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THE BRICS ALLIANCE

CHALLENGES AND OPPORTUNITIES FOR SOUTH AFRICA AND AFRICA

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The BRICS Alliance: Challenges and Opportunities for South Africa and Africa

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INTRODUCTION

For the past decade, Africa has experienced the longest continuous growth spurt since independence from colonialism.[1] The African boom has been fueled mostly by a mining boom, with income generated by the export of natural resources financing a consumer boom.[2]

Most of the $43 billion foreign direct investment into Africa in 2013 was in extractive industries.[3] Natural resources still account for three-quarters of sub-Saharan Africa's exports, according to World Bank figures.[4] The seemingly unlimited appetite for African commodities from the fast-growing emerging markets mainly the BRICS countries, such as China and India, have been among the key drivers of African growth.

The rush by BRICS countries to invest in Africa has turned it into a globally positive investment story, rewriting Africa's narrative into one of new opportunities, rather than the old narrative of the continent being a burden, waiting for handouts from the West and former colonial powers.

In 2013, BRICS members' trade with Africa stood at $350 billion.[5] According to South Africa's Standard Bank,[6] BRICS members' trade with African countries had jumped 70 per cent in the past five years, or by $150 billion since 2008. China's share of the BRICS-Africa trade in 2013 was 61 per cent, with India having 21 per cent, Brazil 8 per cent, South Africa 7 per cent and Russia 3 per cent. The BRICS countries share of total global output was 20 per cent in 2013.

Brazil over the last decade has increased its trade with Africa from $4.2 billion to $27.6 billion,[7] with these investments mostly focused on the Lusophone African countries. In early 2013, Brazil cancelled the $900m debt of 12 African countries.[8] More than half of Brazil's technical cooperation is with Africa.[9] Natural resources make up 90 per cent of Brazil's imports from Africa. Brazil sells manufactured products to Africa such as vehicles, machinery and processed goods as well as agricultural goods such as diary products, meat and sugar.[10]

Brazil has used its cultural affinity to Africa, its large African-origin population and its language ties with Lusophone Africa, as a competitive advantage. Brazil under former Workers' Party leader Lula da Silva, stepped up its trading with Africa as a means of diversifying its dependence on industrial countries.[11]

India has increased trade with Africa, from $3 billion in 2002 to $62 billion in 2011.[12] The Indian government aims to increase this to $90 billion by 2015.[13] Primary commodities make up 91 per cent of Africa's exports to India, with oil making up 61 per cent of this over the last decade.[14]

In 2012, Russia wrote off debts of $20 billion of from African countries.[15] Bilateral trade between Russia and Africa rose to a peak of $7.3 billion in 2008—a tenfold increase from the $740 million in 1994.[16] Almost 80 per cent of Russia's imports from Africa are agricultural products—edible fruit and nuts (29 per cent), cocoa (16 per cent) and tobacco (9 per cent).[17] Russia exported mostly processed products to Africa: cereals (31 per cent), machinery (3 per cent), and wood (12 per cent), iron and steel (11 per cent), fertilisers (6 per cent), mineral oil and fuel (22 per cent).[18] Russia has dramatically expanded its military cooperation with Africa, selling arms, military equipment and providing military training to African countries, accounting for almost 15 per cent of African arms purchases.[19]

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In 2012, if South Africa is excluded, Africa was the source of 15 per cent of overall BRICS imports, or $420 billion out of $2.8 trillion, according to figures from South Africa's state-owned Industrial Development Corporation.[20] The imports were concentrated on selected countries and dominated by minerals: Angola, Nigeria, Libya, Algeria and Egypt for crude oil and gas; the Democratic Republic of Congo and Zambia for copper; and Liberia, Sierra Leone and Mauritania for iron ore and concentrates.[21]

In 2013, South Africa's trade with the rest of Africa stood at $25 billion. South Africa exports mostly manufactured goods to other African countries. The top five South African exports to Africa in 2012 were machinery (22 per cent), base metals (14 per cent), transport equipment (14 per cent), chemical products (11 per cent) and mineral products (10 per cent).[22] Almost 80 per cent of all South Africa's imports from other African countries are minerals and oil-related products.[23]

BRICS total trade with Africa is more than trade between BRICS countries. In 2012, for example, BRICS total trade with Africa was $340 billion, while trade between BRICS countries for the same period amounted to $310 billion.[24] By the end of 2012, South Africa's trade with BRICS countries represented 19 per cent of the country's total trade[25]. By the end of 2011, South Africa recorded R4.2 billion ($504m) in trade with Russia, R55billion ($6.6bn) with India, R18 billion ($2.2bn) with Brazil and R188 billion ($22.6bn)with China.[26] South Africa ran a trade surplus with Russia of R1 billion ($120m) in 2011.[27] South Africa ran a trade deficit with China of R18 billion ($2.2bn) in 2011; in the same year, the trade deficits with Brazil and India were R6.1 billion ($732m) and R4.9 billion ($588m) respectively.[28] South Africa's exports to China and India are dominated by mineral exports, mostly iron-ore and concentrates, and coal.[29] In 2012, about 46 per cent of South Africa's exports to China were iron-ore and concentrates, and 11 per cent of coal products.[30] Also in 2012, 53 per cent of its exports to India were iron-ore and concentrates, and 6 per cent were coal. South Africa's exports to Brazil are more diversified, including manufactured products—which actually create jobs and higher income—and chemicals and minerals.[31] Transport-related machinery, including vehicles, made up around 28 per cent and agroindustrial products 40 per cent of South Africa's exports to Russia in 2012.[32]

BRICS members' interest in Africa as a new investment destination has prompted Western countries—such as the US, Japan and the European Union(EU)—and oil-rich Middle Eastern countries to follow suit. Suddenly, BRICS interest in Africa has prompted Western countries and companies to invest in ways never done before. Africa has become the new frontier market for many old industrial powers wanting to reboot their economies, and for the new emerging powers wanting to maintain high growth levels.

WHAT DO *BRICS* OFFER AFRICA?

South Africa is under pressure from fellow African countries to show that BRICS will benefit them (African countries). At the BRICS summit in April 2013 in Durban, South African President Zuma handpicked key African leaders to join the BRICS leaders for a meet and greet, where he and senior BRICS leaders met with the African leaders to sell them the benefits of BRICS. The April 2013 BRICS summit declaration on Africa was carefully constructed to show BRICS good intentions to Africa, vowing that BRICS are "committed to support Africa's development agenda by strengthening their cooperation in the search for synergies for investment in Africa's infrastructure, agriculture and manufacturing sectors".[33]

Some African countries, civil society groups and analysts have rightly complained that BRICS engagement with Africa could replicate Africa's low-quality growth model—enriching African elites, rather than the masses, undermine Africa's own agricultural and manufacturing sectors, lead to vanity infrastructure projects for African elites and undermine attempts to foster democracy on the continent.

Since independence, the chances of African and developing countries of prospering have been heavily curtailed because the global political, trade and economic rules are heavily skewed against them in favour of developed countries. African countries have little say within global institutions, such as the United Nations, World Bank, International Monetary Fund, World Trade Organisation, the G8 and the G20 (where Africa's participation is little more than as an observer).

African countries have lacked the freedom to come up with economic policies appropriate to their own circumstances—a handicap not restricting richer nations. Only if African countries have the space to decide what policies to pursue can they turn their economic gains into what UNCTAD Secretary-General Supachai Panitchpakdi calls, "real productive capacity".[34]

The BRICS countries are pushing for the global trade, economic and political architecture to be made fairer. The BRICS aim to "rebalance" the global political, economic and trade systems away from Western bias, and bring new ideas and fresh solutions to the globe's pressing problems.[35]

The increasing global power of BRICS countries' appears to have already made many multilateral agencies scramble to bring on board African and developing country interests—previously mostly ignored.

As BRICS countries prise open the policy space to come up with independent development policies appropriate to their own country circumstances, this could translate into the opening of the policy space for individual African and other developing countries. Many African and other developing countries—using as a bargaining chip the potential as alternative trade partners of a booming BRICS, and other emerging powers—are already able to extract better terms from industrial powers and former colonial powers. BRICS countries also offer African countries new markets and sources of development finance, at a time when its current markets and sources of finance in the EU and North America face the prospect of economic decline due to the aftermath of the global financial and Eurozone crises.

Most of the developed countries' aid to Africa since independence has often come with onerous conditions. African countries were either compelled to follow the—often outrageously inappropriate—policies of the donor countries, support them in international fora, or use their companies and skills in donor projects. Already, some of the new development aid to African countries from BRICS has come without the customary strings attached. The mere fact that BRICS countries are starting to offer development aid to African and developing countries without onerous conditions may force developed countries to ease the tough conditions attached to their development aid.

TRANSFORMING AFRICA's LOW-QUALITY GROWTH MODEL

Since independence, most of Africa's economic growth has been of low quality: unable to create jobs, or reduce inequality and poverty. Africa's post-independence and Cold War growth model has seen the continent producing the raw materials, and former colonial powers finishing off these products and selling them back at high prices. Growth based on exporting raw materials or commodities concentrates benefits to a few, and brings in less income, fewer jobs and fewer skills, while not substantially reducing poverty and inequality.[36]

The African growth model has been rightly described by the Africa Progress Panel as "inequitable, jobless, (and) volatile", and if the current pattern continues, is unlikely to lead to widespread job creation and poverty reduction.[37] However, Africa's low-quality growth model is being repeated in Africa's rising trade with BRICS: relying on exporting raw materials instead of diversifying into manufacturing, services and value-added products.[38]

While individual African countries suffer from the global power inequality between their nations and those of developed countries—and African leaders rightly decry these global inequalities between poor and rich nations—within individual African countries deep inequalities exist between ruling elites and ordinary citizens, whether based on class, gender, age or access to decision-making. Inequalities within African countries are among the highest in the world. In fact the high poverty rates in Africa are in most cases a result of very high levels of inequality.[39] New figures show that 70 per cent of Africa's total population live in countries that have growth rates of more than 4 per cent.

However, only four per cent of Africans earned more than $10 a day with half of the population in fast-growing African economies living below $1.25 a day,[40] and more than 200 million people still needing humanitarian aid. Africa's share of global poverty has risen from 21 per cent in 1999, to 29 per cent in 2008.[41] Africa's high growth rate has mostly been because of an increase in revenue from exports of minerals and hydrocarbons—which consists of more than 50 per cent of the total.[42] Africa is also heavily dependent on foreign manufactured goods.[43] It is often the cases that Africa's raw materials—which do not create many jobs—are exported to industrial and new emerging markets and then re-imported as finished goods. Hence, African countries do not benefit from the job creation or higher value of processing their own raw materials.[44]

African Development Bank research showed the extent of the inequality. It showed that about 100,000 Africans had a net worth of $800 billion in 2008 or about 60 per cent of Africa's GDP or 80 per cent of sub-Saharan Africa's GDP.[45] The 2012 Africa Progress Report noted that economic growth has reduced poverty in Africa less than anticipated, with the "poor receiving too small a slice of the expanding wealth".[46] It also pointed out that most African countries were not on track to achieve the Millennium Development Goals by 2015, while there was "minimal progress on education, child nutrition and maternal health".[47]

Former UN General Secretary Kofi Annan said: "Disparities in basic life-chances—for health, education and participation in society—are preventing millions of Africans from realizing their potential, holding back social and economic progress in the process."[48] What is actually happening is that Africa has notched up economic growth that is "reinforcing" inequalities, rather than reducing them. In short: Africa's rich are getting richer, and the poor are—at best—marginally better off, with the vast majority remaining poor or becoming even poorer.

A 2014 report by African Development Bank warned that the quality of the continent's economic growth still needed to be improved and current low-quality growth was not improving Africa's human development indicators, namely providing increase access to healthcare, education and jobs.[49] Yet, if rising growth does not lead to an equivalent rise in human development it will make Africa's growth vulnerable to reverses and shocks.

Africa's post-independence history of 'low-quality' high growth—which leads to sudden and visible wealth, which in turn only benefits small elites (whether political, ethnic or religious) leaving the masses impoverished—has often fostered the conditions for coups and religious and ethnic fundamentalism. The Arab Spring rebellions are a consequence of the deep gulf between the relatively small ruling elite—living a 'bling' and elite lifestyle—and a majority of the poor. In Tunisia and Egypt, the middle classes were also starting to feel the pinch of difficult economic circumstances. Generally in these regimes, the middle classes are locked into the system, and often have much to lose in opposing it.

The new wave of religious fundamentalism in Africa, with the rise of extremist groups such as Boko Haram in Nigeria, is fueled by a toxic combination: small elites benefiting fabulously from the new wealth from extractive resources, while at the same time the vast majority of their countrymen and women are getting poorer. Africa urgently needs to make its growth model more inclusive, pro-poor and sustainable.

WHAT DRIVES SOUTH AFRICA's *BRICS*, AFRICA AND FOREIGN STRATEGIES?

Under the presidencies of Nelson Mandela, Thabo Mbeki, and the interim president Kgalema Motlanthe—from 1994 to 2010—the governing African National Congress (ANC) pursued a three-pronged strategy of uniting Africa, building South-South cooperation with other developing countries, while also striking alliances with key industrial powers, such as the US, the EU, Canada, Japan and Australia.

Since the end of apartheid, a core strategy of South Africa's foreign policy has been to position itself as not only a voice for less influential African and developing countries, but also as a leader in forging strategic alliances to advance their common interests in global forums and negotiations.

South Africa's first democratically-elected President, Nelson Mandela, believed that South Africa's foreign and Africa policy should be moralist in outlook. The ANC had received material, moral, financial and logistical support from developed and developing countries in its campaign against colonialism and apartheid—therefore in government the ANC had a moral debt to repay in its relations with the world.[50] Mandela argued South Africa's moral obligations were to promote human rights, peace, democracy and racial and ethnic inclusivity, both at home and abroad. But South Africa, as one of the last African countries to achieved independence, also wanted to bring peace and stability—a precondition for development and growth—in Africa.

The anti-apartheid struggle was a global struggle: by the 1980s it had become one of the most global of solidarity movements, spanning continents through involving developing and industrial countries. Furthermore, Mandela and ANC foreign policy strategists in his government argued that South Africa's diverse population—including large Indian, Jewish, Chinese and Malaysian diasporas, along with a significant Western white minority and dominant black African population—gives the country a uniquely global reach, which could enable it to act as a bridge between the developed and the developing world.

Mandela and Mbeki argued that, following South Africa's independence from apartheid, as a key part of its foreign policy the country had a duty to defend the rights of smaller, vulnerable and poor developing countries—in Africa and elsewhere—against unfair treatment by bigger Western countries. South Africa's victory over apartheid gave South Africa tremendous soft power among both developed and developing countries—which Mandela used extensively, and which appears to be eroding under the weight of poor governance at home and abroad by the Jacob Zuma government.

South Africa has developed its 'soft power' more adroitly than any other developing country of similar size. South Africa under Mandela wanted to take an independent foreign policy—based on fairness—and not one dictated by big powers, as with most African and developing countries. Mandela was also critical of Western nations abusing their domination of global and multilateral organisations for their own selfish ends, rather than for the global good. In his farewell speech to South Africa's parliament, Mandela said: "We see how the powerful countries, all of them so-called democracies, manipulate multilateral bodies to the great disadvantage and suffering of the poorer developing nations."[51]

Mandela struggled with balancing his foreign policy—of making democracy, human rights and social justice trump all—against those within the ANC who argued that SA's commercial interests should be the final arbitrar of foreign policy. Many ANC leaders argued that democratic South Africa should use South Africa's diplomatic celebrity to promote its commercial interests.[52] For example, Mandela as president recognised both mainland China and Taiwan, in spite of pressure from China to ditch Taiwan. Only after heavy pressure from ANC leaders, who argued that SA should ditch Taiwan for commercial reasons, did Mandela agree to drop Taiwan. But Mandela insisted on inviting the Dalai Lama to SA, despite pressure from China and key ANC leaders not do so.

Mandela was also fiercely loyal to old undemocratic allies such as Libya, which had bankrolled the ANC when the UK and US governments would not in the 1980s. This cleaving to old loyalties often undermined his efforts to pursue a moral and democratic foreign policy course.

Under Mandela's successor Thabo Mbeki, South Africa underplayed the emphasis on a moral and democratic foreign policy. There was a shift towards securing South Africa's— and by extension Africa's—collective stability, economic interests and unification. This 'pragmatic' approach has meant tolerating undemocratic African regimes if they bring 'stability', 'economic prosperity' and continental 'unity'. Of course, Africa's recent history has shown that 'stability', 'economic prosperity' and 'unity' cannot be built on undemocratic regimes and leaders.Thabo Mbeki emphasised the restoration of African dignity, pride and self-help during his presidency. He pushed for what he called an "African Renaissance", to promote African-inspired ideas, policies and decisions, and to elevate African history and cultures, following slavery, colonialism and apartheid. Mbeki insisted on "African solutions for Africa's problems", even if they may be wrong, criticizing

World Bank or IMF-type proposals for African countries, and developed country non-governmental organisations' involvement on the continent.

Mbeki, in his opposition to perceived Western 'meddling' in the affairs of African and developing countries, drew criticisms from civil society groups in South Africa and former anti-apartheid activists globally. This was prompted when—during its stint as non-permanent member of the 15-member UN Security Council during the 2006-2007 period—SA controversially shielded Zimbabwe from international sanctions over electoral violence in 2008, deflected action against Burma over its repression of Buddhist monks in 2007, and defended Iran's right to have a nuclear programme.[53]

South Africa's UN Security Council ambassador at the time, Dumisani Khumalo—a close political ally of Mbeki—later said activists had mistakenly criticised South African foreign policy because they "wrongly" believed that South Africa "could use our position to solve all the evils in the world". On the contrary, he claimed, the country's foreign resources were better used to fight the "unequal rules that favour the permanent (industrial powers) members" of the UN Security Council.[54]

Mbeki pushed for the creation of Africa-wide institutions—uniting the continent along EU-like lines—and for putting together a home-grown economic development plan for the continent. Mbeki was the chief architect of the African Union (AU), the continental-body to which most African countries are affiliated. Mbeki proposed a Africa-wide developmental strategy, the New Partnership for Africa's Development (NEPAD), which the AU adopted as its blueprint. NEPAD has now largely disappeared, and the AU has proved ineffective.[55] Whatever one's criticisms of NEPAD—and there are many[56], including that it rewarded African despots and genuine democrats equally, and that it was for all purposes a neoliberal policy, no different from any strategies coming from the World Bank or the IMF—it did focus industrialised nations' attention on Africa as an independent entity in a way never done before.

The raw deal that South Africa felt it got from its mid-1990s trade negotiations with the EU—its first international trade negotiations, despite EU leaders promising to be fair to newly-liberated South Africa—scarred Mandela, Mbeki and the ANC. The EU's 'bullying' of a naïve South Africa during the EU-SA trade negotiations rankled, and was partially responsible for SA determinedly focusing on changing SA's foreign policy emphasis, towards seeking trade with developing countries as alternatives. South Africa under Mbeki set about cobbling together a democratic developing-country lobby, across the three continents of Africa, Asia and Latin America, to fight for global political, economic and trade democracy. An important part of this was attempting to create the largest developing country—or South-South—free trade area, connecting India, Brazil and South Africa.

South Africa was thus also an architect behind IBSA[57] (India, Brazil, and SA) which was launched in 2003. Although the results of IBSA are mixed—for example, the effort to create the developing world's largest free trade area, through linking the 15-country Southern African Development Community (SADC), the Latin American Mercosur (*Mercado Común del Sur*, or Common Market of the South) and India, faced insurmountable obstacles—the partnership itself was an important geopolitical statement.

The rise of China eclipsed IBSA. China, similarly aimed to build a bloc of large developing countries into a strategic alliance to oppose Western global domination in policies, ideas and institutions. Following the formation of BRICS and the slow—but apparent—demise of IBSA, South African policymakers made a strategic decision to join BRICS, as a preferable option to striking out by itself.

There are a number of things about South Africa which will make it difficult for any global developing-country alliance to exclude it.

Those who argue that SA's economy is too small to compete with its BRICS peers are of course correct, if they make the case narrowly in terms of the size of the SA economy.

This was illustrated in 2011 when BRICS considered a Brazilian proposal for members to increase their holdings of euro-dominated bonds to help ease Europe's debt crisis. Under Brazil's proposal, BRICS countries would make billions of dollars in new funds available to the IMF as a way to help ease the crisis in the Eurozone.

South Africa immediately made clear it was not in the same financial position as its BRICS partners who can afford to use their substantial foreign exchange reserves. "South Africa is not part of that market at the moment and it's the big countries, which have $3.2 trillion in reserves. We are Mickey Mouse compared to that and they can afford to look at some of those issues,"[58] then-finance minister Pravin Gordhan said.

However, South Africa did have other kinds of 'soft power' leverage to offer. The one obvious resource is South Africa's power to secure the *political backing* of other emerging economies with the financial resources—to make these available for a Eurozone bailout. Secondly, South African could marshal a co-ordinated approach between the emerging economies on the one hand, and G20 countries on the other, because it has influence in both camps.

Thirdly, South Africa despite its smaller GDP, also has a number of intangible economic assets, compared to many of its emerging market peers. These include its influential private sector and global financial institutions, such as the Johannesburg Stock Exchange.

Combining its private and public sectors, SA Inc. collectively can compete with any of its emerging market peers. The SA economy is also not a stand-alone economy like many of its emerging market peers. The SA economy has been the bedrock of the five-nation Southern African Customs Union—the world's oldest custom union—since it was founded in 1910. The SACU links South Africa's economy tightly with its neighbours, as well as with the 15-nation SADC—an unprecedented interlinking of economies. Furthermore, of any other African economy, South Africa's is the most integrated with its African peers.

Being part of the BRICS therefore, continues a foreign policy tradition spearheaded by former President Mandela, who argued that South Africa's should and must punch above its relative economic weight in global affairs, because of its globally huge political, moral and 'soft' power.

Some commentators, such as Jim O'Neill, the now-retired Goldman Sachs executive, who first coined the term BRIC,[59] question whether South Africa should be a member of BRICS. They argue that the small size of South Africa's economy, its sluggish growth and its smaller population compared to the other BRICS countries, should disqualify it from membership.

However, the BRICS alliance is not simply a geopolitical, trade or economic one—it is a strategic and tactical alliance, based on the members—jointly and individually—securing their best interests. Meanwhile, as part of its efforts to unite Africa, South Africa has embarked on a strategy to build an African-wide free trade area, stretching from Cape Town to Cairo. In June 2011, African leaders unveiled plans to create such a free trade area, when they announced that 26 African nations will join the three existing, but often overlapping, regional trade blocs.[60]

They aim to create duty- and quota-free movements of goods, services and business people by 2016, and an Africa-wide economic and monetary area by 2025. During the first phase of the trade agreement, priority will be given to trade in goods. Negotiations will then focus on concluding a deal on competition policy, intellectual property rights and trade in services.[61] Once the authorisation of a free trade agreement has been signed, a protocol on the free movement of business within the three blocs will come into effect.[62]

Many African economies are so small that they are often unviable on their own. For example, more than 40 per cent of Africans live in countries[63] with no access to the sea.[64] Pooling African economies will bring larger economies of scale and markets, thus creating the potential to expand both production and demand. That project, admittedly ambitious, is moving at snail's pace.

SOUTH AFRICA's FOREIGN POLICY UNDER ZUMA

President Jacob Zuma, who took over from Mbeki as ANC and South African president, has broadly continued on the trajectory set by the Mandela and Mbeki foreign policy frameworks. President Zuma has argued that within the overall foreign policy framework set out by Mandela and Mbeki, his foreign policy is based on four pillars.[65] These are promoting an "African agenda", South-South co-operation and North-South dialogue, multilateral and economic diplomacy, and bilateral relations with individual countries.[66] Zuma said South Africa's foreign policy in key regions of the world including Africa, Asia and Europe was built on the basis of an "open society, in which government is based on the will of the people".[67]

Zuma said South Africa was committed to "the transformation of the global system of governance from a power-based to a rules-based system in a just and equitable global order".[68] Zuma said multilateralism—addressing international issues through international organisations like the UN, rather than through individual nations—was a key foreign policy platform for South Africa.

However, in practice foreign policies under Zuma have not even tried pretending to pursue a moral and democratic course. Zuma has emphasised South Africa's 'commercial interests' in Africa and the world, continued with the 'African solutions for Africa's problems' strategy, and de-emphasised the Mandela strategy of focusing on promoting human rights, social justice and democracy abroad.

Zuma appears to have actively moved away from the Mandela and Mbeki foreign policy strategy of combining a North-South dialogue approach with South-South collaboration, towards a solely South-South approach, linking the country very strongly with the BRICS alliance and Africa. At Zuma's May 2014 inauguration for his second term as president, there were only African heads of state present, in contrast to the more global invitation lists of Mandela and Mbeki.

Zuma has allied SA increasingly with undemocratic regimes in Africa and in the rest of the developing world. South Africa delayed issuing a visa to the Dalai Lama when he was invited by Archbishop Desmond Tutu to celebrate the latter's birthday in 2011, in order not to alienate China. This decision so outraged Tutu, who is often seen as South Africa's conscience, that he fulminated: "We will pray, as we prayed for downfall of [the] apartheid government, we will pray for [the] downfall of a government that misrepresents us."[69]

SA was deliberately absent during a UN Security Council vote on the situation in Syria. The draft UN Security Council resolution had condemned the Syrian authorities for their violent suppression of pro-democracy protesters and called for an immediate end to human rights abuses. Asked later why South Africa had abstained from voting on Syria, Zuma said he was concerned that recent Security Council resolutions had been abused by Western powers, and their implementation was being taken far beyond the mandate of what was intended.[70] Zuma said he feared the UN resolution was "part of a hidden agenda" by the West to pursue regime change in Syria and linked the Syrian vote to the UN vote on Libya, which he claimed had been "abused" by the West to pursue military action to topple Muammar Gaddafi. The African Union had proposed a peaceful resolution to the Libyan crisis, which the AU also felt should have been resolved by Africans.[71]

Zuma has, while pursuing South Africa's supposedly 'commercial interests' in foreign policy, frequently been accused of concerning himself with personal aggrandisement, along with enriching his family and political allies. When South Africa sent troops to Central African Republic (CAR) in 2013, ostensibly to help restore order, the president was accused of using these troops to defend the commercial interests of his ANC allies.[72]

WHAT ARE THE MAIN INTERESTS BEHIND SOUTH AFRICA's *BRICS* STRATEGY UNDER PRESIDENT ZUMA?

The South African government's BRICS strategy has received a mixed reaction within the country, with differences over the strategy both within the governing ANC alliance, and outside it. The ANC has been in a formal alliance with the Congress of South African Trade Unions (Cosatu) and the South African Communist Party (SACP) since 1994. Both Cosatu and the SACP supported the 2007 election of Zuma as leader of the ANC against former president Mbeki. Under Zuma, the core approach to BRICS remains one of BRICS members being key geopolitical allies for South Africa in lobbying for the restructuring of the global trade, economic and political architecture to give Africa and developing countries a fairer say in relation to their Western counterparts.

Technocrats—within the ANC's centre-left, and especially senior officials in the country's departments of National Treasury, Department of Trade and Industry (DTI), and Department of Economic Development—have since the 2007/2008 global and Eurozone financial crises, argued South Africa should use the BRICS alliance to secure new markets for the country's products, and for new investors in South Africa. Europe is still South Africa's largest market for its products, notwithstanding the slowdown they are experiencing.

South Africa's then-finance minister Pravin Gordhan said South Africa's 'safeguard' to overcome the Eurozone impact on its economy is to diversify its trading quickly towards the BRICS countries and to upscale its trade with the rest of Africa.[73]

Some ANC leaders—particularly those from the SACP and sections of the African nationalist wing of the alliance—want SA to speed up its engagement with the BRICS countries as an alternative to Western investors and governments. The latter demand 'market friendly' structural adjustment policies, such as cutting welfare and subsidies to the poor, freezing wages and pushing raw material exports, rather than value-added ones. "Western investors have to realise South Africa does not need their money since it can turn increasingly to fellow BRICS members India and China to fund its economic development,"[74] according to ANC secretary general Gwede Mantashe, who is also the former SACP national chairman.

However, one section of the African nationalist wing of the party opposes the country's BRICS strategy. "If we let [China and India] enter Africa on their own(...) We may find it is not only our minerals that are dominated by foreigners, but also our infrastructure,"[75] suggests Malusi Gigaba, the home affairs minister, and also a leading figure in the African nationalist wing of the ANC. The populist wing of the ANC—particularly the former leader of the ANC Youth League, Julius Malema—opposed the BRICS strategy, particularly the idea that SA should embrace China as a strategic trade partner. Malema told a South African Union of Jewish Students dinner in 2013 that China "use us [South Africa] to get into Africa, take mineral resources raw as they are".[76] Malema and a large group of the populists and youth wing of the ANC broke away in 2012 and formed their own party, the Economic Freedom Fighters (EFF), in opposition to the leadership of ANC President Jacob Zuma.

Some ANC groups—whether African nationalists, communists or populists—admire the Chinese economic model of 'development without democracy', and Russia under Vladimir Putin's allegedly 'benign' authoritarian style, as well as opposing Western intervention in South Africa and other developing countries. They are keen on South Africa and other African countries replicating these models to spur development. They also argue that BRICS countries are unfairly being put under pressure by the West and civil society groups to lower their 'ecological footprint', saying Western countries did not have to do so in their development quests.

Some executives in state-owned companies, such as Brian Dames (former CEO of the energy utility Eskom) have also rejected civil society criticisms of BRICS countries' energy-intensive growth as Western hypocrisy, since Western economies had also developed along these lines. South Africa's economy is based on a coal-driven economic development model. Dames has said: "We've been very successful in the use of coal in growing one of the largest economies, in bringing electricity to the majority of South Africans—we're absolutely not defensive about it".[77]

South Africa's key long-term strategy, its National Development Plan (NDP), says "a low-carbon future is the only realistic option, as the world needs to cut emissions per unit of output by a factor of about eight in the next 40 years".[78] However, the NDP only makes provision for 9 per cent of the country's energy to be provided by renewables by 2030. The NDP warned that "South Africa's quest for a lower carbon-emitting power sector needs to be balanced against the potentially higher costs(...)that come with new and renewable energy."[79]

An influential group within the ANC—spanning both the left and left-of-centre—argue that it is better that South Africa aligned itself solely with India and Brazil, two fellow developing democracies.

This grouping of social democrats, democratic socialists, ANC-aligned civil society and trade unions, argue that South Africa's foreign policy should be based on positioning the country as a moral power, and a developing-country democracy—promoting democracy both in Africa and globally—in the way that the late Nelson Mandela tried to do.

South Africa's influential (mainly-white) liberal opposition and (mainly- white) business groupings are also divided on the country's BRICS strategy.

Sections of South African business community—especially the country's multinational companies, such as the mining and energy companies (like Sasol and AngloAmerican), the large financial services firms (such as Standard Bank and Old Mutual), and others (such as Sappi, Naspers, and SABMiller) which since the end of apartheid have successfully expanded to emerging markets—strongly support the current BRICS strategy. For example, Kuseni Dlamini, the former CEO of the Old Mutual group said that the country's BRICS partnership could "propel South African companies into global greatness".[80] Jerry Vilikazi, of Business Unity South Africa (BUSA)—the umbrella organization for big business—says that South Africa could serve as the "beachhead" for its BRICS partners into a growing Africa. This is a recurring trope, evident again at the May 2013 World Economic Forum on Africa meeting in Cape Town in which the theme was "Delivering on Africa's Promise".

Black business interests are also supportive of the BRICS strategy. The ANC government has a pursued a policy of black economic empowerment (BEE) to create black business tycoons. Most of the BEE deals since 1994 have taken place in mining. Since most blacks lack finance, these deals have been financed by mining companies lending would-be black buyers—chosen most of the time for their closeness to the ANC leadership—the money to purchase the stakes. However, almost all these deals have unravelled as the black part-owners could never finance the debts through dividend payments.

Many of these black-owned companies are hoping BRICS-based companies will buy them out. Recently BRICS companies—especially Chinese companies—have been active buyers of BEE shares in mining companies in SA. A typical such transaction was the December 2011 deal in which the China Investment Corporation bought a 25 per cent shareholding, for R2 billion ($240m), in the black-owned Shanduka Group, which is chaired by Cyril Ramaphosa, the former ANC general secretary.

South Africa's powerful state-owned companies, such as Transnet (railways and harbours), Eskom (electricity), Development Bank of Southern Africa (DBSA) are also supportive of the BRICS strategy, as they see these countries as sources of development finance, technology transfers and project partners in South Africa and Africa.

Other business elites oppose the idea that South Africa should forge closer partnerships with BRICS countries outright, arguing that South Africa's strategic alliances should remain focused on the industrial West: Europe—currently SA's largest export market, North America and Australasia.

Lindiwe Mazibuko, the first black parliamentary leader of the Democratic Alliance—the official opposition party—says SA should "prioritise Africa, the fast-growing market in the world"[81], rather than BRICS. Mazibuko said: "The paradox is that Brazil, India and Russia are benefiting far more from investment opportunities and trade with the rest of than Africa than we are."[82]

South Africa's manufacturing companies are also strongly opposed to the country's BRICS strategy. BRICS imports are hurting all the manufacturing sectors South Africa identified as key job-creating sectors when it launched (April 2010) the Industrial Policy Action Plan (IPAP), the country's centerpiece strategy to industrialise and create jobs.[83]

A University of East Anglia study[84] has shown that SA's manufacturing sector shed over 350 000 jobs since 1990, mostly because of competition by BRICS countries, mostly China. The manufacturing sectors identified in the IPAP include automotives and components, medium and heavy vehicles, plastics, pharmaceuticals and chemicals, clothing, textiles, footwear and leather, biofuels, forestry, paper and pulp and furniture as well as business-process outsourcing. Revitalizing manufacturing is at the heart of South Africa's overall attempt to create five million jobs by 2020. The IPAP strategy envisaged ramping up the country's manufacturing capacity and creating 2.47 million jobs within a decade.

A cornerstone of the IPAP plan is "ensuring that South Africa's trade policies are being used more strategically".[85] South Africa's manufacturing sectors faces a steep challenge from lower administrative prices in BRICS countries, compared to SA.[86] Iraj Abedian, in a research report for the Manufacturing Circle, the association of South Africa's large manufacturers, says SA must take "urgent" steps to reverse the decline in the manufacturing sector, saying "if we let our manufacturing go, our economy will go only one way".[87]

South Africa's trade unions, especially Cosatu, have been strongly critical of the BRICS alliance. Cosatu general secretary Zwelinzima Vavi, at the 2013 BRICS summit in Durban, rightly complained that trade unions and broader civil society were excluded from BRICS decision-making, although business was "inside".[88] Vavi also warned that the new BRICS bank must pursue "a fundamentally different model" to the World Bank and IMF, and prioritise the developmental interests and needs of the poor, "not the selfish narrow interests of a few rich shareholders".[89]

SOUTH AFRICA IN *BRICS*—THE OPPORTUNITIES

To reiterate an earlier point, the BRICS partnership offers key geopolitical allies for South Africa in lobbying for the restructuring of the global trade, economic and political architecture to give developing countries a fairer say in relation to their Western counterparts. BRICS members are all developing countries with enormous developmental and growth potential and untapped markets. The "dissimilar nature of BRICS member country economies and their differences in specialisation and competitive strengths present synergistic trade, technology transfer, social innovation and investment exchange opportunities"[90] among its members.

BRICS offers the potential for the transfer—among not only its members, but also to other developing countries—of new ideas on social development, sustainable technologies, and institutional innovation. For members, BRICS may offer opportunities for "mutual discovery", learning and more sustainable knowledge sharing—as distinct from the traditional 'developed to developing' country technical assistance process.[91]

The post-Cold War Western-led global order, assumptions and consensus are in a profound crisis of credibility. BRICS may be able to offer new ideas, direction and global leadership to developing countries.

The BRICS partnership also offers participating countries the space to constructively resolve disputes, be they trade-related, political or diplomatic. BRICS could, for example, be the arena for China and India to resolve the dispute over Arunachal Pradesh, the northeastern state of India, which China describes as "Southern Tibet".[92]

SA's new-look BRICS strategy aims to secure new markets for South Africa's products, and new investors at a time when its largest market, Europe, is undergoing economic difficulties. South Africa's share of trade with BRICS countries in 2012 stood at 18 percent, up from 10 percent in 2005 against declines in trade with the country's traditional markets of Japan, the European Union and the United States.[93]

Given the smaller economic size of SA compared to its larger BRICS partners, South Africa may be forced by the competition to begin to 'trade smarter', and use the capacity of all its talents—whether in the private, public or civil sector—in ways it has not done so far.

SOUTH AFRICA's *BRICS* CHALLENGES

Every BRICS country is in the alliance to hard-headedly advance its strategic economic, trade and geopolitical interests. South Africa will only benefit from its membership if it drives a hard bargain to defend its economic interests, trade intelligently and build clever issue-based tactical alliances with individual member countries.

The challenge for South Africa is that BRICS may erode South Africa's domestic economy, because many products from BRICS countries directly compete with those of South Africa, unless it negotiates adroitly. BRICS and industrialised countries are all targeting Africa's resources, which poses a direct threat to South Africa's economy. The growing Africa offers South Africa, based at the Southern tip of the continent, with the most advanced economy and its industrial and manufacturing sectors a once in a generation opportunity to piggy-back on Africa's growth to lift its own economy. Growing African countries need stoves, fridges and trains—which South Africa produces.

Ideally, a growing South African economy could copy the example of Japan whose economic rise after 1945 lifted East Asia with it. However, structural obstacles, poor economic and political policies, and lack of imagination in leadership have put paid to that route of growth for South Africa. However, the alternative—South Africa leveraging a growing Africa to lift its own growth levels—is a real option. South Africa's unemployed are mostly black and low-skilled and young. A growing manufacturing sector could soak up these unemployed. South Africa's manufacturing sector is ailing. Former manufacturing areas such as the East Rand are now virtually ghost towns.

Any inroads old industrial powers and emerging powers make into Africa may undermine South Africa's efforts. Other BRICS countries are already exporting manufacturing goods to Africa, including the inputs to Africa's planned infrastructure programmes such as railways, supposedly SA's strategic advantage. This is hurting the manufacturing sectors South Africa identified as key to job creation in its 2010 Industrial Policy Action Plan (IPAP).

Revitalising manufacturing—and boosting these exports to Africa—is at the heart of South Africa's attempt to create five million jobs by 2020. Vast new mineral, gas and oil deposits are being identified across Africa, and South Africa is uniquely positioned to provide the skills, finance and experience to exploit these. This is due to its own extensive mining industry—with its associated specialised manufacturing base—which is acknowledged as the world leader in deep-level mining in complex terrains. Being in Africa as it is, South Africa should have a competitive advantage over BRICS countries or the West, as it knows the continent better. It also has a large population of African immigrants—from Nigerians, Congolese and Zimbabweans to Somalis and Rwandans—whose talents could be mobilised as a competitive advantage in its trade and its negotiations with the rest of Africa and BRICS.

While the SA's manufacturing sector is coming out of a deep crisis—with some sectors in decline, others having migrated to industrial countries taking their research, development and innovation capacity with them—the manufacturing sectors of most of the country's BRICS partners are buoyant.

Many South African manufacturers say that while products from BRICS enter South African markets relatively easily, high tariff barriers make it difficult for South Africans products to enter BRICS markets. Nomaxabiso Majokweni, of the umbrella business organization BUSA, summed up what SA needed from the BRICS countries when she said "The balancing act is to ease business transactions while protecting the interests of industry and manufacturing. We are not seeking preferential or free trade agreements. Rather, we should be driving for more transparency from our partners, especially on tariff schedules and hidden internal taxes."[94]

China is aggressively promoting the use of the yuan for international trade and lending with its developing country partners, particularly in Africa, rather than using the US dollar. Standard Bank of South Africa predicts that China's yuan will replace the US dollar as the main currency to finance trade between China and African countries sooner than expected. Standard Bank predicted that by 2015 up to 40 per cent (or $100 billion) of China's trade with Africa will denominated in yuan.[95]

The South African rand is the accepted currency in many African countries. The real danger is that the Chinese yuan will replace the rand in Africa. By localizing the yuan in Africa, China will not only be able to reduce the currency risks inherent in many unstable African currencies, it may also be able to circumvent non-tariff barriers in Africa. Successfully localising the yuan in Africa will also speed up Chinese lending to Africa and free Chinese cash to finance the selling of Chinese manufacturers and infrastructure inputs to Africa.

AFRICA WILL NEED TO LEARN THE LESSONS OF *BRICS* COUNTRIES' POLITICAL AND DEVELOPMENTAL MODELS

Many African countries found the BRICS countries' developmental and political models alluring. China's model, and to a lesser extent Russia's developmental model of development without democracy is very appealing to many African leaders and governing parties.

All the BRICS are high-carbon consumption economies. BRICS members have said they are unfairly targeted to reduce their carbon emissions, arguing that industrial countries should not only do the same, but were trying to stymie their growth. India's new government, elected in May 2014, in its first statement on climate change stated that it is inevitable that India's net carbon emissions would rise, as it pushes for higher growth to deal with poverty.

India and China have been reluctant to agree to globally binding reduction of carbon emissions, beyond agreeing to reduce their emissions. The BRICS stances have emboldened many African countries with extractive industries, who grumbled about having to transform their economies to low-carbon ones.

South Africa has a particularly responsibility to provide leadership in Africa to forge a developmental path that is ecologically sustainable, rather than argue that because developed countries have developed on the basis of high carbon emissions, African and developing countries should be allowed to follow suit.

African governments and civil society must insist that trade pacts with BRICS members such as China and Russia include clauses committing them to respect minimum labour, human rights and environmental standards.

China's political model of one dominant political party quashing dissent is inspiring quite a number of African leaders, just at the moment when the continent is seeing a proliferation of opposition parties, a mushrooming of new indigenous African civil movements and greater demands from the citizenry for accountability from leaders.

Many of Africa's authoritarian rulers, like Zimbabwe's ruler, Robert Mugabe, for example, have been given a new lease on life partially because of Chinese support. Of course, African autocrats—who routinely round-up and imprison quite legitimate local democracy critics as 'terrorists'—have also been helped along quite nicely by the US 'war on terror'. Most of Africa's longest serving leaders—in Togo, Gabon, Equatorial Guinea, Angola, Cameroon, Mauritania, Guinea, Uganda or Swaziland—either have oil, or are partners in the US anti-terror campaign (or in the case of Zimbabwe, have a crucial commodity such as platinum).

CAN THE ENVISAGED *BRICS* PLAN DELIVER FOR AFRICA?

Africa desperately needs reliable and cheaper long-term development finance, which does not go with the restrictive World Bank and IMF conditions.

Only 42 per cent of Africa's population has access to modern energy. Almost 600 million people in Africa have no access to electricity.[96] To meet its growth demands, Africa will have to add 250GW of capacity between now and 2030.[97] Finance for infrastructure is often difficult to secure for African countries. With the financial difficulties in the aftermath of the global financial crisis in which many industrial economies in Western Europe and North America find themselves, traditional sources of funding may also dry up for Africa.

The reality is that Africans need partners, to help finance infrastructure projects that they (Africans) have identified for their long-term industrial needs, and not vanity projects such as roads to parliaments which the Chinese have identified.

BRICS countries are expected to sign a treaty to launch a BRICS bank in 2014. A BRICS development bank, dominated by China, and Chinese finance, could accelerate this process of marginalising SA in Africa.

South Africa has been lobbying to have the new BRICS development bank based in Johannesburg to essentially serve as an African infrastructure bank. "Africa feels the bank should be established here, particularly because the greater need for the bank is on the continent of Africa," South African President Jacob Zuma told delegates at the World Economic Forum on Africa, in Cape Town in 2013.[98]

However, South Africa's argument that a BRICS bank should be an African-based one was simply too narrow. Countries such as China and India see a BRICS bank as a global bank, competing with the World Bank and IMF, rather than a specifically Africa-focused one. For example, India has argued for a BRICS development bank to use budget surpluses from BRICS countries and invest it in other developing countries, not necessarily Africa alone.

Ironically, there is also a real threat to SA from the creation of a BRICS development bank. China has been increasing its contributions to African state-owned development finance institutions, including the African Development Bank, the current continental DFI which is jointly- owned between African, industrial and emerging economies.

Individually, compared to those of its BRICS partners, South Africa's development finance institutions are too small, unfocused and poorly integrated into broader industrial and development policy. If South Africa's small state-owned finance institutions partner with its private financial and commercial institutions such as Nedbank, Standard Bank or First National Bank, they would easily compete as the combined balance sheets, expertise and funding for development, commerce and projects would be formidable.

The ideal situation for SA would be to lead the creation of a super African development bank, by merging some of SA's larger state-owned development finance institutions, such as the Development Bank of Southern Africa (DBSA), the Industrial Development Corporation (IDC) and the Land Bank, into a new giant Africa-wide Development Finance Institution (DFI). DFI's of other African countries could then also be merged into such a super African DFI, and equity could then be offered to other African countries. Such an entity could then partner with other finance institutions and private companies on specific African infrastructure projects—led by Africans.

Of course, there is no guarantee that such a super African institution would not mimic the worst failures of current SA state-owned companies: appallingly poor governance, and wasted resources and talent owing to patronage.[99] South Africa's biggest competitive advantage, compared to other BRICS economies and emerging markets, is that it has a sophisticated private sector. It is important that South Africa forges a partnership between government, business, labour, civil society sectors and communities to come up with inclusive development strategies with industrial, emerging market and BRICS partners.

The African Development Bank, the current continental development bank, although started in 1964 by African countries, is now dominated by foreign shareholders, including the US, Canada, Japan, several EU countries, as well China.[100] These non-African shareholders dominate investment strategies, lending and development priorities. The African Development Bank (AfDB), because of its foreign shareholders, naturally must deliver a return to its non-African industrial and emerging powers shareholders.

There is hope that the envisaged BRICS-inspired development bank will be more developmentally-oriented than the World Bank, IMF or Western or Eastern development banks. As Cosatu general secretary Zwelinzima Vavi rightly warned, a BRICS bank will have to prioritise the needs of the poor. The BRICS development bank could potentially provide the finance for development and infrastructure Africa so desperately needs. Yet there is no guarantee that a BRICS bank would not attach conditions as onerous as those of the World Bank or other development banks, or would prioritise the development and infrastructure policies important to African economies, rather than BRICS economies. Most individual current BRICS development banks, such as BNDES, the Brazilian development bank, lend at market rates to African countries.

Crucially, the BRICS bank will have to be based on good corporate governance. It must pursue lending that is economically and ecologically sustainable, promoting inclusive, sustainable economic growth and development.

AFRICA NEEDS TO NEGOTIATE BETTER TRADE TERMS WITH *BRICS* PARTNERS

The formation of the BRICS grouping offers a potential economic windfall to Africa. But unless African countries engage more shrewdly with these new emerging powers, they may also undermine the continent's long-term prosperity. Looking to the future, African countries may have the opportunity to negotiate better development aid terms from BRICS countries. However, to benefit from the rise of BRICS, African countries will have to make some structural changes: they must be more pro-active, clearly identify their priorities and be more hard-nosed in their negotiations with BRICS.

Most African countries have trade agreements with industrial powers that undermine their development. The Economic Partnership Agreements (EPAs) with former African, Caribbean and Pacific colonies proposed by the EU provide one such example.[101] The EU's EPAs threaten African farmers and fledgling industries, by allowing subsidised EU products and services to enter African markets without any duties. This clearly undermines African attempts to build up local manufacturing capacities. Ignacio Ramonet, former editor of French newspaper *Le Monde diplomatique*, describes the EPA as the "latest manifestation of the colonial pact".[102]

But Africa's trade deals with BRICS are often also skewed in favour of BRICS countries. This prompted Angolan President Jose Eduardo dos Santos ahead of Chinese Premier Li Keqiang's trip to Africa in May 2014, to call on the Chinese government to enact agreements that provide "mutually beneficial partnerships with Angolan businesses".[103]

AFRICA NEEDS BETTER QUALITY ECONOMIC POLICIES TO BENEFIT FROM *BRICS*

The emergence of powerful BRICS developing countries have helped open up the policy space for African countries to come up with independent economic policies. However, Africa now needs better economic policies that "[achieve] the policy objectives of development and poverty reduction".[104]

The bulk of Africa's economy is in the informal sector or second economy, and this is where most of the jobs are being created. Excluding South Africa, informal trade provides between 20 per cent and 75 per cent of all jobs in Africa;[105] and between 60 per cent and 70 per cent of African families are sustained by informal trade. In sub-Saharan Africa, 60 per cent of those working in the informal sector are women, and the non-agricultural informal sector creates employment for 91.5 per cent of women.[106] It is therefore extremely surprising that the African informal sector is rarely brought in as a partner with government and civil society in development planning. Instead African states have allowed cheap Chinese products—highly subsidised in China—to flood their markets. This means that the potential for African countries to use the existing indigenous informal sector to build informal businesses into medium-sized and then larger businesses is lost.

Linked to an industrial and informal sector strategy should be an emphasis on mass vocational, technical or trade training for the young and the unemployed, linked to community vocational training centres situated in the areas of infrastructure and economic development.

In most African countries, agriculture remains the largest sector in which people eke out a living in the informal sector. It should be obvious that African countries must put their efforts into supporting people to at least produce food for themselves and carry out the basic 'light' manufacturing of products without having to import these from abroad. However, African countries are now allowing new emerging economies, such as China and South Korea, to buy land to produce agriculture for export back to these countries, doing nothing to protect peoples' food security.

In Africa, infrastructure development has rarely been integrated into broader economic development, often taking place on a standalone and ad hoc basis. Successful infrastructure development goes beyond building transportation routes, for example. It should be seen as a tool for long-term economic investment integral to a country's industrialisation and, to be effective, must be linked to "other regional economic stimulus measures [to] complement the infrastructure investment and generate synergistic effects".[107]

African infrastructure investments should focus on boosting the economically depressed and under-developed regions, either linking them to growth areas or turning them into growth areas with a view to becoming future markets for goods and services. However, too many infrastructure projects are wasted on elite or vanity projects—such as new parliamentary buildings and so on, rather than as a tool to reduce poverty. In many cases investments are made without planning and as isolated projects, dependent on who finances it and their particular interests.

Right now it appears that new investments into Africa—such as those from China, India and Brazil—are determining Africa's infrastructure and economic development. African roads and ports developed or built by China for example, are often constructed in such a way that it makes it easy for China to export or import products to or from Africa, rather than integrated into the infrastructure of the host African country.

Yet African countries should be pro-actively deciding where development should place, what should be developed and how the development should take place, and then partnering foreign investment to these home-grown targeted development initiatives. Otherwise the new investment from emerging markets will mimic Africa's colonial or Cold War investments and aid-driven economic patterns, which brought economic growth with little industrialisation, broad-based development and few human development opportunities.

Infrastructure development should be done smartly, as in post-war east Asia and western Europe—targeting stagnant areas, developing new markets, and cutting high transport costs which hamper the development of most African economies.

AFRICA MUST DIVERSIFY GROWTH AND ADD VALUE TO CURRENT EXPORTS

A core requirement for Africa, if the continent wants to achieve a higher quality, more equitable growth, is for countries to add value to raw materials and to diversify into manufacturing and services. This will create more jobs for Africans, and result in more equitable and sustainable growth rates for African economies. Africa has been prevented from doing this since the end of colonialism and the Cold War by industrial nations which have erected high trade barriers to such products coming from Africa. Yet BRICS nations have similar high tariffs for Africa's manufactured goods.

Africans continue to export cheap raw materials to BRICS, while BRICS countries export manufactured and value-added products. The latter create jobs and are more valued, yet ironically are made from the cheap African raw materials and exported back to Africa as a more expensive finished product. Some of the BRICS, such as China, are even transplanting their manufactured goods from their home base to Africa.

The former governor of Nigeria's central bank, Lamido Sanusi, has accused China and other BRICS countries of being "a significant contributor to Africa's de-industrialisation and underdevelopment".[108] Sanusi argues the influx of cheap manufactured goods from BRICS countries prevents Africans from adding value to their natural resources.

Africans must insist on BRICS countries helping them to produce value-added products and opening their markets to such value-added African products. Sadly though, the general pattern appears to be one of other BRICS countries deciding what and where they invest in a particular African country, mimicking historical investment patterns.

A recent report on Africa's growth patterns show there is a small glimmer of hope in that investors are now increasingly—albeit gradually—diversifying in Africa from the traditional commodities. The report—by Ernst&Young[109]—pointed out that mining and energy are no longer in the top ten African investor destinations. Investment in other sectors, such as technology, media and telecoms; retail and consumer products; and financial services are rising. Furthermore, infrastructure-related investments—so crucial for more jobs—are also increasing. However, the development of these new sectors has not yielded enough jobs, or substantially reduced inequality or poverty.

A core and necessary structural change that African countries will have to make is in the pooling of their markets. Furthermore, this may provide a protective wall for African countries to transform their economies from being single-commodity based to value-added ones that support new manufacturing and services industries. Africans need to trade with each other more. Currently African countries trade more with the rest of the world—mostly former colonial powers—than with each other. According to World Bank figures, trade between countries in sub-Saharan Africa accounts for 10 per cent of total African trade.[110]

One of the most important continental reforms currently pursued by African countries is the attempt to create an Africa-wide trade bloc in the coming years. African countries have formally launched negotiations to establish a grand trade bloc by pulling together three regional economic communities, namely the Common Market for East and Southern Africa, the East African Community and the Southern African Development Community.

African countries could pool their mining and oil extractive industries—in similar ways that countries in the EU integrated their steel and coal industries—and build regional economies on the beneficiation of these primary products. At the heart of this African regional integration project must be a continental industrialisation plan: such a plan will identify viable future industries in which different African countries specialise in and then trade—or even barter—with each other, one country providing what the other country needs but is not capable of producing.

This will require each African country to draft its own industrial policy which feeds into a regional industrial policy. The big idea should be to link the supply chains within the regions and across the whole continent. Developing such regional supply chains for products will also help African economies against global shocks, such as the current debt crises in the Eurozone and the US. BRICS countries must show their commitment to Africa by partnering with Africa's own industrialisation plans.

While African products and services may perhaps be uncompetitive for a range of reasons in industrialised markets, African countries can certainly trade these products with each other. To do this, however, they would need to bring down the costs of infrastructure, and reduce red tape and corruption. Key national and regional economic, political and social institutions must also be reformed. The lesson so far from past and current attempts at regional or continental integration in Africa is that unless such efforts are supported by well-defined, capable institutions,[111]—run by competent leaders—such efforts will come up short.

A number of scholars[112] have stressed how the "quality of institutions 'trumps' everything else" in promoting economic development. An IMF study,[113] for example, found that improving the institutional capacity of sub-Saharan African economies from their current state to the mean of those in Asian developing countries would boost sub-Saharan Africa's per capita income by 75 per cent.[114]

BRICS ARE FACING SLOWDOWNS–WHICH MAY UNDERMINE AFRICA's GROWTH

The appetite of BRICS and other emerging markets for African commodities has been among the key drivers of African growth for the past decade. Since the beginning of 2014, many emerging markets have faced economic headwinds. One key trigger for the BRICS and other emerging market economic problems has been the US Federal Reserve's decision to reduce its monetary stimulus, without consultation. Given the pre-eminence of the US economy globally, this has affected both industrialised and emerging economies.

The other trigger for the recent emerging market economic problems has been slowing Chinese economic growth. China's National Bureau of Statistics (NBS) reported in mid-January 2014 that China's economy in 2013 registered growth of 7.7 per cent, which is the same as in 2012, representing the slowest rate of growth in more than a decade.[115]

Brazil is experiencing political upheaval, with many ordinary citizens feeling they are not seeing the benefits of growth, and questioning the expenditures on hosting the 2014 FIFA World Cup and the 2016 Olympic Games, rather than spending the money on local development and poverty-reduction.[116]

ROLE OF CIVIL SOCIETY IN PROMOTING INCLUSIVE AFRICAN GROWTH, ECOLOGICALLY SUSTAINABLE DEVELOPMENT AND QUALITY DEMOCRACIES

One of the crucial ingredients for African countries to transition from low-quality growth, development and democracy, is a robust African civil society. There are several ways in which African civil society groups can play a role. They can contribute to democratising the discourse on BRICS. They can be vehicles for participatory democracy[117] and can create a 'civic' dialogue on the appropriateness of priorities and policies. Civil society can also play a monitoring role, providing "a structured channel for feedback, criticism and protest"; and can act as an 'early warning system' when the direction of BRICS engagement with Africa appears to be going astray.[118]

The developmental solution for African countries is the forming of social pacts between national governments, organised business, labour and community groups, to help co-govern and provide skills that the state institutions lack. Such social pacts could be replicated at the regional and continental level. Given Africa's lack of capacity, the idea of government co-governing with civil groups is a real solution for bringing in new ideas and capacity to the governing process.

However, to play such a developmental role, African civil society will have to become more innovative, relevant and engaged with their societies. There is often a disconnect between African civil society groups and grassroots communities. African organised civil society groups are often middle-class orientated, while Africa's population is overwhelmingly poor, peasant and rural. Furthermore, there is a fractured collaboration between different kinds of African civil society groups–trade unions, professional organisations and community-based organizations.

The development of an interconnected continent-wide African civil society movement is absolutely crucial. There are few strategic alliances between civil society groups within and between African countries. There are also few strategic alliances between civil society groups in Africa, the developed world and in the new emerging economies, such as BRICS.

Many African civil society groups are collapsing or facing collapse due to a decrease in developed country funding. The programmes of African civil society groups are often determined by developed country funding priorities—which is disconnected from African communities' own priorities and needs—and discredits African civil societies. African civil society groups are also increasingly being displaced by well-resourced Western NGOs and family foundations now operating in African countries as 'African' organisations.

African civil society groups themselves are often not transparent, participatory or inclusive and have in some cases become part of the 'new' elite.

CONCLUSION

The world is undergoing structural transformations in a way not seen in generations. These are dramatically altering global power in general, the power relations between developed and developing countries, and power relations within countries themselves. The post-Cold War consensus forged after the fall of the Berlin wall in 1989, where Western countries provided the global leadership in politics, economics, ideas and innovation, is now being eroded.

The slowdown in the US economy and the debt crisis in Europe caused by the global financial crisis started in 2008. The simultaneous economic rise of BRICS countries has the potential to remake the world and to refashion existing unequal global power relations between developed countries and developing countries—traditionally skewed in favour of developed countries.

The crisis in many leading Western powers is not confined to their economies alone; there are widespread crises of leadership and a poverty of ideas. Many of the democratic institutions are either vulnerable, under siege or losing domestic credibility. In the past these Western institutions were seen as benchmarks for developing countries to emulate. Yet now, the moral authority of leading Western countries and leaders is rapidly eroding. In many 'model' Western democracies, human rights and individual liberties are under threat.

Moreover global institutions of governance—such as the World Bank, International Monetary Fund (IMF), and the United Nations—also face crises of credibility. These global institutions are seen as biased towards Western countries at the expense of developing countries, and their policy precepts are perceived to a large extent to have failed. The World Bank and IMF have not only failed in their interventions in developing countries, they have mostly mishandled recent global crises, including failing to resolve the global financial and Eurozone crises.

These latter crises have also turned economic convention upside down, and the dominant Anglo-Saxon version of capitalist consensus that has held sway in the West in the post-Cold War era is now being critically re-examined. Western countries are bailing out commercial banks with state money, supporting strategic industries that are failing with public money, and building higher trade walls to protect their industries.

These crises have prompted old industrial powers to re-enter Africa to secure resources to reboot their own flailing economies at the same time as BRICS countries and other emerging powers dramatically enter Africa, seeking resources to keep on growing.

Although BRICS countries are fast growing in influence, they do not yet have the collective institutions, ideas or economic power to replace the old industrial powers. Most of the emerging powers have deep inequalities between the rich and the poor, huge pockets of poverty, and non-accountable, weak or non-existent democratic institutions. This makes them 'systemically vulnerable'.[119]

The result is a power vacuum in the world: BRICS economies have been growing stronger, but not strong enough to replace the old industrial powers just yet.

Recently, as already noted, BRICS countries and other emerging markets have faced economic and political headwinds. The economic issues have been discussed, but political flux is also evident: India has seen a leadership change while SA has the emergence of more vocal opposition to the ANC government. Although SA's governing ANC has been re-elected with 62 per cent of vote, it is likely that a section of the trade union movement, led by the National Union of Metalworkers of South Africa (NUMSA), may form a Workers' Party, along the lines of the Brazilian one, in the near future.

Brazil, as noted, is experiencing political upheaval, with many disgruntled citizens likely to deliver a stern message to the governing Worker's Party-led alliance in the national elections due in October 2014. The longer-term effect on the Russian economy because of the country's aggression towards Ukraine is not yet clear, but there was an immediate capital flight from Russia, and uncertainty remains.

The BRICS engagement with Africa so far is replicating Africa's low-quality growth model – enriching African elites, rather than the masses, undermining Africa's own agricultural and manufacturing sectors, leading to vanity infrastructure projects for African elites and undermining attempts to foster democracy on the continent. Only ecologically and economically sustainable development, inclusive growth and quality democracies, will enable a transition to a high-quality growth trajectory in Africa.

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