

Laying the BRICS of a New Global Order:

From Yekaterinburg 2009-eThekweni 2013

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Francis A. Kornegay, IGD/UNISA
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Understanding BRICS

- 1st of all, BRICS cannot be understood as a creature of Goldman Sachs and we need to cease giving credit where it is NOT due.
- When Brazil joined the Russia-India-China triangle at Yekaterinburg to launch BRIC, they were motivated by a consensus on global economic governance reform to accommodate emerging powers and non-Western developing economies generally.
- BRICS has to be understood as a coming together of converging geopolitical-economic forces within northern Eurasia and the southern hemisphere to build momentum for a reformed global economic order accommodating alternative currency and trade-investment-development financing and institutional governance of the global economy.
- There are two problems attending the emergence of BRICS: SA being left out at the creation and a hype-hubris fixation.

The SA-BRICS Relationship

- The ongoing controversy concerning South Africa being in BRICS misses a main point: Why wasn't SA included in the 1st place?
- South Africa's initial exclusion raised questions still being aired about the future of the trilateral IBSA forum between India, Brazil and SA.
- Apart from a case on how it might have been better for there to have been a less rushed and more considered reflection on the pros and cons of SA membership in what was BRIC, the fact of the matter is that without SA being in BRIC, we were facing the global political marginalization of Africa which would have challenged the legitimacy of what, in effect, was *Brazil-RIC*.

From the Outreach 5 to BRIC minus SA

- What is not widely appreciated is how the 2009 launching of Brazil-RIC was an unintended consequence of Germany's blocking the G8 from incorporating the 'Outreach 5' of IBSA+China and Mexico into an expanded G13.
- France's Sarkozy had championed the G8 becoming a G13 and why Merkel opposed this is a question that might make for a good research thesis. This had 3 consequences:
 1. It propelled the launching of Brazil-RIC making the G8 Outreach 5 redundant, cutting SA adrift;
 2. It unnecessarily called into question the relevance of IBSA.
 3. It led eventually following the global recession crisis to the G8 expanding a G20, 7 beyond what might have been a more manageable G13.

The South African Correction!

- SA should not have been excluded from BRIC to begin with given especially the Brazil-India-China scramble for market share in accessing Africa's resources.
- But it is incorrect to afford too much credit to China for SA being inducted into BRIC when in fact the rotational timing of South Africa's inclusion fell under Beijing's hosting of the 2011 summit.
- So the notion that China outmaneuvered India in bringing SA into BRIC and making IBSA redundant seems at least an overstatement.
- But South Africa's inclusion into what is now BRICS raises major questions about the character and nature of BRICS which can no longer be considered purely a 'big power club' of aspiring great powers.
- Based on the Durban summit and the inclusion of the AU and African leaders on the sidelines of the summit a debate has opened up challenging South Africa's continental agenda within BRICS.

SA and the Regionalization of BRICS

- Because Africa is not home to a megastate great power which, in part, reflects its partition by Europe, SA – as the continent’s default leader – must assume a proxy role for Africa within BRICS promoting a pan-African integrationist agenda at a time when other members of BRICS as well as the West are benefiting from Africa’s ‘small-state’ fragmentation.
- Because of this fragmentation there is no pan-African strategy for managing external actors accessing Africa’s resources and growing markets which is why SA has to link Africa to BRICS in the manner that it does;
- Yet some in BRICS misinterpret this as BRICS being consumed by the “regional aspirations of one member, instead of being representative of a fast moving lithe club of five” so that now it appears “be burdened with carrying the divergent and diverse aspirations of an additional continent on its shoulders.”
- This is a profoundly anachronistic view when, in a globally interdependent world of 7 billion going on 9 billion people, regional and continental integration is a pattern that has become the megatrend in the reshaping of the global geopolitical-economy with Africa representing one among several regional and interregional integrationist consolidations that must happen.
- Global economic integration has left a not-so-lithe club of five in need of a new long-term vision which is contained in South Africa’s integrationist African agenda.

African Integration's Global Implications for 'Laying BRICS'

- Far from Africa burdening an allegedly fast-moving BRICS, given the internal challenges facing all 5 countries, each member of this grouping has a responsibility to pursue regional and interregional integration in their respective neighborhoods.
- As China's economy drastically slows down in its transition from an export to a more consumption-based model, with India lagging behind sub-Saharan Africa in important socio-economic indicators while Russia struggles with its commodity-over dependence, a case might be made for 2 or 3 Eurasian integrationist projects:
 1. A Russia-India-China development integration agenda linked to a central Eurasian economic community within the Shanghai Cooperation Organization; and
 2. An India-centered South Asian community building on the need to stabilize the conflict system encompassing Afghanistan, Pakistan and India which potentially might be transformed through an Indo-Pak rapprochement revolving around Most Favored Nation trade relations between India and Pakistan.

An Integrationist Long-Term Vision

- A BRICS Long-Term Vision patterned after South Africa's pan-African integrationist agenda should aim to construct a new order of *Global Economic Federalism* anchored in the building of regional and continental integration communities.
- For SA and India, this has implications for a potential Indian Ocean transregional community with convergence between the Comesa-SADC-EAC tripartite FTA and a South Asian FTA evolving out of India-Pakistan MFN trade relations with both dovetailing with the ASEAN vision of an EU-style economic community in 2015.
- SA and India, in turn, have an IBSA inspired commitment for forging a trilateral preferential trading relationship which coincides with their IBSAMAR naval potential for expanding maritime cooperation into an Indian Ocean-South Atlantic southern oceans governance architecture.
- Herein lies the importance of IBSA as a complementary but independent initiative to BRICS.
- Complementary to an SA-India axis would be an SA-Brazil South Atlantic axis factoring in a strategic triangle with Angola in reinvigorating the Zone of Peace and Cooperation in the South Atlantic (ZPCSA)

The IBSA-BRICS Equation

- With SA as the fulcrum at the center of the southern sea lanes and the African continent, the IBSA dimension of the broader BRICS agenda can forge a linkage between the Indian Ocean Rim-Association for Regional Cooperation (IORARC) and the South Atlantic ZPCSA.
- The implication here is that India is the potential centerpiece along a north-south axis linking the northern Eurasian and southern Afro-Asian-South American dimensions of a BRICS integrationist agenda.
- These possible scenarios are indicative of the need for the BRICS and IBSA countries, individually and collaboratively to pursue positive strategies of global reform as opposed to reactive responses to the G8 within the G20.
- Given the stalemated WTO Doha round and the accelerating transregionalisation of trading and investment patterns amongst the G7, long-term visionary thinking should be focused on an open-ended BRICS-G8 dialogue coinciding with regional and continental integration and transregionalisation within both BRICS and IBSA frameworks.

Overcoming the Hu-BRICS version of Hubris

- Given strong head-winds each BRICS country is currently experiencing, continued branding of BRICS as a fast moving lithe club of five might benefit from a dose of humility.
- Overall, the global economy is experiencing sort of a rough equilibrium of weak but apparently steady recovery in the US, continued weakness in Europe due to German-induced austerity while major economic slow-downs have descended on the BRICS, slow-downs indicative of contradictions deep enough to caution against hyping how China and India are going to over-take the US when a less zero-sum pragmatism is called for.
- An incipient Sino-American 'G2' on climate change against the backdrop of a shale gas revolution in the US with prospects of re-shifting the global strategic landscape is indicative of how fluid are the dynamics of change in the global order.
- In the final analysis, BRICS countries are approaching this 'G5' as more of a means to an end rather than an end in itself. SA needs to do the same.



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