

## **The Africanisation of the BRICS Agenda: A reflection and Proposals for the Durban Summit**

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### **THE ARGUMENT**

The central proposition of my presentation is that partly to demonstrate its ability to significantly influence the trajectory of the Brazil, Russia, India, China and South Africa (BRICS) forum, South Africa has an ambitious African agenda on the agenda of the BRICS Summit in Durban and beyond. This move is also partly due to the almost predictable tendency of South Africa to use global multilateral platforms to advance pan-African interests. The significance of this, if it succeeds, we argue is that it might make it difficult for new clubs like CIVETS and others not to place Africa as a region at the centre. There are bright prospects for forces of the global south to take a greater responsibility for Africa's renaissance.

### **REGIONAL POWERS AND BRICS IN CONTEXT**

One of the main features of BRICS is the deliberate move on the part of initiators to ensure that members are not just countries with fast growing economies and expanding markets - the BRIC that Jim O'Neill envisaged - , but are strong regional powers with a significant concern about the global commons, from the reform of international finance institutions to reform of the United Nations and the transformation of the global economy. These states showed a deep appetite for pursuing change by creating greater space for otherwise periphery countries to have their voices heard in high decision-making levels. These member states represent regions in the world's political map. It is worth noting that all five states are positioning themselves as leaders in their respective regions in the developing world: Africa, Asia, South America and the former Soviet Union or northern Eurasia.

Obviously, they do not adopt the same posture in exercise or accumulate regional power. Brazil is subtle in South America, having been the driver of many important initiatives in that region, but does not claim any leadership credential in public. For Russia, the northern

Eurasia is a sphere of influence to grow through a mixture of incentives and sanctions. India is the leader of South Asia whose interests it represents in especially international initiatives that involve the Indian Ocean, but it does not declare its leadership. China does not just use its economic power in South-East Africa to expand its trade and investment, but for this reason, it is also acquiring significant hard power currency in this region to enable it mainly to protect itself from the actions of the US in this area. South Africa is bold in action when it comes to asserting its leadership in Africa, but it is always careful not to declare this in words publicly. In this sense, these regional powers have significant capacity to acquire regional leader status, but they all except Russia in the case of Georgia they are not willing to declare their regional leadership ambitions. They are coy leaders. They lead from behind. They lead with other collectively, but influence things behind closed doors.

Therefore, the BRICS as a bloc is significant alliance in global politics, a catalyst for shifting the balance power such that the Group of 7 industrialized countries (Canada, France, Germany, Italy, Japan, UK and US) do not have a sole pride of place in the hierarchy of global power that influences who benefits from global prosperity. The BRICS have the capacity to influence the structure and form of global development and financial cooperation that will emerge from the on-going discussions within the Group of 20 major global economies. As their internal policy and institutional coherence deepens, they will have a significant bearing on major international negotiations including the multilateral trade, climate change, nuclear and energy, post-MDGs agenda and others, all of which are crucial for the developing world and Africa, specifically. We shall return to this point later.

BRICS is also significant in global economic terms. It represents 43% of the world's population, approximately one fifth of global gross domestic product (GDP), estimated at US\$13, 7 trillion, as well as combined foreign reserves estimated at US\$4, 4 trillion. Currently, they also account for 11% of global annual foreign direct investment (FDI) flows (US\$465 billion) and 17% of world trade. This is a huge economic activity Africa should want to be linked to for its own economic renaissance.

## **SOUTH AFRICA and AFRICAN AGENDA**

Now, the entry of South Africa into BRICS surprised many who believed the group belonged exclusively to economies considered by Jim O'Neill of Goldman Sachs to be the second strata of global power, measured by size of national GDP, volume of foreign direct investment and size of population among other key economic considerations. It was argued by many in public debates that South Africa did not belong this strata of emerging markets. Indeed, this was true. South Africa's GDP, population size and the size of its economic input in the global economy is not comparable to BRIC countries. But this approach is erroneous on two fronts: South Africa was invited by the same BRIC countries into their significant forum. Even if it pushed itself, they would not have been obliged to oblige.

The second is that right from its establishment in June 2009 in Yekaterinburg, Russia, the members of the forum did not see themselves as emerging markets, a term that denotes economic significance and under-states political considerations. But they clearly considered themselves emerging global powers, a term that denotes ability to use economic power and political capital to influence the direction of global power. They stated specifically that the platform was created "to share views on how to respond to the challenges and opportunities presented by globalisation." (Qobo, 2010). For this reason, the BRIC that emerged was not solely on the basis of the economic considerations that O'Neill had in mind, for O'Neill and other investment bankers foresaw just another layer in the consolidation of the current global power hierarchy with key role players overtaking each other. But the BRIC that emerged was unhappy with the current global economic and political order, which favoured the west as a region of the world and therefore peripheralised alternative sources of global activity. So they from the outset were about seeking to global reform. It also identify the developing world as its major area of concern, thus making it biased to the interesting of the global south where north simply denotes industrialized countries.

The implication of this then, which is why I call it my second reason why skeptics were wrong, is that on this score South Africa belonged to this group. It has significant enough global economic and political presence to be part of this new global voice for alternatives,

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reforms and change. The country's re-entry into the community of nations after decades of isolation under apartheid was remarkably successful. In the process, it turned its pariah status into an iconic status of a sort built around the iconography of its struggle for freedom from all forms of oppression, of its homegrown political settlement and the persona of Mandela in the early stages of post-apartheid. Country does not achieve global significance until its significance is given a vote of confidence by key members of the global order. The re-establishment of warm diplomatic and strong economic relations with major countries of the north led to South Africa developing a special relationship with them such as they considered it strategic (The US called it a pivotal state, the UK once described SA a major actor, Germany considered it a strategic partner as early as 1994 etc). On this basis, it was invited into the G8 Outreach as the G8 sought to achieve greater legitimacy beyond the industrialized world.

Countries of the world voted for it to host global conferences. It also had a distinct honour global diplomacy of being voted to become the non-permanent member of the UN Security Council twice in five. In all this, South Africa distinguished itself as a voice for systematic reform of global institutions, for a greater attention to developmental issues on the global scale, for greater focus on African development on the basis of partnership rather than dependence. It also firmly placed itself among the leading powers of the global south, helping to re-energise the Non-Aligned Movement and the Group of 77 developing nations and was actively involved in the creation of new clubs from the south including the India, Brazil and South Africa (IBSA) forum and New Africa-Asia Strategic Partnership (NAASP).

South Africa has always wanted to play in the big league well beyond the features of its actual hard power dynamics. In the early 20th century, the Smuts government positioned itself such that it became one of the key states in the creation of the League of Nations and it continued to play an important role in this structure for a decade or so. Apartheid years were a dark period where it was a pariah. But the liberation movements, especially the ANC expanded their international and diplomatic legitimacy significantly during this lull in official SA diplomatic significance. Although not a state, the ANC virtually represented South Africa at the OAU Summit for 3 decades, was given a special status at the United Nations, was a participant in NAM conferences and other forums. The ANC would simply

build upon this global ambition and use the bureaucratic infrastructure at home built under apartheid once it is in power to enable South Africa to punch well above its weight.

In the post-apartheid period that we are still in has been added to this global diplomacy a need to ensure that national interests are served. These are seen as inextricably linked to those of our continent. In a media article recently published, the South African Minister of International Relations and Cooperation explains, "South Africa's membership of BRICS contributes to further leveraging economic opportunities for our own development agenda as well as that of the continent." South Africa's interest has been that size of BRICS as a market and as a source of capital opens opportunities for South African and African goods and services. That this in turn will lead to job and entrepreneurial opportunities, while the countries will also earn revenues needed to meet high socio-economic needs.

## **AFRICA AND THE DURBAN SUMMIT**

I now turn to concluding comments on Africanisation of the BRICS agenda as we head for the Durban Summit in a couple of weeks' time. Through its participation in the past two Summits, Sanya and New Delhi, South Africa had already sold to other members of the BRICS the idea that Africa is an important opportunity for the platform to make concrete its commitments to new terms of economic cooperation, focus on sustained development, the promotion of peace and security, and the coordination of international and regional issues. The formal BRICS support for the AU High-Level Panel on Libya (of which South Africa was a key member) expressed in Sanya, for instance, helped strengthen the AU efforts to deal with the Libyan crisis, even though in the end it was muscled out of the country by the west. It also supported CoP 17 hosted by South Africa and its intention to make it an African conference, taking due consideration of African concerns about climate change. But these remained general support for African related issues, while Africa's interests were also covered by other areas of concern for the rest of the developing world.

It is in New Delhi that the BRICS drew closer to advancing a specific and strong African agenda and one has to guess it is a perspective given to it by the participation of South Africa. At the conclusion of the Summit, the BRICS declared, among other things:

*"We attach the highest importance to economic growth that supports development and stability in Africa, as many of these countries have not yet realised their full economic potential. We will take our cooperation forward to support their efforts to accelerate the diversification and modernisation of their economies. This will be through infrastructure development, knowledge exchange and support for increased access to technology, enhanced capacity building, and investment in human capital, including within the framework of the New Partnership for Africa's Development (NEPAD)." (New Delhi Declaration, par. 36)*

This means that the BRICS forum decided to make Africa a centerpiece of its agenda for global economic development. I must hasten to say over and above South Africa's championing of African agenda, other individual BRICS member like China, Brazil and India have already elevated Africa's significance in their foreign and economic policies with the result that trade and investment between them and the continent has also shot up in the past decade. They are, therefore, no novices on economic and developmental challenges and opportunities in Africa. Thus, South Africa would have been preaching to the converted, so to speak.

Turning back to the above-quoted declaration, the support for strong economic growth and development is significant for two reasons. For Africa to overcome its internal challenges of all kinds it needs a growing economy as its bedrock. Secondly, growth alone would not be sufficient, so the continent needs economic development in the form of translation of growth into social benefits in the fight against poverty, underdevelopment, inequality and unemployment for its economic renaissance. In this sense, BRICS may go well beyond the approach of the currently dominant stabilizers like the World Bank for the idea of development opens a wider range of opportunities for vitality than the current dominant economic paradigms allow. Thus, change and reform would become necessary or inevitable.

The decision to specifically focus at diversification of African economies is much more radical a move than it appears on the surface. Lack of diversity of economic production in

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Africa manifests in over-dependence on the export of primary commodities, which is also an outcome of the structuring of the economies traceable back to the colonial era where these economies were nothing but supplies of cheap products, services and labour to colonial power economies. This structure or logic has not changed, meaning there has not been a decolonization of the African economy. For this reason alone, if the BRICS deliver on its promises, it might lead to a rupture in relations of dependency and open a way for establishing truly equitable economic relations between Africa and other parts of the world. The very idea of partnership as a fundamental economic paradigm for African economic renaissance (see NEPAD) is revolutionary in many ways. It changes African attitudes to global economy from this expectation of help in grants and loans to expecting market access for trade. It enjoins African countries take responsibility for their own development rather than leaving it to others to do it for them. This, inevitably, challenges the mindset of inferiority and dependency by encouraging active agency in continental and global development. The BRICS offer an opportunity for Africa to achieve this NEPAD logic.

The declaration does not even mention the term, development assistance or aid, because it is to the language of the global south, but of the global north. I suspect that they have come across the thinking on this that suggests that aid is part of a logic of development as catching up with the west rather than finding own sources of social and economic progress. They may have come to realize that perhaps partnership, which is emphasized in the declaration, is the alternative, not just as a principle in the frame of the Paris principles on development effectiveness, but as a paradigm of development.

As they gather in Durban, the BRICS countries build on decisions initiated earlier and have to also answer the question: how do you apply these specially to Africa as both the poorest region and the fastest growing? Besides the decisions mentioned above is the Master Agreement on Extending Credit Facility in Local Currency under BRICS Interbank Cooperation Mechanism and the Multilateral Letter of Credit Confirmation Facility Agreement between our EXIM/Development Banks, designed to be enabling instruments for enhancing intra-BRICS trade.

The decision to establish a developmental bank to provide further options for developing countries looking for capital and technical expertise to fire up their own development is another important decision. Africa can benefit immensely from access to new and more favourable financial resources given the impact of the international financial crisis on its access to resources needed to fund infrastructure development, the stimulation of agriculture, the diversification of the economy, beneficiation of natural resources and other strategic economic needs.

Concrete decisions in Durban about how previous decisions could be made practical, even if as pilots, on the African continent could be the best way to start. If a list of priorities were to be proposed, I would recommend that the BRICS bank will start:

0. Supporting NEPAD implementation plan on infrastructure (especially the construction of the north-south and east-west corridors) and agriculture (especially the inputs for both commercial and small enterprises as well as agro-processing in one or two sub-regional locations)
1. Supporting for beneficiation of mineral resources through the building of manufacturing capacity on the continent.

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