

BRIC or BRICS?¹

The establishment of the BRIC group, consisting of “emerging” or “rapidly developing” powers – Brazil, Russia, India and China – was quite consonant with South Africa’s efforts to create a core of “Non-Western” powers. These efforts initially resulted in 2003 in the establishment of IBSA (India, Brazil and South Africa) forum, which was apparently regarded in Pretoria/Tshwane just as the beginning of the desirable process.

However six years later another group was formed, BRIC, and when its first summit took place in Yekaterinburg, Russia in June 2009, South Africa remained outside it. Speaking after the summit on his behalf and on behalf of his colleagues (President of China Hu Jintao, President of Brazil Luis Inacio “Lula” da Silva, and Prime Minister of India Manmohan Singh) Russian President Dmitry Medvedev said: “The BRIC summit aims to create the conditions for the building of a fairer world order and the creation of a favourable environment for resolution of global problems. At the same time, we must not overlook our national problems and objectives, which are priorities for all of us, of course, priorities for all the respective leaders and governments”²

¹ The abstract of this paper was submitted before South Africa joined BRIC, hence its outdated title.

² June 16, Yekaterinburg, Press Statement following BRIC Group Summit.
http://www.kremlin.ru/eng/text/speeches/2009/06/16/2300_type82915type84779_217967.shtml.

Naturally, such approach was conducive to South Africa, and its leadership did its best to join the body. However it looks like the four members of the group felt it is too early to speak about its enlargement at that early stage³.

In any case disappointment in South Africa, both in mass-media, government and academic circles was quite visible. Thus, Department of Trade and Industry director-general, Tshediso Matona said that South Africa “simply was not invited” adding: “the department of international relations and co-operation must look into this. We must be in that club. We belong there”⁴.

Francis Kornegay, a prominent US academic living now in South Africa, wrote: “South Africa’s marginalisation by BRIC means Africa’s marginalisation in the overall scheme of things having to do with the terms of South-South cooperation and the future of such initiatives along these lines as the India-Brazil-South Africa (IBSA) Trilateral Forum. Indeed, from an African perspective, South Africa’s exclusion from BRIC could complicate the nature and dynamics of the whole notion of South-South cooperation to such an extent as to conceptually call it into question as an expression of global South cohesiveness”. Moreover, without any argument, he called Russia “the main culprit in this plot”⁵.

However South African leadership was determined to join the group and it has been publicly stated by President Jacob Zuma and Minister for International Relations and Co-operation Maite Nkoane-Mashabane. The Minister wrote to her BRIC counterparts in 2009 to raise the possibility of South Africa's membership the grouping.

She skillfully used the nuances of English to find support for South Africa. “If you want to build houses, you need more than one BRIC,” said Nkoana-Mashabane on a visit to Beijing in February 2010, adding that South Africa “could add momentum to the BRIC group”⁶.

³ At least such an explanation was given to the author by a high official of the Russian Foreign Ministry.

⁴ Francis Kornegay. South Africa excluded as an emerging economic power?

http://www.newsfromafrica.org/newsfromafrica/articles/art_11630.html

⁵ http://www.newsfromafrica.org/newsfromafrica/articles/art_11630.html

⁶ <http://www.thehindu.com/news/international/article553840.ece>

Then in the course of 2010 President Zuma met with all the BRIC leaders. When he was in Russia last August after his discussions with Dmitry Medvedev Russian President virtually voiced support for South Africa's bid to join the BRIC group: “We are aware that participation of the Republic of South Africa in the discussion of various issues that are on the BRIC agenda would be extremely productive, given the fact that BRIC is a new group of fast growing economies and the RSA belongs to this category”.

“We are prepared to develop various forms of cooperation with our South African partners, including in the BRIC format,” he said adding however a caveat: “The views and approaches of other [BRIC] members should of course be taken into consideration⁷.”

The approaches of other BRIC members were similar, if not even more sympathetic to South Africa, especially in the case of China. Zuma paid a state visit China soon after Russia, and the two parties announced a “comprehensive strategic partnership”⁸. Moreover while in Beijing Zuma publicly said: “We believe the group will take a favourable decision” (on South Africa’s admission)⁹.

India’s position was akin. Its High Commissioner Virendra Gupta said at a function to mark the country’s 64th Independence Day in Johannesburg, also in August 2010: “India of course remains extremely supportive of South Africa joining BRIC because India not only has its own relationship with South Africa but would also like to see opportunities for close collaboration with South Africa strengthened further”¹⁰.

In its turn the Brazilian Foreign Ministry stated: “South Africa will bring an important contribution to the group because of its economic relevance and its constructive political action, and its commitment to issues concerning Africa and the international agenda”¹¹.

⁷ Ibid.

⁸ http://news.xinhuanet.com/english2010/china/2010-08/24/c_13460144.htm

⁹ <http://allafrica.com/stories/201008260039.html>

¹⁰ <http://www.thehindu.com/news/national/article573855.ece>

¹¹ <http://english.peopledaily.com.cn/90001/90777/90852/7248339.html>.

So by the time of the G20 meeting in Seoul in November last year the situation definitely turned in favour of South Africa. Contrarily to Kornegay's allusion it was President Medvedev who at the press-conference in Seoul stated: "There are a number of requests from countries to join the BRIC group, including the request from the Republic of South Africa. We respond positively to these types of requests, and in this case today, there is a united position by all the BRIC countries"¹².

Finally on 23 December 2010, Nkoana-Mashabane, received a telephone call from the Chinese Minister of Foreign Affairs, Yang Jiechi informing her that China, in its capacity as the rotating Chairperson of the BRIC formation, based on agreement reached between the BRIC Member States, invites South Africa as a full member into BRICS. He further indicated that President Hu Jintao also issued a letter of invitation to President Jacob Zuma to attend the 3rd BRICS Leaders' Summit to be held in China in 2011¹³.

Why did South Africa strive to join this group of leading "developing" countries? According to Mandisi Mphalwa, South African Ambassador to Moscow (and former minister and Zuma's economic advisor), from the outset South Africa "saw more in this mechanism than had most commentators"¹⁴.

Hardly accidental, South Africa, the smallest of five countries in many respects, insisted that for it BRIC "was never about the size of the economies, populations or landmasses of the BRIC member countries"¹⁵.

South Africa underlines that it regards BRIC not just as potential force which "would first emerge to share centre stage with the leading economic powers", but in a much broader sense. For Pretoria, or, rather, Tshwane, BRIC is "an association of like-minded countries with a

¹² <http://en.rian.ru/world/20101112/161302542.html>

¹³ <http://www.dfa.gov.za/docs/2010/brics1224.html>

¹⁴ Statement by Ambassador Mandisi Mphalwa of South Africa, Peoples' Friendship University, Moscow, 18 May 2011. "South Africa's accession to BRICS: its relevance for today's global agenda", p.1

¹⁵ Ibid.

reputation for being independent and committed to reforming global decision-making structures”.

Apart from uniting economically “rapidly developing countries” BRIC is regarded as potentially “a political and moral force for change”, for creation “of a just world”, and South Africa shares their “values and aspirations”¹⁶.

At the same time one of the features of BRIC, apparently attractive for South Africa was the fact that its members continued to maintain friendly relations with the “traditional centres of power”. Indeed, all of them, Brazil, Russia, India and China have versatile relations both with USA and EU countries. Therefore by joining BRIC South Africa would not cause any damage to other important directions of its foreign policy.

An important issue was a correlation between South Africa’s membership in IBSA and its intention to join BRIC. Ambassador Mphalwa’s explanation was that while IBSA was “a coming together of what is historically referred to as the “South”, but BRICS – with the presence of Russia as a First World Country – is a bridge between North and South.”¹⁷

The definition of Russia as a First World country is questionable, but in any case, there is another dimension as well. IBSA was established much earlier and has more developed structures. So, for South Africa (just as for India and Brazil) it would be wrong to “close” IBSA, at least until BRICS is well-established.

Minister Nkoana-Mashabane said in this regard in her statement of South Africa’s invitation to BRICS: “We believe that the IBSA will get a better balance, and become even stronger, with South Africa now as a member of the BRICS. We remain convinced that South Africa’s diversified foreign policy objectives and interests allow for both groupings (IBSA and BRICS) to co-exist. It is our belief that the mandates of BRICS and IBSA are highly complementary.”¹⁸

¹⁶ Ibid.

¹⁷ Ibid. p.2.

¹⁸ <http://www.dfa.gov.za/docs/2010/brics1224.html>

One more feature that characterises all BRICS members is the fact that they are leading economic powers in their regions. Indeed, South Africa generates a quarter of the entire African continent's GDP and more than half of its electricity. The biggest investor in Africa is not US, UK or China, but the RSA.

On the other hand, South Africa in the recent years developed intensive bilateral relations with all BRIC countries, especially with China. They (probably, with exception of Russia) are among largest trading partners and sources of foreign investment. So, South Africa expects that its membership of BRICS would further enhance its and Africa's partnership with them. Zuma pointed out at the first summit he attended in Sanya, China last April that in terms of infrastructure alone, 480 billion dollars in investments will be needed in Africa over the next ten years and invited companies of the BRICS member states to join hands with South African companies in the development of Africa¹⁹

One more reason for joining was the prestige which membership of BRICS gives to the country. President Jacob Zuma uses rather high words: "We are now equal co-architects of a new equitable international system... there is unity of purpose in our diversity and this is what renders this mechanism unique and increasingly influential... we share a collective accountability now to the global community and notably the emerging market and developing economies component thereof"²⁰.

South Africa expects co-operation in BRICS for negotiations in various multilateral bodies, including reform of the Bretton Woods Institutions and negotiations on a more equitable trading system.

The summit in Sanya, among other issues, discussed sectoral co-operation between BRICS countries. It was decided to convene technical follow-up meetings in such sectors, as science and technology, development, finance and energy. Indeed, synergy between South Africa and the individual BRICS countries should allow using the strengths and capacities each of them possesses for the collective benefit.

¹⁹ Statement by Ambassador Mandisi Mpahlwa, p.3.

²⁰ Pres Zuma address at BRICS Summit. 14 April 2011. <http://www.thetradebeat.com/tn-14apr11-zuma-brics.php>.

Tshwane believes that its participation of BRICS will strengthen an African presence in global decision-making. It also envisages cross-linkages between BRICS future sectoral projects and the “New Partnership for Africa’s Development” (NEPAD), initiated primarily by South Africa.

The news of South Africa’s admission immediately had a positive effect on its economy. The rand touched three-year highs against the US dollar when the news broke.²¹ However, not everybody in South Africa supported the move to join BRIC. On January 7 this year two South African academics, Dr Mills Soko and Dr Mzukisi Qobo²² published an article in liberal *Mail and Guardian* under a telling title “Creating more walls than Brics”. The content of their article is rather strange. For example, they question “the inclusion of the failing Russian state”, as if Russia was not a founder of BRIC. They called BRIC an “amorphous entity” and even regarded the invitation to join it “an affront to our national pride”²³.

The rebuff to these insinuations was made by Dr Sehlare Makgetlaneng from the Africa Institute of South Africa. Explaining the benefits of membership for South Africa, he underlined the political aspects: “...Bric is bound to move towards a common position on global issues. This will have serious implications for the global strategy of the United States and its strategic allies, particularly in Africa and the Indian Ocean... Bric is bound, together with South Africa as an organisational colleague, to increase its collective voice in international relations”²⁴.

The membership of BRIC was criticized in South Africa by some leftists as well. Introducing the publication in his Debate forum Professor Patrick Bond regarded “SA as BRIC co-subimperialist”...²⁵

On the other hand, why did the four initial BRIC members agree to accept South Africa? What advantages facilitated South Africa efforts to join?

²¹ Ibid.

²² By the way, they both received Ph D degrees at University of Warwick, United Kingdom.

²³ Mail and Guardian, Johannesburg, 7 January, 2011.

²⁴ Ibid. 19 February 2011

²⁵ Patrick Bond to Debate, 4 January 2011.

The news of the invitation to South Africa surprised some international observers, who dubbed a much bigger and fast-growing Indonesia as the next BRIC member²⁶. Turkey and Mexico were mentioned as well, but resource-rich Africa has become a focus. Interesting to note, Jim O'Neill (the chairman of Goldman Sachs Asset Management), who "invented" the term BRIC in 2001, replied "No", when he was asked whether South Africa should be included²⁷. In his opinion, "South Africa, at a population of less than 50 million people, was just too small to join the Bric ranks and he regarded Nigeria a better candidate²⁸. "The country in Africa that has the real potential is Nigeria," he said. "South Africa doesn't have enough people in its working population. It's a chronic problem."²⁹

O'Neill wrote about South Africa's admission: "While this is clearly good news for South Africa, it is not entirely obvious to me why the BRIC countries should have agreed. South Africa rightly sees itself as a leading emerging nation, and that explains their motive..."

As far as the economics are concerned, South Africa is one of the more wealthy nations in Africa, and is currently the largest in US\$ terms at around \$350bn. However, this is quite small, not only by BRIC standards, but compared to some others.

For example, Russia is around \$1,600bn, nearly five times larger than South Africa, and India is currently similar in size to Russia. Brazil is currently closer to \$2bn in size, while China is considerably larger at around \$5,500bn".³⁰

He compared South Africa with some non-African economies as well: Indonesia (approximately \$700bn), Mexico (\$1,050bn), Turkey (\$725bn) and South Korea (\$1,000bn).³¹

²⁶ I recall how during my trip to South Africa in November 2009 a prominent South African economist told me that the group could become BRIIC, the second I standing for Indonesia.

²⁷ <http://blogs.reuters.com/africanews/2010/11/17/should-south-africa-be-a-bric/>

²⁸ <http://www.iol.co.za/business/markets/south-africa/sa-and-nigeria-battle-for-bric-status-1.1001039>

²⁹ <http://blogs.reuters.com/africanews/2010/11/17/should-south-africa-be-a-bric/>

³⁰ <http://www.investmentweek.co.uk/investment-week/opinion/1935362/jim-oneill-south-africa-bric>

³¹ Ibid.

However GDP data never tells the whole story. There were several reasons for the choice of South Africa. One of them was the need “to close a gap” in the geographical composition. Undeniably, the desirable changes in the world cannot be achieved without Africa’s participation. The matter is not only in natural resources of the continent, but in human capital of over one billion people, in its capacity to change. It is often forgotten that Africa has the third fastest growing economy, after China and India.

Meanwhile South Africa is certainly the leading country on the continent, even if not everybody likes it. Apart from economic issues, the role of South Africa is indispensable in promoting peace and security in Africa, be it by dispatching peace-keeping forces or by playing a role of mediator and facilitator in conflict resolution.

South Africa has one more distinctive asset: with its excellent infrastructure it is the "gateway" to an entire continent for trade and investment – and for making geopolitical forays³². And last but not the least, South Africa, the country that got rid of apartheid regime and continues developing as a democratic society occupies a high moral ground.

³² <http://www.atimes.com/atimes/China/MA04Ad02.html> Greater China