South Africa in the BRICS: Soft Power Balancing and Instrumentalization

Hany Besada
Centre on Governance
University of Ottawa &
Institute of African Studies
Carleton University
hbesada@uottawa.ca

Evren Tok PhD
Qatar Faculty of Islamic Studies
Hamad Bin Khalifa University
Qatar Foundation
etok@qfis.edu.qa

Abstract

This paper investigates South Africa’s participation in the BRICS formation and the implications of its inclusion for the country, the continent, and global governance. It argues that by joining the BRICS grouping, South Africa is reinforcing neoliberalism in Africa, with markets being liberalized across the continent, trade and investment becoming the focus, and social and environmental protection remaining a distant concern. Meanwhile, other countries, particularly China and Russia, are instrumentalizing the forum to get what they want out of African countries without formalizing the grouping’s policies and effecting change to global institutions at the global level, as was initially promised. The paper applies the concept of soft balancing strategy to demonstrate that the BRICS grouping is an economic cooperation forum, not a political cooperation forum, which explains the aforementioned consequences.
South Africa has become an active participant in the current period of transition in the global balance of power and has strategically positioned itself with other emerging powers in opposition to the traditional powers. South Africa’s membership in the BRICS forum (comprising Brazil, Russia, India, China, and South Africa) entails both opportunities and challenges for the country, the continent, and global governance. However, it appears that opportunities for transformation are not being fulfilled; rather, economic positions are being retrenched in line with neoliberalism, and the BRICS forum is being used for unilateral national political gain. By joining the BRICS grouping, South Africa is reinforcing neoliberalism in Africa, with markets being liberalized across the continent, trade and investment becoming the focus, and social and environmental protection remaining a distant concern. Meanwhile, other countries, particularly China and Russia, are instrumentalizing the forum to get what they want out of African countries (namely, oil for China and investment opportunities for Russia) without formalizing the grouping’s policies and effecting change to global institutions, such as the International Monetary Fund (IMF), as was initially promised. This paper applies the concept of soft balancing strategy to demonstrate that BRICS is an economic cooperation forum, not a political cooperation forum, which explains the aforementioned consequences.

As Cornelissen et al. (2012) argued, economic transformations after the global financial downturn indicate tectonic shifts away from the G-7 countries and toward the BRICS countries and other countries of the global South. In this context, the recent inclusion of South Africa in the BRICS grouping, which is committed to reorienting global institutions toward and improving development prospects for Southern countries, has crucial implications, given South Africa’s increasingly hegemonic status in Africa. As Alden and Le Pere (2009, p.145) rightly pointed out: “Public goods and leadership in peace diplomacy, resolving conflicts, and helping to develop the continent’s institutions collides with the more instrumental aspects relating to investment, its commercial interests and the material sources of its hegemony.”

The concept of soft balancing strategy is analytically useful in assessing South Africa’s participation in BRICS and the consequences thereof. Following Flemes (2007), a soft balancing strategy is an effort to increase the bargaining power of developing countries; cooperation between them “equally focuses on concrete collaboration areas,” such as trade, security, infrastructure, and representation. Groupings of countries can “be characterized [not only] as … a strategic alliance for the pursuit of common interests of developing countries in global institutions but also as a platform for [multilateral] and interregional South-South cooperation.” With a soft balancing strategy, the key concepts are sector cooperation, common interests, and foreign policy instruments. This paper applies these concepts to the BRICS grouping to assess South Africa’s participation in the group and the consequences thereof.

While South Africa is presented with many challenges on the African continent, its ability to exert influence over its neighboring countries has strengthened its development as a rising regional hegemon. First, it maintains a position of economic leadership in sub-Saharan Africa; South Africa is the only country on the continent that makes its replenishment contributions to the World Bank’s International Development Association, which provides concessional loans to the poorest countries. It is the third-largest shareholder of the African Development Bank—behind only the United States and Japan. It is the only African donor for the African Development Fund and is the largest donor for the South African Development Community (SADC) (Besharati, 2013). Second, South Africa presides as an African leader in the international political sphere. Its position in the Group of Twenty (G-20), African Union (AU), SADC, and BRICS—among others—provides multiple frameworks through which the South
African government has lobbied and continues to lobby for African interests. Third, throughout Africa, the country provides development assistance as a leader of and significant contributor to multilateral peacekeeping operations, humanitarian assistance, and institutional capacity building during post-conflict reconstruction. Significantly, South Africa, along with Egypt and Nigeria, has become the most significant African contributor to the peacekeeping operations conducted by the AU and United Nations (UN) (Beshrati, 2013). Finally, the country remains a hub of technical expertise for the African continent. In light of the debate over aid effectiveness and the gradual shift towards South-South cooperation models, South Africa is increasingly being consulted by its neighbors from a technical perspective. Traditional development donors have acknowledged South Africa’s strengths by funding South-South projects. For example, Canada funded a triangular development partnership—the Regional Capacity Building (RCB) Project—between South Africa, Rwanda, Burundi, and South Sudan, whereby South Africa transferred its knowledge of building public sector capacities in post-conflict environments to the latter three countries. For these reasons, South Africa remains a regional hegemon on the continent. Some cite its recent decline in GDP growth—listed as a bottom five performer between 2008 and 2012 (UN Economic Report on Africa, 2013)—and the rise of regional contenders, such as Nigeria, as evidence to the contrary; however, for the time being at least, it seems South Africa will continue to exert its influence over the African continent.

At the outset, it is important to understand that South Africa’s increasingly hegemonic status does not exist in a vacuum. Alden and La Pere (2009) identified three different mechanisms that have created hegemonic layering: South Africa vs. South African Customs Union, South Africa vs. SADC and, finally, South Africa vs. the African continent. Domestically and internationally, these layers of hegemonic relationships restructure the established patterns of power balances pertaining to the role of South Africa in the region. With South Africa’s inclusion in BRICS, the grouping has become an external influence on South Africa’s hegemony, simultaneously reiterating, bolstering, and constraining it. How South Africa came to be a member of the grouping is worth outlining to demonstrate this influence and the ambiguous motives behind it.

**Genesis of BRICS**

The original BRICS bloc began to form in 2006, when foreign ministers of Brazil, Russia, India, and China (BRIC) began conducting political dialogue. This informal grouping crystallized on June 16, 2009, with the first summit. South Africa was shortly granted an invitation to join the grouping by the existing members on December 23, 2010 by the then Minister of Foreign Affairs of the People’s Republic of China, Yang Jiechi. South Africa’s Minister of International Relations and Cooperation, Maite Nkoana-Mashabane, made the announcement after months of lobbying by President Jacob Zuma, who has marketed the country as a gateway to Africa. Zuma has maintained that the BRICS bloc is an important group of which to be part given that the emerging economies of its member states have a significant role to play in restructuring political, economic, and financial institutions to become more equitable and balanced (Yanshuo, 2011). Participation in the group provides, according to the Government of South Africa (2012), economic benefits such as increased trade and investment opportunities as well as political benefits, such as an increased voice in the international sphere.

The third BRIC summit, held in China in April 2011, with the presence of South African President Jacob Zuma, heralded the transformation of the BRIC grouping to BRICS. The countries together called for reforms to international financial mechanisms and greater
cooperation in fields including finance, business, science, and technology. South African Trade and Industry Minister Rob Davies indicated that the five BRICS countries would benefit from direct trade in their own currencies since such trade would protect them from volatile international convertible currencies, namely the US dollar (SAinfo, 2011). The countries’ development banks signed a framework agreement on cooperation that established mutual credit lines through their respective national financial development institutions to be denominated in local currencies. The China Development Bank was the first institution to respond to the new measures, outlining its intention to lend 10 billion Yuan (US$ 1.6 billion) to Brazil, Russia, India, and South Africa. There is no information yet on the precise terms of the loan or precisely how the money will be allocated or to which projects, but the loans are likely to focus on large oil and natural gas projects (Xin and Blanchard, 2011).

This first BRICS meeting with South Africa concluded with the signing of the Sanya Declaration, outlining the major commitments and areas of agreement discussed at the summit. Among them were (i) the development of a broad-based reserve currency system that provides stability and certainty, (ii) a discussion about the global role of special drawing rights (SDRs), the IMF’s accounting unit, and the SDRs’ basket of currencies (now comprising the US dollar, the euro, yen and pound sterling), (iii) the establishment of mutual credit lines denominated in the member states’ home currencies by the state development banks of the group, (iv) the reform of international institutions such as the IMF and United Nations Security Council to reflect the interests of emerging and developing countries, (v) the importance of renewable energies and atomic energy technologies as key elements for development, (vi) the intention to reduce the distortion of and further regulate the financial market, (vii) and the expansion and deepening of economic, trade and investment cooperation among BRICS countries (Xinhua, Sanya Declaration, April 14, 2011).

The latest BRICS summit was hosted on 27 March, 2013 in Durban, South Africa. It picked up on themes from previous summits, including fleshing out the plan for the creation of a New Development Bank, focused primarily on financing infrastructure projects. The 2013 summit also marked a significant opportunity for South Africa to begin make its mark on this grouping. South Africa outlined its own strategic value to the group by highlighting its investment in expanding railways, ports, and fuel pipelines for the sake of “unlocking the world’s greatest mineral wealth” (BRICS Summit, South Africa in BRICS). The demand for these commodities can help fuel growth not only on the African continent but also among South Africa’s partner countries in the BRICS grouping, who, if they want to continue their exceptional growth trajectory, will be in need of increasing amounts of natural resources.

**BRICS: A Forum for Politics or Economics?**

Given current patterns of economic growth, the BRICS forum could become a global political force and influence international policy making—but only if the members are able to generate consensus on key global issues. Commentators argue that the BRICS group could become an alternative force that could help to shape global security and governance architectures and present an alternative to NATO (Haibin, 2012). Peace and security matters, particularly in developing countries, could be better addressed in forums such as BRICS. However, for BRICS to become such a political force, the BRICS nations would have to display more evidence of cooperation and coordination beyond signing economic and political cooperation agreements. Although some analysts contend that the forum is, by nature, a political rather than an economic
forum (and that as such, it is not expected to significantly economically impact African countries in the short to medium term) (van den Bosch, 2011), what it is clear is that BRICS is not a formal alliance bloc of politically like-minded countries but is, in fact, an alliance among rivals in international markets, attempting to meet their own national interests. BRICS members do, however, have similar objectives, namely economic growth and a desire to reform international institutions to better represent emerging economies (White, 2011).

Many South African analysts assert that the BRICS nations could, together, play a political role to counteract the Western countries and allow for developing countries to have a greater voice in international institutions by (i) increasing the likelihood that leaders are chosen from outside of the Western countries, (ii) trading in currency other than the US dollar, (iii) increasing financial regulation and (iv) establishing a stable, reliable, and broad-based international reserve currency system. In reality, however, with such divergent national interests and objectives, politics could obscure the ability of the group to become a real force in global decision-making. As recently as August 2010, BRICS failed to unite to work toward their objective of changing the leadership of global institutions. In the first BRICS meeting in April 2011, the BRICS countries declared that the next chair of the IMF should be selected not based on region but according to competence, marking the first time that a group of developing countries have pressured a leading international organization to select a chief executive who accurately reflects emerging global realities and the rising importance of the emerging economies (Battersby and Lu, 2011), but when faced with the opportunity to unite behind one candidate from the global South for the position of managing director of the IMF, the BRICS countries failed to reach consensus. With the resignation of Dominique Strauss-Kahn, Southern candidates such as South African National Planning Minister Trevor Manuel were publicly endorsed as contenders, but the original BRIC members were content to support and endorse French nominee Christine Lagarde over any candidate from the South. This lack of cohesion does not bode well for the ability of the five countries to provide a united front against the developed states’ dominance of global institutions (Naidu, forthcoming).

South Africa within BRICS

There is little consensus regarding the reasons for and implications of South Africa’s admittance to the group. The invitation of South Africa was met by surprise by many analysts, who were puzzled by the admittance of a relatively small economy to the BRICS formation, particularly given that there were many apparently stronger contenders, such as Mexico, South Korea, and Turkey. There has been widespread speculation about the nature of the association between South Africa and the four original BRIC member nations, including about the possible motivations behind the invitation itself (be they economic or political) and what the inclusion of South Africa will mean for BRICS as well as what effect South Africa’s membership within BRICS will have on South Africa itself and on the African continent as a whole.

Some observers contend that it is difficult to immediately perceive how South Africa could easily fit into the BRIC group (Khan, 2011). The country’s inclusion changes the dynamics of a group that had previously consistently impacted global economic markets and is estimated by Goldman Sachs to have contributed to over one-third of all global growth in gross domestic product (GDP) over the past decade (Wilson, Kelston and Ahmed, 2010). With a GDP approximately one-sixteenth of China’s output and a population of only 50 million (compared to China’s 1.3 billion and India’s 1.2 billion), South Africa has significantly less economic power...
than the other members (World Bank, n.d.). In addition, South Africa has a nominal GDP of $US384.3 billion, far below that of the others: Brazil ($2.3 trillion), India ($1.8 trillion), Russia ($2.0 trillion), and China ($8.2 trillion) (World Bank, n.d.). South Africa’s economy is not even included in *The Economist*’s ranking of the 10 fastest-growing economies between 2011–15, seven of which are located in sub-Saharan Africa (SSA), whereas China and India are ranked as the top two (*The Economist*, 2011). The country has also not achieved improvements in living standards or sustained levels of economic growth or job growth, all of which are characteristic of the original BRIC countries (Andreasson, 2011).

Despite an economic presence far below that of the other BRIC members, South Africa has a per capita income that is higher than those of both China and India and one of the highest ratios of market capitalization in the world (White, 2011). According to Martins (2011), South Africa enters the group not as a middle-income country but as the most powerful economy on a fast-growing continent. To President Zuma, South Africa’s participation in the BRICS group means that the entire continent of Africa, with a population of over 1 billion, is now represented in the grouping (Wong, 2010). Trade and Industry Minister Davies explained that the country’s membership in the grouping is linked to the continent’s economic status: “The African continent is the next great economic story. [South Africa is] quite small, but when we look at the African continent as a whole, the numbers start to add up” (Van den Bosch, 2011), implying that there may yet be some logic to the inclusion of such a relatively small economy among the more apparently powerful members of the BRICS formation.

South Africa has a two-tiered economy. On the one hand, it is Africa’s economic powerhouse, with a GDP averaging around 25 percent of the entire continent’s GDP. South Africa’s formal sector, based on services, mining, and manufacturing, can rival those of the majority of those of the Organisation for Economic Co-operation and Development (OECD) states. As a middle-income country, with a per capita gross national income (GNI) of US$7,610, South Africa’s largely affluent white population has long reaped the benefits of controlling a competitive and robust economy characterized by an abundant supply of mineral resources; well-developed legal, energy, financial, communications, and transportation sectors; modern infrastructure that supports an efficient distribution of goods and services to major urban centers throughout the country; and an active stock exchange that ranks among the top 20 in the world. On the other hand, South Africa is also a country plagued by pervasive poverty, high unemployment, and severe inequalities. The OECD’s 2010 Economic Survey of South Africa outlines several concerns about the economy that remain issues in its 2013 report: high levels of continued unemployment, growing dualism in labor markets, and low levels of entrepreneurialism among the black population (OECD, 2010). The 2013 report also raised concern over the quality of education (OECD, 2013).

**Benefits and Risks of South Africa’s Inclusion in BRICS**

Much has been made of both the potential economic benefits for South Africa by becoming a member of BRICS as well as the benefits to the original four members of the introduction of an African member. Some view South Africa’s membership within BRICS as inherently positive, an opportunity to influence policy making and alignment among developing countries to make the international economic system more inclusive (Martins, 2011). This is largely due to the assumption that South Africa will be a representative of the African continent’s interests. To others, however, South Africa is a lightweight in the global economic
arena in comparison to the other BRIC members and, despite its trading relationship with China, its membership in the group is unlikely to significantly benefit the other members (Oxford Analytica, 2011). Despite such pessimism, South Africa’s membership in the group is projected to allow the country to promote economic development through enhanced trade and investment and expand sectors in which the country already holds a comparative advantage (Martins, 2011) as well as provide overseas investment opportunities for South African enterprises (Chun, 2011). In terms of African development, Chun (2011) considers the BRICS grouping to be beneficial for expansion of SSA markets, infrastructural development, and trilateral cooperation on the continent. For other BRICS member nations, the benefits of having South Africa in the group include (a) greater representation among developing countries and, perhaps most significantly, (b) increased access to African markets. Chinese Foreign Minister Yang stated that the inclusion of South Africa in the group would promote development among the members and further cooperation among emerging economies (Dubbelman, 2011). While it is not yet clear whether South Africa’s entrance into the forum will help promote such development or facilitate such cooperation, it is evident that a number of risks are associated with its entrance in the group – both economic and political. Questions have arisen over the wisdom of South Africa joining such an exclusive “club” that could potentially entrench the differences in economic size and power between it and the other members (Besada & Tok and Winters, 2013).

**Economic Implications**

Applying the concept of soft balancing, it is evident that in the economic dimension, there are efforts to strengthen the BRICS countries internally in order to support development and reaffirm the economic weight of the BRICS countries, collectively. Among the challenges of achieving both internal economic growth within member nations and increasing the economic leverage of the BRICS collective as a whole is not to retrench differences in economic size and power among the BRICS members. A key instrument for avoiding such a pitfall is emerging the BRICS development bank, which would shift power towards the BRICS group itself (and away from individual member nations in particular). An additional threat to the strengthening of the BRICS economic influence is that “less ambitious” cooperation is occurring, with an emphasis being placed on South-South trade and joint projects as opposed to on increased commercial interaction between the global North and South.

**Development bank.** The proposed BRICS development bank, which could start in 2015, is meant to promote joint investment initiatives and conduct transactions in the local currencies of the BRICS nations, shifting power away from the West (Bracht, 2013). Despite their intentions to unify and effectively leverage their collective economic power, however, the BRICS countries themselves are having difficulty reaching agreement on the particulars of the proposed bank, including where the start-up capital will come from, where it will be located, who will staff it, and to whom it will lend money (Bracht, 2013). The countries’ conflicting interests and the vast differences in their respective economic influence make agreement on details very challenging. Recent trends have also shown that investors are reluctant to buy stocks from emerging markets because of disappointing economic growth (Slater, 2013). When aggregated, such difficulties suggest that predictions of the BRICS grouping as an economic leveraging entity may be overrated.
**South-South trade.** South Africa’s entrance into BRICS represents a shift from earlier hesitance to join such an entity, expressed by former President Thabo Mbeki as a concern that entering such a group would ultimately result in the country’s relationship with China (for example) coming to resemble South Africa’s colonial relationships of the past. He said that exporting raw materials to China while importing Chinese manufactured goods would condemn South Africa to underdevelopment and would mean a replication of Africa’s relationship with its former colonial powers (BBC News, 2006). In response to such concerns about China’s expanding role in Africa, South African officials have responded that increased competition between developed and emerging economies is positive (*Financial Times*, 2010). Nonetheless, emerging relations between China and Africa have raised concerns, particularly in regards to China’s underwriting of investments and trade with the Sudanese government, which has been accused of serious human rights violations (Lee, 2006). Additionally, criticism of Chinese enterprises on the continent has been widespread; in countries like Algeria, Angola, Zambia, and the Democratic Republic of the Congo, Chinese companies and workers have been targets of violence and animosity, while international analysts criticize the Chinese government’s willingness to ignore human rights and governance concerns and the environment in pursuit of resources (Anderlini, 2010).

Given the current partnership and trading relationship between China and South Africa, China is set to make the largest impact on the South African landscape. Bilateral trade between the countries has been gradually expanding since diplomatic relations were established in 1998, with total trade amounting to $16 billion in 2010, growing 2 percent from 2008 (*The Times*, 2011). Trade with China has tripled as a share of South Africa’s total trade, from less than five percent in 2000 to approximately 15 percent in 2010 (World Bank, 2011). Major Chinese companies such as ZTE and Huawei are investing and establishing their African headquarters in South Africa, and Beijing has located the African headquarters of the China-Africa Development Fund in Johannesburg. In August 2010, China signed a “comprehensive strategic partnership” with South Africa in recognition of the growth in bilateral trade between the two countries (*Xinhua*, August 24, 2010). The declaration outlined 38 cooperation agreements between the two countries, focusing on trade, investment, mineral exploration, and agriculture as well as national and global political dialogues (*Xinhua*, August 24, 2010). The state visit also produced a plan to build a high-speed rail link between Durban and Johannesburg (Gordhan, 2011).

South Africa has recently also rapidly expanded its involvement in the African continent, driven by economic liberalization and the lowering of economic barriers in many African countries. While such economic liberalization has restricted investment opportunities in traditional sectors (such as petroleum, mining, and construction) for many European and American enterprises, it has not done so for South Africa; rather, South Africa has been able, as a result of continent-wide liberalization, to penetrate many other sectors of Africa’s economies. Indeed, South African’s trade to SSA has risen steadily in the past few years. Only 4 percent of South Africa’s trade was conducted with SSA in 1990, compared to 12 percent in 2010. This is in contrast with figures showing that SSA accounts for only 2–5 percent of total trade with China and Brazil and only 0.2 percent of total Russian trade.  

With South-South trade expected to account for a growing share of global trade, South Africa’s new status within BRICS could provide new trade and investment opportunities not only for South Africa but also for other African countries (Besada, Tok and Winters, 2013) Most analysts are unclear whether South Africa will serve as an African representative within BRICS while also attempting to “leverage” itself as a major player in the group (Bauer, 2011). Currently,
Asia accounts for the majority of South-South commerce, with figures indicating that China alone comprises 40 percent of such trade (Aykut and Ratha 2004). A key challenge for South Africa will therefore be to ensure that other regions of the world can generate a larger portion of South-South commerce than China currently constitutes.

Joint partnerships. According to South Africa’s government, South Africa’s trade and investment are poised to expand with the country’s membership in the BRICS association through the group’s joint ventures and cooperation. The South African government is also hoping to leverage its membership to secure opportunities for joint ventures, mergers, and cooperation with other BRIC countries currently investing on the African continent (Gordhan, 2011). In recent years, a number of joint ventures have developed, particularly between Chinese and South African firms. Standard Bank, the largest bank in South Africa, sold 20 percent of the bank to the International Commercial Bank of China (ICBC) (Battersby and Lu, 2011) before South Africa joined the BRICs group. In a joint statement, the ICBC indicated that it views South Africa as a lucrative market for investment and an alliance between the International Commercial Bank of China and South Africa’s Standard Bank would open up opportunities for both countries across the continent (SAInfo, 2007). The deal between the two banks provides the South African bank with increased access to the largest and fastest growing economy in the world (China), allowing the bank to better facilitate and finance trade flows between Asia and Africa (SAInfo, 2007). Since the acquisition, ICBC and Standard Bank have launched cooperative projects, including major infrastructure projects. In short, South Africa’s participation in the BRICS group provides strategic investment partnerships for other members, particularly China. It should be noted that South Africa’s mergers with BRIC firms, however, are not regarded by all as beneficial for South Africans, as many perceive that such mergers could allow BRIC investors to exploit the region (van den Bosch, 2011).

Investments. It is not yet clear whether trade between South Africa and the BRIC countries will expand on a long-term basis, providing tangible benefits for South Africa or the African continent. It is also difficult to determine whether BRIC investments in South Africa are occurring as a result of South Africa’s participation in BRICS or whether such investments would have been made regardless of South Africa’s BRICS membership, considering that infrastructural development in the region had been increasing even prior to South Africa’s admittance to the group. It does appear, however, that there has been considerable interest in forging new investments across BRICS members since the country’s initiation into the BRICS formation. For example, Since South Africa joined BRICS, an immigration official reported that in a period of just over a week, there was a 38 percent increase in enquiries from corporate clients and individuals requesting visas and information on obtaining work permits in BRIC nations (China Daily, Sept 15, 2011b). The South African government has also encouraged private investment in BRICS through trade expos. In November 2011, it invited South African companies in targeted sectors to participate in trade expos in Beijing and Shanghai (China Daily, Sept 15, 2011a).

Technology. Brazil, Russia, India, and China have increased capacity to bring to Africa expertise and technologies that can aid infrastructural development. These countries account for more than 50 percent of overall emerging market IT spending, and, therefore, could provide opportunities for technology transfer (Reynolds and Andersen, 2010). With higher levels of technological innovation in the BRIC nations, it is expected that BRICS membership will provide for South Africa technology sharing, joint manufacturing, marketing and research projects, and exchange programs for skills and training (D’Angelo, 2011).
Political Implications

The proliferation of regional integration initiatives and geo-political forums and blocs are changing the economic and political landscape of global affairs. South Africa is currently a member of the UN, the G-20, the IBSA Dialogue Forum, the G-77, and a non-permanent member on the Security Council. Within Africa, it is a member of the Southern African Customs Union (SACU), the Southern African Development Community (SADC), the African Union, and the New Partnership for African Development (NEPAD). To some analysts, BRICS membership will allow South Africa to positively contribute to key global governance and democracy issues and allow the country to demonstrate its leadership on issues such as conflict resolution, security, and reconstruction and development (Makgetlaneng, 2011).

South African independence in foreign policy making. As mentioned earlier, the BRICS arrangement poses a problem for South Africa’s foreign policy, as it is not necessarily aligned with that of the other member nations. This is not, however, a challenge unique to South Africa. For instance, Russia and China vetoed the UN Security Council resolution on Syria, while India voted in favor of it. Nevertheless, the group is attempting to move towards unity on foreign policy issues. In its joint statement on Iran, the BRICS countries stated, “We recognize Iran’s right to peaceful use of nuclear energy consistent with its international obligations and support resolution of the issues involved by political and diplomatic means and dialogue between the parties concerned, including between the IAEA and Iran, in accordance with the provisions of the relevant UN Security Council resolutions” (Ilyashenko, 2012). Many experts and analysts argue that integration into BRICS causes concern for South Africa’s foreign policy, given that it may be difficult for the country to justify its foreign policy positions among the other, much wealthier countries in the forum (OA, 2011) (Besada, Tok and Winters, 2013). It is difficult for all members to reach a consensus, considering their differing national, regional, and strategic interests. The South African government asserts that its foreign policy priorities are focused on Africa and that its economic priorities lie in forging greater trade with China and India (Government of South Africa, 2011). It should be noted, however, that while South African diplomacy has been focused on conflict resolution and peacekeeping in other African countries like the DRC and Zimbabwe, the country has done little to promote consensus on key development concerns, particularly in relation to Asia’s growing economic involvement in Africa as Africa seeks to gain strategic economic partnerships with Asian enterprises and expand South African multinationals’ presence into key Asian centers such as China and India. In fact, South Africa has remained silent in regards to China’s role in Africa, even about controversial land deals (OA, 2011), choosing instead to prioritize and attract increasing investment in the continent.

Political unity within BRICS. The cohesiveness of the BRICS forum is also cause for concern; the economic goals of the member nations, as well as their current objectives and past and future political alliances could potentially conflict. There is clearly potential for friction for South Africa when it comes to foreign policy objectives with other BRIC countries. Many argue that there is little in terms of political and economic objectives that bind these countries together in the first place (OA, 2011). Furthermore, four of the five members are democracies, which may create future conflict or controversy in terms of political priorities. As such, South Africa’s
ability to fully participate in the BRICS forum could potentially be constrained by its dearth of diplomatic resources, compared to those of the other members (OA, 2011).

There has been speculation as to how the admission of South Africa into BRICS will affect IBSA—the policy forum between India, China, and South Africa established to reach consensus on a variety of political, economic, and social issues. Some conjecture that the IBSA partnership will continue to operate within the BRICS group or be absorbed by China and Russia, particularly if BRICS adopts a more political agenda and is able to speak as a united group on issues of international importance (Brooks, 2011). This notion is dismissed by others who argue that there is no evidence to suggest that IBSA will be rendered obsolete and instead contend that IBSA will help strengthen BRICS (Dubbelman, 2011) and reinforce the work of the forum through collaboration on investment initiatives and calls for reform of the international monetary system. With both forums still so early in their formation, however, it is difficult to predict how they will interact.

**Continental impact.** Many analysts within South Africa argue that economic growth on the continent has been constrained due to low levels of regional and continental economic integration. Some contend that to get the most out of the new BRICS arrangement, South Africa must push for continued regional integration through regional bodies such as SADC (Davies, 2011). While SADC has made progress in integrating its member economies relative to the other regional bodies on the continent, increasing the flow of resources and minerals in the region (e.g. Angolan oil; Tanzanian gold; Zambian copper; and Zimbabwean diamonds, gold, and chrome) (Kahn, 2011), it has not attained the level of integration it has promoted. It has not made significant progress along its 15 year plan, according to which it was to reach a Customs Union in 2010, a Common Market in 2015, a Monetary Union in 2016, and a regional currency in 2018 (in Amos, 2010). South Africa is by far the most dominant economy in the SADC group at both an economic and political levels (Amos, 2010), though many argue that regional integration has at times conflicted with South Africa’s national interests and that the country is choosing to integrate itself into the world economy at the expense of focusing on regional partners (Amos, 2010) (Besada, Tok and Winters, 2013). The agreement between South Africa and the European Union (the EU/SA Trade Development and Cooperation Agreement (TDCA), which developed a free trade area between the two partners, is, according to Amos (2010), an example of this.  

Certainly, the BRICS grouping offers political leverage for South Africa with some advocating it should pursue alliances in key sectors (Kahn, 2011). One of the key sectors in which South Africa can influence the agenda of the BRICS countries is that of renewable energy. Through helping to negotiate agreements focussing on trade-offs between environment and development, South Africa could help to develop its own renewable energy and technology sectors. Indeed, South Africa has already indicated it will use its membership in the group to intensify its global campaign on climate change.

**Soft power balancing on the global stage.** South Africa’s stint as a non-permanent member on the Security Council from October 2006 to 2008 garnered the country criticism for its controversial voting including its support for normalization of nuclear trade with India, its opposition to sanctions against Iran, its helping to block a sanctions resolution against Zimbabwe’s rulers by voting against imposed sanctions, and its voting against condemning the UN human rights violations in by the military junta in Myanmar. South Africa’s decisions, which outraged the international community, were, according to South Africa, responses to European and US violations of existing rules in the US system (Habib, 2011). In its current stint in the Council, South Africa has again generated controversy from the international community.
The country voted to pass a UN resolution authorizing the use of force in implementing a no-fly zone over Libya, while Brazil, China, India, and Russia all abstained from the same vote. This has generated concerns about South Africa’s foreign policies and the implications thereof for BRICS as a political entity. The most recent divergence in foreign policy comes from South Africa’s August 2011 opposition to unfreezing assets belonging to the fallen government of Muammar Gaddafi of Libya and offering it to the rebels, along with the refusal to recognize them as the legitimate government of the country. South Africa agreed to support a package for $500 million package for humanitarian assistance but will not release funds until the UN has recognized the National Transitional Council itself\textsuperscript{15} (Smith, 2011; Besada, Tok, Winters, 2013).

In its 2011 \textit{White Paper on South Africa’s Foreign Policy}, the government emphasizes the role that resource-rich African countries can play in providing markets, while recognizing that other countries on the continent will provide challenges in terms of competition for new markets and political influence. The paper therefore calls for the need to develop partnerships with countries on the continent for “mutual advancement” (Government of South Africa, 2011). It rather directly indicates how any “African policy” on the continent is influenced by South African economic and political interests, largely without emphasizing how the policies of South Africa will be shaped by the needs of the greater region (Fabricus, 2011). Therefore, although South Africa has often been labeled a “representative” of the African continent within the BRICS group, its economic and political interests are not always aligned with those of its African neighbors (OA, 2011).

\textbf{Conclusion}

Many of the challenges outlined in this essay constitute growing pains for the still relatively new BRICS bloc. Over time, cohesion and teamwork will likely be the new reality, and the BRICS entity will likely soon be offering up a formidable challenge to traditional Western powers. Still, at the moment, the BRICS countries have not fulfilled their initial promise, and a substantive assessment indicates that pessimism may be warranted. Given the evidence, four concluding points can be made. First, the BRICS forum should be called what it is, not what it could be: It is an economic cooperation forum, not a political cooperation forum, with consequences for both global-Southern countries and global governance. The BRICS group’s primary focus is on sector cooperation in trade and investment. Political and foreign policy objectives of member nations do not converge and, indeed, sometimes conflict. One of the best examples of such lack of convergence is that South Africa has indicated that it would use the BRICS grouping to intensify the global campaign against climate change, but this objective clashes with other members’ energy and development plans. Second, it can be concluded that analysts’ other claims (like BRICS being an alternative to NATO) are farfetched, since the evident focus of BRICS is trade and investment, and a military threat to BRICS countries from NATO is not imminent. If sector cooperation is narrow, interests are not in fact common, and foreign policy instruments are diverse, global development will continue to be uneven, the bargaining power of Southern countries will not be increased, and what should be a dual strategic alliance and platform for cooperation will instead likely become a forum that can be readily instrumentalized for unilateral national political gain.

Still—and third among the concluding points—the implication for South Africa (and, more broadly, Africa acting through South Africa) is that the BRICS grouping could, in Zuma’s words, be treated as a “gateway” to Brazil, Russia, India, and China, from which the country and continent could gain much needed infrastructure investment, with whom South Africa and the
continent could participate in enriching education exchange, and from whom both the country and the continent could acquire technology transfers that could revolutionize Africa’s tertiary sector (if complementary government policies are put in place). South Africa can instrumentalize the BRICS grouping to secure such things for Africa, and it can perhaps do so through institutionalization of the forum, particularly establishing policies and frameworks like those of the G20 as well as a monitoring mechanism, such as the economic surveys and country surveillance conducted by the OECD. Fourth, it should be concluded that like other countries, South Africa can instrumentalize the forum for its own needs. While it does so, South Africa should also focus on continent-wide integration through the African Union, which could act as a counter-weight to the European Union and the North American Free Trade Agreement.

At this time, academics and researchers have a role to play going forward. Academics should develop and monitor the policies of the BRICS group. As the concept of soft balancing has demonstrated, contemporary informal alliances, coalitions, and cooperative arrangements, in whatever form they take, have wide-ranging implications for many countries that may otherwise come undone through violence and revolution. Universities should begin tracking the commitments and achievements of the BRICS form (just as the University of Toronto tracks the commitments and achievements of the G20)\(^6\) in lieu of an official monitoring mechanism in order to provide data and perspectives for state and non-state actors such as civil society organizations to use in lobbying BRICS governments ahead of summits. Together with assertiveness by South Africa, such developments could facilitate and accelerate change away from the status quo.

---

1. Both Hany Besada and Evren Tok are Project and Lead-Project-Investigators on Qatar Foundation’s National Priorities Research Program- NPRP 6-1272-5-160
2. Although South Africa had a much slower annual growth rate in the 2010s than did the other BRICS members, its rate of growth in 2010 was not as far behind as it was throughout the decade, ringing in at 2.5 percent in 2010 (compared to 7.8 percent for China, 3.2 percent for India, and 0.9 percent for Brazil). Despite this relative gain, South Africa must still challenge itself to generate more inclusive growth in the country, raise GDP growth to 6–7 percent, and tackle high unemployment.
3. South Africa’s GNI per capita (purchasing power parity) is US$11,190, while China’s is US$9,210, India’s is US$3,840, Russia’s is US$22,760 and Brazil’s is US$11,720 (World Bank, 2012).
5. Unemployment fell steadily from 2002 through 2007, but never dropped below 22 percent (World Bank, 2012). By the first quarter of 2010, it again surpassed 25 percent. With low rates of labour force participation and a large number of job seekers not formally counted among the unemployed, the unemployment figure is considered to be above 30 percent and is most evident among black youth who face a rate exceeding 50 percent (OECD, 2010).
6. The two nations committed to cooperate on infrastructure construction projects, such as roads, railways, ports, power generation, airports and housing. They also agreed to work together in such areas as defense, cultural exchange, education, health, aquaculture, agriculture, transportation, civil aviation, science and technology, mineral resources, information communications, tourism and personnel exchange sectors (Xinhua, August 24, 2010).
7. In dollars, however, bilateral SSA trade with China is four times that of trade with South Africa (Deutsche Bank, 2011).
8. Matla Innovations, the first diamond-cutting and polishing plant opened in the Eastern Cape, a joint venture between a Chinese and a South African company (Faurie, 2010). South Africa’s Women Investment Portfolio Holdings and limestone miner Continental Cement and the China-Africa Development Fund and Jidong Development Group entered into a joint venture to build a R1.65-billion cement manufacturing plant in Limpopo province (SA.info, 2010). Tata Motors South Africa, a joint venture, between India’s Tata Motors and Tata Africa, opened a 100-million-rand truck assembly plant outside Pretoria in July 2011 (China Daily, 2011b). China’s Ganzhou Qiantong Rare Earth Group also entered into a joint venture in July to build a rare earth processing plant in South Africa’s Western Cape province with Great Western Minerals Group of Canada, which had bought out its South African partner a few months earlier (Knowledge @ wharton Today, 2011).
Qobo and Soko (2011) identify several conflicting policies and interests among the BRICS partnerships: economic competition between China and India, China's campaign against India's bid for United Nation Security Council permanent membership, China's historical alliance with Pakistan, and unresolved border disputes between Beijing and Delhi.

The agreement was signed in 2004 and was signed without consulting BLNS (Botswana, Lesotho, Namibia, Swaziland) SACU partners – a disregard of the SACU treaty stipulating that all such agreements must be approved by SACU members. It covers approximately 90% of bilateral trade between the two partners.

South Africa's support for normalised nuclear trade with India has attracted attention, a policy viewed as contrary to the letter and the spirit of the Pelindaba Treaty, establishing Africa as a nuclear-weapons-free zone: http://mg.co.za/article/2011-03-25-an-armchair-guide-to-sas-foreign-policy-challenges.

South Africa tried to weaken the resolution, but it did not understand UN protocol, dictating that if a country intervenes in the drafting of a resolution, it cannot vote against the resolution or abstain from voting. Russia and China voted in favour.

China and Russia also voted against the resolution.

In this instance Russia and China vetoed the resolution calling the deteriorating situation in Burma a serious risk to regional peace.

The de-facto government of Libya during and following the end of the civil war. It remained in place for 10 months following the end of the civil war until a new elected assembly was sworn in on August 8, 2012.

See http://www.g20.utoronto.ca/ for more information.
South Africa in the BRICS: Soft Power Balancing and Instrumentalization

References


South Africa in the BRICS: Soft Power Balancing and Instrumentalization


White, L. (2011, March 14). SA is the stepping stone into Africa. Gordon Institute of Business Science. [http://www.gibs.co.za/default.aspx?oid=81&stepid=2843&pid=63&ctl00_ContentPlaceHolder1_ctrlMainPortletContainer=itemid*389339%stepid*2842%siddef*920%sidlangver*919%sidlayout*919%sidmode*2747%languageid*1$previousitemid*389339$ignoreloadedcontrols*True](http://www.gibs.co.za/default.aspx?oid=81&stepid=2843&pid=63&ctl00_ContentPlaceHolder1_ctrlMainPortletContainer=itemid*389339%stepid*2842%siddef*920%sidlangver*919%sidlayout*919%sidmode*2747%languageid*1$previousitemid*389339$ignoreloadedcontrols*True)


