted by Global North. The vulnerability of Global South nations occurs within a broader development trajectory with poverty levels, economic underdevelopment, social underdevelopment and physical insecurities that characterize them on a daily basis. Global North has influence in the world governing institutions such as the IMF, UN, WB and WTO. Since the Global North has control over the flow and distribution of global capital, the Global South's position leaves them with little or no room to dictate the terms and conditions of international relations (Thomas and Wilkin, 2004).

Understanding Global South and South-South Cooperation raises a lot of questions in particular when one looks at China and Russia's position in the world politics. The question is on what basis do we locate China and Russia as Global South? Pauwelyn (2013) argues that Russia and China cannot be treated as developing nations. They form part and parcel of the great nations. So, within which framework then do we identify them as developing nations? Such contestations arise from the economic, social and political power that China and Russia have in the global economy. To begin with, from a geographical point of view, Global South largely comprises nations located on the southern hemisphere of the globe. China, Russia and India are located in the northern hemisphere. Additionally, the level of economic development for China, India and Russia is higher as compared to South Africa and Brazil. Mimiko (2012:22) notes that

> The South lacks the right technology, it is politically unstable, their economies are divided, and their foreign exchange earning depends on primary product exports which come from the North, and the fluctuation of prices. The little control of imports and exports condemned the South to obey the imperialist system. The lack of the South and the development of the North further the inequality and end up putting the South as a source of raw material for the developed countries.

Mimiko is correct to a certain extent, but is the situation the same with China, India and Russia? The Global South should not be understood primarily on the geographical location

but on socio-economic development considerations. Gregory, Johnston, Pratt, Watts and Whatmore (2009) in their book, *The Dictionary of Human Geography* qualify China, India and Russia to be Global South regardless of the level of economic development. China, India and Russia are Global South virtually by high inequality levels and low human development index. This view is supported by Therien (1999) in *Beyond the North–South Divide: the Two Tales of World Poverty*, who identifies China, India and Russia as Global South nations based on the poverty levels experienced by the ordinary citizens of these nations.

Even though countries like South Africa, Brazil, India and arguably China demonstrates a certain level of commitment to the interests of the developing world, it is still very problematic to directly align BRICS and the Global South identity and interest configurations. Availability of similar areas of interest does not loosely imply a shared identity between BRICS and the larger population of the Global South. Of course, larger populations of the Global South call for the reform of UNSC, IMF- as evidence in South Africa, India and Brazil foreign policy. This is however different with Russia and China. This actually presents a key problem and area of contention for the BRICS nations. Regardless of problems associated with BRICS Global South status, in this realm, BRICS offers a rhetorical South-South Cooperation logic that stresses the need to recognize a Global South driven development that reacts to historical and geographical inequities. Therefore, BRICS demonstrates a break away from colonial thinking to a decolonial mentality which shares ideas with the works of Fanon (1925-1961) and Biko (1946-1977) (Mignolo, 2013). Such thinking is socially constructed as espoused by the constructivism approach. At the centre of the decolonisation processes, is the need for socio-economic development and equity on basis of resources, power distribution and utilisation in world politics. Without the control of the intellectual space and the mind that Global South offers, colonial ideology replenishes itself (Mignolo, 2011). However, China, India, Brazil and Russia are "stronger" Global South nations.

2.9 Global South Institutional dynamics

Various institutions use the concept South-South Cooperation/Global South identity. Such institutions are NAM, G77, G77 + China, IBSA, BASIC and now the BRICS among others. Precursor Global South forums such as NAM, G77+China and IBSA presents an entry point of analysis in order to examine the continuity and break, legitimacy and relevance of South-South cooperation. Frameworks of South-South Cooperation have to a certain extent been

limited due to issues of membership diversity and incongruence. NAM and G77 was most affected by issues of membership diversity. IBSA broke this mould for a variety of reasons. Firstly, IBSA represents nations that are regional hegemonies. Secondly, IBSA was created based on common aims and objectives-which in this instance was reform agenda of global governance among other factors. This gave IBSA the ability to speak with one voice in matters of global concern. However, IBSA had a common voice but without power, capability and credibility to influence the course of international relations. As a result, IBSA has moved from the call for 'reform agenda' status to a socio-economic development driven forum.

> At the time of formation IBSA was widely regarded as representing a novel form of South-South Cooperation, transcending older models rooted in the logic of North-South confrontation in the post-colonial, Cold War world…..now the forum seems to face a growing sense of irrelevance, perhaps an existential crisis…(Doyaili, Freytag and Draper, 2013:297)

IBSA is another milestone achievement by the South-South Cooperation. The IBSA Cooperation was officialised in 2003 with an aim for promoting international cooperation among these countries. While the initiative plays a role on other fields, cooperation in agriculture, trade, culture, and defence has dominated their cooperation. The IBSA initiative is also playing an equally important role in raising the South's voice in the world governing institutions such as UN and its agencies, WB, IMF and WTO.

Quite often, IBSA has been seen as a rivalry forum to the BRICS one (Stuenkel, 2012). Now that all IBSA members are part of BRICS, lots of debates have generated questions regarding the usefulness and relevancy of having IBSA. While these questions and debates may be relevant, this study actually notes that IBSA and BRICS are highly complementary and synergies certainly exist between BRICS and IBSA, in particular on global governance reform. To date, IBSA and BRICS have not clashed. However, there is a possibility of conflict emergence in the future. IBSA maintains the need for greater international responsibility in international institutions-UNSC. BRICS is silent on this note. IBSA are model democracies that resembles promotion of human rights and civil society participation, which is a subject of contention in BRICS. Despite that, Stuenkel (2012a) contends that China is likely to push for IBSA to be replaced by BRICS.

IBSA and BRICS are to a certain extent complementary, but China and Russia's absence

> is precisely what makes IBSA an interesting platform for debating global challenges in a different context- and also speaks frankly about challenges that cannot be addressed at BRICS Summits – including the question of how to deal with the rise of China (Stuenkel, 2012a).

Supposedly, as for NAM, G77 etc. there is (was) more rhetoric than reality in responding to institutional aims and objectives due to membership differences that override the purpose of existence. This rhetoric as argued by Doyaili, Freytag and Draper (2013) has mainly been posed due to 'absence of common values frameworks' within these Global South forums. Thus, Global South forums are to a certain extent challenged by 'national interest' driven notions. Doyaili, Freytag and Draper (2013) questions the integrity of forums created on the basis of national interests. As such what happens to such a forum when national interest notion diverge? This can be used to explain why previous Global South forums have faced limitations. And, with this in mind, will BRICS not fall in the same trap? Specifically looking at BRICS and the human rights issues, China and Russia seems to be less likely to promote the human rights cause. This has been seen in reference to the Libyan, Syrian and now Ukraine crisis.

However, the BRICS case in this instance provides a novel operational framework that may prove to be different from previous Global South forums. This might be the original Bandung spirit-as claimed by many commentators (Carmody, 2013; BRICS Report, 2012; Bohler-Muller, 2014). Firstly, BRICS are elites with differences, but commonality and uniformity of interest is reached out of sacrifices and coordinated collective interests. This point has been proven when one looks at the BASIC nations' climate change position uniformity (Qi, 2011; Hallding, Jurisoo, Carson and Atteridge, 2013). Secondly, BRICS (in particular China and Russia which are powerhouses) rejects western domination. Though hybrid, this ideology to a certain extent acts as a common and unifying force behind BRICS. BRICS creation comes as a need to improve the socio-economic well-being of their respective nations. Hoff notes that institutions are created with special reasons and purposes to serve (Hoff, 2003). Thus, institutions have a role to play towards economic development, wealth creation and poverty reduction of nations (Hoff, 2003). This study posits that the establishment of institutions and forums came as a result of the need to challenge socio-economic and political insecurities. The rise of BRICS then can be seen as a hybrid idea, unravelling the original Bandung

moment. Thus, BRICS presents a sense of 'local cosmologies' of development within a Global South history.

2.10 BRICS Summits: From Yekaterinburg to Fortaleza

Though not binding, loose in outlook-BRICS chooses to engage within a summit led platform. Since its inception, BRICS has held five (5) summits. In June 2009, the four emerging powers-BRICs held their first summit in Yekaterinburg, Russia marking the formalisation of the relations as an entity. It should be noted that Russia's initiative to assume chairmanship of the first BRICS Summit raises a lot of question within spectrums and perspectives of Global South trajectories. Since Russia is a controversial nation to be defined as a Global South, however, Moscow chose to identify itself as a friend and partner of Global South from a decolonisation analysis spectrum. The summit went on with Brazil under the leadership of Lula da Silver; Russia under the leadership of Dmitry Medvedev; India under the leadership of Manmohan Singh and China under the leadership of Hu Jintao convened in Russia and came out with the Yekaterinburg declarations. As such, this first summit did not come up with solid or ground breaking testimonies except to present some common position with regard to the need for reform of world institutions such as IMF, WB, WTO and UNSC.

The first summit was a platform of relation formalisation, and not a platform of tangible outputs in terms of world governance. In the subsequent year-April 2010, BRICs held their second Summit in Brazil in which there were representations of two non-BRICs, South Africa and Palestine Authority. On this summit, BRIC countries gave statements regarding the Iran Nuclear issue-but such statements were "empty" since they did not bring tangible course of action. Additionally, BRIC nations maintained the same position regarding the reform of IMF, WB, WTO and UNSC. In December, upon serious consultations and diplomatic effort between the South African government and the other BRIC nations, South Africa was added to the group leading to BRICS. However the formal admission was done in 2011 during the Sanya Summit in China.

The 2011 BRICS summit was held in Sanya, China. This summit was more serious and visionary in outlook as China and Russia took the lead in outlying the hopes and aspirations for a better BRICS. Article 4 of the 2011 Sanya BRICS Declarations read as follows

> 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 (Article 4, 2011 of BRICS-Sanya Declarations).

In 2012 BRICS held their fourth Summit in New Delhi, India under a broad theme of *BRICS Partnership for Global Stability, Security and Prosperity*. In this summit, BRICS continuously gave some position regarding the reform of IMF, UNSC, WB and WTO. This confirms some coalitional weakness of BRICS, as it is seen as rhetorical in dealing with pressing issues of global governance reform. As such, Prashad (2013:14) argues that,

> …this seems the style of the BRICS: a sort of shy entrance onto the world stage with no major policy alternatives and no major PR campaign. One of the reasons for this coyness is that the BRICS do not have a substantially new approach to world affairs, constraints as they are by the general adoption of neoliberal policies in their own countries and trapped as they are by a satanic cycle of low-cost production for the credit-fuelled enclaves of the Global North.

In 2013, BRICS held their fifth Summit in Durban, South Africa. In this Summit the eThekwini Declaration was reached to which the following commitments were made (i) the need to establish the BRICS Development Bank (ii) Contingent Reserves Agreement. On this summit the (iii) BRICS Multilateral Infrastructure Co-Financing Agreement for Africa was reached (iv) BRICS Multilateral Cooperation and Co-Financing Agreement for Sustainable Development, and the launch of the Business Council of BRICS were reached. These agreements paved way for the establishment of co-financing arrangements for infrastructure projects across the African continent. This sets out and explores the establishment of bilateral agreements aimed at establishing cooperation and co-financing arrangements, specifically around sustainable development and green economy elements (eThekwini Declaration, 2013).

From the 5th BRICS Summit, one can see that, indeed BRICS is more concerned with regionalism and multi-polarity which in itself is more real and feasible than the need to replace the hegemony and dominance of the north. This positions South Africa to spearhead the African Agenda (Carmody 2012). In confirmation to the above, Prashad argues that

> BRICS offers an aggressive move to transfer the surpluses of the South to their own populations alongside shifts in the growth model of the individual states that has an immediate impact (Prashad, 2013:16).

BRICS has in reality a different set of aims and objectives it intends to achieve, but all are enshrined in the need to advance development and industrialisation and reform of the world institutions. Regardless of the broader objectives of BRICS, it should be noted that (in particular-India and China) are interested in tapping Africa's natural resources to spearhead their industrialization drive (Alden and Alves, 2009). However, it is interesting to note that BRICS have resorted to summit politics as they do not want institutionally binding mechanisms. As noted by Candice Moore (2014),

> Well, I think (Russia) and (even China) are very old countries and they value their sovereignty and their autonomy, so they do not need to be bound by more international institutions and they would really cherish their freedom to decide on the case by case basis. A reason why we see BRICS summits and Declarations-they have long list of issues which they are making statements…

The next BRICS Summit will be held in Fortaleza, Brazil in July 2014[16]. This summit is expected to materialise the issue of the BRICS Development Bank-being set and operationalized. Where will this bank be located, and when and what will be its code of conduct which in anyway might be different from the IMF and WB? Even though, BRICS have chosen to use summits as a platform of engagement, there still remain differences between the members. Such differences come up within realms of BRICS leadership. China by virtue of being the largest economy, it assumes such a position, which is heavily contested by Russia. Additionally, China and India have constant border problems. The other burning issues of currency undervaluation and BRICS institutionalisation are among areas of possible conflict in the future. Within BRICS, individual members have different interests. China uses BRICS as a platform to influence global change; Russia enjoys support and collaborations from emerging economies. India, South Africa and Brazil want to use this platform as a scapegoat to assume membership in UNSC of which Russia and China are not prepared to dilute their veto power. Despite these differences and individual interests, BRICS is legitimate in the eyes of Global South and has an opportunity to influence global governance reform (Jakuja, 2014). The next summit though will be held in Brazil, Fortaleza. What will the summit achieve which is not rhetorical, and this remains to be seen.

[16] By the time of writing this project, the summit had not been held

2.11 Conclusion

The chapter discusses three main issues. Firstly, a shallow history of South Africa's past aided by a current economic and international position analysis is given. As explained during the course of the discussion, post-Apartheid South Africa re-invigorated its foreign policy identity to meet both domestic and international interest considerations. Secondly, the chapter unpacked the theory component that informs the study. International political economy analysis within realms of realism, liberalism and to a limited extent Marxism was discussed. In this chapter, an illumination of political, economic and social cooperation driven by materialistic gains such as market and power explained South Africa's participation in BRICS within an international political economy basis. Moving on, the chapter also discussed the constructivism approach as a key theory that informs the study. Issues of interest and identity which are socially constructed based on 'inter-subjective' 'social facts' were discussed in this chapter. The chapter explored how constructivism approach helps to account for South Africa's participation in BRICS. Still on the theory component, the political coalition approach was also discussed. Due to effects of globalisation states are increasing forced into political coalitions. There is more power as a collective than as an individual. The chapter notes that South Africa's participation in BRICS is also informed by a political coalition approach. Lastly, the chapter discusses conceptual frameworks of the study through interrogation and contextualisation of terms such as BRICS, Global South, South-South Cooperation.

3.0 Chapter 3: Historicising South Africa-BRICS relations

3.1 Introduction

The chapter suggests that history provides useful pointers to explore the current relations between South Africa and BRICS. Yet modern scholarship has a tendency of distancing itself from a history that precedes this postcolonial political and economic dispensation[17]. For the fact that Brazil, India, China and Russia were connected to South Africa through ties with the ANC, PAC and the SACP: this suggests the possibility of a different form of diplomacy and multilateralism with southern characteristics. The birth of democracy in South Africa and ultimately the formation of BRICS saw the transformation of such diplomatic relations to a higher and more complex level. As such this chapter specifically looks at the historical ties changes and continuities.

3.2 South Africa-Brazil relations: Changes and continuities

South Africa and Brazil are regional hegemonic powers, South Africa in Africa and Brazil in South America. Brazil a former colony of Portugal had poor relations with South Africa between 1948 and 1994. South Africa was under apartheid rule during this time when forms of racial segregation and territorial separation were implemented that favoured whites. Understanding the relations between South Africa and Brazil needs to be placed in three broad angles of analysis which presents subsequently the changes and continuities of the relations. Such three angles of analysis includes (i) the relations between apartheid South African government and Brazil, (ii) the relationship between South African liberation movements in particular the ANC and Brazil and (iii) post-apartheid relations between South Africa and Brazil, from 1996-2008.

The relations between South Africa and Brazil during the apartheid were minimal. With the end of the first republic in Brazil (1889–1930 and 1930–1945), the second republic emerged and ruled Brazil from 1945–1964 (Bethell, 2008)[18]. Within this same period a socialist led

[17] The relations between apartheid South Africa and other BRICS nations were poor. This was evident as apartheid South Africa favoured the *West* in its foreign policy engagement, a reason that explains why apartheid South Africa fought against China in the Korean War of the 1950s. It should be noted that apartheid South African government did not attend the Bandung Conference of 1955, ANC and South African Indian Congress (SAIC) Moses Kotane and I.M Cachalia attended as observers

[18] One should note that Brazil underwent a transitional political eras in which from 1889-1930, an autocratic form of government established by military coups was in place. The second era from 1930 to 1945 was characterised by 15 years of Revolution in which there was transfer of power to a more democratic form of government under the leadership of Getullio Vargas (1945-1964). Lastly, another era was from 1985-2002 in which a model democracy is slowly being adopted as a regime type in Brazil. The peaceful transition was made

type of government evolved under the leadership of Esquerda Democrática. The period 1964–1985 in Brazil marked a very important era commonly referred to as *Military Dictatorship* in which 'Responsible Pragmatism' was in operation (Love, 2011). This era is of most importance in unpacking the apartheid South African relations with Brazil. As noted by Carmody (2012:118)

> […] around 1964 to 1984, Brazil adopted a military dictatorship program under the Responsible Pragmatism doctrine which promoted Brazil to diversify its strategic military relations from United States.

Consequently, Doelling (2008) argues that apartheid South African government entered into a military alliance with Brazil. Joint collaborations between apartheid South African companies and Brazilian companies in high-tech submarines under the *Atlasur* program were operationalized. During this period, it is interesting to that Brazil turned to South Africa for military needs because the second republic had choose to look for other alternatives for the supply of military equipment. It should be known that in essence, Cold War was at play, and Brazil did not want to be involved in the ideological conflict between USA and USSR. These codified joint collaborations were meant to increase the relations on training exercises, information and technology sharing on naval affairs (Bethell, 2008; Carmody, 2012). Being driven by a liberal perspective which was anti-communism, South Africa became a strong ally, a considered communism bulwark in Africa in general and Southern Africa in particular (Love, 2011).

The second phase of relations between South Africa and Brazil is marked by the dwindling of connections due to a number of factors such as increased international community denouncement of the apartheid government. Except from international anti-apartheid campaign, the military dictatorship years in Brazil had elapsed with the evolution of a new democratic government from 1985 to present (Independent Media Centre, 2004). Changes in Brazilian internal political spectrums from a dictatorial to a liberal government meant a lot in changing the total foreign policy of Brazil (Love, 2011). As a result, there was abrupt disruption of military ties between apartheid South Africa and Brazil. A shift of focus between Brazil and apartheid South Africa started when Brazil supported (politically, economically and financially) the revolutionary ANC. It should be noted that Brazil's relation

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possible by adoption of a democracy led development trajectory. For more details, see: Bethell, L (ed). 2008. *The Cambridge History of Latin America Volume 9: Brazil since 1930.* Cambridge: Cambridge University Press

with the ANC was strong, as also noted by its role towards the independence of Mozambique and Angola. Due to the establishment of the United Nations International Day for the elimination of Racial Discrimination in 1966, Brazil relations with apartheid South Africa assumed a different character. Brazil became increasingly connected with ANC due to racial reasons. This was because Brazil is home to quite a huge number of African origin populations. Like the black South African populations during the apartheid era, the Afro-Brazilian citizens were also racially discriminated during the 1960s and 70s. This became a strong motive to jointly down-campaign racialism.

The ANC struggle was thus considered a Brazilian cause. As one observe that

> These were the black and mulatto Brazilians who not only said racial discrimination was pervasive but also rejected outright the alleged white superiority that had underlain the assimilationist consensus. They argued implicitly that African traditions were as valuable as European traditions (Skidmore, 1992:13)

Brazil's hosting of a seminar on the International Day for the Elimination of Racial Discrimination also led to an increase of relations between ANC and Brazil. Through this seminar, Brazil campaigned against the practise of racial discrimination (Bethell, 2008). As such Brazil identified itself with South Africa's liberation movement cause. Abritta, Faustino, Fontana, Hoffmann and Zambukaki, (2013) notes that Brazil demonstrated its anti-apartheid campaign when

> In 1985, the José Sarney government enacted a series of trade sanctions against the country that violated the human rights of the black population.

This materialised when Nelson Mandela visited Brazil in 1991, and this is what he said,

> Even when I was in jail, the voice of the government and people of Brazil strongly and clearly overtook the bars of the prison, saying we are against apartheid and we are very grateful (Black Women of Brazil, 2013).

In this regard, Brazilian government of President Fernando Collor de Mello kept sanctions on South Africa. This resembles a political solidary between Brazil and ANC (Abritta, et al, 2013).

Cold War politics contributed to Brazil to attain a neutral position within the broader framework of NAM. During this time, Brazil had frost relations with USA as it rejected the influence of USA in the entire Latin America region. Regardless of the fact the Brazil had participated in the World War Two on Axis powers, the Cold War period showed a remarkable different mode of relations (Hilton, 1981). The third phase of the relations is between 1996 and 2008. It should be known that the transition to democracy in South Africa was aided by a culmination of events as witnessed elsewhere globally. This implied a time for change for South Africa in which the chains of apartheid were to be broken. This culminated in the release of Nelson Mandela from prison after having spent 27 years under apartheid prison. As such the relations between democratic South Africa and Brazil materialised from 1996 through the formal establishment of embassies in the respective countries. In this contemporary era, South Africa's relation with Brazil has been shaped by promoting multilateralism and a foreign policy driven by South-South Cooperation. With the election of President Lula da Silva in Brazil in 2002, the relations between South Africa and Brazil have greatly increased and have further been reinforced by the establishment of the India-Brazil and South Africa Forum (IBSA) in 2003 and the BRICS in 2009. Placed within contours of HIV/ AIDS, fair trade, reform of the United Nations Security Council, land reform, and other socio-economic issues, relations between South Africa and Brazil have strengthened[19]. Brazil and South Africa have worked together to champion such problems identified above in various multilateral platforms.

In addition to this, an increase of Brazilian Companies such as *Petroleo Brasileiro Petrobras South Africa*[20] (PBR), *Vale South Africa* [21] and *Odebrrcht South Africa*[22] in South Africa; and South African companies operating in Brazil, *Banco Standard de Investimentos South Africa*

[19] Brazil-South Africa relations have strengthened due to their membership in various multilateral forum such as G77+China, IBSA, now BRICS etc. Through these platforms a wide range of cooperation has been put in place in which the major objectives are to attain socio-economic development in their respective areas.
[20] Petroleo Brasileiro SA Petrobras (Petrobras) is a Brazilian integrated oil and gas company. It operates in five segments: exploration and production; refining, commercialization and transport of oil and natural gas; petrochemicals; distribution of derivatives, electrical energy, biofuels and other renewable energy sources.
[21] Vale South Africa is a Brazilian multinational diversified metal and Mining Corporation and one of the largest logistics operators in Brazil, For more details, please see http://www.bnamericas.com/company-profile/en/Vale_S,A,-Vale
[22] Odebrecht Organization is a Brazilian conglomerate consisting of diversified businesses in the fields of engineering, construction, chemicals and petrochemicals, For more details, please see http://www.odebrecht.com.br/

(Standard Bank)[23] and *AngloGold Ashanti*[24]-just to mention a few has led to a deepened relationship. The primary axis of these relations between South Africa and Brazil as explained above mainly materialises from natural resources extraction[25], manufacturing industry[26], finance and banking sector[27], engineering and business sectors[28]. In the following chapters, a greater detail of the relations with specificity to the current BRICS forum will be unpacked. Therefore understanding these relations, the South Africa-Brazil relations are best explained within a multi-vector foreign policy in common with other BRICS nations (Carmody, 2012). At the core of these relations is the concept of ideas, beliefs and shared interest of how the world should look like. This in itself portrays the constructivism approach.

3.3 South Africa-Russia relations: Changes and continuities

Relations between South Africa and the USSR (now the Russian Federation) during the years of apartheid in South Africa were relatively minimal. However, Tikhomirov (1992) notes that there were a couple of similarities between South Africa and the USSR. South Africa-Russia historical circumstances of the 20th century portrayed a big picture of similarity. But such similarity was different in character.

> Despite obvious difference in the historical environment, however, the new ruling elites that came to power in Russia in October 1917, and in South Africa in 1948, had very much the same set of objectives, and had used similar tactics and methods (Tikhomirov, 1992:3).

From a historical backdrop, the relations between South Africa and Russia dates back to 18th century when the first Russian sailors visited Cape Colony (Tikhomirov, 1992:35). However, Tikhomirov argues that until late 19th century, there are no historical memoirs to point the existence of relations between South Africa and Russia. During the Anglo-Boer war of 1899-1902, the then Tsar, Nikolai II joined the war but supporting the Boers. This marked the establishment of formal relations. The anti-imperialist ideology of Russia during this time necessitated the Boer/Afrikaner government to support communists Russia on several occasions (Bunting, 1964). South Africa-Russia relations changed in the late 1930s. Russia's Communist International organisation in which the Communist Party of South Africa (CPSA) was a member contributed to rise of tensions. The Russian Communist International

[23] For more details, please see: Financial and Banking Sector originally forms South Africa operating in Brazil. http://corporateandinvestment.standardbank.com/CIBGlobal/country-offices/americas/Brazil
[24] For more details, please see Mining Company. http://www.anglogold.co.za/subwebs/informationforinvestors/reports08/annualreport08/r/review_br.htm
[25] Vale South Africa Company, Anglo-Ashanti Gold
[26] Odebrecht Organization
[27] Standard Bank
[28] Odebrecht Organization, Vale South Africa Company etc.

Organisation aligned itself with revolutionary movements in colonies (Drew, 1996). This contributed to conflict of interest between CPSA and the Russian Communist International Organisation and the CPSA withdrew its membership. Drew argues that

> Like the early socialists movements before the formation of the CPSA, South African Trotsky emerged as a regional and organisationally fragmented tendency. The first Trotsky grouplet to emerge on the Witwatersrand was the ephemeral Communist League of Africa, formed in 1932 by veteran trade unionist T.W. Thibedi, who had been expelled from the CPSA (Drew, 1996:24).

Relations between South Africa and Russia became increasingly fraught as the South African National Party found itself in confrontation with the CPSA (Tikhomirov, 1992:36). Post-World War Two witnessed a transitional phase of South Africa-Russia relations. During this period, a precise account is given by Yastrebova (1952) book entitled *Union of South Africa after World War II*. This book in essence brings insights on the extension of relations between liberation movement and the USSR during the Cold War period. In this section, I recognise that the relations between USSR and apartheid South Africa are best explained by saying that the USSR was one of apartheid South Africa's strongest critics. The fact that USSR criticised apartheid South Africa, relations became poor and fraught (Drew, 1997). Apartheid South African government was anti-communist as witnessed by the enactment of the Suppression of Communism Act 44 of 1950 in South Africa-later changed to the Internal Security Act of 1976. The apartheid government in South Africa was seen as a regional bulwark to the spread of communism in Southern Africa and ultimately Africa. With this in mind, I configure this section to two scenarios in which first, I discuss the relations between USSR and South Africa's revolutionary parties-ANC, PAC and SACP and secondly, the relations between post-apartheid South Africa and Russia after the formalisation of relations subject from 1992-2008.

Firstly, the South African revolutionary parties in particular the ANC, PAC and SACP adopted a communist driven liberation struggle ideology. However, it should be noted that the liberation movement parties ANC, PAC and SACP had different characters, *mundus operandi*, but with a common purpose of liberating South Africa from apartheid (Drew, 1991). Bunting notes that

> […] Kotane never regarded the ANC as a rival to the communist Party […] for he understood clearly the distinct roles of national organisation and a party of the working class guided by

> the philosophy of Marxism-Leninism, and never allowed the two to get mixed up, either in his own mind or in the practical work of organising the people. …it was because they recognised the quality of his work that the leaders of the ANC, including the youth league, were always able to accept Kotane as one of themselves, and eventually also accept the Communist Party as an ally in the struggle (Bunting, 1998:181).

Such a posture adopted by SACP positioned USSR to be identified as a friend of the developing world. For that matter, the USSR financially, militarily and ideologically supported liberation fighters such as Govan Mbeki, Walter Sisulu, Chris Hani, Nelson Mandela-just to mention a few. USSR-South Africa relations during this period under consideration is seen more as a political one, not with the state but with the liberation movements. And as such, USSR chose to identify itself with the course of African Nationalism-a friend of the colonised. This was heralded by changes in Soviet strategies and policies which favoured the Third World (Tikhomirov, 1992). Through codified alliance between the ANC and the SACP, USSR played a pivotal role towards the establishment of links for South African liberation movements in Africa. ANC and SACP were linked with military camps for training services in Angola, Tanzania, Mozambique and Algeria. As noted that

> [..] these general changes in Soviet policy towards the Third World, together with the increasing struggle between East and West for influence in Africa, from the mid-1950s led to a substantial growth of interests, on the part of Soviet decision makers…(Tikhomirov, 1992:39). […]..Soviet Union sought to constantly increase its influence in in the region […] mainly through provision of support to, and strengthening its ties with the national liberation movements […] main Soviet allies in southern Africa included FRELIMO in Mozambique, the MPLA in Angola, and ZAPU in what was Southern Rhodesia (Tikhomirov, 1992:39).

Such assistance culminated in the formation of ANC led military wing-the Umkhonto weSizwe (MK) in South Africa, 16 December 1961 (Cherry, 2011:14). MK by definition is "a guerrilla army of a few thousand soldiers in exile, disciplined and well trained" who were involved in sabotage action on strategic symbols of the apartheid government between 1961 and 1993 (Cherry, 2011). As argued by Egan on a book review entitled, *The Hidden Thread: Russia and South Africa in the Soviet Era*" written by Irina Filatova and Apollon Davidson,

> On a political level, the Soviet Union through Comintern's 'Native Republic' policy directed the Communist Party towards strong identification with African nationalism. This decision divided the CPSA and led to expulsions of dissident members. The Party itself, the non-racial political movement in South Africa for decades, played a key role in cementing the alliance of

> the African National Congress with its supporters among minorities and the labour movement; it would also, in the early 1960s, be central to the formation and leadership of the ANC's armed wing, Umkhonto we Sizwe. In turn, the Soviet Union assisted MK in military training – though some within felt that the training was all too often overly focused on conventional, as opposed to guerrilla, warfare (Egan, 2013:72).

Understanding ANC-USSR relations is also explained by Shubin's work of 2008 on the books titled *ANC: A View from Moscow* and *The Hot 'Cold War': the USSR in Southern Africa*. Shubin (2008a) notes that the Soviet Union has been acknowledged as the ANC's most important benefactor, providing military support in the form of hardware, as well as training some 2,000 MK cadres. The Soviets helped the ANC maintain structures that came under enormous pressure, especially through the slump in the 1970s (Shubin and Traikova, 2008). As noted by Shubin (2008b) these same structures were then replenished by new recruits fleeing South Africa after the Soweto Uprising in 1976. After that, MK cadres trained in the USSR launched devastating attacks that added to the pressure bringing apartheid leaders to the negotiating table[29]. One argues that USSR played a role towards the end of apartheid in South Africa. As he notes that

> No discussion about South Africa's struggle against the tyranny of apartheid can be complete without mentioning the role of the Soviet Union (Kamalakaran, 2013:1).

As a matter of confirmed strong ties between the ANC and SACP with USSR, Oliver Tambo the former president of the ANC presented a speech when he met Mikhail Gorbachev in 1986,

> We emerged from that meeting strengthened by the knowledge that the Soviet Union stands firmly with it in the struggle for a united, democratic and non-racial South Africa, an independent Namibia and a peaceful region of Southern Africa. We draw immense satisfaction and inspiration from the fact that the Soviet Union is resolved to contribute everything within its possibilities and, within the context of our own requests, to assist the ANC, SWAPO and the peoples of the region to achieve these objectives. The Soviet Union is acting neither out of consideration of selfish interest nor with a desire to establish a so-called sphere of influence (Tambo, 1986).

[29] It should be noted that the MK launched a couple of attacks as recorded by (Cherry 2011) such as Goch Street shootout in 1977, the Silverton bank siege in Pretoria 1980 and the South African Air force Headquarters bombing in Pretoria in 1983, the Magoo's Bar bomb in Durban in 1985, the Ellis Park Rugby bombing in 1988 amongst many other occasions. For example see Cherry, J. 2011. A Jacana Pocket History of Umkhonto weSizwe. Jacana Media

Except from the Soviet Union, other countries such as Cuba, also played a role in cracking down the apartheid walls. Given the role played by Soviet Union in freeing South Africa from the racist regime, it was no surprise that Mandela maintained a soft corner for Russia, long after the collapse of the Eastern bloc. South Africa-Russia relations changed complexion between1992-2008 by a move from an ideological driven form of cooperation to an economic led cooperation. The over throw of Gorbachev by Yeltsin late in 1991 contributed to a temporary dwindling of relations between SACP, ANC and USSR. As noted by Shubin (2008b) Yeltsin cut off all the financial assistance to ANC and in 1992, he established diplomatic relations with apartheid South Africa through an embassy in Pretoria and a consulate in Cape Town. Likewise, South Africa also established an embassy in Moscow. However, Yeltsin's rule was cut short by an election defeat. Even though Yeltsin had decided to cut off financial support to ANC and SACP, the Russian federation maintained the Soviet policy with regard to the ANC. 1994 marked the end of apartheid in South Africa through ANC winning the first democratic elections, and as such relations were formalised back to normalcy between the Russian federation and the ruling party in South Africa[30].

Mandela's state visit in 1999 set the tone for greater cooperation between Russia and South Africa. During that visit, Mandela and Boris Yeltsin signed a declaration pledging to boost political ties and economic relations in areas such as gold and diamond production. Since that time, the countries have stepped up bilateral and multilateral cooperation with Moscow being the strongest backer for South Africa to join the grouping of Brazil, Russia, India and China, which went from BRIC to BRICS.

3.4 South Africa-India relations: Changes and continuities

South Africa and India relations date back to the 1860s during the era of the Mapungubwe kingdom, the then largest city in modern day Zimbabwe. Relations were mainly trade related in gold, ivory and other commercial products. From the 1840s onwards, many Indians crossed the Indian Ocean to South Africa as indentured labourers (Harris, 2010). This as a result led South Africa to have the largest descendants of Indian population in Africa. During the apartheid era, India heavily criticised South Africa. This came as result of bad treatment that was given to Indian natives. Since South Africa had the largest Indian population outside

[30] For more details see the South African History online

India, it was seen by India as part of its national heritage and national responsibility to protect its native citizens[31].

Indian solidarity and relations with South Africa was based on a political landscape in which India identified itself with the actions of ANC. This was seen by Mahatma Gandhi and his Satyagraha movement in South Africa in which he campaigned against social injustice and ill treatment of human race[32]. As a matter of fact, Gandhi favoured non-violent approach (Guha, 2013). Understanding the contemporary relations between India and South Africa should be conceptualised within a broader framework of ANC-India relations. In 1946, India was the first nation to campaign against apartheid South African government. This materialised in India cutting economic, political, social, diplomatic and sport ties with apartheid government. Ultimately ANC managed to set a diplomatic mission in New Delhi in 1960, as a sign to cement relations. The Bandung conference of 1955 in which India participated and ANC unofficially participated was an important event which brought contact between India and ANC. As I argue in this section that India did not have mutual relations with South Africa, rather it had relations with ANC. But these relations were more rhetorical than practical. What India simply did was to denounce apartheid on international stage, providing minimal material support to the ANC. As noted on the article entitled, *"India and South Africa as partners for development in Africa?"*

> India has historical links with Africa (South Africa). In the postcolonial period these links became more overtly political as India supported the national liberation struggles of many African states and was instrumental in establishing the Non-Aligned Movement (Sidiropoulos, 2011:3).

India's substantial diaspora in eastern and southern Africa, however, was largely disowned by Prime Minister Jawaharlal Nehru and lost some of the connections with India that could subsequently have been used to build bridges to Africa. Although a staunch supporter of anticolonial struggles, in the post-Cold War period India has been a far more recent suitor in the courtship of Africa. Until recently it lacked the high profile diplomacy that has characterized China's relations with the continent. As such, China and Russia played more significant role in campaigning against apartheid and provision of material and military

[31] South Africa boasts the largest Indian population with over a million people of Indian origin in South Africa, thereby placing greater emphasis on cultural exchanges and cultural diplomacy between the two nations.
[32]This implies the India-South Africa Relations, For more details, please see http://mea.gov.in/Portal/ForeignRelation/India-SouthAfrica_Relations.pdf

support for ANC than India. Thus, India was rhetorically positioned to campaign against apartheid (Gahu, 2013).

With the demise of the apartheid regime in South Africa and the establishment of formal diplomatic relation in 1993 between the two countries, economic relations have increased. Political solidarity, economic interdependence in the wake of South-South Cooperation had increased and this has led to the two governments to promote finance, investment and business relations through platforms such as IBSA, G20, G77+China and WTO. As noted that India also features among the top ten countries investing in South Africa with current investments from companies such as TATA[33], Nalco[34], CIPLA[35], Mahindra and Mahindra[36] and Aurobindo Pharmaceuticals[37] (Srivastava, 2010). In return, South African investment into India has been growing steadily with Tiger Brands[38], Airports Company South Africa (Company that deals with construction and maintenance of ports) and Bidvest (Insurance, financial and banking sectors), SAB Miller (Beverages company), FirstRand Bank (Insurance, Finance and Banking sectors), Standard Bank (Insurance, Finance and Banking sectors), Old Mutual (Insurance, Finance and Banking sectors), Anglo-American (Mining), Sasol (Fuel) and Nandos Group Holdings (Fast Foods outlets).

From an international political economy basis, South Africa-India relations are bound to materialise hugely as negotiations are at an advanced stage on a preferential trade agreement which will accelerate trade flows, and extend the range of traded goods, thereby deepening

[33] Established in 1945, TATA Motors Limited is India's largest automobile company, with over 25,000 employees worldwide. TATA Africa Holdings, established in Johannesburg in 1994, as a subsidiary of Tata International, serves as the headquarters for Tata operations in Africa. For more details, please see http://www.tata.co.za/about-us/

[34] Nalco Africa is a joint venture between Protea Chemicals - a division of the Omnia Group and Nalco Company (NYSE: NLC), the world's leading water treatment and process improvement company, see more on http://www.nalco.com/sa/news-and-events/1399.htm

[35] Cipla Medpro (Pty) Ltd is one of South Africa's fastest growing pharmaceutical companies and currently third largest. Cipla is a leading provider of chronic medicines to the public and private sectors, see more on http://www.ciplamedpro.co.za/about/profile/

[36] Mahindra and Mahindra Limited is an India-based company but with branches worldwide. The Company operates in Automotive Segment, Farm Equipment Segment, Information Technology (IT) Services, Financial Services, Steel Trading and Processing, Infrastructure, Hospitality, Systech, Logistics and After-market operations. For more see http://in.reuters.com/finance/stocks/companyProfile?symbol=MAHM.BO

[37] Aurobindo Pharma (Pty) Ltd is a company with branches worldwide. The company deals with sells and markets to various health care professionals covering the various facets of the private pharmaceutical market infrastructure of South Africa. For more see http://www.aurobindopharma.co.za/

[38] Is one of the largest manufacturers and marketers of FMCG products in Southern Africa, and has been for several decades. See more on http://www.tigerbrands.co.za/about.php

the mutually beneficial trade and investment ties between the two developing economies of the Global South. As a result of these increased relations that back dates to the 1840s, India and South Africa have a common approach on many global issues, including the future of multilateralism, South-South Cooperation and multilateral trade negotiations. This has led to fruitful cooperation in the UN, NAM, Commonwealth, IOR-ARC, WTO, G-77, G-20, UNCTAD, BASIC and IBSA.

3.5 South Africa-China relations: Changes and continuities

South Africa-China relations date back to the early 20th century. Jung and Alden (2013) note that relations between South Africa and China predate 1940. As for Jung and Alden (2013) formal relations were established in 1949 between the Nationalist of China and the Nationalist Party in South Africa. In the subsequent years, Walter Sisulu, one of the revolutionaries from ANC visited China in 1953.

> During their six weeks in China, they toured 15 of China's 30 provinces, visiting major tourist attractions and attending a variety of official functions. Walter was introduced as the Secretary General of the ANC, the national movement (Sisulu, 2002:112).

During the visit, possibilities of ANC-China military ties were discussed

> …when Walter raised the issue with his Chinese hosts, they warned him that revolution was a very serious affair, not to be embarked on lightly (Sisulu, 2002:112).

The 1955 Bandung was very important in bringing the relationship to a closer and personal level between the People's Republic of China and South African liberation movement representatives. As noted by le Pere and Shelton (2007) that China met Moses Kotane of the African National Congress. An article published by South African Chamber of Commerce in 2013 titled "*South Africa and China; Past and Present-Always a Future*" noted that South Africa-China relations were influenced by prominent Chinese leaders such as Mao Zedong, Zhou Enlai and Zhu De. Even though South Africa's path to independence was also influenced by China, the relations between apartheid South Africa and People's Republic of China were minimal and almost non-existent. Remarkably, Ian Taylor (2000) argues that

> There wasn't formal Chinese involvement in the liberation struggle in South Africa for most of the time as the ANC was aligned to the Soviet Union while the Pan African Congress was aligned to the People's Republic of China[39].

[39] For example see: http://www.thesouthafrican.com/business/south-africa-and-china-past-and-present-always-a-future.htm

However it should be noted that during this time in question, People's Republic of China had direct relations with the Pan African Congress (PAC)[40]. An archival source if information obtained from *O'Malley: The Heart of Hope* noted that,

> At one stage during the sixties, after receiving aid from the People's Republic of China, the PAC shifted towards Maoism. The PAC leaders who supported the communist programme suggested that Chinese communists were also *non-white*, and that their value system had not been tainted by European thought. This view was adopted to rationalize the former strong opposition to communism in the Congress Alliance[41].

The SACC (2013) document however posit that, during the mid-1970s there was a brief time when Pretoria toyed with the idea of establishing ties with China on the basis that South Africa's main enemy was Moscow, as was China's, and so both countries had an interest in shutting out the Soviets. Upon identifying the role which the ANC was playing towards the independence path for South Africa, it should be noted that 1980's was a turning point of the relations between modern day South Africa and China. China became more diplomatically proactive with the ANC (le Pere, 2006).

Within the framework of international political economy, the late 1990's saw China-South Africa relations increasingly becoming inclined to a more economic led diplomacy. This was necessitated by the political instability in South Africa and how that was paving way for a free and democratic South Africa. As such, China increasingly supported the PAC and ANC as China identified itself with the greater course of the developing nation and political independence. The increasing relations materialised well in 1994 and later in 1998 when the democratic South Africa officially established some diplomatic representations in China. Since then, the economic relations have increased. As pointed out by He Liu Guijin, the Chinese Ambassador to South Africa in 2004 that,

> Looking into the future Sino-South Africa friendly co-operation has broad prospects for development. Our two countries are highly complementary in terms of economy and trade. We share identical or similar views on many major international issues. I believe that with the

[40] For example see: Sino-Africa ties: A Pan-Africanist Perspective http://www.southerntimesafrica.com/news_article.php?id=8085and title=Sino%20Africa%20ties%20%20A%20Pan%20Africanist%20Perspective#.UwxoM-OSyLh

[41] For example see: Pan Africanist Congress (PAC). Online: Available at http://www.nelsonmandela.org/omalley/index.php/site/q/03lv02424/04lv02730/05lv03188/06lv03214.htm

> deepening of mutual understanding between our countries, bilateral cooperation in all fields is sure to bear more fruits.

Naidu (2006) on the State of the Nation series 2005-2006 on her monograph entitled, *South Africa's Relations with the People's Republic of China: Mutual Opportunities or Hidden Threats* claims that the volume of trade between South Africa and China has increased since 1991. Since the establishment of the diplomatic ties, bilateral trade and investment between South Africa and China has increased. But some critics such as Moeletsi Mbeki on his book, *Architects of Poverty: Why African Capitalism Needs Changing* argues that China's role on South Africa is bad. As for Mbeki, he openly notes that, "China is both a tantalizing and a terrifying threat to South Africa". Such a position given by Moeletsi Mbeki is further supported by Botha (2004), *Evaluating Free Trade between South Africa and China: Who are the Winners and who are the losers?* Botha believes that the available trade agreements between China and South Africa heavily favour China at the expense of South Africa. Given the historical relations that exist between South Africa and China, relations have dramatically increased but solely market driven. Since, South Africa is the exporter of mineral resources to China, and China exports manufactured goods to South Africa, this relationship is almost identical with the traditional Global North -Africa trade relations (Alden and Alves, 2009). This implies that Africa is an important variable towards China's industrialization (Alden and Davies, 2006).

Forum on China-Africa Cooperation is one of the key strategic frameworks within which the South Africa-China relations have increased over time. South Africa-China relations within the framework of FOCAC have been dully based on increasing trade and investment between China and Africa. Located within broader trajectories of western sentimental rejection as model of development, culture has been a major blueprint for social and economic relations between South Africa and China (Anshan and April, 2013). This implies a social constructivism theoretical underpinning. China-Africa engagement has been promoted by the concept of Global South solidarity. Through the FOCAC platform, China-Africa relations have increased as noted by Anshan and April that,

> In an age of global interdependence, international or regional multilateral mechanisms constitute a platform for a nation to show its national image. China has established an efficient way under FOCAC to establish its country's image and promote its international

> position and influence through actively ensuring that its social and human development activities on the continent, become a reality in a very short time (Anshan and April, 2013:7).

Mbeki in his speech in 2006, *At the Heavenly Gate in Beijing hope is born* notes that the relationship between Africa and China has grown tremendously. Tull (2010) supports Mbeki's argument noting that China and Africa have great history that is embedded within developing countries political, economic and social solidarity spectrums. Mbeki in his speech reiterates that

> Both China and Africa are cradles of human civilisation and lands of great promise. Common destiny and common goals have brought us together. China will remain a close friend, reliable partner and good brother of Africa. Let us join hands and endeavour to promote development in both China and Africa, improve the well-being of our peoples and build a harmonious world of enduring peace and common prosperity (Mbeki, 2006).

3.6 Conclusion

Although South Africa BRICS appears to be a recent development, history tends to portray that relations had always existed out of state-craft basis. In this regard, the current state of relations between South Africa and other BRIC nations is influenced by history among other factors. As explained during the course of the discussion, South Africa-BRICS relations are among other considerations located and drawn from the Cold war era, in which countries like India, China, Russia and Brazil supported the liberation movements such as ANC, SACP, and PAC. This helps to account for the concept of social constructivism as one of the key theories from which the study is premised. It is very important to have a clear analysis of these historical realities in order to have a clear picture of how relations have continued and changed over time. Having made an attempt to unpack these historical relations, this next chapter therefore looks at the prospects of South Africa's participation in BRICS.

4.0 Chapter 4: Prospects for South Africa's participation in BRICS

4.1 Introduction

Since 1994, South Africa has embraced bilateral and multilateral cooperation as part of a strategy for structural transformation towards socio-economic and political development. This has become a vision and commitment by the South African leadership to mitigate development constraints. South Africa has potential socio-economic and political gains in BRICS. These gains relate to trade and market access, foreign direct investments, and above all increased bargaining power and voice in international issues. BRICS membership will enable South Africa to absorb shocks and threats of globalization. South Africa's main strategic consideration in BRICS as claimed by Bohler-Muller is to use a diplomatic leverage offered by BRICS to champion issues of global governance reform. A reformed international political and monetary system offers more soluble advantages to South Africa. Fortunate enough, such diplomatic aspirations and considerations are also key priorities of BRICS. As such, BRICS intends to establish new and complementary institutions to the existing world governing structures so as to ensure reform diplomatically. Such institutions will offer parallel development packages which above all targets issues of political and economic development disparities among other areas (Bohler-Muller, 2014: 5).

The BRICS platform provides South Africa a stepping stone to champion its economic, political and social governance development. This materialises well within South Africa's interest in promoting a world order that is equitable, balanced and representative regardless of geopolitical location and level of economic development. In this regard, this chapter specifically looks at the possible opportunities for South Africa in BRICS. By extension, this chapter discuss the levels and criteria of analysis in measuring the depth of such social, economic and political progress within South Africa. While this study recognises the disparities and the diversity of the BRICS nations, I base my argument on the application of social constructivist logic, political coalition and the international political economy as theoretical approaches that are very useful for studying economic, social and political interdependence between nations in general. These approaches do not only pay attention to the contemporary legacies of colonialism as a point of departure for increased economic and political interdependence within BRICS, but also suggests that underdevelopment,

complementarities and synergies help in cultivating strong and beneficial engagements. This reflects an alternative to the traditional development path followed by the Global North.

4.3 Economic prospects

The Global Competitiveness Index Report (2013) notes that South Africa has quality institutions and on-factor allocation, which is accompanied by quality intellectual property protection ranked number (20^{th}), property rights ranked number (26^{th}), and accountable private institutions ranked (2^{nd}). Additionally, South Africa has good market efficiency which is ranked number (32^{nd}). This makes South Africa enjoy considerable economic stability in Africa. Such status has been made possible by particularly impressive financial market development which is ranked (3^{rd}), indicating high confidence in South Africa's financial markets. This is the reverse situation with many other parts of the world. As such, to what extent does this beneficial blueprint help South Africa to maximise its potential economic prospects in BRICS? The information below attempts to address the above question by exploring the economic prospects.

4.3.1 Trade creation and diversion

South Africa's membership in BRICS has a prospectus of creating and increasing intra-BRICS trade. Multilateral schemes or arrangements generate fair gains for the participating countries. South Africa has already witnessed high trade volume increase with China and little progress with the other BRICS nations. There is a huge potential for South Africa to tap from the growing opportunities of economic interdependence through trade in BRICS. In South Africa the Department of Trade and Industry coordinates trade issues and to a certain extent some other government departments are also involved in coordinating, but on a smaller scale. In an effort to maximize trade, BRICS has established a Contact Group on Economic and Trade Issues (CGETI) and the BRICS Business Council networks as platforms for exchange of information, ideas on trade related innovative initiatives. Through these networks, there is an opportunity to create and diversify trade. This has a potential for fair gains. Fair gains are accrued in the manner that they reduce barriers (tariffs) among member countries. From a comparative basis, this improves a pool of options for citizenry to choose from, on goods and services. Schiff and Winters (1998) defines trade creation as the displacement of higher cost of domestic production through lower and fewer barriers within regional integration arrangements. The process increases socio-economic welfare.

Middle East and North Africa (MENA) Development Report of 2003 defines trade diversion as the displacement of lower cost production from non-members by higher cost production from partner countries. This occurs because of lower barriers. Thus, BRICS arrangement has a potential to generate welfare gains but only when trade creation dominates trade diversion. Furthermore, such arrangements also generate two other trade effects, whose importance varies among member countries. First, such arrangements reduce government revenue from tariffs, directly through tariff cuts among members and directly through a shift away from imports from non-members subject to tariffs. Secondly, such arrangements may improve the terms of trade for member countries if changes in trade volumes lower world prices. The greater the share in the world market, the larger the potential gains (MENA Report, 2003).

South Africa clearly stated its economic focus in BRICS. The 2013 BRICS Trade Exchange Forum held at Sandton Convention Centre, Johannesburg, South Africa rightfully notes that South Africa's economic motives in BRICS are[42]:

1. To promote trade and investment between South Africa and the BRICS nations
2. To enhance industrialisation through developing key industries and sectors
3. To promote job creation through supporting sustainable opportunities and developing commercial potential
4. To develop South Africa's role as a platform for partnership and investment across the continent
5. To drive cooperation on economic opportunities in infrastructure development
6. To enhance cooperation on skills development
7. To identify projects to be financed by the new development bank[43].

Before venturing into the above stated economic desires, it is imperative for one to fully understand the structure of trade relations in BRICS from a WTO basis. Trade relations in BRICS are beginning to assume a collective approach by the establishment of collective BRICS Trade Form. However, the forum is not yet fully operation but it offers more hope in the near future. In this section, bilateral trade arrangements are very important as mechanism of strengthening multilateralism. South Africa's bilateral trade engagements with all BRICS

[42]For more details please see BRICS Trade Exchange Forum Online, at http://www.brics5.co.za/assets/Brics-Trade-Exchange.pdf
[43] Proposal made in 2012 to establish the BRICS Development Bank

in particular India, China and Brazil are very pivotal and significant in contributing towards its economic development trajectory (Alden and Vieira, 2006). This acts as a cornerstone to improve multilateralism. As such this study is very supportive (though conditional) of the establishment of BRICS Trade Protocol in which there will be mutual trade benefits.

BRICS do recognise that their trade negotiations and arrangements comply with the set standards by the World Trade Organisation. BRICS are developing nations and as such receives a certain preference from a WTO related basis on trade negotiations. The WTO points out that:

> …countries can set up a free trade agreement that applies only to goods traded within the group — discriminating against goods from outside (WTO, 2014).

Part IV (Articles. XXXVI-XXXVIII) to the General Agreement recognizes the special economic needs of developing countries and asserts the principle of nonreciprocity. Under this principle, developed countries forego the receipt of reciprocal benefits for their negotiated commitments to reduce or eliminate tariffs and restrictions on trade of less developed contracting parties (WTO, 2014).

Brendan Vickers, Chief Director of Policy and Research at South Africa's Department of Trade and Industry has noted that the structural trade relations within BRICS are based on bilateral basis (Vickers, 2014). At the moment, there is no joint intra-BRICS trade cooperation framework. He reiterated that South Africa's market access in BRICS is based on bilateral engagements, except for one Preferential Trade Agreement (PTA) with Brazil under MERCOSUR (Argentina, Brazil, Paraguay, Uruguay, Venezuela and Bolivia). It was signed in 2009 through the SACU platform. However, it has not been ratified yet-which means it is not yet operational (Vickers, 2014). Purportedly, there is hope and assurance that the PTA will be made operational. If the PTA is made operational, South Africa under (SACU) will benefit as 1000 goods (products) will be freely traded between these two regional bodies-SACU and MERCOSUR.

South Africa and India are negotiating a PTA under the SACU platform. Such an arrangement will also limit the number of goods to be freely traded, and most certainly 1000.

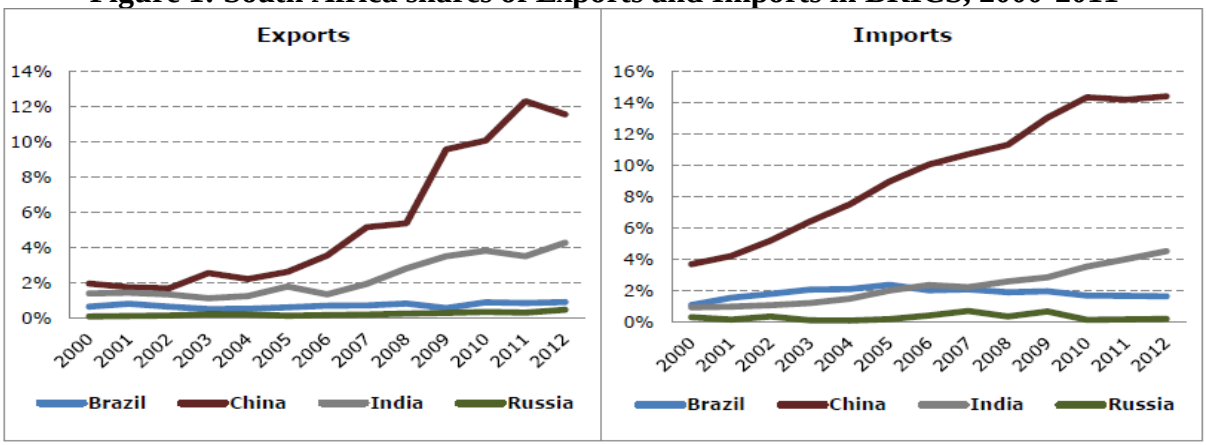
At the moment South Africa and India have signed a Memorandum of Understanding on issues of trade, investment and economic development. South Africa and Russia; and South Africa and China have neither no PTA nor any in the pipe line (Vickers, 2014). But South Africa and China have signed a Comprehensive Strategic Partnership (CSP). The CSP offers South Africa an elevated position on issues of trade, aid and investment prioritisation. The CSP was signed by Chinese President Hu Jintao and South African President Jacob Zuma in 2010. The CSP notes that:

> The two countries expressed their desire to further strengthen and deepen exchanges and cooperation between the two nations in both political and regional affairs by establishing a comprehensive strategic partnership based on equality, mutual benefits and common development (CSP, 2014).

The CSP was accompanied by other seven bilateral cooperation agreements covering visa procedures, mining, energy, environment, and transport sectors. Furthermore, South Africa and China signed yet another MoU in 2013 to fully strengthen the CSP. This was signed by the former South African Public Enterprises Minister Malusi Gigaba and Huang Shuhe, the Vice-Chairman of the State-Owned Assets Supervision and Administration Commission (SASAC) of China. On signing the MoU, top of the list was promoting trade, investment and collaboration amongst co-operatives in the BRICS countries.

The structures of the Intra-BRICS trade engagements are highly complementary. Brazil and Russia have strengths in a large pool of commodity and natural resources endowment. China and India are net importers of these commodities and natural resources. Within the same trajectory, South Africa has large deposits of natural resources and world standard business infrastructure. Therefore, South Africa has a room of increased trade relations with the BRICS countries, since their engagements are rather complementary than competition (Lemmon, 2013). After having attempted to explain the structural basis of trade in BRICS, quantitative data below shows the statistics in intra trade volumes.

Figure 1: South Africa shares of Exports and Imports in BRICS, 2000-2011



Source, Quantec Research 2013

As depicted in figure 1, South Africa export and import shares in BRICS have increased. Since 2000, the exports and imports have been experiencing a gradual rise, but China dominates the trade relations subject from 2008. This explains well the upgrading of South Africa-China relations from mere partnerships to a Comprehensive Strategic Partnership in 2010.

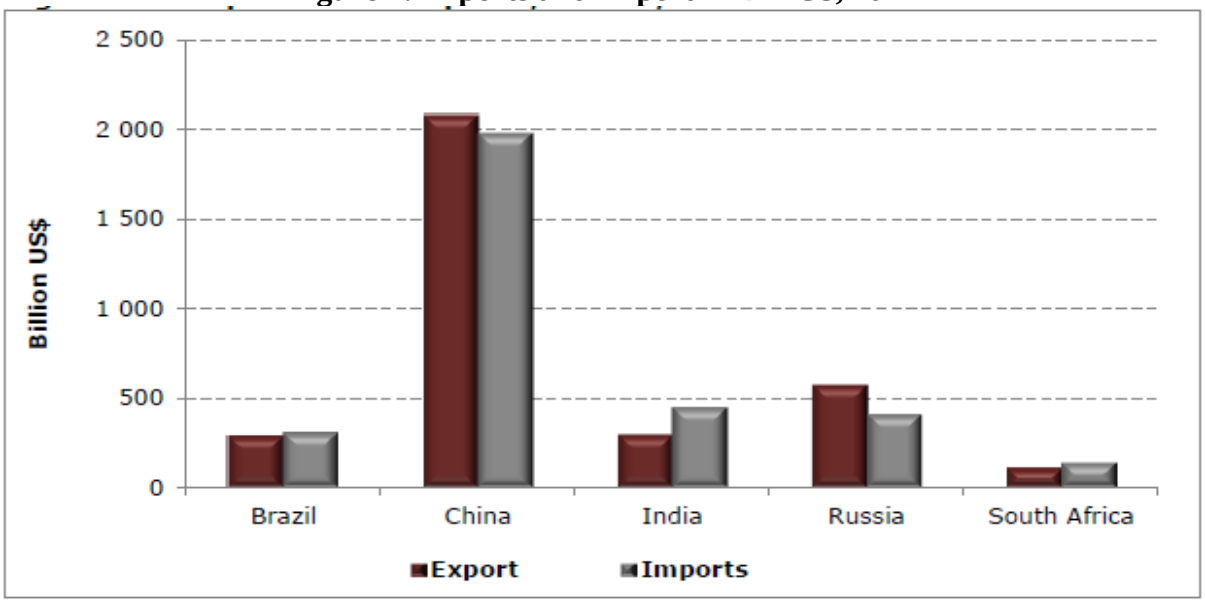
Data released by the South African Revenue Services (SARS) under the Statistics South Africa (StatSA) Joint BRICS publication of 2013, the share of BRICS in South Africa's total trade has grown from 10 percent in 2005 to 19 percent in 2012. Since 2009, China has been South Africa's bilateral trading partner, while India ranked fifth in 2012.

Table 2: Trend in intra-BRICS trade (% of total trade), 2009–11

	2009	**2010**	**2011**
Imports	10.64	11.03	10.19
Exports	7.61	8.60	8.36
Total intra-BRICS trade	8.9	9.2	8.5

Source: ITC Trade Map-computed by Singh and Dube. 2013. *BRICS Guide 5: Trends in Intra-BRICS co-operation*

Figure 2: Exports and Import in BRICS, 2011



Source, World Bank 2013, **NB:** Exports and Imports Values for India exclude the value of services due to data unavailability

Table 3: Trends in Intra-BRICS Trade 2009-2011 (% of total exports and imports)

Country	Exports (Percentage of total Exports)			Imports (Percentage of total Imports)		
	Year			Year		
	2009	2010	2011	2009	2010	2011
BRAZIL	18.13	20.11	20.86	15.63	17.97	18.88
RUSSIA	7.91	7.14	8.73	16.52	18.39	19.62
INDIA	8.53	11.87	n/a	15.76	15.71	n/a
CHINA	5.71	6.70	7.09	7.16	7.15	8.50
SOUTH AFRICA	15.36	16.95	18.20	18.51	19.71	20.12

Source: ITC Trade Map-computed by Singh and Dube. 2013. *BRICS Guide 5: Trends in Intra-BRICS co-operation*[44]

[44] For more details please see http://www.gegafrica.org/memory-dube/brics-guide-5-trends-in-intra-brics-co-operation

Table 4: South Africa's Imports trade profile 2010: The World and BRICS

World		**Brazil**		**Russia**		**India**		**China**	
$80 million		$1.354 million		$105 million		$2.846 million		$11.535 million	
Fuel	19.6%	**Special**	22.7%	**Fertilizers**	19.9%	**Fuel**	29.7%	**Electrical**	22.5%
Machinery	14.8%	**Meat**	13.2%	**Copper**	17.6%	**Vehicles**	13.5%	**Machinery**	21.3%
Electrical	10.7%	**Machinery**	9.8%	**Fats/Oil**	10.6%	**Electrical**	8.7%	**Footwear**	4.8%
Vehicle	8.8%	**Vehicles**	9.0%	**Fuel**	8.9%	**Pharmaceutical**	7.8%	**Apparel**	4.2%
Special	6.5%	**Electrical**	5.7%	**Precious Stone/Metal**	6.4%	**Machinery**	4.2%	**Apparel**	3.7%

Source: World Trade Atlas, 2010

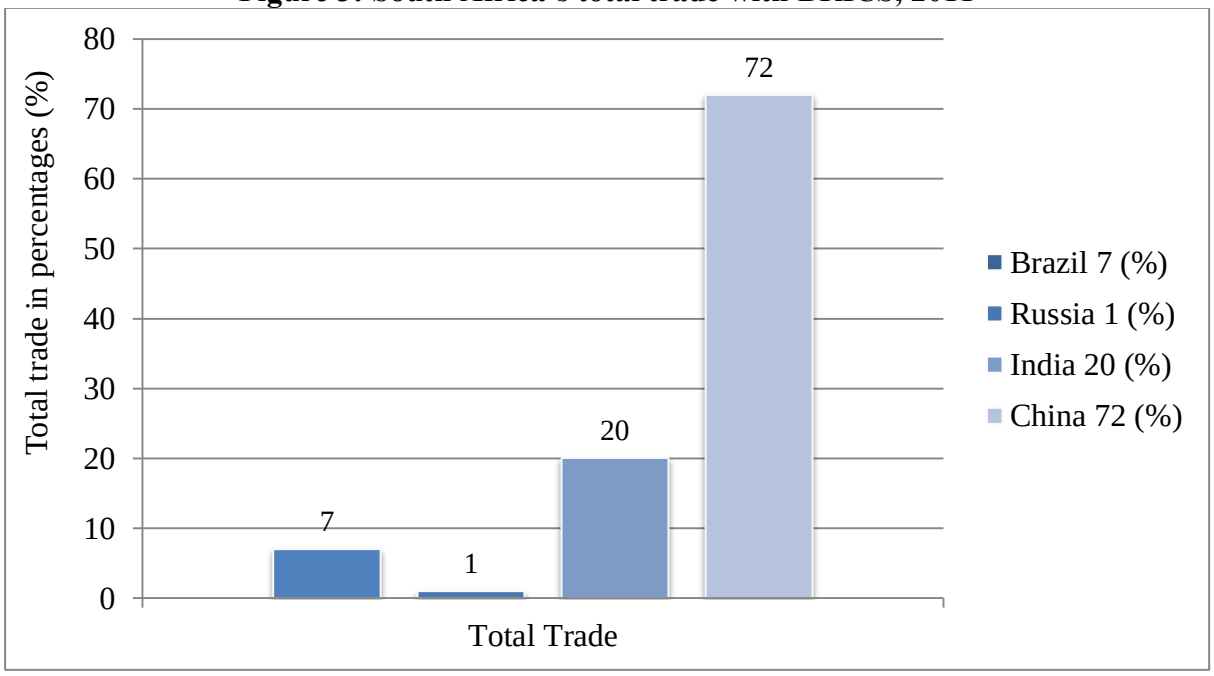
Table 5: South Africa's exports by destination, 2010

Destination	EU 27	China	USA	Japan	India	Brazil	Russia
Total Percentage of exports	22.1%	12.1%	8.6%	7.9%	3.5%	0.9%	0.3%

Source: World Trade Atlas, 2010

As shown in table 5, the largest destination of South African exports in 2010 was the European Union's 27 nations. Using a BRICS perspective, China dominates the exports destination of South Africa followed by India, Brazil and Russia. Secondly, South Africa-US trade is declining, lagging behind China and EU. This might be an evidence to suggest the growing significance of south-south trade relations. South Africa should then tap this emerging trading opportunity by its virtual membership in BRICS. However, the concept of BRICS in trade issue is challenged since its only China and India that are major destinations of South African products as shown in figure 3.

Figure 3: South Africa's total trade with BRICS, 2011



Source: UNCTAD 2010, Bar graph data computed by the author.

As depicted in figures (2 and 3) and tables (2, 3, 4 and 5) above, the data presented proves that intra-BRICS trade is surprisingly low than projected and articulated by the media. Except for China which almost enjoys growing trade relations with all the BRICS nations, it remains to be seen how the group will increase its intra-trade engagements. South Africa's trade

prospects in BRICS are currently low, but there is a room for improvement. Summarily, BRICS at a forum level still lacks a jointly coordinated trading agreement. Trade relations are however, increasing on bilateral basis. South Africa has the potential to increase its trade engagements with BRICS to its benefit, by tirelessly calling for an integrated trade framework that is coordinated by all the members of the group and not on a bilateral basis.

4.3.2 Foreign Direct Investment attraction potential

South Africa has the potential to attract considerable volumes of Foreign Direct Investment (FDI). Throughout history, South Africa has enjoyed greatest privileges on attracting FDI in the African continent. With South Africa's membership in BRICS, there are high hopes that the trend will continue. Within the South Africa context, Sandrey (2013) notes that there are three types of investments which have been recorded by the South African Reserve Bank (SARB). This includes Foreign Direct Investment, Portfolio Investment and 'Other' Investment. Subject to the current statistics of the BRICS Foreign Direct Investment, there is usual a tendency of generalising what FDI means. According to the Organisation for Economic Co-operation and Development (OECD) 2014, FDI is category of capital that is established to gain interest in an enterprise (OECD, 2014a). Such capital is established and resident in an economy other than that of its direct investor. The capital has short, medium and long term beneficial opportunities which establish mutual relationship between the direct investor and the investment enterprise. Additionally, the investor has a significant degree of influence which is not necessarily control on the management of the enterprise. The investor has a direct or indirect ownership of the enterprise and has a 10 percent or more voting power (OECD, 2014a).

According to the Balance of Payments Manual: Fifth Edition (BPM5) published by IMF in 1993, FDI is an investment made to acquire lasting interest in enterprises operating outside the economy of the investor. FDI may be understood from a directional basis popularly known as Outward/Outflows and Inward/Inflows. Outward FDI are thus investment made outside the resident enterprise while Inward FDI is investments by non-resident investors to an enterprise. This implies cross-border capital transactions within a given period between affiliated enterprises that are in a direct investment relationship (OECD, 2014b).

In South Africa, FDI is defined as an:

> […] Investment by foreigners in South Africa in which they have individual or collective (in the case of affiliated organizations or persons) at least 10 per cent of the voting rights (UNCTAD, Investment Country Profiles South Africa February, 2012: 1).

Secondly, Portfolio investment has been defined by the South African Reserve Bank (2013) as a distinct form of FDI in which it is considered as the purchase of stock, bonds and money market instruments by foreigners as a means of capitalising financial returns. This form of investment is not direct; hence it is considered portfolio investment (Sandrey, 2013:90-91).

Lastly, the South African Reserve Bank has also identified a type of an investment which is neither FDI nor Portfolio. As such the SARB considers it as 'Other'. By definition, 'Other' Investment is loans, trade finance, currency and deposits, and other asserts with unaffiliated parties (Sandrey, 2013). The 'Other' investments have no 'controlling effects' on investments (Sandrey, 2013:90-91). Within BRICS, South Africa is the largest destination of China's FDI. This FDI is mainly concentrated in banking and finance sectors. It is until recently that China has embarked on investment in other sectors such as mining, manufacturing and industry in South Africa. South Africa's portfolio investment in Brazil has largely been dominated by the so called portfolio investments with recent upgrades to FDI within the banking sectors-in particular the Standard Bank Group. Regardless of that, data released by UNECA 2010 Report notes that South Africa's major FDI flows have been centred on resource extractive industries and the financial market system. The most attractive companies and business entities enclave in this FDI flows has been Sappi Limited; Sanlam; Sasol Limited; MTN Group; Anglo Gold; Naspers Limited, Standard Bank Group; Barlowor Id; Nampark Limited and other entities. In India, South Africa's outward FDI has largely been dominated by the so called 'other' investments. However, it is recently that South Africa has also upgraded its investments to portfolio scenarios. In Russia, South Africa's outward FDI has been unclear and difficult to calculate due to in most instances data unavailability.

Overly, the BRICS have rather been absorbers of FDI more than being exudes. This implies the growing significance of BRICS. As noted by the UNCTAD 2012 Report that developing and transition economies have absorbed more than half of global FDI inflows, and in 2012

FDI flows to developing economies, for the first time ever, exceeded those to developed countries with US$130 billion more.

Statistically, FDI inflows to BRICS have tripled to an estimated figure of US$263 Billion in 2012. As a percentage the BRICS FDI flows have reached 20 percent in 2012. The UNCTAD Report reiterates that Outflows of FDI from BRICS has grown from 1 percent in 2000 to 9 percent in 2012. This is shown by the increase from US$7 Billion in 2000 to US$126 Billion in 2012. Given such an increase of FDI Inflows and Outflows in BRICS, this can be seen as a huge potential for South Africa (Draper, 2013). While the emergence of BRICS is a recent phenomenon, the available data presented in the tables above has been carefully selected over a long period taking into considerations of data availability limitations. However it is possible that FDI flows have changed due to current various related reasons such as the technological innovations and changes in FDI and Trade patterns towards the Global South (Pant, 2013). As tabulated below, China is the dominant player in the FDI stock and flows in BRICS.

Table 6: South Africa's FDI Annual Changes calculated at R1000 million rate

Year	Total	China	Russia	India	Brazil	BRICs (%) total
2001	41.8	0.1	0.0	0.0	0.0	0.2
2002	-106.3	0.1	0.0	0.0	0.1	0.1
2003	46.8	0.0	0.0	0.0	0.1	0.0
2004	51.7	0.1	6.9	0.0	0.0	13.6
2005	136.7	0.0	4.2	0.0	0.1	3.1
2006	112.1	0.1	-11.1	0.1	0.0	9.7
2007	140.2	0.0	0.0	0.3	0.0	0.2
2008	-119.3	26.2	0.0	0.3	0.0	22.3
2009	234.0	7.2	5.4	1.5	0.0	6.0
2010	148.9	3.3	1.7	0.2	0.2	3.6

Source: South African Reserve Bank, 2010: **NB**-These figures represent changes in FDI to South Africa from the BRICS countries calculated at R1000million

Table 5 shows the FDI statistics for BRICS nations in South Africa. The data specifically notes the FDI per country level from 2001-2010. In most scenarios data for 2001, 2002, 2003, 2004, 2005, 2006, and 2008 was difficult to obtain from the public domains.

Table 7: Russian Foreign Direct Investment in South Africa, 2002-2012 (Millions US $)

Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Flow (Amount)	-	-	-	-	-	-	-	-	15	12	8	9
Stock (Amount)	-	-	-	-	-	-	-	-	34	35	34	35

Source: ITC Investment Map and UNCTAD (2014)-data computed by Author

Table 8: Brazilian Foreign Direct Investment in South Africa, 2002-2012 (Millions US $)

Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Flow (Amount)	8	-	-	-	1	2		25	-5	-	-	-
Stock (Amount)	-	-	-	-	65	-	-		65	156	379	422

Source**:** ITC Investment Map and UNCTAD based on data from Banco Central do Brasil (2014)-data computed by Author

Table 9: Chinese FDI flows and stock in South Africa, 2002-2012 (Millions US $)

Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Flow (Amount)	-	-	9	18	47	41	454	4808	42	411	-4	-815
Stock (Amount)			45	59	112	168	702	3049	2307	4153	4060	4775

Source: ITC Investment Map and UNCTAD based on data from the Ministry of Commerce (MOFCOM) (2014)-data computed by Author

Between 2006 and 2011 South Africa has managed to invest US$6billion in the other BRICS nations (Sandrey, 2013). Additionally, South Africa has managed to attract a considerable amount of US$27billion of investment between 2006 and 2011. However, South Africa has fewer shares of investments held abroad in BRICS. Even though South Africa has fewer shares of FDI stock and flows in BRICS, the case in Africa is different. In Africa, South Africa is the largest investor, which may ultimately imply the significance of Africa as compared to BRICS. South Africa's failure to have larger share of FDI flows, distribution

and stock within the BRICS is its failure to have a clear business policy in these nations. Again, countries such as Russia, India and China have closed economies which are difficult for South Africa to penetrate.

FDI flows, distribution and trend portrays that FDI goes both ways but, with greater volumes to South Africa than the other way around. Subsequently, South Africa does not have a business and investment strategy to ensure that it penetrates these so called 'closed economies'. Mathur and Dasgupta (2013) believe that South Africa is investing less in these other economies. Memory Dube has argued that South Africa has the least shares in terms of FDI abroad within BRICS which means it has less potential to influence BRICS Policy Agenda. This might be seen as ambitious foreign policy by South Africa to join BRICS (Dube, 2014). This simply implies that South Africa was simply interested in gaining membership only without considerations of the potential implications. Given such uneven playing field within BRICS, Tchereni considers South Africa as the "ball-boy". This view comes from the assertion that South Africa is concerned with 'what the BRICS will do for us' scenario-not the other way around (Tchereni, 2014). There are high hopes though; with the creation of the BRICS Business Council, South Africa can tap the opportunities of this platform to ensure that it attracts considerable volumes of FDI. This will improve the infrastructure and industrial development backlogs.

Table 10: Intra-BRICS FDI flows (1995-2010) and the (% to the World) Billion US $

Economy	1995			2000			2007			2010		
	Inward	Outward	Net FDI	Inward	Outward	Net FDI	Inward	Outward	Net FDI	Inward	Outward	Net FDI
Brazil	1.3	0.3	3.3	2.3	0.2	30.5	1.8	0.3	27.5	3.9	0.9	36.9
Russia	0.6	0.2	1.5	0.2	0.3	-0.5	2.8	2.1	9.2	3.3	3.9	-10.5
India	0.6	0.0	2.0	0.3	0.0	3.1	1.3	0.8	8.1	2.0	1.1	10.0
China	11	0.6	35.3	2.9	0.1	39.8	4.2	1.0	61.1	8.5	5.1	37.7
South Africa	0.4	0.7	-1.3	0.1	0.0	0.6	0.3	0.1	2.7	0.1	0.0	1.1
BRICS compared to the World	13.8	1.7	41.1	5.8	0.6	73.5	10.4	4.4	108.6	17.8	11.1	75.3

Source: UNCTAD 2010

Summarily, in terms of FDI stocks and flows, it is clear that China leads the group. This literally implies that China is the major economy in BRICS-without which the group's significance is questionable. Additional observations from the data given above implies that years after 1994 remarked an era in which South Africa's FDI flows changed and assumed a conservative approach. This was because during this time in question, South Africa was still negotiating its entry back to the international community. However, from 1998 onwards, the FDI outward trends for South Africa started to increase as already highlighted in the tables above.

4.3.3 Changing dimensions of FDI to Africa: An opportunity for South Africa in BRICS

The UNCTAD (2014) Report and the ECA (2014) Report both acknowledges the rising significance in the flow, trends and distribution of the FDI's to Africa. The main reason why Africa among other continents has been the prime target is the Africa rise scenario. Africa is a development partner for the Global South. This is a direct opportunity for South Africa to capitalise on this moment so as to invest in Africa under the BRICS umbrella. As noted earlier that South Africa is the leading investor in sub-Sahara Africa, its investments has already been made to the non-traditional (minerals or oil) sectors. Additional sectors such as services and manufacturing have received huge investments. These are potential sectors for South Africa to attract more FDI. South Africa's strong and world class banking and finance sector, are key areas in which BRICS has already started to invest financially. The ability of South Africa to tap capital from the BRICS has positive consequences for job creation and industrial growth.

4.3.4 Internationalisation of South African companies

South African business entities have embraced the BRICS platform as an opportunity for greater investments abroad. With this in mind the BRICS Business Council creates a wide pool of great opportunities for South Africa towards the internationalisation drive of its business entities. However, South African companies have been experiencing challenges towards their internationalisation drive. Such challenges include insufficient capital. BRICS nations have emerged as new donors. While some companies have managed to spread across the African continent, they have had very little entry outside Africa. With BRICS, South African companies such as (SAB Miller, MTN, Massmart, Shoprite, Tiger Brands, Standard Bank Group) among others, have an opportunity to enter the global markets.

South Africa is Africa's largest trading and investment partner. This is one of the reasons to explain South Africa's self-given title of the *Gateway to Africa* in BRICS. This gives room for South Africa to articulate the Africa's Agenda position on the BRICS forum. These South Africa companies have entered the risky terrain of Africa and there is an opportunity for an increased trade and investment trajectories from these business entities by the membership which South Africa has in BRICS (Holmes, 2013). Internationalisation of South African companies via BRICS has been a daunting task given the bureaucratic challenges in other BRICS nations. The tables below give a list of South African companies and their sectors of operation in Brazil, Russia, India and China. As shown in table 9 below, South African companies have not managed to penetrate well in Russia.

Table 11: South African companies operating in Russia

Company	Sector of Operation
Mondi Group	Paper and Packages
Naspers	Media
Barloworld	Diversified Holdings

Source: Labour Research Services/MNC Monitor: May 2014 South African Companies Operating Abroad

Table 12: South African companies operating in Brazil

Company	Sector of Operation
AngloGold Ashanti	Mining
Naspers	Media
FirstRand Bank	Banking and Financial Sector
Aspen Holdings	Health
Grindrod	Transport
Standard Bank Group	Banking and Financial Sector
Airports Company South Africa (ACSA)	Industrial-Ports

Source: Labour Research Services/MNC Monitor: May 2014 South African Companies Operating Abroad

As shown in table 10 above, South African companies are slowly entering the Brazilian market. This might be because of less red-tape approach to economy by the Brazilian government. Again, Brazil seems to follow a free market economy approach on business entities. In 2012, the Airports Company South Africa (ACSA) won the bid to expand and maintain operations in one of Brazil's busiest airport, Guarulhos in Sao Paolo (Makgale,

2012). South African companies have done exceptionally well in banking and finance sectors in particular the Standard Bank Group. This is a huge economic prospect for South Africa.

Table 13: South African companies operating in India

Company	Sector of Operation
SAB Miller	Food and Beverages
Naspers	Media
FirstRand Bank	Banking and Financial services
Altron	Industrial
Sanlam	Banking and Financial services
Adcorp Holdings	Health
Airports Company South Africa (ACSA)	Industrial-Ports

Source: Labour Research Services/MNC Monitor: May 2014 South African Companies Operating Abroad

Besada, Tok ad Winters (2013) notes South Africa has a limited success business story in India. The South African companies in India has so far been limited, with investments estimated at around US$250 million, spearheaded by the brewer SABMiller, First Rand (the first African bank to get an operating licence in India) and Airports Company South Africa (ACSA), which won a lucrative contract to rehabilitate the Mumbai airport (ACSA, 2013).

Table 14: South African companies operating in China

Company	Sector of Operation
SAB Miller	Food and Beverages
Naspers	Media
Aveng	Construction
Sanlam	Banking and Financial services
Discovery	Banking and Financial services
Standard Bank	Banking and Financial services
Exxaro	Mining
Sasol	Extractive Industry

Source: Labour Research Services/MNC Monitor: May 2014 South African Companies Operating Abroad

In China, South Africa is slowly entering the Chinese economy, but with a limited impact. The Chinese model of economy development has been so complicated due to the governments' increased participation and regulatory frameworks in business. However, Gelb (2010:21) notes that:

SABMiller is the second largest brewer in China, but again the sector is of limited significance. Around 10% of foreign mining companies in China are South African, and Sasol is likely in future to be the leader in coal to oil processing in China.

As seen from the tabulated South African business entities operating abroad, there remain a lot of hurdles. The 2014 Doing Business Report notes that South Africa within BRICS has more favourable business environment than other BRICS nations. The report ranks South Africa on number 41, followed by Russia which is 92, followed by China which is 96 and lastly Brazil which is 116 out of 189 nations (Doing Business Report, 2014). This is clear evidence in understanding how BRICS may not provide the ultimate opportunity for the internationalisation of South African business entities. However, Games (2004:29) refutes this by arguing that South African banks have managed to attain a competitive advantage in Africa and other BRICS nations such as Brazil, India and China as a result of their capital strength and technological capabilities. Such a move in motion may be elevated to a higher degree due to South Africa's membership in BRICS.

4.3.5 Industrial development and infrastructure financing cooperation

Industrial development and infrastructure financing cooperation is one of the mostly anticipated economic outputs of the BRICS nations. BRICS recognises that to attain economic development, industrialisation is the earnest route. As such, industrial and infrastructure development around the world tend to differ in detail but share common structural and modelling issues. Fundamental to industrialisation is the ability of countries to have access to capital and necessary infrastructure. This section as such specifically looks at the issues industrialisation and infrastructure financing within BRICS and how this will ultimately have a positive bearing on South Africa. Issues of industrialisation and infrastructure development in South Africa fall under the recent Industrial Policy Action Plan. The Industrial Policy Action Plan (IPAP) falls within two phases, the (2013-2014) and the (2014-2015). The IPAP aims to coordinate industrialisation so as to raise South African products competitiveness on the global platform. As such the IPAP is directly influenced by the National Development Plan vision 2030 which subsequently recognise the significance of the National Industrial Policy Framework (NIPF) as a blueprint to industrialisation in South Africa. The NIPF was adopted by the South African government in 2007. The IPAP's main reason of existence is to prevent decline of industry in South Africa. In this regard IPAP support industrial growth as well as diversification. Given the piece of legislative framework

that guides South Africa's plan towards industrialisation and infrastructure financing, how does its membership in BRICS bring possible opportunities?

Consequently, IPAP (2013:21) states that:

> South Africa's participation in the BRICS provides important opportunities to build its domestic manufacturing base, enhance value-added exports, promote technology sharing, support small business development and expand trade and investment opportunities. Innovative proposals relating to the establishment of a BRICS-led Development Bank contributes to enhanced financial support for domestic and sub-continental infrastructure and regional industrial integration.

Even though BRICS are posing a great threat to the established or developed nations, they still require industrial innovation and capital to finance its drive for industrialisation. In this regard, South Africa needs to diversify and upgrade its industrial base through increased domestic production structures and increase its private sector commitment to innovation. Will BRICS play that role for SA? As depicted by Coleman (2013) that BRICS have an infrastructure deficit of approximately US$4.5 trillion in a five year period. Fortunately BRICS have foreign exchange reserves amounting to the same figure, but the question will be whether such reserve will be converted to fund the infrastructure and industrialisation drive. This actually brings in the inevitability of the need for the BRICS Development Bank or the failure of BRICS.

Drawn from the political coalition approach which notes that coalitions contributes resources to be used. BRICS have made provisions to fund infrastructure and industrialisation drive. Through the BRICS Development Bank and the Contingent Reserves Arrangement (CRA), political coalition and international political economy approaches find relevance here. To begin with, the CRA will not directly fund the projects but acts as package of responding to shocks on international financial challenges. As rightfully noted by Pimentel (2013:280) that:

> […] a CRA would be the constitution of a multilateral agreement by which each country would commit resources up to a pre-established amount. Such resources, however, would make up a "virtual" fund in the sense that the reserves would continue to be under the control and management of the respective central banks until the time of an eventual "withdrawal" requested by one of the partners to face a liquidity crisis.

In spite of that, the issues of industrial development and infrastructure financing in BRICS is still unknown whether it will have the desired output. There is a predominance of unknown

aspects essential to its functioning, including total volume of resources and contributions by each country. This is further delayed by issues of structural basis which includes voting power, margins for adoption of specific decisions, need of a secretariat or not and working currency or currencies. Summarily, one can say that it is rather too early to ascertain whether such 'ambitious' ideas will be set in motion. Despite that, it is clear that its eventual success will represent an important qualitative change for the group and will signal the achievement of a higher level of internal cohesion.

4.3.6 The BRICS Development Bank: A vision?

The 2007/8 Global financial crisis and the 2009 Eurozone Crisis exerted some pressure on the WB and the IMF. The two monetary institutions did not do well in providing some response packages to this. This contributed to rising of concerns in particular from the developing nations. With this in mind, the emerging economies –BRICS in particular has taken advantage of the situation to stand their ground to call for the need of reform of the IMF and WB. As a response strategy, the BRICS made a proposal to establish a southern-led development bank. During the 2012 New Delhi BRICS Summit, the proposal was accepted and became one of the Summits strongest achievements as noted:

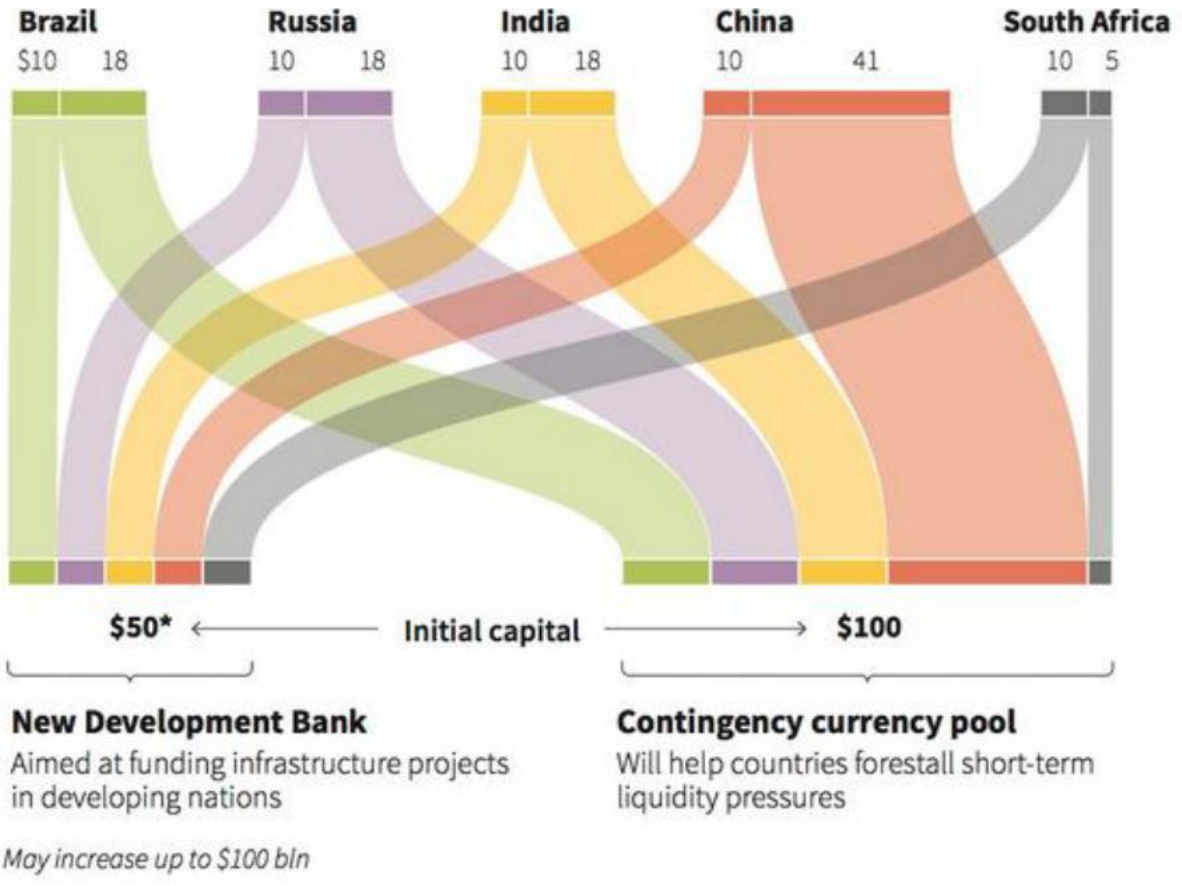
> …We have considered the possibility of setting up a new Development Bank for mobilizing resources for infrastructure and sustainable development projects in BRICS and other emerging economies and developing countries, to supplement the existing efforts of multilateral and regional financial institutions for global growth and development (Article 13 of the BRICS Summit in New Delhi, 2012).

On 16 July 2014, BRICS launched the New Development Bank[45]. This bank has a huge potential for South Africa. From the Fortaleza Summit of 2014, the BRICS Development Bank will focus on providing an alternative to the Global North led financial and monetary institutions. The *operation mundus* of the development bank is not clear at the moment, but the bank was established to provide financial support for infrastructure development project in the Global South (Agreement on the New Development Bank, 2014). Therefore, the bank may offer some development packages for BRICS and non-BRICS developing nations on areas of trade, industrialisation and information sharing on development trajectories. At the moment, the bank will have a US$50 billion capital which is equally contributed by the five nations (Agreement on the New Development Bank, 2014). The bank will be permanently

[45] For more details, See: http://timesofindia.indiatimes.com/business/international-business/BRICS-Development-Bank-launched-first-president-to-be-from-India/articleshow/38440605.cms

headquartered in China. The bank's president will be appointed on rotational basis and the first president will come from India. The first board chairman will be from Brazil. South Africa has BRICS Development Bank regional office. This regional office will serve the African continent. For the fact that China has permanent headquarters, this implies that China will have the influence in this bank. Except from the BRICS Development Bank, the Fortaleza summit led to the operationalization of the CRA. China is expected to contribute US$41 billion, while India, Brazil and Russia will each contribute US$18 billion and South Africa will contribute US$5 billion respectively. This in itself implies that China will have the biggest voice, share and influence followed by a *same voice* scenario of Russia, India and Brazil and the *least say* scenario of South Africa situation. One conclusion emerges then; the Development Bank and CRA may necessarily disburse funds on Russia, China, India and Brazil's vote (BRICS Summit in Fortaleza, 2014).

Figure 4: BRICS Development Bank and Contingent Reserve Agreement Analysis



Source: Reuters, Online: Available at http://wef.ch/1zQI5O1 (Accessed on 17 July 2014)

The Development Bank may offer a huge opportunity for the post-financial crisis reconstruction. The financial crisis era created many challenges for these emerging economies. These challenges include exchange rates adjustments as already witnessed by the growing tension between the US dollar and the Chinese Yuan. Imperatively, the launched development bank has an opportunity to establish new or an alternative funding mechanism for short to long term projects. This has an opportunity for South Africa to develop its regional integration agenda due to high probabilities of capital investment. This may lead to boosting of technology transfer and skills development capacities through research coordination within the BRICS nations (Zou, 2013).

Banks from the Global South such as the Asian Development Bank, Inter-American Development Bank and the African Development Bank have made financial donations to the developing nations since the beginning of the Global Financial Crisis and the Eurozone Crisis (Prada, 2012). In the light of dwindling developed nations financial contributions, the Global South led regional banks and individual nations such as China, Brazil, Russia, India and South Africa acts as alternative donor states to the developing countries (Moore, 2014). The Development Bank will likely adopt the same model of operation. It must be noted that the BRICS Development Bank will not replace the existing international and regional financial and monetary institutions. The bank will add an alternative to the already existing pool of financial institutions. This might have a direct bearing on improving the so called South-South Cooperation (Zou, 2013).

The establishment of the development bank has created much hype and hope in particular from the Global South. Since the BRICS Development Bank is launched, it might take few years to operationalize. Key operating rules are still being finalised, but issues of banks currency are not yet been divulged to the public. South Africa as a member may see this as a possible opportunity, but there are also possible risks, constraints and uncertainties associated with this initiative (BRICS Summit in Fortaleza, 2014).

4.4 Socio-Cultural prospects

Using the constructivism approach which makes use of ideas, interest, beliefs and identity as key components to shape international relations, South Africa stands to benefit from the

socio-cultural experiences drawn from other BRICS nations. The BRICS socio-cultural practises are diverse. But there is a lot to learn from that diversity which acts as a strong bond. Socio-cultural prospects are envisaged within broader spectrums of ideas, values and practises that offers to a certain degree a rejection of western nations models of development. This includes a range of social welfare practise to ensure a rise in human development index. South Africa has an opportunity to understand such a diversity which can be extended to tourism industry. Since South Africa became a BRICS member in late 2010, the Department of Home Affairs has received quite a huge number of Chinese, Brazilian, Indian and Russian tourists. What is imperative about this is the ability of South Africa to integrate cultural exchanges ultimately leading to tourism industry boom. This involves hotels, national parks, games and reserves facilities, and also national monuments. As noted that:

> In area of tourism, joint initiatives by official tourism promotion agencies arouse interest in private sector….. These initiatives could also include information and educational exchanges with official, wherever required (BRICS Report, 2012:178).

Additionally, South Africa is already harnessing cooperation in issues of food security in particular with Brazil's robust agricultural sector. Fortunately, BRICS nations are among the major producers, consumers and exporters of agricultural products. This ability to produce exportable products is already being shared amongst the countries through research and innovative and skills development approaches to agriculture. Furthermore, South Africa is already benefiting from increased socio-cultural community based development initiatives such as the *Bolsa Familia*[46] and *Minha Casa, Minha Vida*[47] in Brazil through experiences sharing (Webster and Hurt, 2014). Since 1994, South Africa has also designed the *Reconstruction and Development Programme (RDP)* housing scheme and the *Social Grants Scheme* which works exactly the same way as the *Bolsa Familia* and the *Minha Casa, Minha Vida*. In India, the central government has introduced the *Indira Aawas Yojna*[48] housing scheme and the *Mahatma Gandhi National Rural Employment Guarantee Act*[49]. Based on constructivism, the sharing of socio-cultural experiences on development matters already signals the benefits for South Africa in BRICS (Webster, 2014).

[46] *Minha Casa, Minha Vida* is a social housing scheme designed by the Federal Government of Brazil to help provide adequate housing needs for urban dwellers.
[47] *Minha Casa, Minha Vida* is a social housing scheme designed by the Federal Government of Brazil to help provide adequate housing needs for urban dwellers.
[48] *Indira Aawas Yojna* is the flagship rural housing scheme which is being implemented by the Government of India with an aim of providing shelter to the poor below poverty line.
[49] A national scheme in India in which people volunteer to work for 100 days of unskilled manual work in rural areas to improve the livelihood and security of people staying in rural areas

South Africa has learnt a lot in particular from other BRICS nations on issues of transport service improvement in urban areas. The current *Rea Vaya*[50] transport system in Johannesburg has great resemblance from the Brazilian and Chinese urban transport systems. Already, BRICS is working on creating institutions to promote educational research and development. South Africa is benefiting from the BRICS Bibliographic Catalogue, BRICS Think Tank Symposium and the BRICS Business Council which are acting as institutions of collaborative approaches to areas of common interest (BRICS Report, 2012).

4.5 Political prospects

O'Neil (2001; 2003) in his predications saw BRICs as an economic bloc. Some authors such as Stuenkel (2013) among others see BRICS as more of an economic front than a political bloc. Arguably, I consider BRICS as both a political and an economic led bloc but with more emphasis on economic considerations. A wave of diplomacy which is knitted within a Westphalian state system is a typical political reality in BRICS. But there is a big imagination in which the BRICS platform exerts a great deal of reform in the governance echelons. Below is a summary of key potential political prospects for South Africa in BRICS.

4.5.1 South Africa's global position

South Africa's global position stands to be elevated to a bigger podium than it used to be. This is witnessed by South Africa assuming a middle power global player that is actively involved in various international organisations such as the SADC, AU, UN and its Agencies, IMF, WB and WTO. This is further reinforced by South Africa's activeness and membership in regional and multilateral alliances, networks and organisations such as the IBSA, G20, BASIC and G77+China to mention a few. BRICS are playing a pivotal role in reshaping global governance and financial and trade architecture. This has huge potential diplomatic gains for South Africa. South Africa is gaining diplomatic bargaining power in global politics. Diplomatic bargaining power comes with a political voice that is in most scenarios backed by China, Russia, India and Brazil. As noted by Dube (2014)

> The political gains of South Africa in BRICS are all centred of the bigger voice bigger influence scenario. Imagine a situation where South Africa is speaking to an issue as South Africa and a situation where South Africa is speaking to an issue backed by China, Russia, Brazil and India. That changes the dynamics completely. South Africa in BRICS has a more amplified voice (Dube, 2014).

[50] Rea Vaya (which means "we are going" in Scamto) is a bus rapid transit system operating in Johannesburg, South Africa

Narnia Bohler-Muller from the Human Science Research Council-South Africa noted that:

> South Africa is strategically important to BRICS because it's a member of IBSA, with India and Brazil, it almost seemed strange to leave South Africa out of the group-(BRICS). And politically, South Africa still stands on the high moral ground and can use it amplify its voice on global issues (Bohler-Muller, 2014).

Webster of the Chris Hani Institute notes that some analysts, argues that the entrance into the BRIC will allow South Africa to positively contribute to key global governance and democracy issues, and to demonstrate its leadership on issues such as conflict resolution, security, reconstruction and development (Webster, 2014). To date South Africa has participated on various issues of conflict resolution in particular in Africa. Enshrined within the diplomacy of Ubuntu, South Africa is believed to spread Ubuntu to other BRICS nations as a way of integrating global governance issues. A geopolitical locus notes that South Africa's membership also generates geographic representations for Africa both within the BRICS group and in international forums. This representation of the interests of the African continent and BRIC countries, allows the group to speak more widely on behalf of emerging economies and arguably on behalf of the developing world (Besada, Tok and Winters, 2013).

4.5.2 South Africa in BRICS: Continental re-configuration or re-orientation?

As depicted by the 2011 South African Foreign Policy document entitled, *Building a Better World: The Diplomacy of Ubuntu* that:

> The developing world, especially Africa, has a limited voice and participation in the decision and policy making processes of the global trade, economic and financial institutions. This weakens the world's response to the developmental agenda of Africa and the South. A continued over-emphasis by the developed world on issues of peace and security undermine efforts to deal with the root causes of poverty and underdevelopment. To address this imbalance, South Africa will promote the increased alignment between the developmental agenda of Africa and the South and that of global organisations. In this regard, South Africa will work in partnership with the other African countries to forge a collective vision (South Africa's Foreign Policy Paper- Final Draft, 2011:24).

Chapter 7 of the National Development Plan Vision 2030 of South Africa rightful proclaim that:

> We are Africans. We are an African country. We are part of our multi-national region. We are an essential part of our continent. Being Africans, we are acutely aware of the wider world deeply implicated in our past and present (NDP, 2013: 215).

Given the above, one can see that South Africa's position in BRICS is contributing to a certain level of continental re-orientation in which issues of economic development and integration have assumed a centre stage (UNECA, 2013). This re-orientation comes from the fact that South Africa dominates the region in terms of economic development and the GDP Purchasing Power Parity. South Africa has the requisite economic capability and levels of diversification that are required to drive economic integration. This will have a direct bearing on issues of technology transfer, poverty reduction, social development and the collective protection of the environment (Besada, Tok and Winters, 2013).

During the 2013 BRICS Summit, South Africa made a task of driving the theme towards fostering of economic partnership as pathways for industrialisation and integration. In this regard South Africa's economic weight and growth spill-over effect has traditionally underpinned its key role in trade and economic integration initiatives within the framework of SACU, COMESA, EAC and SADC regions. While some (for example Games, 2012) see South Africa as a regional representative, other critics like (Bond, 2013) and Gumede (2013) heavily refute that. As Bond (2013) and Gumede (2013) argue that South Africa's position in BRICS re-orient not re-configure Africa since the assumed benefits are considered to be marginal. In-spite of that, South Africa's membership may possibly contribute to diversification of investment and increased market access for these BRICS nations into Africa and the other way around. This has a potential to raise investors other than the traditional western countries. However, Besada, Tok and Winters (2013) argues that BRICS may reinforce resource extraction. The argument is shared by Bond (2013) who postulates that BRICS investors could prove detrimental to African countries as South Africa may facilitate further capital encroachment and exploitation. This could possibly impose a new threat of neo-colonialism. This totally changes the dynamics of how Africa should be seen in the conduct of international relations.

4.5.3 Global governance reform agenda: A mirage?

It is widely acknowledged and claimed by many scholars that main political reason which led to the formalisation of relations between BRICS nations was the need to reform UN and other global governance organisations such as IMF, WB, and WTO. Reform Agenda has been a burning issue in particular from the Global South (Stuenkel, 2013). The burning desire of the BRICS is to see the IMF and WTO being reformed. Dailami and Masson, (2011) argue that a reformed IMF has better opportunities for Global South. If the reform is to come, definitely

to come-South Africa will be among the beneficiaries of a just and equitable world order. In light of the above, Bohler-Muller argues that:

> One of the pillars for the establishment of BRICS is the need to champion the reform agenda of global governance- IMF, WB, WTO, UNSC….(Bohler-Muller, 2014).

Naidu also reiterates that:

> South Africa in BRICS has more power than South Africa outside or being alone. Influence that come from multilateral actions has a great opportunity for South Africa to influence reform more effectively than if it was on its own (Naidu, 2014).

Global governance reform agenda provides a huge potential for South Africa in BRICS. A reformed world order will resemble an architecture of international relations which is based on mutual respect for human rights, diplomacy of Ubuntu, realisation of socio-economic development amongst other ideas, values and needs of developing countries (Naidu, 2013). Within BRICS, a new realm of governance is promising which is enshrined within political solidarity spectrums. This implies that BRICS is even ambitious to attain a more political led voice. This will influence the power correlations between economics and politics.

4.6 Conclusion

As a serving member of BRICS, South Africa relations have been dominated by issues of trade and investment. However, South Africa's investment and trade with other BRIC nations (except for China and India) are still conservative. In fact, South Africa seems to enjoy more trade growth with Africa than BRICS. This is a reality check which has often been painted white by the BRICS's media powerhouses. Such difficulties in contributing to growth in intra-trade within BRICS may be attributed to the bureaucratic hurdles. It is difficult for other BRICS members to penetrate the economies of Russia and China due to their closed economic set-ups. The situation is made worse by high *red-tape* practise in these two countries. Even though there is high hope for an increase in trade between South Africa and other BRICS, available trade data as presented above, depict rather the unlikelihood of seeing the so called *Preferential Trade Agreement* anytime soon. This has only one end: which is increased parallel bilateral trade and investment agreements which may contribute to the development of trade related conflict of interest.

Lastly, South Africa has the potential to increase its trade engagements with BRICS to its benefit, but at the moment, the gains are marginal. While the media has to a certain extent articulated that South Africa is vehemently benefiting from the BRICS forum, the chapter

shows that South Africa's benefits are moderate. This actually calls for South Africa to have a clear and well-articulated policy position in BRICS. Otherwise it will be just a bandwagon-with no real tangible benefits, this might even be a risk that South Africa will be exploited. The chapter also noted that there is direct correlation between an increase of wealth on trade and investment with an increase of power, influence, values and ideas. This is a typical scenario occurring in BRICS. After having unpacked the possible opportunities for South Africa in BRICS on basis of trade, aid, investment and political influence, the next chapter turns to the constraints that already confront South Africa as a BRICS member.

5.0 Chapter 5: The Constraints for South Africa's participation in BRICS

5.1 Introduction

While there has been hype and celebration by South Africa for its inclusion in BRICS, there has been little engagement with the actual constraints that South Africa is already facing or will face in future. South Africa's position in BRICS has tremendous constraints, challenges and risks which have been partly neglected. Such constraints as this chapter shows have been minutely expressed by Jim O'Neil. This chapter attempts to unpack such risks, challenges and constraints. From a geopolitical perspective, South Africa suits well in BRICS, but it is punching above its weight (Draper, 2011). As noted earlier in the preceding chapters, the country has the smallest GDP and population amongst other weaknesses, which could threaten its competitiveness[51]. Its economic development progress has been lagging behind the other members which could possibly constraints South Africa's ability to exploit opportunities in other BRICS nations. The current labour force instability in the mining industry has a great setback in positioning South Africa's BRICS membership. While China is the backbone to BRICS, its labour practises and goods dumping practises are areas of great concern for South Africa.

On a short and long term scenario projection, South Africa has a possibility for high returns in particular within trade and investment circles. It is imperative to unpack the political, economic and social constraints for South Africa in BRICS. This raises questions why China and Russia in particular chose South Africa other than nations such as Indonesia, Turkey, Vietnam or Nigeria which fits well within O'Neil next 11 trajectories (O'Neil and Stupnytska, 2009). By extension, this chapter looks at potential risks and uncertainties for South Africa which are often unstated. Based on issues of governance mechanism and approaches, BRICS do not have enough in common to sustain a shared institution. BRICS have different political systems in which Brazil has a thriving model democracy approach. Russia deeply entrenched in an oligarchical model (Urban, Igrunov and Mitrokhin, 1997). China entrenched in a communist undemocratic and dictatorial model, while India has a thriving model democracy with South Africa having a model democracy as well. This might be an area of friction. Since local systems have a direct bearing on the international stage,

[51] Conceptually speaking, economic variables are not the only factors that may limit South Africa's competitiveness, internally labour instability, and socio-economic inequality and the broader global economic recession all contributes to South Africa to be less competitive as compared to other BRICS nations.

frictions arise in particular on foreign policy orientations. This chapter explores the possible areas of frictions within BRICS and how that ultimately affects South Africa. This should ring alarm bells for South Africa as there might be some elements of future conflict on political and economic priorities. South Africa's domestic handicaps and lack of 'dearth' diplomatic resources in comparison to other BRICS nations may prove to be a major constraint towards effective participation in tapping opportunities available in the group. Additionally, South Africa's membership in BRICS may render the ineffectiveness and loss of touch for the IBSA platform. However, this is a bone of contention as some critics tend to see the forums serving different agendas and ideals altogether in comparison to the so called 'unfocused BRICS' (Besada, Tok and Winters, 2013). In order for one to realise the possible areas of conflict in BRICS, there is need to first explore the governance systems (economic, political or social) of each country and how that will affect their capacity to operate as a unit. Given the limitations which have been faced by South-South Cooperation frameworks such as IBSA, BASIC, NAM and others, will BRICS not fall in the same trap or pit? And what implications will this have for South Africa.

5.2 Political risks and uncertainties

Political risks and uncertainties are often common problems associated with membership in forums and international organisations. Even though it is too early to judge the extent of the political implications and ramifications for South Africa in BRICS, this section specifically addresses issues of governance and accountability, which manifest well within foreign policy identity considerations.

5.2.1 Incompatible governance structures

BRICS tend to see the for a world order that is de-linked from western institutional orientations, but they seem not to agree on how that world order should be built on, rather how it should look like. As noted by Memory Dube that:

> BRICS have had a couple of misses in the past. The issues of leadership of the IMF, WB, and the resolution of Syrian and Libyan crisis are a couple of misses recorded to date. They did not put a united stand which is contrary to what the G7 does. Yes the G7 have their internal problems and disagreements, but they put a united stand on issues of global concern, of which the BRICS have failed to do. This actually resembles an area of incongruence on what they really want (Dube, 2014).

As noted by Shleifer and Treisman (2005) that Russia's economic and political systems remain far from perfect. Shleifer and Treisman (2005) argue that those in power are accused

of manipulating elections through control of the state media, harassment or censorship of the independent press and use of judicial and administrative levers to intimidate or incapacitate rivals. It has remained difficult to really assert the democracy of Russia, but Colton and McFaul (2003) have named Russia a 'managed democracy'. Such a tittle 'managed democracy' emerges from the view that the prolonged economic growth would be conducive for democracy, for it will grow a middle class that will demand freedoms, accountability and transparency government in the near future.

Moving to China, the considered red-tape administration has challenged the world economic superpower, the United States by its recent economic boom. Though China might be termed a Communist led nation, Fewsmith (2008) has proved otherwise. China is a nation that has undergone serious economic reforms that has been shaped by the Washington Consensus (Ban and Blyth, 2013). What China under Deng Xiaoping did was to follow a state led neoliberalism approach (Vogel, 2011). This is a scenario of a state capital monopoly enshrined within the so called State Owned Enterprises (SOEs). In 2004, China published the Beijing Consensus as a combination of Washington Consensus mixed with state monopoly (Fewsmith, 2008).

But is China democratic? No. China is considered undemocratic due to its one party system enshrined within the Chinese Communist Party. China tends to supress people in particular in labour issues through its state led capitalism. As noted by Ziyang (2009); Teiwes and Warren (2004) that the Tiananmen Square Massacre, which crushed a student led democratic movement in 1989, is a clear example of the authoritarianism. There is no freedom of press and expression in China which altogether limits the concept of democracy. In China the CCP has always assumed an authoritarian status in issues of public participation for an ordinary Chinese (Saich, 2004). The question of China being democratic or not is very important in bringing contextual comprehension of liberal economy and managed democracy analysis. This is a typical scenario in BRICS in which there are contradictory development frameworks between Russia and China on one side and South Africa, India and Brazil on the other side (Lukyanov, 2011). Such contradictions in economic development frameworks have provided limitations for other Global South institutions such as NAM, G77+China amongst others. This brings limitations for the BRICS forum to clearly articulate a common position in

addressing global economic inequality ratios. For China, state and party control of the economy matters a great deal. China thus develops an industrial policy that targets economic development. China as a nation has maintained firm grip over the economy to ensure that such industrial policies developed are meet and realised (Fukuyama, 2012). Rueschemeyer, Stephens and Stephens (1992) make some attempts to explain this as portrayed in their book; *Capitalist Development and Democracy*. What is imperative about the book is the ability of the trio to delineate economic development trajectories from political ideology positions. The case has been altogether different for Brazil, India and South Africa.

> Democracy helps development through the accountability mechanisms it installs for limiting the abuse of executive power, and provides a system of periodic punishments for undesirable government interventions in the economy and rewards for desirable interventions (Bardhan, 1990:13).

This has been a typical scenario occurring in Brazil, India and South Africa. Bardhan further pose that accountability in its actual essence is very important as failure to do so results in economic disasters as witnessed in Soviet Union during the late 1980s. India, Brazil and South Africa have proved that democracy is really a variable for economic development. Economic independence and freedom ensure property rights. This is a huge incentive that ensures production and exchange of goods and services. As witnessed in India, Brazil and South Africa that political democracy has enormous indirect effects on growth through human capital accumulation, income distribution, and political stability (Baum and Lake 2003). Alesina et al (1996) argue that the presence of democratic institutions in a country positively affects the level of economic freedom. Bhagwati (1995) and Rodrick (2000) note that India, Brazil and South Africa provide higher quality growth through predictability and stability forecast of the economy in the long run basis. This was the prime reason why Jim O'Neil managed to give a long term forecast of BRIC.

This view is further supported by Heller who did a comparative study on South Africa; India and Brazil. Heller (2001) argues that the prevalence of democracy and development in India (Kerala), South Africa and Brazil (Porto Aligre) has been the presence of a central state capacity. Availability of central state capacity has contributed to the development and coordination of various levels of governance from local to national government. Presence of a central command structure has the ability to help China and Russia to strengthen their

economic development policies. This might be a positive note for China and Russia to capitalise on.

Given the governance structures between South Africa and Russia and China in particular, what are the possible future political risks and uncertainties in governance issues? Will South Africa adopt governance models of China and Russia? And will South Africa also export its human rights promotion agenda as a principle on foreign policy architecture for the broader BRICS group? As such, responding to the above questions, there is potential that South Africa will lose its governance structures identity adopting pro-Chinese and Russian models (Kurlantzick, 2006). On basis of human rights promotion agenda, it is difficult for South Africa to influence BRICS policy agenda in particular to traditional and powerful hegemonies such as China and Russia. These are established nations that value state sovereignty and undermine intervention as evident in Syrian and Libyan crisis.

Recent evidence has already highlighted that South Africa is slowly eroding its governance mechanism adopting the Chinese and Russian models. China and Russia have ministry of communications which are used as instruments of state propaganda. The 2014 cabinet portfolios have seen South Africa appointing a new ministry of Communications (De Wet, 2014). This ministry in its entirety is influenced by the Chinese and Russian models. Additionally, ANC continues to run the affairs of the nation. Though a multi-party nation, ANC dominates and enjoys monopoly of power in South Africa-a typical scenario of the Chinese Communist Party (Brooks, 2004).

On economic governance issues, South Africa continues to import models of economic development for adoption and implementation in its domestic set-up (Fakir, 2007). A typical example is of China's Industrial Development Zones (IDZ) or Special Economic Zones (SEZ) in which South Africa has adopted the same model. China introduced industrial development strategy through the SEZ or IDZ approach. SEZ can be defined as a

> Geographical region that has economic and other laws that are more free market oriented than a country's typical or national laws (April, 2012:107).

South Africa introduced the so called SEZ. As explained above, SEZ are economic zones that are considered more productive and as such require special economic preferential treatments. South Africa adopted this from China as a development strategy that was aimed at boosting economic development within the identified zones. April notes that,

> South Africa currently has four IDZs: in Port Elizabeth (Coega), East London (ELIDZ), Richards Bay (RBIDZ) and Gauteng (OR Tambo International Airport). Almost 10 years after they were introduced by the Department of Trade and Industry (DTI) with billions of rand invested, in January 2012 the DTI established that IDZs have been underperforming (April, 2012:108).

Another striking political risk and uncertainty on South Africa's membership in BRICS is the potential of dilution on moral obligations that governs South Africa's foreign policy objectives and interests. As stated by the 2011 White Paper on Foreign Policy, South Africa's foreign policy is based on a commitment for the protection and promotion of human rights. However, such a position has been jeopardized by its membership in BRICS in particular from China and Russia's influence. This has led to the development of incongruences and ambiguities in South Africa's foreign policy (Landsberg and Moore, 2013). South Africa's membership in BRICS is to a certain extent challenged by the inconsistence and ambiguous foreign policy principles and ideals. On one hand you see South Africa prioritising the African Agenda position which has now been considered rhetorical, while on the other hand you see South Africa prioritising China, India, and Brazil strategic bilateral relations[52]. This is further confused by the fact that South Africa promotes collaborations between the Global South and North. This totally gives no direction and identity for South Africa's foreign policy.

South Africa uses a pragmatic foreign policy approach (Tsipanyane, 2011). Besides, the complexity of the world and the challenges of globalisation require more than one policy approach (Grant and Draper, 2012). Evidence presents that South Africa's commitment to human right continues to be challenged in particular by its posture in responding to issues of human rights on a global scale. Picking from among many scenarios, South Africa proved its inconsistency in its foreign policy approach as witnessed during the 2011 Libyan crisis. As a

[52] I note that perhaps there is tension in South Africa's attempt to promote at once an African Agenda and a more narrow set of specific interest, informed by its membership in BRICS. As such, this tension is a problem and is currently incompatible in South Africa due to absence of enough capacity. This also contributes to conflict of ideological, economic, and political orientations and interest

bloc-BRICS, agreed a peace process to ensure peace restoration in Libya. But on the UNSC platform, South Africa chose to vote in favour of the so called Resolution 1973 in Libya-a military intervention which was hugely criticised by China and Russia. Additionally, the Zuma administration denied the Human Rights activist Dalai Lama a travelling Visa to South Africa (Aljazeera News Africa, 2014). Critics argue that China lobbied South Africa not to grant the visa. To concretise this, Bohler-Muller notes that

> The current President, Jacob Zuma, is a pragmatist who is focused on developing close economic relations with emerging global powers, including those that do not have strong human rights records like China and Russia (2013:372).

Such a trend has continued to grow and was evidently identified when South Africa chose to align itself with China and Russia to veto against the imposition of UN sanctions on Zimbabwe (Bohler-Muller, 2013). South Africa also abstained from voting on a resolution on Syrian crisis (Bohler-Muller, 2013). South Africa refused to recognise the legitimacy of the Libyan National Transitional Council (TNC) as interim government (Bohler-Muller, 2013). South Africa granted King Mswati III of Swaziland an economic recovery loan to a government that was alleged of serious human rights violations (Bohler-Muller, 2013). To date, South Africa chooses to denounce the legitimacy of International Criminal Court (ICC) siting allegations of double standards applications towards Africa (Bohler-Muller, 2013). ICC has embraced the responsibility to ensure that those responsible at human rights violations are brought to justice and surprisingly, South Africa denounces it[53]. This is clear that South Africa is losing its touch on its foreign policy ideals and principles of human rights protection and promotion. China and Russia have to a greater extent influenced South Africa's position in responding to human rights issues globally. So what does this imply for South Africa?

Looking at how situations are unfolding (both internally[54] and externally), the above backdrop shows that South Africa's participation in multilateral frameworks such as BRICS does not necessarily mean the ability to play a constructive and effective role in them. Rather, China and Russia within BRICS have polluted the moral fabric of South Africa's human rights record. This in most scenarios is seen by determinations which repeatedly surpass

[53] Not so surprising given global controversy that has surrounded the ICC since its inception. It has never been that clear that the ICC promotes human rights in a fair manner. This brings the issue of double standards in particular towards Africa

[54] For example the Marikana massacre and labour rights, which have been diminished in favour of economic growth

actual aptitude. To date, such exercises have proven devastating and tantamount to turbulence.

5.3 Socio-Economic constraints

Since South Africa is the smallest economy in BRICS, common sense point out that it may suffer the dire economic catastrophes, risks and uncertainties. Metaphorically, China, Russia, India and Brazil are in the same premier league, and South Africa is in division league. So what does this imply? First and foremost the industrial and manufacturing base for South Africa is weak in comparison to other BRICS partners. Secondly, South Africa is experiencing serious slow economic growth which is to a certain extent caused by the current Global Financial Crisis. Lastly, South Africa in BRICS has the highest unemployment rate. Then, is South Africa in the wrong club? The following section specifically addresses the economic ramifications for South Africa in BRICS.

5.3.1 Industrial and manufacturing incompetency

South Africa has industrial and manufacturing base that may not be competitive enough to face the fellow BRICS nations. Its membership in BRICS may lead to these sectors to be usurped by the established Chinese, Indian, Russian and Brazilian companies. South African manufacturing sector cannot face the competition of China, India, Brazil and Russia. This is a big economic constraint for South Africa in BRICS. South Africa's industrial and manufacturing sectors are small, weaker and less competitive as comparable to the other BRICS nations. In spite of the above, South Africa has the old industrial base equivalent to that of Brazil and China. South Africa has an open economy set up in which it promotes competition. But this has a potential implication for the domestic industrial and manufacturing bases which are old, but under rejuvenation. Consequently, the footwear and clothing industries among other industries cannot at the moment match the Chinese and the Indian conglomerates. This implies that domestic industries are going to cede their shares to the marauding giants from the BRICS partners thereby affecting South Africa's domestic industrial and manufacturing base.

South Africa's industrial and manufacturing base runs a risk of vulnerability in commodity and goods development capacities given the fierce nature of competition it faces from the BRICS nations. Situations are made worse by the shortage of innovative and technology in South Africa. Furthermore, South Africa has to date experienced a couple of problems with

its membership in BRICS. Firstly, China has been accused of dumping cheap, poor quality products in the South African market. This has contributed to the local producers lowering their market price of the commodities produced regardless of the production cost. Secondly, South Africa has had serious problems with the Brazilian poultry industry. The so called 'Samba' chickens are dumped in South Africa of which in most cases they are of poor quality and grade. It is until recently that South Africa has introduced the anti-dumping laws (Brink, 2012; Tao, 2006). But, this has to a greater extent affected South Africa altogether. This is a potential risk to the rainbow nation economy. Additionally, there are several dilemmas in which South Africa finds itself in as a member of BRICS for the fact that it is an equal competitor to the fellow BRICS partners. For example, South Africa clearly states that the other BRICS partners should tape Africa's resources via South Africa (Stuenkel, 2012). However, China and India together with Brazil often counter such a position by operating on a bilateral basis with African nations.

5.3.2 The slow economic growth scenario

From late 2012 to early 2014, South Africa has experienced serious slow economic development (World Bank Report on South Africa, 2012). This trend has been projected to continue. Unless drastic efforts are put in place, the projected 11 million jobs to be created by 2030 will die a dream (National Development Plan, 2013). This is a serious economic challenge which may render South Africa's membership in BRICS useless. Bohler-Muller made it explicitly clear that

> I don't see South Africa returning its membership in BRICS if it continues to underperform (Bohler-Muller, 2014).

While it is true that all the BRICS nations are experiencing economic retard, it appears to be worse for South Africa. Twala (2012) argues that the Marikana incident (of 16 August 2012) in which the miners rose against the Lonmin Plant management over allegations of poor working and living conditions resulted in serious economic catastrophes for South Africa's trade[55]. Mining is a very important and key sector within South African economic considerations. As portrayed by Van der Schyff (2012:131) that in 2009, mining contributed approximately 8.8 percent towards the total GDP, provided approximately 1 million jobs and created tax revenue of approximately 10.5 billion rand in South Africa. Furthermore, South

[55] Lonmill is one of the largest mining Plants in South Africa responsible at mining exportable products. The Marikana incident resulted in a stop of mining for quite a long time resulting in South Africa not exporting the mineral products.

Africa's slow economic growth can also be accounted to the issues related to the Dutch Diseases Scenario. A Dutch Disease Scenario is a situation in which the economy is mainly centred on one commodity as a tradable good with high return values as compared to other products. Brahmbhat, Canuto and Vostroknutova (2010:1) notes that Dutch Disease as a

> term refers to changes in the structure of production that are predicted to occur in the wake of a favorable shock, such as discovery of a large natural resource or a rise in the international price of an exportable commodity that is perceived to be permanent.

South African Dutch Disease scenario occurs within concentrated circles of the mining sector in which gold, platinum and other mineral products have been the dominant exportable products over the past decades. The current economic crisis has to a greater extent affected the market price and production cost of these minerals to an extent that South Africa's economic growth has been stagnant. Bearing in mind that South Africa's comparative advantage in BRICS comes from minerals (mining), the Global Financial Crisis and the Marikana incidents have affected South Africa. Regardless of that, South Africa's manufacturing and agriculture industry though partially strong, has been dully attached to mining and as such mining commands a measureable size of influence in the economic development circles. Slow economic growth coupled with other factors has resulted in many ills for the socio-economic development of South Africa as a nation.

This is to a certain extent blamed on the legacies of apartheid in which the economy has been focused mainly on exports of primary products which have low value. Such an economy driven by export of primary products of low value has resulted in high unemployment rate. Situations have been made worse by the 2008 to 2009 Global Financial Crisis in which it is estimated that South Africa lost approximately 870,000 jobs (Department of Treasury, South Africa, 2013). To date statistics of unemployment are so high and it is a real ticking time bomb. This alarms the possibilities of a youth 'spring'. According to Statistics South Africa in conjunction with the Department of Labour, it is estimated that by 2012, 4.47 million people were unemployed (StatSA, 2013). Of these 4.47 million people, 49.8 percent of them are women; 59.3 percent did not complete grade 12 and 6.3 percent have tertiary education. From a race perspective analysis of unemployment, statistics notes that 52.7 percent are African and Coloureds; 9.5 percent are Indians and about 5.7 percent are Whites. Situations are made worse considering that youth comprises an approximation of 50 percent of total

unemployment in South Africa (StatSA, 2013). Youth unemployment in itself is a barometer for crisis. In BRICS, South Africa stands way above the rest in terms of high unemployment rate estimated to be at 20 percent, while India, Brazil Russia stand at 8 percent and China stand at 4.5 percent (BRICS Joint Statistics Report, 2013).

Situations are made worse in particular by the Chinese labour policies. China is accused of bringing its own pool of labour for industrial and other construction purpose in Africa and South Africa. China does this as a mechanism to reduce labour cost. This has many problems as South Africa loses tax revenue from these employs. However, such a practise may to a certain extent be blamed on unavailability of skilled labour force to suit the Chinese demands. As a result of this, South Africa has developed high levels of unemployment and socio-economic inequalities. Though to a certain extent can be blamed on apartheid, the crux of the matter remains on the post 1994 government failure to address the concentration of capital flows and diversification of the economy. The Mandela, Mbeki and partly Mohlante era shelved this problem. Issues of this nature are difficult to suppress, a reason why they are emerging during Zuma's era.

The situation is made worse by the current financial liquidity crisis affecting the world. Unfortunately, China continues to make it worse by its currency devaluation practises. By definition currency devaluation is a process within which a nation's central bank implement a monetary policy which makes its currency to lose value relative to other currencies on the foreign exchange market (Zhao and Xing, 2006).

> It is presumed that the devaluation initially tends to reduce the foreign prices of the country's exports in proportion to the devaluation. At these reduced prices, foreign demand for the country's exports will be increased, thus tending to bid up the foreign prices of these exports part-way back toward their pre-devaluation levels (Alexander, 2009:263).

Besada, Tok and Winters (2013) raise a very critical observation that South Africa is experiencing negative implications on its trade with China due to current devaluation practises (Alexander, 2009). This will have far reaching consequences for South Africa and to a certain extent the effects are being felt-throughout Africa. As noted somewhere else that the economy of South Africa has been dominated by finance capital and owners of mineral-energy resources who are not prepared to share their resource to redress issues of inequality.

Changes in quantity of export from gold to platinum have to a certain extent exacerbated the situation of high inequality. To a certain extent, this can be blamed on globalisation which has torn apart tariffs and trade barriers that protected manufacturing, and the influx of cheap manufactured goods. This in itself has contributed to local industries to decline in production. Already the over-reliance on export led economy has proved detrimental for South Africa as it cannot balance between economic growth and issues of equity. Things seem to be falling apart for the former biggest economy in Africa[56]-slow economic growth coupled with high unemployment, poverty and growing inequality which all in all is a recipe for disaster[57]. So what picture does this read for South Africa in BRICS? China, India, Brazil and Russia are big economies in which the so called economic engagements have high return risks for South Africa. This proves that South Africa's membership in BRICS was entirely based on the brotherhood solidarity and the need to bring legitimacy from the Global South with an African nation included. Situations are made worse by the domestic ills facing South Africa which equally challenges the sustainability of South Africa in BRICS for the next decades to come. Maybe we should start considering and preparing for an exit of South Africa in BRICS. With this in mind, South Africa is faced with a great pool of limitations. Instead of South Africa being an 'equal player' it assumes an unwanted 'observer status' in BRICS. South Africa has assumed the position- 'what will BRICS offer us'. Such a position brings limitations for South Africa. This will pose a great threat to the renewal agenda of South-South Cooperation.

5.3.3 Trade barriers and closed economy set-ups systems

To date South Africa does not have PTA with China, Russia, India-except for Brazil, though not operational as presented in chapter 3. Joint BRICS and WTO study on BRICS trade show that there are lot of bureaucratic barriers to trade in BRICS. The situation is made worse by the closed economy set-ups of India, China and Russia. Though South Africa has adopted an open economy set-up premised within neo-liberal orientations, its industrial base is still weak and cannot match the competition of other BRICS partners. Liberal approach to trade includes lowering trade barriers and reduced capital control. These practises are good but South Africa runs a risk since its economy though diversified, is mainly based on one

[56] As of May 2014, Nigeria had surpassed South Africa as the largest economy in the Africa

[57] This situation cannot be assigned solely to conditions in the world economy; the South Africa government has been slow to redistribute wealth. Internal problems such as unemployment, limitations in wealth distribution among others are also responsible at preparing this recipe for disaster. The limitation with which the government is facing in dealing with issues of wealth distribution is another factor which is not attached to the external factors as explained above.

commodity export-minerals. This has a potential implication for South Africa running the risk of so called entrenched 'asymmetrical patterns of trade' which reflects well within the so called trade deficit scenarios. Unfortunately, scenarios in other BRICS nations have been different. Consider Russia, China and India-they have adopted the so called protectionist approaches. The practise is still prevalent today, and by so doing, this limits South Africa's opportunities in this grouping to mere fanfare trajectories[58]. It is considered very difficult for a nation to penetrate the Russian and Chines economy on basis of trade since the central government always acts as the regulatory framework that often hinders foreign entities. However, this does not wholly dismiss that South Africa is trading and penetrating the Chinese and the Russian economies. Given the statistics, one is forced to recognise that the quantitative figure speaks volume in unpacking the bureaucratic hurdles South Africa faces as depicted in chapter 3.

Besada, Tok ad Winters (2013) argue that if the free trade arrangements which are expected to be signed and ratified are operationalized, South Africa will have the greatest disadvantages. South Africa is bound to have to concede better access to its market for BRIC manufactured exports, and there is a danger that it will be induced to yield more than it gains. Already in Africa, South Africa is facing fierce competition. Surprisingly, Africa is the major economic backbone for South Africa's trade. Dailami and Masson (2011) posit that if the BRICS manages to establish the planned development bank, South Africa will suffer currency volatility. This comes with the notion that as part of the developing nations, South Africa will continue to use foreign currency to carry transactions with the rest of the world. However, globalisation has brought with it issues and fluctuations in multicurrency monetary systems (Dailami and Masson 2011).Currency fluctuations and Chinese currency devaluation practises will affect South Africa's share in the world trade and foreign exchange reserves. This is a negative connotation.

5.3.4 Language diversity as a barrier

Language is a barrier to international trade, business and relations in particular when the countries involved share different languages. Globalization has to a certain extent exacerbated the situation (Lauring, 2008). Thus, language affects almost all aspects of

[58] Please note that protectionism is not an exclusive practice the BRICS, it is also widely used by developed countries, however one would expect that since they belong to the same forum with reformation agenda , trade was supposed to be free-specifically in BRICS.

everyday life in international relations. The issue of language barriers is particularly critical during intercultural service encounters (Henderson, 2005). Even though South Africa may tap from the cultural diversity in BRICS, the issue of language is really an arduous process. From the Brazilian Portuguese, to the Russian-Russian language, to the Indian English, to the Chinese Mandarin and South Africa English-all proves to be a difficult barrier. One of the officials at the South African Department of Trade and Industry remarkable noted that translating documents from China, Russia and Brazil is really a process. This takes time in most cases to de-construct policy documents written either in Russia, Chinese or Portuguese. Situations are even made worse in terms of Visa requirements and applications since they will need to be translated in most scenarios to domestic languages of these nations. These are some of the bureaucratic hurdles which constraints South Africa to fully tap and embrace available opportunities in other BRICS nations.

5.4 Conclusion

The chapter examined the political and socio-economic constraints for South Africa in BRICS, specifically on issues of political, economic and social echelons. The chapter also traced the domestic challenges which South Africa is facing and how that can possible contribute to increased constraints for South Africa in BRICS. This will have detrimental results as issues of high unemployment, socio-economic inequality and crack-down in labour supply will ultimately affect the total economic output of South Africa. After having assessed the available constraints for South Africa in BRICS, the next chapter gives a concluding overview of the research by examining the key research findings.

6.0 Chapter 6: Summary and conclusions

This work started with an appraisal of South Africa's participation in BRICS. This appraisal was made possible by exploring the prospects and constraints for South Africa's participation in BRICS. Broadly, I have joined the BRICS-Global South debate by attempting to conceptual link the two. Such an attempt thus, locates BRICS within an operation framework of South-South Cooperation. This was made possible by use of different entry points-or angles of analysis such as the international political economy approach, the social constructivist approach and the political coalition approach. These theoretical cornerstones lend support to a thorough analysis in understanding South Africa's opportunities and challenges in BRICS. Specifically, the study explored the potential prospects and constraints for South Africa in BRICS on issues of trade, FDI, investment, global governance and also socio-cultural aspects. This chapter thus presents a summary of the key research findings.

This dissertation has traced the emergence of BRICS from three main angles of analysis. These include the role of Jim O'Neil projections, the role of diplomatic negotiations of BRICS nations and the effects of the 2008 global financial crisis. By mapping the rise of BRICS from these three contours, the study also restored the significance of history in the current global political order. Thus, South Africa's present standing in international relations is greatly shaped and enhanced by history. This history has enabled South Africa to have membership in various international organisations, multilateral forums and regional political and economic development frameworks among other factors.

6.1 Key research findings

An analytic approach was used as an attempt to establish the extent of South Africa's benefits and risks in BRICS. The study of South Africa in BRICS proved relevant since it was a nation that is currently deemed unworthy and unfit to be in BRICS (O'Neil, 2001; O'Neil, 2003; Stuenkel, 2013). Many of these narratives about South Africa being unfit to be in BRICS have been written out of discourse of the Global South, or have been written from a Global North perspective that is resentful of the possibility and potential of BRICS. Regardless of that, the research outcomes are useful and can be further developed to assess case based thematic considerations for South Africa in BRICS. Multiple realities were found with regard to South Africa's position, membership, participation and potential prospects and constraints in BRICS.

By appraising South Africa's participation in BRICS from a historical trajectory merged with current realities, the study has indicated that though South Africa is a junior member in BRICS, it is much stronger than actually portrayed by the Global North based literatures. South Africa in any case is not a weak power in BRICS and this has been a key flaw presented in most available literature on South Africa and BRICS. Actually, South Africa is contextually in a position of strength in particular from an Afrocentric perspective.

The main research question was: *What are the economic, political and social prospects and constraints for South Africa's participation in BRICS?* And the aim of the study was: *To explore the available political, economic and social prospects and constraints for South Africa in BRICS.* Below is a summary of the research findings.

6.1.1 Economic size does not matter

Within BRICS, the study confirms that South Africa's membership, participation and integration was not entirely based on its economic size, but rather the political, economic and social solidarity. The establishment of BRICS then resembles the institutionalisation of South-South-Cooperation. South Africa's inclusion in BRICS was a calculated move framed within the realities of rejection of westernization within development trajectories. By the virtue that South Africa was the largest economy in Africa by 2010, with relatively political stable environment, the political solidarity variable drawn from South-South Cooperation, find relevance and reinforcement in this regard.

6.1.2 More prospects than constraints

The study made an attempt to explore the extent of the opportunities and challenges for South Africa in BRICS. As such, the study found that South Africa stands to benefit from its membership in BRICS. Given the fact that China, India and Brazil are gradually becoming the largest trading partners for South Africa replacing the traditional European Union and the United States of America, this suggests that BRICS has huge potential opportunities for South Africa. As portrayed in chapter 3 that South Africa has an opportunity to attract financial capital from the BRICS nations in particular China, this goes a long way in promoting the much desired economic growth through massive industrialisation. This has high potential towards diversification of the economy to ensure economic development.

Furthermore, the study confirms that through BRICS support for massive industrialisation, South Africa may benefit in terms of economic growth which may in turn reduce the soaring

high unemployment rate. Even though trade in intra-BRICS is slow as shown by the quantitative data presented in chapter 3, South Africa has a potential to harness more in the sense that these are all developing nations who tend to have favourable trading agreements as already witnessed through the signing of the PTA between South Africa and Brazil via the MERCOUSER and the SACU platforms. To date, South Africa is negotiating a PTA with India which may in turn contribute to South Africa benefiting more. Therefore, the study firmly ascertains that there are more benefits for South Africa in BRICS. In spite of a number of opportunities for South Africa in BRICS, the study also found that there are also possible constraints, risks and uncertainties. Chapter 4 specifically examines the extent of these detrimental consequences. Firstly, the study assessed the implications of South Africa's lack of competitiveness within BRICS. This has a potential negative implication for South Africa's drive towards industrialization. Furthermore, South Africa is experiencing domestic challenges such as high unemployment and slow economic growth coupled by over-reliance on the export of minerals; this in turn makes South Africa less competitive in tapping the available opportunities in other BRICS nations.

6.1.3 South Africa-Africa-BRICS trilateral dimensions

The study found that South Africa is caught in a dilemma of balancing its national interests, African agenda and the promotion of South-South cooperation in BRICS. South Africa is creating hostile situations for its business interests in Africa with the other BRICS nations which are potential competitors, way far than Pretoria. Regardless of that, South Africa's membership in BRICS provides an optimal time for South Africa to strategically locate and prioritise its key interest in Africa through the BRICS platform. The study also found that though South Africa positions itself as the gateway for Africa, to a greater extent BRICS engage Africa bilaterally. Thus, the study therefore found that South Africa's position in BRICS is contributing to a minor continental re-orientation for Africa's position in global politics. In other words the study sees it as a re-orientation not a shift per se.

6.1.4 Alternative paths to development

With the formal establishment of the BRICS Development Bank, headquartered in China and regionally located in South Africa, BRICS has a potential development blueprint in the Global South. This comes with the view that the emerging economies such as India, China and Brazil are acting as possible and alternative donors who are slowly contributing to the global FDI configurations. This may be an opportunity for South Africa as portrayed during the course of the study. Additionally, the study contends that South Africa's trade relations

are increasingly growing with BRICS. As shown in chapter three, though South Africa-BRICS trade is increasing, the EU, USA, Japan, Germany and UK still occupy an important place in South Africa's trade exchange. Except from trade issues, China has defied odds by recording high rates of economic growth trends globally over the past decade.

Arbitrating between imagination and reality, BRICS path to economic development is confusing and difficult to ascertain. This comes with the view that on one hand, BRICS is a South-South Cooperation institution that is detached from colonialism/imperialism and its legacies; while on the other hand it resembles neo-liberalism with Southern characteristics. Such an alternative development stance becomes overloaded by the mere fact that BRICS is not concerned with replacing the Global North, but joining them.

6.1.5 A new era of multilateralism and diplomacy with southern characteristics

While every nation from the Global South sees BRICS as a group to influence the next coming decades of international relations, the group has not yet fully established itself in a way that allows it to claim that space. Broadly, the study found that a new era of multilateralism and diplomacy with southern characteristics is emerging. This implies that a multilateral world order in which architecture of global politics is no longer dictated by the USA and the West, but pluralism, is emerging. There are some experiences of shift in the architecture of international relations in particular on development assistance. BRICS has assumed a global donor status especially in Africa. This shift in distribution of development assistance from the North to the South is not always in accord with the goals of the established donors.

This suggests a shift in ideological underpinnings on economic development questions and debates. This shift confirms the need to advance the interest of equality, freedom, and mutuality which are free from Western orientations and free of institutional legacies of colonialism. However, such a shift is contested, as espoused in the study. China and Russia are not democracies. Therefore, the study found that the rise of BRICS resembles a new elite class of "stronger south". Unlike the Bandung, NAM, G77 and other Global South forums, BRICS are concerned with their regional and global hegemonic tendencies to amass wealth, power and influence in global politics. This might suggest the rise of 'global oligarchies' with southern characteristics.

BRICS preaches an equitable, just and balanced world order. The opposite however is true with Russia and China. China and Russia are not prepared to domesticate reform first. China and Russia are non-democracies but preach about freedom, equality and reform on world stage. This is a serious challenge that may render the irrelevance or uselessness of BRICS to represent the Global South. Global North is not prepared to lose its touch in global politics, and one should be careful not to think that BRICS will replace the North in global politics. Rather, BRICS represents a polemic entity and an established authority of multilateralism, which however is not ready to assume a stronger global political status.

Another observation that emerged in this study is that BRICS belongs to a longstanding tradition of multilateralism in the developing world, or Third World, or non-Western world. This tradition points to successes and failures, constraints and opportunities. Like IBSA, BASIC and other forms of South-South Cooperation frameworks, BRICS at the moment is more of an economic solidarity with little political ambitions. Given the above, the study assessed that like IBSA or BASIC, BRICS main objective at the moment is to champion global governance reform and a rhetorical rejection of institutions of colonialism and westernization. As such, BRICS falls into the same trap that has befallen IBSA and BASIC among other platforms of Global South. Regardless of the limitations that BRICS is facing such as resentment of Global South idea by the established Global North institutions towards the reform agenda, the study found that within the BRICS platform, China and Russia are not prepared to take the lead in advocating for that reform, in particular within the UNSC circles. This is because BRICS is still deeply entrenched in the Westphalian state centric perspectives in which power, sovereignty are the key currencies in global politics. BRICS at the moment do not have a conflict or dispute resolution board such as the one present in organisations like UN, WTO and IMF (Christian and Papa, 2012). This poses a huge potential risk. Presently, China and India and Russia and China are entrenched in a border conflict which may limit the strength of BRICS (Christian and Papa, 2012). Secondly, China and India are all resource hungry nations that at one point prove to be at loggerheads in Africa (Baracuhy, 2012). This also poses a great threat to the traditional domain of South Africa's market terrain in Africa. Overall, BRICS nations may be simply contributing to a possible shift which does not necessarily imply that the shift is unfolding; perhaps it is preparing to unfold.

6.1.6 Looking to the future

South Africa's position and participation in BRICS is a tricky one. Even though it is too early to judge, unfolding circumstances and scenarios predict tough times ahead for South Africa. Concerns revolve around increasing labour strikes and break down in labour alliance coupled with high unemployment and growing socio-economic inequality, together with slow economic growth worsened by the Global Financial Crisis; South Africa may not see its membership in BRICS from a long term projection. New powers are emerging in Africa and to date; Nigeria has surpassed South Africa as the largest economy in Africa. This has a huge potential implication for South Africa. This comes from some of the findings of the research that points out that BRICS policy orientations are inconsistent, uncoordinated and lacks vision. Missed chances on IMF leadership appointment and lack of political resolution to the Libyan, Syrian and now the Ukraine crisis show that BRICS are (were) not ready to take the lead.

Presently, it is too early to judge the successes and weakness of BRICS. Who knows, perhaps BRICS may resemble one of the short lived over-ambitious forums that are created as a means to an end, not an end to the means. As a result of this study, different questions and debates have emerged. Firstly, what ideals, principles, orientations and configurations should South Africa export to BRICS? Secondly, what would be the institutional conditions for BRICS to assume a political face? And lastly, what should be, and could be the role of civil society and non-governmental organisations in the attempt to domesticate reform agenda in BRICS-China and Russia respectively?

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Interviews and Remarks

Anonymous, Talk: Observer-Member of the Brazilian Embassy in South Africa, 01 November 2013, Burgers Park Hotel, Pretoria, South Africa.

Betchani Henry Mbuyampugatete Tchereni, Senior Researcher: Political Economy Faculty, Mapungubwe Institute for Strategic Reflection, Interview: 9 March 2014 (Johannesburg, South Africa).

Brendan Vickers, Chief Director for Research and Policy, International Trade and Economic Development (ITED) Division of the Department of Trade and Industry, South Africa, Telephone Interview: 1 April 2014 (South Africa).

Candice Moore, PhD, Lecturer in the Department of Politics at University of Johannesburg, Kingsway Campus, Interview: 17 February 2014 (Johannesburg, South Africa).

Edward Webster, Emeritus Professor-University of Witwatersrand and Chris Hani Institute, Interview: 10 April 2014 (Johannesburg, South Africa).

Narnia Bohler-Muller, Deputy Executive Director: Democracy, Governance and Service Delivery (DGSD), Human Science Research Council, South Africa, Interview: 26 March 2014 (Pretoria, South Africa).

Nomahlubi Jakuja, Research Intern at Hong Kong and Shanghai Banking Corporation (HSBC) South Africa, Interview: 10 March 2014 (Sandton, Johannesburg, South Africa).

Sanusha Naidu, Senior Researcher, Centre for Conflict Resolution, South Africa, Telephone Interview: 10 March 2014 (South Africa).

Memory Dube, Senior Researcher, Economic Diplomacy Programme, South Africa Institute of International Affairs, Interview: 15 April 2014 (Johannesburg, South Africa).

Remarks by Dr Essop Pahad a South African politician- on the book launch by Africa Institute of South Africa titled ‘Laying the BRICS of a new Global Order: From Yekaterinburg 2009 to EThekwini 2013’, 31 November 2013, Pretoria, South Africa.

Addendum 1

Research Office

HUMAN RESEARCH ETHICS COMMITTEE (NON-MEDICAL)
R14/49 Chiyemura

CLEARANCE CERTIFICATE	**PROTOCOL NUMBER H13/11/28**
PROJECT TITLE	Prospects and constraints for South Africa's membership in BRICS
INVESTIGATOR(S)	Mr F Chiyemura
SCHOOL/DEPARTMENT	International Relations
DATE CONSIDERED	22/11/2013
DECISION OF THE COMMITTEE	Approved Unconditionally
EXPIRY DATE	01/12/2015

DATE 02/12/2013 **CHAIRPERSON** (Professor T Milani)

cc: Supervisor : Dr CJ Lee

DECLARATION OF INVESTIGATOR(S)

To be completed in duplicate and **ONE COPY** returned to the Secretary at Room 10003, 10th Floor, Senate House, University.

I/We fully understand the conditions under which I am/we are authorized to carry out the abovementioned research and I/we guarantee to ensure compliance with these conditions. Should any departure to be contemplated from the research procedure as approved I/we undertake to resubmit the protocol to the Committee. **I agree to completion of a yearly progress report.**

Signature

28, 11, 2013
Date

PLEASE QUOTE THE PROTOCOL NUMBER ON ALL ENQUIRIES

Addendum 2

Dear Sir/ Madam

I am a research student in the Department of International Relations at the University of the Witwatersrand, Johannesburg. I am undertaking a research entitled: **"South Africa in BRICS: Prospects and Constraints"**. This research explores the economic and political prospects and constrains for South Africa in BRICS. The larger question pursued is the sustainability of such a move in relation to economic and political processes attached to South Africa's membership in BRICS. I am working under the supervision of Dr. Christopher Lee and Dr. Amy Niang.

I am hereby seeking your consent for an interview. I have provided you with a copy of the consent and assent forms to be used in the research process, as well as a copy of the approval letter which I received from the Ethics Department of the University of the Witwatersrand.

Upon completion of the study, I undertake to provide a finished copy of the full research report. If you require any more information about the study, please e-mail me at frangtonchiyemura@gmail.com contact me at my mobile number: +27 83 871 9011. Thank you for your time and consideration in this matter.

Yours sincerely

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Addendum 3

Participant Information Sheet

Title of the Study

South Africa in BRICS: Prospects and Constraints

Good day,

My name is Frangton Chiyemura a MA International Relations student in the Department of International Relations at University of Witwatersrand, Johannesburg, South Africa. This research explores the economic and political prospects and constraints for South Africa in BRICS. The larger question pursued is the sustainability of such a move in relation to economic and political processes attached to South Africa's membership in BRICS.

In this regard, I am inviting you to be part of my research specifically because you have been doing work on BRICS. I am going to ask you questions in relation to South Africa in BRICS. The interview will be tape-recorded and the responses will also be anonymised. In this regard, all the information you will give will be treated with confidentiality. There are no wrong answers; all I need to know is your opinions, experiences and projections related to BRICS. The conversation should take about 1 Hour at the longest. This participation is voluntary and as a participant you can withdraw from the interview at any time.

If you agree to take part in this study, sign the consent form. Should you have any queries or need for further clarity about participation in this study, please feel free to contact me on my mobile: +27 83 871 9011; Email Address: 830691@students.wits.ac.za ; frangtonchiyemura@gmail.com or my supervisor Dr Chris Lee on christopher.lee@wits.ac.za.

Addendum 4

Consent Form

I……
agree to participate in **South Africa in BRICS: Prospects and Constraints** research study.

The purpose and nature of the study has been explained to me in writing.

I am participating voluntarily.

I give permission for my interview with Frangton Chiyemura to be tape-recorded.

I understand that I can withdraw from the study, without repercussions, at any time, whether before it starts or while I am participating.

I understand that I can withdraw permission to use the data of the interview, in which case the material will be deleted.

I understand that anonymity will be ensured in the write-up by disguising my identity.

I understand that disguised extracts from my interview may be quoted in the thesis and any subsequent publications if I give permission below:

(Please tick chosen option on the boxes below)

I agree to quotation/publication of extracts from my interview ☐

I do not agree to quotation/publication of extracts from my interview ☐

I consent to be tape recorded ☐

I do not consent to be tape recorded ☐

Signed……... Date……

Addendum 5

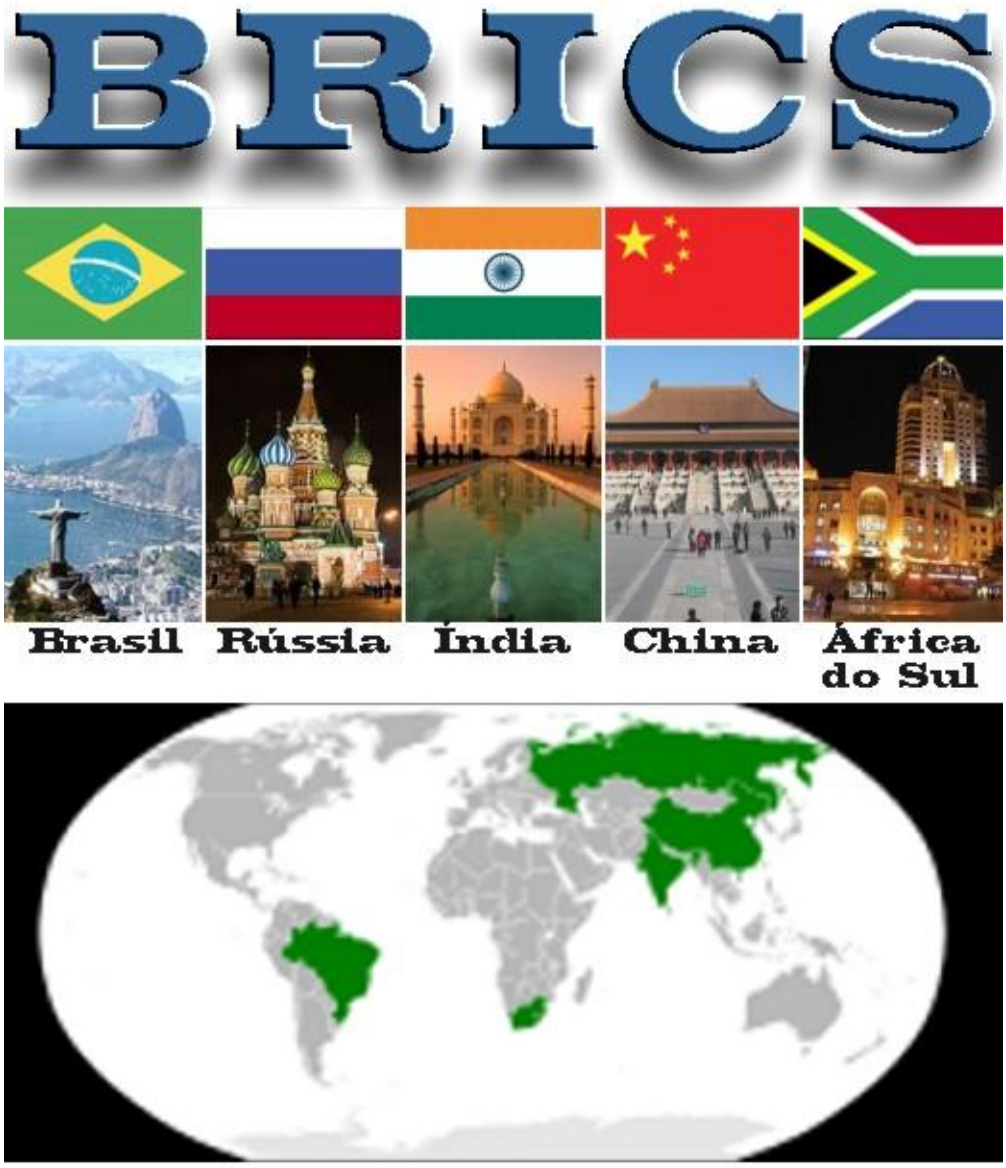
Interview Questions

1. What motives and historical trajectories contributed to the establishment of BRICS?
2. In most cases BRICS is seen as a form of South-South Cooperation, and, is such cooperation contributing to shift on the architecture of global politics- from the Global North to the Global South?
3. BRICS does not have an institutional model of engagement (such as protocol on trade, infrastructure development, FDI etc.) And is membership in BRICS a "win-win" situation or a zero-sum game?
4. Quite often South Africa is criticised for having joined a group it does not fit, what was the rationale for South Africa's inclusion in BRICS?
5. Does South Africa has a strategy in BRICS, if yes explain which one?
6. What does South Africa benefit in BRICS?
7. What challenges is South Africa facing or likely to face by being a BRICS member?
8. Notably, South Africa's Africa Agenda has been seen as a move in which South Africa positions its self as a gateway to Africa, does other BRICS need South Africa to access Africa?
9. Will South Africa's position in BRICS contribute to the continental re-configuration or re-orientation in global politics?
10. What is South Africa and other BRICS countries doing to reform international institutions?
11. Will South Africa's participation in BRICS enhance its world position and How?
12. How does South Africa influence policy Agenda in BRICS looking at its junior member status?
13. South Africa, Brazil, India and China are characterised by high inequality, poverty and unemployment issues. To what extent does the BRICS contribute to the alleviation and eradication of such societal challenges?
14. In the light of South Africa's economy down turn, is South Africa's position in BRICS sustainable in the short to medium term basis?

Addendum 6



Source: investphilippines.org June 2014



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