THE BRICS PHENOMENON: PROSPECTS AND CONSTRAINTS FOR SOUTH AFRICA'S SOCIO-ECONOMIC DEVELOPMENT

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DECLARATION

By this significant declaration, I, Tshepiso Mphehlo, a student of Master of Philosophy in International Relations in the North West University (Mafikeng Campus), under the Faculty of Human and Social Sciences, do hereby wish to affirm this declaration and direct it to whom it may concern, that this research project is my own work in design and execution driven by pure dedication, hard work and excitement of bringing new knowledge to the field of International Relations.

I have searched and consulted numerous useful materials to enable me to execute this study.

I hereby wish to declare that this research project has never previously submitted by me for any degree at any university, it is my own work in design and execution and all materials contained herein has been duly acknowledged.

Signature Date

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This is dedicated to the entire above acknowledged individuals. Kea Leboha...PHOKA

DEDICATIONS

To **South Africa** my beloved and in the memory of my late brother Thabo Mphehlo.

ABSTRACT

Over the years the coming together of Brazil, Russia, India and China into the BRIC forum has been treated as a moment in time when emerging economies started making their mark in the global arena. Similar patterns of extraordinary productivity and growth as well as tangible development have been the driving force that predicts these countries as being the world economic leaders of the future. South Africa has now come into BRIC, which necessitated the changes in the acronym to BRICS, an alleged hegemon of Southern Africa and the continent's economic power house. This country joined BRIC group, adding to the world's emerging economies and as a representative of the African continent. When South Africa became a member, its main aim was to develop its economy and align itself socio-politically with the emerging economies of the world. These emerging economies have shown some positive growth. The emergence of BRICS has recently captured the commanding heights across all borders in the 'South' and the 'North'. It is evident that South Africa has striven to be recognised worldwide, by its foreign policy, stable politics and its sophisticated economic policy. South-South multilateral agreements have been widely discussed in International Political Economy, but little has been said about the impact they make in the socio-economic development of the emerging countries. The issue of multilateral agreements concerning BRICS is still relatively unexplored in comparison to other multilateral agreements that South Africa has ventured into. Globally the BRICS multilateral agreement has generated different views concerning its future expectations of promoting growth for its member states, particularly South Africa.

The dissertation has discovered and highlighted the importance of South Africa as a member of BRICS, and how its engagement in the multilateral agreement will benefit the country with opportunities that lie ahead. This paper also looked at the insinuation that South Africa may be used by its powerful BRICS partners and thereby lose its continental dominance. The study scrutinises and allows open space for further investigation to be made about the BRICS multilateral agreement and its impact on socio-economic development in the Republic of South Africa. Many argue that South Africa's entry in BRICS is a dangerous and risky move while others prefer to say it is a wise decision taken by the country. However the action taken by South

Africa is a *fait accompli* and the country should plan ahead and understand the needs of its national interests and foreign policy to achieve its goals.

LIST OF ACRONYMS

ANC- African National Congress

AU- African Union

BRIC- Brazil, Russia, India, and China

BRICS- Brazil, Russia, India, China and South Africa

CEO- Chief Executive Officer

COPE- Congress of the People

COSATU- Congress of South African Trade Unions

ECOSOC/UN- Economic and Social Council /United Nations

EU- European Union

FDI- Foreign Direct Investment

FOCAC- Forum on China-Africa Cooperation

FTA- Free Trade Area

G7- Group of 7

G8- Group of 8

G20- Group of 20

GATT- General Agreement on Tariffs and Trade

GDP- Gross Domestic Product

GIBS- Gordon Institute of Business Society

IABN- India Africa Business Network

IBSA- India, Brazil, South Africa

IMC- International Marketing Council

IMF- International Monetary Fund

IPE- International Political Economy

ITC- Information and Communication Technology

LIE- Less Industrialized Economies

MERCOSUR- Common Market of the South

MNC- Multinational Corporations

NATO- North Atlantic Treaty Organization

NEC- National Executive Council

NEPAD- New Partnership for Africa's Development

NGP- New Growth Path

NIC- Newly Industrialized Countries

NIE- Newly Industrialized Economies

OAU- Organization of African Unity

RDP- Reconstruction Development Programme

SACU- Southern African Customs Union

SADC- Southern African Development Community

TRC- Truth and Reconciliation Commission

UN- United Nations

UNCTAD- United Nations Conference on Trade and Development

USA- United States of America

WTO- World Trade Organisation

CHAPTER 1

1.1 Background/ Introduction

BRICS is a South-South economic bloc of the fastest emerging economies in the world. It is made of by giants such as China, (the second leading economy in the world after the United States of America, Russia, (one of the European power houses), Brazil (the giant of Latin America), India (the rival of China in Asia), and the economic powerhouse of the African continent, South Africa. The fall of the Berlin wall in 1989 signified the end of the Cold War era, which was a contestation between the world's two major ideologies (communism and capitalism). The world was then introduced to a new multipolar system. This system gave freedom and access for every country in the world to approach international political and socio-economic understanding of their own kind, and not rely on what the United State of America (USA) or the Union of Soviet Socialist Republic (USSR) dictated to the world.

The developing world in Asia, Africa and Latin America came up with ways to speed up growth and development in their regions through formation of a plethora of international regimens to address their economic plight. These alliances or multilateral agreements are seen as a tool for assisting the countries in multilateral agreement with ideas and resources to develop, as well as to promote the economic interests of member states. The member states in a multilateral agreement establish a similar route of understanding to deal with issues that commonly affects them and support one another where needed (Blank, 2011).

The emergence of BRICS was motivated by the South/emerging countries fighting for their voices to be heard and to bring about changes in the global economic and financial sectors. These countries have substantial integration potential and a huge influence in their respective regions. The global challenges, such as international terrorism and multinational crime, climate change, food and energy security and other international problems as well as the promotion of development cannot be effectively solved without the involvement of these countries (Kremlin.ru, 2009).

One of the major factors behind the push for the formation of BRICS bloc was to challenge the Western hegemony on the Bretton Woods institutions. The BRICS

hold less than 12% of the voting rights in the IMF; on the other hand the U.S. and Europe continue to have the "commanding privilege" of having the heads of both the World Bank and the IMF from their region. As was analysed in the beginning of 2010, the weight of Europe and the U.S. in the IMF will decrease (from 31.92% to 30.3%, in the case of Europe and from 17.69% to 17.40%, in the case of the U.S.) and the weight of BRICS will increase (from 11.52% to 15.24%). But the imbalance in participation still remains. There is a rise of new economic power in the world today that includes the BRICS, and particularly China and India, which needs to be given the rightful share in decision making and voting commensurate with their powerful emerging economies and population (Rodrigues, 2012).

Over the past few years, globalisation has placed the emerging states on a path of economic liberation and as such, these emerging nations have been in the spot-light with their sophisticated economic policies and active participation in global affairs. Above all, the relationship amongst developing countries with the fastest growing economies has proven to be an effective tool for strengthening their socio-economic and political aspects. The emerging nations have committed themselves to form multilateral agreements such as BRICS and other multilateral agreements to speed up and strengthen development in these countries (Dadush and Shaw, 2012).

THE BRICS AGREEMENT IN THE EMERGING WORLD

The original members of BRIC were Brazil, Russia, India, and China. The bloc was focusing on their fast growing economies in the developing world. South Africa entered the bloc to represent its self-interests but invariably those of the African continent. These countries account for the largest share of global economy and wealth and they are only in their emerging stage of development (Wankel, 2009:189). According to Kremlin.ru (2009), in September 2006, foreign ministers of the four BRIC countries Brazil, Russia, India and China met in New York, USA, and that was the beginning of a series of meetings that was to change the face of multilateral agreements for the developing countries. The first formal meeting was held in Yekaterinburg, Russia on the 16th of May 2008 to pave the way for the first BRIC summit. The first official summit was held in Yekaterinburg in Russia on the 16th of June 2009 which marked the existence of BRIC as a formal body, and all

heads of state of the four BRIC countries Brazil, Russia, India, and China were present. The main focus of the summit was on the economic situation and reform of the international financial institutions, and also how these countries would work together in the future (BBCnews, 2009, 16. June).

In the year 2010 South Africa began negotiations so that it could be incorporated as a BRIC member. South Africa was ushered in as an official member in early 2011 after receiving an invitation from BRIC members. The group was renamed BRICS, "S" representing South Africa. The five countries which form BRICS in totality represent roughly one third of the global population and hold an estimated US$ 4 trillion in foreign reserves. However BRICS members are all in their developmental phase, and are classified as newly industrialised countries, but they are distinguished by their large economies and significant influence on the regional and the global sphere. Even with the presence of Russia, BRICS is still considered a South-South multilateral group; this was motivated by the Cold-War ideological connection that Russia had with Africa, Latin America and Asia (Graceffos, 2011).

The new BRICS is defined by its membership as a paradigm for economic development. BRICS came into being as a result of emerging states wanting to have an influence and active participation in global affairs as well as taking part in international institutions such as the United Nations, the IMF and other influential global bodies.

IMPORTANCE OF THE BRICS MULTILATERAL AGREEMENT

Blank (2011) defines multilateral agreements as binding agreements between three or more parties concerning there of similar circumstances. Multilateral agreements can occur between three individuals or agencies. Multilateral agreements promote the economic interests of countries focusing on developments within a country as well as good relations with other countries. With the growth of globalisation, countries have affected one another either positively or negatively. Multilateral agreements are meant to benefit the contracting partners involved. Countries usually establish common ground and deal with disagreements to reach a final trade agreement.

According to Kocic (2011), trade agreements are aimed at lowering trade barriers between members, and thus increase the degree of economic integration. This is the most effective way of liberalising trade for developing states in an interdependent global economy. The multilateral trade agreements are considered as a way of improving the members' economic development. Multilateral trade agreements came into existence after World War II; nations saw that there was a need to come together to set rules with the objective of encouraging market access for recovering economies. One of the earliest formations was the General Agreement on Tariffs and Trade (GATT) which at a later stage in 1995 was replaced by World Trade Organisation (WTO) with more than 150 member states.

GLOBALIZATION

How does globalization explain connections in the developing world?

Globalization over many centuries has been the most popular phenomenon that has connected the world politically, socially and economically. Globalisation has created common cultures, ideologies that dominate world politics and economics in general. Global integration has increased dramatically since the developing countries classified as South-South have realized that forming multilateral agreements such as BRICS can assist in improving their socio-economic aspects and compete with those of the developed countries known as the North. Multinational Corporations have also played a major role in connecting the world into being one village with everything accessible to all (Keohane, 2000).

Globalization symbolizes the ability that has increased connectivity and interdependency of the world market and businesses. This has speeded up dramatically in the past decades as technological advances make it easier for people to move from one place to another, communicate, and do business internationally. The twenty first century has been dominated by technology more than anything else; the three major recent driving forces are advances in telecommunications, infrastructural improvement (buildings) and the rise of the internet. Economies in general have become more connected, and have increased opportunities for many states but also increased competition. Globalisation has become a common feature of world economics and this has seen poverty dropping by a large amount in some places (Investorword.com, 2011).

SOUTH-SOUTH

Part of the focus of this research will be to look at the south-south multilateral cooperation with special focus on BRICS which has been classified with this phrase (except Russia), therefore it is important to explain South-South in depth and how it affects multilateralism of emerging states.

South-South is a global political economic terminology and a wide, known phenomenon in the world of international political economy. the phrase was coined and generally associated with the economy of the developing countries such as China, Brazil, India, (Singapore, South Korea), and South Africa. Quirk, (1987:1008) defines 'south' in the context of this study as "the poorer countries of especially southern parts of the world, such as Africa and South America, *Third World*". Quirk (1987:1104), continues to explain the *Third World* definition as "the industrially less developed countries of the world considered as a group", Group refers to the Brazil, Russia, India, and China, South Africa (BRICS) bloc, and India, Brazil and South Africa (IBSA) bloc.

The concept of South-South cooperation as explained above refers to the process of development or transformation by developing countries. Developing states are being classified as "South states" since their economies are linked with those of emerging countries that do not align themselves with the developed states, which are classified as "North states". The concept is no longer limited to the government's models of cooperation among the countries of the South as a collective scenario of politics, economics and global one. It has become a sensational phenomenon which does not focus only on government but on a historical ideological relation of the developing countries, including the private sector, educational, and research institutions. South-South cooperation today is not an option but an imperative for the developing world to address their common challenges and accelerate development at the domestic level (Insouth, 2009).

Most of the developing world is characterised by economic challenges, which are slow economic growth, increasing unemployment rate, falling shares in world trade, and high debt burden. Outside BRICS, the emergence of Brazil, China and India has created new dynamism in south-south economic cooperation and trade. These countries came up with new ideas of improving the world economy, and they can

offer intermediate capital goods, machinery and technology in most fields that are more concerned with the requirements of the developing countries than the capital intensive technologies offered by the developed world (Pandit, 2007).

The extent and nature of economic growth is central to development and to the lives of the poor. Countries that have reduced poverty invariably had to grow and implement progressive policies to reduce poverty in their societies. If growth is properly managed in the market economy, it can create jobs, increase incomes, and generate tax revenues that states can use to invest in infrastructure, schools, hospitals, but, most of all, creating wealth is an inseparable part of reducing poverty (Green, 2008:179).

Linked by their past historical relations socio-economic and political challenges, the countries of the south share issues that commonly affect them. These areas of cooperation include trade investment, human resource development, good governance, technology, health, climate change and human rights management. The cooperation of South countries further raises a common voice on issues of critical importance to developing countries such as the, reform of global governance institutions, to create more equitable world order, to achieve the millennium goals, which countries of the south have committed themselves to achieve through the advantages that globalization offers (Insouth, 2009).

SOUTH AFRICA AS A MEMBER OF BRICS

Straddling the Southern tip of the continent of Africa, South Africa constitutes 1.2 million km^2 of land (Ebam and Wamahiu, 2003). It is easy to access information about South Africa as offers files that are up-to date, detailed information on the geography, climate, population, economy, government and development from key countries in the world. Positioned in an important trade route, between the two major oceans the Pacific and Indian makes South Africa a destination for international shipping (Graham, 2004).

South Africa is a large country, bigger than France, Germany, Italy and Belgium combined and is the continent's economic power house. It generates at least 50 per cent of the region's electricity and produces 83 per cent of the steel and 97 per cent of the coal. Almost 69 per cent of the entire continent's freight is carried by South

African railways (Cotton, 1994). Since 1994 at an official end of apartheid, heralding a democratic government led by the ANC, the new government has attempted to share and spread the riches of South Africa to a larger number majority of its citizens (Ebam and Wamahiu, 2003).

South African development is inextricably linked to the development of the continent and the Southern African region. Africa as a developing continent faces a challenge of positioning itself to address the marginalisation of the continent by engaging global role-players in socio-economic development and facilitating a fair and just global order, South Africa is at the fore-front of this quest (Foreign Affairs,2006).

Following the first democratic elections, South Africa emerged from many years of international isolation due to its apartheid laws. It is one of the most visible countries in Africa in terms of size of its population and its economic strength. After the end of apartheid the country was challenged to construct new democratic institutions and an inclusive civic society/culture from the sour legacy of many years of statutory racism and ideological division. After the historic year of 1994, the first two democratic presidents were preoccupied with the construction of the country's new foreign policy in order to have an influential touch on global requirements. The emergence of the current South Africa is the result of the strides made by its people in forming a united country and the ANC government's policies of distributing the country's resources to its people (Youla, 2009:01).

1.2. STATEMENT OF THE PROBLEM

This study is motivated by the primary objective to find out whether South Africa will reap tangible benefits, or will it just become a market to be preyed upon by its BRICS partners. The study seeks to investigate the challenges and the prospects that South Africa will encounter in the BRICS bloc. The study will give special attention to closing the gap between the prospects and constraints of BRICS multilateral agreement and the socio-economic development of South Africa. The study is narrowed to focus on a strictly theoretical approach, and also based on the scenario approach (long term plans).

As a South-South economic bloc of fastest emerging economies, BRICS is made up of giants such as China, (the second leading economy in the world after the United

States of America), Russia (one of the European power houses), Brazil (the giant of Latin America), India (the rival of China in Asia), and South Africa (the economic powerhouse of Africa). The population of the first four countries (excluding that of South Africa) is huge and their economies are rated among the largest in the world. All of these countries are the leaders in their regional groupings. South Africa comes in as a tiny pimple economy compared to these economic giants; its population of 50 million plus does not match even a quarter of Russia, the smallest contributor to the original four BRIC countries. Tiny as it is, South Africa carries a significant weight and a voice to uplift the developing world and that of the African continent in particular, but most of all looking out for its own self-interest. The weight of South Africa is said to be boosted by the continent's market, and this country will be used as a gateway to the continent, hence it was added as the fifth member of the bloc.

The researcher has looked at the size of South Africa and compared the country's wealth to its BRICS partners and has also looked at the importance of South Africa and its contribution to the bloc. The question and the main problem statement start here "Will South Africa benefit from BRICS or will it be a market to be preyed upon by its BRICS partners"? The researcher looks at this problem and tries to close the gap by providing solutions and approaches to give South Africa ways to tackle the role of engagement with its BRICS partners. As the study's chapters will be divided to deal with specific elements of the study, fundamental issues such as the advantages and disadvantages of BRICS in South Africa's development will be addressed.

1.3. RESEARCH QUESTIONS

Based on the above background the following questions are posed:

- What are the possible prospects and benefits that South Africa stands to gain from the BRICS agreement?
- What are the constraints that the BRICS bloc will impose on the socio-economic development of South Africa?
- What strategies should South Africa develop in order to gain maximum benefits through BRICS membership, looking at the pull and push factors that led to the country joining the bloc?

1.4. AIM OF THE STUDY

The main aim of the study gives special attention to the impact that BRICS will have on the socio-economic development of South Africa. The study aims to unearth possible benefits and constraints that may affect South Africa's socio-economic stability as a result of BRICS forum.

1.5. THE OBJECTIVES OF THE STUDY

- To assess the benefits that South Africa stands to gain from the BRICS bloc as well as the global influence.
- To identify the constraints/ disadvantages that the BRICS agreement may have on the socio-economic development of South Africa.
- To describe the nature and level of the socio-economic stability of South Africa and the possible future of BRICS influence in the country's market.
- To understand the pull and push factors that led to South Africa joining the BRICS bloc.

1.6. RATIONALE/ SIGNIFICANCE OF THE STUDY

In seeking to unearth possible benefits and constraints that South Africa will have from the BRICS agreement, this study attempts to contribute to a wider body of learning about BRICS by exploring in an analytical fashion the benefits accruable from multilateralism. The desired effect which the study intends to make is to raise the consciousness of the reader to the problem. Another intention is to illustrate the overall theme by looking at the regional economic arrangements that represent a new phase of economic interactions in the world economic system. Furthermore this will also contribute to the knowledge of why it was necessary for South Africa to join BRICS, and how BRICS can assist to strengthen and globalize the South African economy. The paper will also assist policy makers in order to develop a policy framework for formulating sound economic decision/policies. BRICS' existence is supported by the United Nations Economic and Social Council (UN\ECOSOC) based on the United Nation's Article 53. This council aims to coordinate the economic, social and related work of the 14 UN specialised agencies. Only four BRICS

members, Brazil, Russia, India and China, are part of this council. This council also heads key committees of the World Bank and International Monetary Fund (IMF) in which BRICS seeks to neutralize the western influence. The study is important, because South Africa may learn approaches in achieving its objectives within the BRICS bloc, and also highlight the constraints that accompanies South Africa's BRICS membership, and will contribute to the existing literature on multilateralism.

1.7. TECHNIQUES OF INVESTIGATION

1.7.1. RESEARCH METHODOLOGY

The data for this paper will be obtained from an extensive review of the relevant literature taken from scholarly research, books, popular articles, and writings published by the alternative press that deal with specific areas in the field of international relations. The researcher will employ the qualitative research methodology to access information concerning the topic. The qualitative research method (known as case study) is used in order to investigate the relationship and economic agreement among BRICS member states. A thorough analysis of existing literature will be conducted. In reviewing existing literature, strengths and weaknesses will be measured. An attempt will be made to demonstrate what contributions this study will make to academia (Babbie and Mouton, 2006).

To enable a successful execution of the study, the researcher has chosen to use secondary data because of its effectiveness and ability to add to the debate on whether the BRICS bloc will result in positive outcomes to its members. The research will use secondary data as it is already available and easily accessible. To add value to the subject presented, the researcher will consciously select informed persons on the issues related to BRICS and will conduct structured qualitative interviews to acquire data to add knowledge on the subject. In this case the researcher will consider the experience and qualifications of the interviewees. These will include experts, such as university lecturers, writers, government officials (policy makers) related to the topic, Researchers from various institutions, and government officials dealing with international relations matters.

Secondary Data

Herrnson (1995: 453) demonstrates that the secondary data collection avoids data collection problems and provides a basis for comparison. Secondary data will be collected from various sources, which include, but are not limited to: books, magazines, research papers, websites, already published reports, television, radio, newspapers, journals and publications. In this particular study, academic books, journal articles, occasional papers, academic articles, conference papers, reports, government and other organisations publications, theses and dissertations, newspaper reports and other relevant literature will be used.

1.7.2 DATA ANALYSIS

Data analysis explains the route by which raw data is orderly organized so that useful information can be spotted and used in the study. The data will be analysed through a qualitative research (secondary and primary) methods. This research method allows the researcher to look at materials such as books, journals, newspapers, online informants and other useful materials to analyse data accordingly. In this case data analysis will assist in looking at how BRICS will assist in improving the socio-economic development of South Africa, and the constraints and prospects that will be accompanied by the BRICS forum. The researcher will always analyse data by looking at various informants for their views about the BRICS forum and how it will impact on the socio-economic development of South Africa. The data will cover both the prospects/benefits and the constraints that BRICS may have on the country's development stability. The paper will be analysed by looking at both positive and critical analysis submitted by different authors to analyse the role of South Africa in the bloc, so that the information must not be one-sided or biased but provide a clear panoramic understanding on the impact South Africa joining BRICS and possible outcomes to be offered by this multilateral agreement.

1.8. DEFINITION OF TERMS

This study took efforts to define operational concepts or terms to guarantee adequate clarifications. This is necessary to guarantee to every potential reader of this research work an easy understanding while reading through the paper. The

following definitions have been explained by the researcher: multilateralism which is seen and observed as a multiple countries or institutions working together in forum on issues of socio-economy and politics. South-South at times referred to as Global-South -these are countries which are still developing or under-developed in their socio-economic developmental aspects, also share a common historical background paved by the Cold War era. Emerging Economies are considered as global-social or economic vibrant economic states which have a rapid growth and industrialization domestically and internationally, all the BRICS member states fall under this classification. Globalisation as one of the main terms discussed is the connectivity of countries of the world integrating in the name of interchange of products, ideas, cultural aspects, events and other socio-economic and political world views.

1.9. LIMITATION OF THE STUDY

The study was limited to the prescribed frame-work. Any events and processes geared to the BRICS group engagements did not influence the conclusive judgement of the study. The study relied on a large variety of secondary data such as books, journals, online informants, speeches, lectures, newspapers, dissertations and other useful material based on the topic of the study within the frame-work of multilateralism, regional hegemony and focus on BRICS, and South Africa in particular. It has to be emphasised that the paper was dealing with BRICS forum which many people were not knowledgeable about. Hence it was the role of this study to educate and bring forth new and unknown information about south-south multilateral cooperation, in particular BRICS and its effects in the socio-economic development of South Africa. Another disadvantage was a limited number of interviewees/participants, who on being contacted were not willing to participate and this became a barrier for the researcher to identify people to be interviewed as some thought they were not fit to comment. This made the researcher rely on a limited number of knowledgeable interviewees, reading materials and academic research institution to accumulate the data for the study.

1.10. ETHICAL CONSIDERATION

The researcher was mindful, from the beginning of the need to protect the image of the potential participants and respect their views and not in any way alter their response but however analyse such responses as provided by the respondents. This

study strictly operated within ethical guidelines to protect the integrity of the respondents who volunteered, after a humble request, to be interviewed by the researcher. The researcher worked strictly within ethical guidelines to protect the integrity of every identifiable respondent, who was informed taking part in this paper was voluntary and that any respondent could withdraw at any stage, and any participant who wished to be anonymous should be so treated.

1.11. THE SCOPE OF THE STUDY

The study covers the parameters that cover all the elements that led to South Africa to join the BRICS club and how the study is outlined. One of the factors that led South Africa joining BRICS was to strengthen its socio-economic development and to address the domestic challenges such as the improvement of the infrastructure, technological exchange, job creation and expanding its market to a wider global community. The study was restricted to what South Africa stands to gain out of this multilateral agreement and what implications that may likely affect the country's socio-economic development. BRICS forum has many elements that accompany it, for example the BRICS attempting to neutralize the Western influence in the Bretton Woods Institutions, the alignment of the South-South countries' Ideologies and so forth, but, the researcher deemed it fit that there was a need to focus on the impact of BRICS phenomenon and its benefits and constraints on South Africa's socio-economic development. The scope of the study will be focused from 2009 when BRICS was formally launched, through to South Africa joining this bloc of emerging economies, and then to the present day.

1.12. Conclusion

In summary, Chapter one consists of a background on South Africa and BRICS multilateral agreement, encapsulating the importance of multilateral agreements as a way of strengthening domestic socio-economic development among countries in a multilateral agreement. Among issues addressed by this chapter are elements such as 'globalization', 'trade agreement', 'South Africa as a member of BRICS' etc. This chapter features the problem statement that motivated South Africa to become a part of BRICS, the objective that the study sought to address, the main aim to be achieved, the significance and the research questions that were prepared in the course of the inquiry.

1.13. OUTLINE OF CHAPTERS

This research paper contains five chapters which are presented as follows:

Chapter one:

- The Introductions/Background of the study
- Problem statement
- Aims of the study
- Objectives
- Research questions
- Rationale/significance of the study
- Methodology and Data analysis
- Definition of terms
- Limitation of the study
- Ethical consideration and the Scope of the study

Chapter Two:

- Theoretical framework
- Literature review

Chapter Three:

- The origins of BRICS and its challenges
- Socio-economic development of South Africa
- Implications of BRICS in the development of South Africa

Chapter Four:

- BRICS prospects on South Africa's socio-economic development
- The strength of BRICS membership and the future engagement of the bloc

Chapter Five:

- Scope and limitation of the study
- Findings, conclusion and recommendation
- References

CHAPTER 2

2.1. THE THEORETICAL FRAMEWORK AND LITERATURE REVIEW

Introduction

This chapter presents an analytical conceptual framework which seeks to serve as a platform for seeking to change the approach of South Africa and its relationship with its multilateral partners. This chapter deals strictly with the literature review which is based upon the views of scholars about South-South blocs and South Africa's socio-economic prospects and constraints; furthermore this chapter will look at the theoretical framework that acts as a guiding tool to the study and its relation to the South-South multilateral agreement. It reviews what has been previously written or presented concerning the topic under investigation (The BRICS phenomenon: Prospects and Constraints for South Africa's socio-economic development). The literature review is essential for the study because it gives the researcher a guide as to what already exists. This exercise will enable the writer to identify what the study will contribute to the body of knowledge. This chapter contains some general information regarding the context within which the following chapters may be read. This chapter is structured in a way that highlights the historical background of South Africa, its hegemonic influence in the region, multilateralism, and how this country was invited to join BRICS. Other issues which this chapter will touch on section is to examine the role of South Africa in BRICS, its hegemony in Africa and its partners' strength, and plans about this bloc of emerging economies.

Chapter 2 attempts to provide a clear and structured analysis of the multilateral agreements that South Africa has entered into with other developing countries, one such being BRICS (Brazil, Russia, India, China, and South Africa). As a result the researcher realised the need to close the gap in the literature by providing sensible facts and analysis in a structured manner through categorising and structuring the discussions on the multilateral agreements among developing states, which include the BRICS forum and multilateralism in the emerging states.

2.2. THEORETICAL FRAMEWORK

The theoretical framework is an important tool as it provides the structure for examining a problem, and serves as a guide to examine the relationships between variables. Theories are used to explain the law of international politics or the behaviour of one state towards another in terms of agreements and how they are related, whether through socio-economic or political means. This study is guided by the theories of international relations such as the Realist theory and the theory of International Political Economic theory (IPE) and this represents the corner stone of the study.

REALISM THEORY

Realism is regarded as the most dominant theory in international relations (Dunne, 2005:186). Realist theories argue that power is the key goal of all states in their search for survival strategies. In these circumstances, realists argue that it is perfectly rational for states to look out for their own interest exclusively. If someone steals one's possession, that particular person would go to the police for help. In this case states have nobody to run to, so to be safe, every state has to look after itself, arm itself to the teeth, have a stable economy and powerful political leadership, and also make sure in other ways that it is powerful enough to dispel any attack (Howson and Smith, 2008).

Dunne and Schmidt (2005:161) note that of the theories of international relations, realism is the most dominant and widely used theory. It provides the core explanation of conditions in the international system. Realism is relevant in explaining or understanding the globalization of politics of the world. Realist theorists conclude that realism is the ability to get what you want either through the use of force or threat. Yet whether powerful a state may be over others, the core of national interest of all states must be survival. Dunne and Schmidt (2005:172) further state that the pursuit of power and the promotion of national interest are the iron law of necessity. The national interest is based on the idea of a country seeking to benefit everything to its advantage; hence it is directed towards why countries join multilateral agreements, one of the reasons being to strengthen their economies and political strength. The coming together of BRICS is motivated by the quest for the

newly emerging states to over throw Western influence in the global institutions that are set to control the socio-economic situation of the world.

The study relied on the multilateral agreements that South Africa has entered into for the sole purpose of its survival. These multilateral agreements and especially BRICS which is the focus of the paper, Dunne and Schmidt (2005:172) conclude that a state is the main actor; its responsibility is to ensure its own well-being and survival. Realists do not believe that it is right for a state to entrust its safety and survival to another state or institutions such as the United Nation (UN). Cox quoted himself when he wrote the piece below in Millennium: Journal of International Studies, vol. 10, no.2 of 1981.

"Cox is interested in the way that the structure of world order can change and he argues that to understand this process it is necessary to develop a methodology which can transcend the outlook of any specific perspective. The problem with the dominant perspective of realism is that it claims to have identified ahistorical truths. The claim, according to Cox, is ideological. He identifies realism as a problem-solving form of theory which works within and helps to sustain a state-dominated world order. Cox argues in favour of a critical form of theory which focuses not only on how a particular form of world order is maintained but also on how it can be transformed."

(Cox, 2006:394).

South Africa's part in the BRICS bloc proves that there is no equal contribution and no equal benefit, since some states are more powerful than the others and more influential, and at times use these multilateral agreements to push their agendas of strengthening their economic and political strength by using the weaker states. In this case it means that these agreements are used as a tool by powerful states to push their agendas and interests to influence issues on an international platform. Other multilateral agreements make it easy for both weak and strong states to work together cooperatively without any exploitation of one state over the other.

HANS MORGENTHAU REALISM THEORY

In relation to the study Morgenthau expresses in his book Politics Among Nations *"The statesman must think in terms of the national interest, conceive as power*

among other powers. The popular mind, unaware of the fine distinctions of the statesman's thinking, reasons more often than not in the simple moralistic and legalistic terms of absolute good and absolute evil" (Morgenthau and Thompson, 1985:165).

The statement quoted above clearly analyses the theory of realism in international relations as power and an element more concerned with national interests above anything else. This theory proves that countries engage in agreements in order to benefit from their partners in the multilateral agreement. A fewer multilateral agreements have mutual benefits but most do not. Powerful states always have the agenda of getting something from the weaker states, and they use the agreements as a reflection to show a positive face of all benefiting but in reality strong states benefit more from these agreements. Morgenthau helps the study to look at the role of South Africa in relation to the powerful weight of Brazil, Russia, India and China's socio-economic and political strength and raise concerns on how South Africa will accrue development offered by the BRICS. More than anything, a patriotic state that looks at its self-interest, and is aware of its strength and that of its alliance partners always knows how to approach major blocs such as BRICS with strategies how to benefit and protect itself from any dangers without making unnecessary enemies.

Vera (2011) looks at four pillars of realism as a central theme to his critique of Realism; for he believes that they outline a narrow minded penalization of one of mankind's flaws. First, the ideology has a pessimistic view of human nature, seeing man essentially as evil, individualistic, greedy and what Hans Morgenthau calls *animus dominandi*; the human 'lust' of power.

The above criticism by Vera proves that the dangers of Realism push individuals or states to behave in an animalistic approach that makes a state or an individual look for their own interest and not take into consideration what a partner-state/individual is suffering or not allowing a space for a partner in a multilateral group to benefit with something from the partnership. In most cases Realism leads to mistrusting and promotion of conflict among partners, thus creating a negative element that is seen as an evil approach for relationship.

The human *animus dominandi* dictates that men and women are political animals by nature; Morgenthau believes that human beings are born to purse power and enjoy

the fruits of their power; however this will inevitably bring men and women into conflict with each other. Realist answer to this pursuing of power {*animus dominandi*} that he/she sees as inevitably leading to conflict, is to arm oneself in order to protect oneself thus making this ideology a childish reactionary retaliation to superfluous threats super-imposed by one's own irrational fears of being made subservient. Realism in the field of international relations displays protectionism tendencies in the sense of protecting state interest and state dominance of other states; however dominance over other states entails either hostile take overs or economical superiority linking it with expansionism (Imperial Conservatism) (Vera, 2011).

INTERNATIONAL POLITICAL ECONOMY (IPE) THEORY

Since the study revolves mostly around the barometers of International Political Economy, the focus of the study will be dominated by the multilateral agreement that South Africa has entered into. What matters most is to ensure the continued legitimacy of this socially orientated endeavour. Above all however power is recognised in historically determined political units and networks and other actors that dominate the global political economy, not in individuals. In most cases IPE claims to be a vehicle of understanding of the International Political Economy on how a state can well connect with other states in order to have well-balanced socio-economic affairs of a state, but it offers little to policy makers as it is more concerned with politics, economies and power of states over weaker ones.

This proves that the economy of states cannot survive on their own but need to cooperate with other states to enable them to survive and even prosper. Most of the developments in the Western countries have been measured through economic cooperation and alignment with other countries. This shows that there is a need for countries to work together, especially in the developing world, to construct their economies and change them to suit the global expectations. This can work if there will be a win-win situation among states, or at least the margin of benefit should not be higher amongst countries in a multilateral agreement.

The politics and strategies of the Cold War crippled both industrialized and developing countries alike and focused in building new states with post-colonial state structure in the developing world. This forced policy makers and scholars to focus on the economic affairs of states. Richard Cooper, IPE professor, stressed the view that

there was a need for greater coordination and cooperation among states in the world.

THE MERCANTILIST THEORY OF IPE

The Mercantilist theory is more similar to the presumptions of the realists in international relations. They view these presumptions of world economy as a platform of competition among states who seek to advance themselves by the help of other states. The Mercantilist theorists compare this theory to a jungle whereby each state has to do what it can to survive, in simple terms it is the survival of the fittest. Multilateral agreements such as BRICS and IBSA Woods (2005:333) continue to raise the point that the aim of every state must be to increase its wealth and independence from other states. But at the end the bottom line is that the powerful states define the rules and limits of the system through hegemony, alliances and balances of power.

THE MARXIST THEORY IN IPE

The Marxist theorists in IPE, like the Mercantilists, view the world economy as an arena of competition, but not a competition of states, but of capitalists. They describe capitalism as a driving force in the world economy. According to Marxist ideology, world economic relations are described as a class struggle between the elite and the working class. The elite are the capitalists. They are the ones who own the means of production and they are states that are more industrialized than others. The working class are described in this sense as the workers/oppressed, states that only consume end products. The capitalists seek to maximise their profits and in turn exploit the working class. In IPE this description of class relations outlines the reality of the core of industrialized countries and the developing countries. It can be concluded that there are unequal exchanges which occur between the two classes (Woods, 2005:333).

International Political Economy is the study of a problématique, or set of related problems. The traditional IPE problématique includes analysis of the political economy of international trade, international finance, hegemony, North-South relations, and multinational corporations. This problématique has been broadened in recent years as many scholars have sought to establish a New IPE that is less

centred on International Politics and the problems of the nation-state and less focused on economic policy issues. These scholars seek to create a new discipline of IPE that would transcend the perceived limits of International Politics and International Economics as fields of study and research. The theory of hegemonic stability was arguably IPE's most important contribution to Cold War international relations theory. As developed by Charles P. Kindleberger in the early post-war era, this theory focuses on the motives and behaviour of a hegemonic state. The hegemon is a rich and powerful state that undertakes to supply public goods to the international system. These public goods include stable money, security (such as freedom of the seas), and a system of free trade that can be shared by all and that, in fact, work best when widely shared. Providing these public goods is costly, of course, but the hegemon gains even if it disproportionately bears the expense alone because of its dominant position in the world system. If the world system prospers, the hegemon necessarily prospers as well. In fact, this provision of public goods may be a strategy to secure or extend the hegemon's dominant position (Veseth, 2007).

Why do the BRICS want to be heard? Spero and Hart (2010:194) argue that the Southern countries have been regarded as poor and exploited as a result of the level of their development; not because they are illiberal but because of their history as subordinate elements in the world of the capitalist system. Looking at the conditions, Spero and Hart (2010:194) believe this view will persist for as long as they remain part of that system. International markets being dominated by the monopoly of capitalists whose economic base is in the developed world economies. Furthermore, Spero and Hart (2010:194) continue to argue that the free flow of trade and investment, so much desired by liberals, enables the capitalists of both the developed and under developed countries to extract the economic wealth of the underdeveloped countries for their own benefit. The result is to dominate the masses of the developing world.

This case captured by Spero and Hart (2010:194) above, takes us back to the argument of the BRICS seeking for an equal share in a global cake on the one hand, and on the other hand focusing to strengthen their economies. South Africa also has a chance to move itself to avoid this Western dominance and focus to build and strengthen its socio-economic and political weight. Spero and Hart (2010:194) observe that according to many of the Marxist theorists there is a net outflow of

capital from the South to the North. As observed the trade between North and South is an unequal exchange, in which control of the international market by the monopolies/oligopolies headquarters' based in developed capitalist countries leads to declining prices for raw materials produced by the developing/South and rising prices for the industrial products from North countries.

Stadler (1987:23) looks at the economic power of the South African Republic in the region as a route that has provided the framework for the international debate, controversies, and interventions in the region. The political economy of South Africa was the close relationship between the state and the dominant economic classes, and the close involvement of the state directly and indirectly in sectors of agriculture and industrial production through parastatals which dominated the production of electrical power, armaments, steel, petrol from coal and other sectors.

While economic and political integration is changing the modern global system, it is also by no means uniform. The benefits of globalisation are unequally distributed with some nations and groups advancing at the expense of other nations and groups. One of the most profound and intractable divisions which today lies between the industrialised nations of the North and the developing nations has been primarily who are the beneficiaries of globalisation. Globalisation has also widened the gap between the world's rich and poor nations. The developing world in Africa, Latin America and Asia continue to occupy a subordinate position in the global economy. The entrance of the developing nations into the global markets has produced mixed results. The expansion of exports has increased economic growth rates while the influx of new foreign investment has introduced much-needed capital and advanced technology (Adams and Gupta, 1997:3, 5).

Spero and Hart (2010:196) look at these elements in the view of structuralists as a tool necessary important in promoting economic development, increased South-South trade and investment, regional integration and population control. Struturalists assert that the Third world countries specialize in exporting the raw materials and agricultural commodities and production that paralyse these countries in world trade because of the declining terms of trade for those products. Therefore the structuralists believe that South countries need to diversify away from agriculture and raw materials towards manufacturing and service activities. The South countries

again need to reduce trade barriers among the developing countries in order to compensate for the generally small size of their domestic markets and to advocate for more advanced economies of scale similar to those enjoyed by the industrialised nations in Europe, Asia, and North America. Fostering the regional migration agreements among developing countries is one of the best approaches, unlike the ones which helped to bring prosperity to the Western world after World War II. Another most important approach the South countries is to improve technology appropriate for the developing/south countries, to counter the power of Northern multinational companies (MNCs) and generally increase the competitiveness of business headquarters in the South. The structuralists, like the Marxists, are biased international market; according to this school of thought much rests in large part on the inequalities of the international trading system. This school of thought believes the international market society favours the countries that are already well endowed, and thwarts the less developed.

IPE explains the connectivity of International Relations, Politics and Economy as expressed by Veseth, looks at the hegemony influencing the IPE phenomenon. Veseth (2007) sees this as being problematic as other states in multilateral agreement/partnership would seek to have control over weaker states to push their agendas. This theory explains why South Africa joined BRICS. One of the reasons is to politically align it with the other powerful emerging nations, and strengthen its economy on a global platform.

IPE phenomenon has moved to the issue of the emerging of New Leading Countries (NLC): Brazil, Russia, India, and China, or the BRİC as Goldman Shachs called them. These countries are viewed as countries with a very impressive economic growth. The BRIC emerged as a new strong economic pressure group for the new world order which neutralised the domination of the powerful countries of the West. More than anything, IPE in this case pushed for a more interdependent and fair world through emerging countries. The BRIC also raised their voices in the IMF to have a say which would have internationally, politically and economical influence within the institution (Fitri, 2011).

Veseth (2007) argues that powerful states always have the agenda of influencing the weaker ones to achieve their goals or benefit more out of the partnership within the

sphere of IPE. On the other hand, Fitri (2011) sees IPE as the vehicle that promotes interdependency in the world market. Even though both Veseth (2007) and Fitri (2011) agree that IPE promotes connectivity among states and has that ability to globalise the world markets into one market.

Literature review is essential to determining what the method of investigating the question concerned, which is the first step of an empirical study. A study of existing literature was conducted systematically, methodologically and accurately without any plagiarism or faulty misuse of data collected. The literature review proved to be important for this dissertation and this was based on the understanding by Cooper (1998: 1) that, given the cumulative nature of science, trustworthy accounts of past research are a necessary condition for orderly knowledge creation. This is what exists from an academic point of view towards a clear understanding of the nature and background of the problem identified.

2.3. THE BACKGROUND OF SOUTH AFRICA AS AN EMERGING STATE

South Africa is one of the world`s largest gold and diamond producers and the largest platinum producing country in the world. The country has attracted investors from over the world and this was possible through the country`s political stability and economic cooperation with other foreign countries. South Africa is a country with people of different races and creeds, promoting gender equality and dreaming of prosperity for all its citizens. Each country has its own history, unique to it, and that of South Africa was so relevant that the research attempted to investigate how this country survives and how the world views it. South Africa joining BRICS is evidence of the influence the country has made throughout the world (MBendi, 2012).

South Africa emerged from many years of international isolation after the abolishment of the separate development laws known as apartheid. South Africa is one of the countries in the continent that are being viewed and respected for their political transitions from the old regime to the new democratic one. The country's population size, even though not complementing its BRICS membership and it economic strength, are the significant elements that uplifted the country's eminent image. After the end of apartheid, South Africa was challenged to construct new democratic institutions and an inclusive civic society/culture from the sour legacy of many years of statutory racism and ideological division. After 1994, the first two

democratic Presidents were preoccupied with the construction of the country's new foreign policy to align with global requirements. The emergence of the current South Africa is the result of the strides made by its people in forming a united country and the ANC government's policies of distributing the country's resources to its people (Youla, 2009:01).

A government led by the African National Congress (ANC) attempted to share and spread the riches of South Africa evenly to a large number of its citizens. The newly elected government tried to close the gap between those who benefited from apartheid and those who were disadvantaged (Africans). (Ebam & Wamahiu, 2003). The new Mandela administration then accommodated people of all races unlike the old apartheid regime, and other African states administration consisting of only blacks (Johnsons, 2009). Looking into the new South Africa, one can see that this country is indeed the world in microcosm, in its wealth gap, the population mix and more than anything, having the impact and influence that the world superpowers have regionally, continentally and at an international level, and also in the relationships it has with the rest of the African states (Sparks, 2003: X). After the apartheid era, South Africa was able to develop its own unique innovation policy and struggles for its total transformation (Lindvall, 2011). Sparks (2003: XI) lends support to the statement by Lindavall, that the success of the new South Africa after the demise of apartheid has a significant importance in terms of the salvation of the whole continent of Africa, and which also carries a significant role in the world arena. The peace-keeping missions and peace building processes are two of the results.

2.4. SOUTH AFRICA TO THE WORLD

It is arguable that South Africa carries an important position within the international political economy class. It is the most developed state in the continent of Africa. Within the Southern African Development Community (SADC) South Africa has a huge influence that confirms its hegemony in the region. Its Gross Domestic Product (GDP) contributes 84% to the regions' Gross National Product (GNP). (Hussein, 1997).

Viewing the long road that South Africa has travelled, one can credit new South Africa with many excellent achievements. Sparks (2003:3) emphasises that this country has entrenched a new democratic constitution, perhaps the most

progressive in the world, and planted it deep down through from national, provincial and to local elections which have been successful through fair and peaceful means. There is a constitutional court to check that laws passed by parliament are in the line with the constitution; other bodies are the Independent Electoral Commission (IEC), Human Rights Commission and Commission for Gender Equality. South Africa has managed to pave a way to a smooth political transition from the pioneers of the new country to the successors, in the continent where this is rare.

South Africa entered into the post-cold war international landscape with high expectations from the international community about the role it would play, but also with great enthusiasm about the role it could play. Before 1994, Nelson Mandela stated that "*human rights will be the light that guides foreign policy*". At the same time the country's negotiated transition was viewed as a model that could be used as a tool of learning for other states who wished to end conflicts. Over the past years, the tension that existed between pragmatism and principles has been at the core of South African foreign policy. Most have expressed the argument that South Africa`s promotion of human rights and democracy in its external engagement has been motivated by its principles of unity and peace in the continent (Sidiropoulos, 2007).

In most cases, development means to transform the livelihood and expectation of a country`s citizens. It is a dream that aims to do more than just to create wealth and income for a country, but is more concerned with the people. To meet the developmental phase, a state must ensure that both the quality and quantity of economic growth meet developmental needs. However all this is politically driven. The developmental politics that are based on active citizens and political and economic inclusion have been predicted to be more essential than ever, in building effective, accountable states that can produce good results for development (Green, 2008:104).

Naidu (2008: 167) believes that South-South cooperation by Pretoria and its concern of being economically side-lined and under-developed, strengthens Beijing`s aims of promoting global harmony and common prosperity for all developing nations. But this relationship between South Africa and China is still at the infant stage.

South Africa has become increasingly experienced in cut-throat global politics, and this manifests in the way South Africa approaches a number of issues, which has

changed to reflect the significance of power and the impact that this has on the country`s foreign policy. Besides its national interest, South Africa`s foreign policy is based on its values. Thus, it believes that attempting to counter the global system`s twisted nature, must be a crucial element of its foreign policy. South Africa`s own political and economic achievements are determined to a large part by the fortunes of the continent, and that its sophisticated and well developed economy could play a leading role in Africa`s economic emancipation (Sidiropoulos, 2007).

2.5. SOUTH AFRICA AND QUEST FOR MULTILATERALISM

The body and structure of the study relies entirely on the multilateral agreements, and their impact on the socio-economic development of the Republic of South Africa. The paper seeks to highlight not only the multilateral agreements that South Africa has ventured into, but also to highlight the elements that made South Africa recognised by the outside world as worthy to form multilateral agreements such as BRICS, IBSA and others. Those elements includes the South African foreign policy, its hegemonic influence in SADC and in the continent at large, stable politics and international investments with the world's most known multinationals, that made the economy of South Africa strong and recognised by the outside world. The paper discusses all the above mentioned elements, and that gives a clear picture on how South Africa engaged itself in the multilateral agreements.

The geographical factor is one of the factors that tell a tale of how countries are connected to each other. One such is the physical geographical location of South Africa, which for centuries played a huge part in the country`s historical development. The fall of Constantinople in 1453 opened a gateway for Westerners to search for an alternative route for trade with the East and the route led to South Africa. Vasco da Gama discovered the route to the Cape in 1492, which led to the establishment of South Africa, first as a supply station and later a colony where Europeans built their homes, this, was a basic factor in South African foreign policy. Ships travel to South Africa every day and night carrying billions of dollars' worth of goods, operating on this international trade route. China, India and Brazil are the world`s emerging new economic powers and they view South Africa as a hub for their trading. The geographic position of South Africa on the continent places the

country in a position where it must deal with number of separate yet interrelated challenges (Matthews, 2009).

2.6. SOUTH AFRICA AND TRADE IN THE REGION

According to Green (2008:189) economic growth is an essential tool to alleviate poverty and inequality in developing countries; the developed countries have passed along the same path to be where they are today. Green (2008:86) further emphasises that the disadvantage of development is corruption which affects the economy negatively and is also a barrier to investors; this creates the most crucial impact on the poorest people.

Concerning a free trade agreement between China and the Southern Africa Customs Union (SACU), South Africa and its partners and SACU member states (which are Botswana, Lesotho, Swaziland, and Namibia), are in a debate to negotiate a new free trade agreement with China. These countries are looking into China's growing economy and hoping to find a strong global power to boost their trade ventures. Unlike in the western African countries, conflicts are not witnessed on a high scale, this enables SADC countries to focus on building strong and prosperous economies for themselves taking advantages of China as the main actor to help them achieve such goals. Trading with South Africa has seen most African countries succeeding in raising their economic standard and to be recognised by other states. The economic hegemony of South Africa in the region somehow speeded developments in the region. Not only that, but economic interaction with other countries stabilized the region's economy and proved that foreign exchange can build a strong economy for developing countries. (Diaper and Le Pere, 2011).

2.7. SOUTH AFRICA'S HEGENOMIC INFLUENCE

There is a high level of need for South Africa to build its foreign policy field capacity both in public and private. In order for a country to have a stable and good foreign policy, it must have decision makers that have greater access to information and advice, benefiting from the integration and consideration of the many strands of political, trade, defence and economic policies in the foreign policy domain. South Africa has gone beyond being just a hegemon in the region but also in the continent. Its foreign policy paved the way in gaining South Africa a huge boost to be

recognised worldwide. One of the visions of its foreign policy, being promotion of peace in the continent and promotion of economic flexibility among African states, proved that this country can lead the continent's long-dreamt of salvation (Khadiagala & Lyons, 2001).

2.8. SOUTH AFRICAN LEADERSHIP PHASES

South Africa, after years of being wrecked by violence and human rights abuses, now boasts a stable political system which is based on a liberal constitution (Hebst, 2005). It has also been represented by good leadership. Before the Mandela era people were not certain of the outcomes that would surface. Mandela as the newly democratically elected president united people of all races as one nation of South Africa. His era was more concerned with national unity and restoration of the lost dignity of the image of the country and its people. In the Mandela era South Africa was regarded as another symbol of peace and unity in the world. This was teaching those African countries that were being ruled by conflicts and civil wars, that South Africa was concerned with building a country that would accommodate its citizens equally (Johnson, 2009).

2.9. MBEKI'S ERA IN RSA

Like many authors who wrote about South African politics Habib (2009) stresses the point that South African core politics and foreign policy after apartheid were personified in the character of Thabo Mbeki. The key actor in South African foreign policy was the newly elected political organisation, the ANC; most of the country`s foreign policy derived from South African policy during Mbeki`s presidency. It reflected a mix of principles and pragmatism, and it was a starting point for South Africa to have a say in international affairs and the need to reform the global order, hence Hegemony in the region and the continent was a necessary step.

The focus of South African foreign policy was concerned with political, economic and social emancipation and upliftment of the black majority. Implementing the country`s foreign policy in his own style, Mbeki carried the ideology that Africans must have the same single party vision, but this must be amplified on the continental scale Moreover the duty of South Africa was to work for cohesion amongst the countries of the third world and seek to democratize all international institutions of governance

such as the UN and IMF (Johnson, 2009). South Africa has also popularised and still plays a leading role in popularising the African agenda in the international community. Placing the development of Africa in the centre of the agenda listing the priorities of the G8,the UN, the IMF, World Bank and World Trade Organisation (WTO) has been South Africa`s main aim for the continent (Habib,2009).

Mbeki regularly made speeches and gestures on a high level of abstraction about the African Renaissance, African Union, the New Economic Partnership for African Development (NEPAD), the struggle against racism, the South-South relations and other related issues (Johnson, 2009). On a domestic level Mbeki did not do a great job. He was more concerned with making the economy flourish. Xolani (2007) further emphases that there is a need for South Africa to realise that internal policy is the most important policy in a young government. Mbeki had many successful breakthroughs in resolving difficult and complex issues on the continent of Africa. Burundi, Democratic Republic of Congo (DRC) and Ivory Coast are some of the impressive issues that he successfully tackled. Mbeki brokered some of the most significant peace agreement throughout his term in office, and, even more; he oversaw the transformation of Organisation of African Unity (OAU) to African Union (AU).

2.10. SOUTH AFRICAN ECONOMIC POLICY AND THE SADC REGION

The ambition of Thabo Mbeki was to see South Africa as a leading state in the SADC region and in the whole continent of Africa .The only way to achieve such a dream was through progressive economic policy and the international investments. Mbeki launched the International Investment Council. He maintained links with useful individuals in the business world, for making economic policy a success. He constantly consulted economists over economic issues, on how to go about making South Africa a giant in the business world (Johnson, 2009).

In South Africa and elsewhere in the world, regional integration has become a fashionable phenomenon, more especially in the developing world. Since 1970, regional communities (RECs) have become a new order in Africa, their main goal being to improve the continent`s integration with the regional economic community potential to create economic and trading opportunities. Regional integration has also

been viewed as a way of rapidly industrialising and modernising African communities (Mulaudzi, 2008).

2.11. SADC AND SOUTH AFRICA'S RISE IN THE REGION

The SADC region was the first region which South Africa proved worthy to be not just a hegemon but a saviour and a voice for the developing world. A brief historical background of the SADC bloc will highlight the emergence of South Africa.

The Southern African Development Community (SADC), formerly known as the South African Development Co-ordination Conference (SADCC), was established in July 1980. The main aims of the co-ordination conference were to regulate the economic development of Southern African countries. During the formation of the SADCC regional bloc South Africa was excluded because the main issue was to reduce and then eliminate the SADCC member states' dependency on South Africa economically, socially and politically, because it was a strong country, but connection with South Africa was undesirable (SADC, 2010).

The transformation of the organisation from a co-ordination conference into the development community (SADC) took place on the 17th August 1992 in Windhoek, Namibia. 14 member states have a responsibility to see that the SADC community is monitored and has a speedy development process. It was then that South Africa was allowed to be part of this regional bloc and it was a starting point for the emerging hegemony of this country (SADC Report, 2010). At the 1992 Windhoek summit, heads of states and governments signed a treaty which gave the organisation a legal character. Like other regional blocs in Africa the SADC community shares the same visions of economic well-being, improved standard of living and quality of life, freedom, social justice, peace and security for the people of Southern Africa (Bua news, 2010).

2.12. WHAT HEGEMONS DO

As discribed by Habib and Selinyana (2006), hegemony is a regional or a global leadership with domination of one state over others in military, political, economic and often cultural affairs. A hegemonic state does not only emphasis its leadership role but is not only endowed with military, economic and other resources. It also has a political and socio-economic vision of transnational environments, and a political

willingness to put into practice such a vision. If that vision is one of security, stability and development, as it is often the case, the hegemon tends to undertake the duty to realise, these goals. As stated before by President Thabo Mbeki the fate of democratic South Africa is inextricably bound up with what happens in the continent. If conflict and war continue to tear Africa apart, the vision of this country is clouded, because this country relies on the African countries in order to be strong.

More important than merely having the capabilities is whether South Africa has the political will to take on the mantle of leader in both regional and functional terms (Husein, 1997). South Africa`s continental engagement is both consciously and unconsciously characterised by size. Compared to other economies in the region, South Africa has the largest and most sophisticated economy; its gross domestic economic product (GDP) of $239 billion is 40 times larger than the average Sub-Saharan economy. South Africa`s GDP represents 25% of the total African economy and constitutes one-third of Sub-Saharan Africa`s economy. The country`s obvious hegemonic status, premised on its superior economic and military strength remains a source of discomfort to other large African states, such as Angola and Nigeria, who see themselves as rivals as well as partners of South Africa (Sidiropoulos, 2007).

2.13. THE RELEVANCE OF THE AFRICAN RENAISSANCE TO THE CONTINENT

The bodies and mechanism of the African renaissance, NEPAD, OAU and AU gave South Africa a way to penetrate the continent. The paragraph below shows how this was done.

The impact of the hegemonic influence of South Africa became more visible in the democratic government during the Mbeki presidency. This hegemonic influence did not only appear in the SADC region, but it even reached as far as Nigeria. South Africa`s popular theme was always the "African Renaissance". After South Africa`s liberation, the whole continent was now free from its colonial claws and conditions were suitable for the 21st century to be the African century. Also as part of this project, was Mbeki`s proposed idea that the Organisation of African Unity (OAU), that was openly discredited, must be replaced with the new African Union (AU). The AU would promote and give sound functions to NEPAD and African Renaissance to pave the way to the unity of the continent socially, politically and economically, just as the European Union (EU) had done for Europe. Mbeki wrote scripts for the whole

continent, becoming its leader, unifier and representative of the African continent to the world. South Africa under Mbeki invested a lot of effort in trying to resolve conflicts around Africa and, more than anything, made South Africa an economic giant of the continent (Johnson, 2009).

2.14. SOUTH AFRICA AND MULTILATERALISM

Economic growth is an essential strategy to alleviate poverty and inequality, as has been proven by certain achievements of modern developments around the world. This quality depends on the economic growth, which on the quantity that has been put out as an end product (Green, 2008). South-South cooperation has as one of its expected plans bringing policy experts, practitioners and evaluators together to create 'what works and 'what does not' in developing economies, and improving practices that can be harnessed by weaker countries' economies. These countries lack strong leadership, responsive and accountable institutions and productive resources. Strong commitment and passion is needed to realize the objective of the south-south cooperation to plan and give loyalty to duty like that of leaders from East Asian Economic Giants such as China and this can assist most of the developing countries, so that they too can plan and try to improve their countries without exploitation (Paudyal, 2011).

South-South investment is rising at a fast pace compared to North-South trading flows, as firms in China, India, South Africa, and the East Asian tigers engage themselves in multinational trade with other developing countries. Comparing the South-South to the developed country counterparts, transnational corporations in Southern countries are likely to be state owned and many are based in the primary sector (oil, gas, and mining) or resource based manufacturing such as iron, steel, and cement. Malaysian and South African investors contributed almost a third of the foreign exchange raised by privatisation efforts in the less developed countries, which is something not supported by many leaders especially in developing world (Green, 2008:172).

South Africa has been able to develop its own innovation policy but still suffers from the total transformation of development. The major concern of the country is facing the difficulty of opening up reasonable opportunities for access to competence-

construction for the black population, and learning is a major concern that is part of the policy (Lundavall, 2011).

2.15. INNOVATION POLICY FOR DEVELOPMENT

Since the political transition of 1994 South Africa has managed to develop its own innovation policy, but still suffers from a lack of total transformation due to the unequal distribution of wealth and the development gap between the rich and the poor. Part of this policy is concerned with creating opportunities for learning and increase of competence for the black population which is a major concern for this policy. It is highly significant to link together innovation in exploring natural and agricultural resources with innovation in processing and transforming these resources to high quality products. But South Africa needs to combine the policy with activities that will create jobs and link supply to domestic needs of the population. This innovation policy of South Africa faces the challenge of defining its terms both in relation to the rest of the world and in relation to the rest of the continent (Cassiolato and Vitorino, 2009: XIX).

This approach of venturing into South-South cooperation is in line with the country's recently adopted economic road map known as the New Growth Path, which lays much emphasis on local input and joint ventures to create jobs, boost manufacturing and the beneficiation of minerals and natural resources. This is also important for most of South Africa's impoverished population. Membership in BRICS has put South Africa in the league of the world's fastest growing and potentially most influential group of nations. And that puts South Africa and Africa at the cutting edge of the new global changes taking place. South Africa is privileged to be part of these historic trends as it places this country on an advantage of growth and development that the country is highly in need of. Previous years, had their challenges, this one will also have its own challenges that will need South Africa's bravery and experience of being the continent's powerhouse; the BRICS countries will play the role of being major actors in the forging of a more cooperative, interdependent, prosperous, sustainable, and equitable world. The only way for South Africa to survive and other developing countries, is to strengthen these south-south cooperation as they have proved to be an effective tool of development in the developing world (Gordhan, 2011).

2.16. EDUCATION AND DEVELOPMENT

One of South Africa's major plans for development has been working to achieve a significant increase in quality higher education, but this has been hindered by relatively weak innovation activities and development, with limited scientific training. Most of the training programmes with technological content are confined to the areas of mining and agro-industrial sectors, 'mainly production of wine' (Cassiolato & Lastres, 2009:19). South Africa has further managed to achieve the Millennium Development Goal (MDG) of eradicating extreme poverty and hunger but the New Growth Path framework highlights that progress needs to be made in health, education and especially job creation (Cassiolato & Lastres, 2009:226).

2.17. INFRASTRUCTURAL DEVELOPMENT

More than 40 international airlines fly into Johannesburg airport which has been renovated and modernised to cope with the tremendous growth of traffic in recent years. Under the new government structure, the country has been divided into nine provinces each of which has its own capital city. The dramatic social and political changes that have taken place in recent years have made South Africa recognised in the world community of nations as a member of many international bodies, including the UN, the Common wealth, the International Labour Organisation, International Monetary Fund and others (Cotton, 1994).

South Africa has by far the largest number of fixed telephone lines (estimated to be 4.9 million in 2002) and mobile connections in Africa and one of the most advanced information and communication technology (ICT) sector on the continent with nearly three million internet accounts in 2001 (Ebam & Wamahiu, 2003). The combined economies of African states, including that of South Africa, are forecast to expand at an annual average rate of 4.3 percent over the forecast period. The political stability of the countries of Africa and the commodity prices play a central role in the general growth in the continent. The maintenance of the relative political stability and rising commodity prices (including oil) suggest a positive growth picture for African nations (Bowles, 2000).

2.18. SOUTH AFRICA ENTERING THE BRIC

In the context of North-South Hussein (1997) argues the question of whether South Africa is a Northern state on a Southern continent, or is Pretoria a leader of the South in the continent of Africa. The South African President joined his counterparts from Brazil, Russia, India and China for the third summit meeting of the informal group named after the initials of its members; formerly known as BRIC before South Africa joined, now the BRICS club (Hervieu, 2011).

The invitation of South Africa to join the group was issued on 24 December 2010. The state president of the Republic of South Africa, Jacob Zuma had worked hard trying to convince the BRIC countries to accept his country to be part of the newly formed bloc, he did this by visiting each of the BRIC members in 2010, and he was showered with a diplomatic victory as a member of the new BRICS bloc. South Africa did not hesitate in endorsing its new partners' concerns about the massive influx of foreign assets currently plaguing developing countries, where yields are higher than in developed nations. Initially the decision to bring South Africa into this economic grouping prompted surprise, even incomprehension. South Africa's gross domestic product only amounts to one-sixteenth of China's output, it only has 50 million inhabitants and annual growth barely exceeds 3.5%, far behind China (10.3% in 2012). According to the IMF through their booming economies, the other four BRICS members will contribute 60% of global growth in 2014 (Hervieu, 2011).

South Africa officially joined the most important bloc of emerging economies known as BRICS in December 2010, in line with the country's foreign policy and economic policies to strengthen South-South relations and improve the lives of the people in the developing world. The BRICS agreement/bloc has selectively chosen its membership and adopted its policies as a centre for strengthening economic and trade cooperation among BRICS members. The ever-changing global environment has seen a greater political and economic participation for the BRICS and other emerging powers. By 2020, the BRICS member states are expected to contribute nearly half of all global gross domestic product (GDP) growth (Badasie, 2011).

The South African Gross Domestic Product (GDP) has expanded by 4.8 per cent in the first quarter of 2011 over the past quarter. From 1993 until 2010, South Africa's average quarterly GDP Growth was 3.27 per cent, it shot sky high making history by

a high of 7.60 percent in December of 1994 and a record low of -7.40 per cent in March of 2009. South Africa has a two-tiered economy; one surpassing other developed countries and the other focusing only on the country's infrastructure. The economy of South Africa is a productive and industrialized economy that has many characteristics that are linked with those of developing countries, including a division of labour between formal and informal sectors and an uneven distribution of wealth and income amongst its citizens. The primary sector, based on manufacturing, services, mining, and agriculture, has been improved and developed to suit the current world standard (Trading Economics, 2011).

BRICS nations are currently leading the way in global foreign investment according to the Geneva-based UN Conference on Trade and Development (UNCTAD) in its latest Global Investment Trends report. The report stated that while there was a 13 per cent increase in overall investment on a global scale, 70% came from emerging countries and was invested in other transition economies. Four of the BRICS countries are already major trading partners and suppliers of commodities to China, the fifth member, who in turn sells finished goods to them (Taylor, 2011). As part of the agreement it was concluded that BRICS member states must take advantage of this agreement which will open doors for South Africa to engage in a global business arena, which was something large and supported by the trade ministry of South Africa. South Africa also pledged that the agreement will boost trade and investment cooperation between cooperatives in BRICS member states through their interaction of exhibitions, trade fairs and delegation visits (Mercury, 2011).

Not only is South Africa the world's fourth largest gold and diamond producing country, it is also sitting on more than three-quarters of global platinum reserves. South African membership in venturing into this agreement is connected to the race to grab the mineral resources emerging nations so badly need, and has seen China becoming its top trading partner in 2009. State president Zuma has also presented that South Africa can be the gateway to the African continent's success and its 1 billion potential consumers, and further stressed that the future for South Africa is with the African market and it is a risky ploy to join in and help the continent. To have an open market to the world South African firms need to attract investors from BRICS countries and then develop in other parts of the continent as they wish (Hervieu, 2011).

Trade among the BRICS has grown by leaps and bounds and some analysts say the group is now poised to be able to challenge the dominance in the World Trade Organization (WTO) of the G-8 club of the richest, industrialized nations. At the last BRICS summit meeting in the Chinese beach resort of Sanya in early April 2011, four of the nations declared themselves committed "to support a strong, open, rules-based multilateral trading system embodied in the World Trade Organization (WTO) and a successful and comprehensive and balanced conclusion of the Doha Development Round (Taylor, 2011).

2.19. SOUTH AFRICA'S MULTILATERAL AGREEMENTS INCLUDES IBSA

The India, Brazil and South Africa (IBSA) group was formed in 2003 as a way to counterbalance the powerful Group of eight (G8) alliances of industrialised countries and to promote South-South cooperation. The three regional powers viewed themselves as global figures of the developing world, and they felt a need to forge closer ties between themselves, so that they would be able to improve cooperation and trade alliance between their regions. South Africa is the super power of the Southern African Customs Union and the South African Development Community, Brazil is by far the most influential member of the Mercosur trading bloc of South America, and hand India has by far the largest economy in Southern Asia and this is evident why IBSA countries merged themselves as one bloc (Jorge, 2001).

IBSA was formulated as a pathway for policy formulation and South-South cooperation between India, Brazil, and South Africa; these three countries have much in common, three large, vibrant, multi-cultural democracies, each located in different developing continents. The four summits and innumerable ministerial meetings that the IBSA member states have had, prove that there is an intense activity in civil society and have proven that there is great potential for cooperation and mutual learning that the world is starting to explore (Osava, 2011).

2.20. IMPORTANCE OF BEING A MEMBER OF BRICS

The BRICS countries are making a huge impact in the world and are currently at the crossroads of major structural economic and political change.

All the BRICS countries have a very important strategic position, on their continents, the Americas, Europe, Africa, and Asia. Collectively, these countries claim

approximately 30 per cent of the earth surface. The minerals, water and energy resources, the availability of fertile land for agriculture and biodiversity are in conjunction with the vast territory of these countries. All five BRICS countries have intensively developed activities in these areas with varying degree of outcomes. The BRICS percentage of global population remains constant and constitutes around 43 per cent of the world's total population over the period of 1985-2005. This population percentage is even more significant than the territory of the BRICS countries (Cassiolato & Lastres, 2009:8-9).

Continuing to assess this view of discussion about BRICS countries Cassiolato and Lastres (2009:1) express that the importance of being a member of BRICS is partnered by the significant development opportunities as well as several common characteristics and challenges. Identifying and analysing these characteristics and challenges may help to uncover possible ways of reaching the socio-political and economic development potential goals. Most importantly this can also reveal development alternatives, which might be a solution for the developed and underdeveloped countries to overcome the problems brought by production, and a consumption system.

The advice offered by Cassiolato and Lastres (2009:1) make us aware that BRICS countries have such potential as the statement mentioned above. More than just that, the BRICS countries as a unit carry the capacity of changing the world on account of both the threats and the opportunities they present economically, socially and politically. Analysts and International agencies suggest and advices that investors should pay careful attention to the opportunities offered by BRICS member states and the impact and influence they carry globally.

2.21. INDIA, BRAZIL AND SOUTH AFRICA, POWERS FOR A NEW ORDER

The commonalities of the IBSA countries are more evident than for the BRICS countries. To point out few issues, two are permanent members of the UN Security Council and as such are less interested in reform of global governance in security and peace. One of the areas to demonstrate how cooperation between IBSA member states can be made to move faster is trade. Russia is not a member of the WTO, and the competitiveness of China, looking at its current labour standards give

an unfair balance, which, among other factors, triggers a defensiveness that does not exist, at least to the same degree, among the IBSA countries (Jorge, 2011).

The end of the Cold war marked the reign of a unipolar system with the USA being the only universal superpower was inevitable. Nearly two decades later several world powers with different impacts and influences in the international relations had coexisted while the USA had to deal with a crisis of its influential power and legitimacy on the global platform. Japan which had been known as the Asian global power was replaced by the more powerful country China, which has strived to make efforts in its defence and developing a world strategy. In Russia, Moscow has re-emerged with an important role and power capacities as a rival for Washington. In this context a series of emerging powers, like India, South Africa and Brazil have occupied positions with an important regional influence and they might manipulate changes which were unpredictable in past years (de Sousa, 2008).

The three IBSA countries drew together as they share common political objectives, representing emerging countries' economies with similar socio-political ambitions. All three have rapidly growing economies, while at the same time large proportions of their populations are struggling to lift themselves out of poverty. IBSA countries have tried to transform their economic and political differences into a basis for a more workable economic co-operation. They have stressed the point that working together, they will have greater leverage when negotiating with countries of the North, for better trade agreements under the auspices of the World Trade Organisation (WTO). Since IBSA was formed in 2003, trade between these three countries has increased more rapidly (Jorge, 2011).

2.22. SOUTH AFRICA'S FUTURE PLANS UNDER THE WINGS OF BRICS

Badasie (2011) puts in paper the future expectations and predictions of South Africa under the wings of BRICS and has divided these on a global level, African agenda, emerging economies states and South African foreign policy in IBSA and BRICS.

"The changing global environment has seen a greater political and economic role for the BRICS and other emerging powers. By 2020, the BRICS countries are expected to contribute nearly half of all global gross domestic products (GDP) growth.

- *BRIC is a powerful bloc of emerging economies which recorded a combined GDP of R18 trillion late in December 2010. According to the International Monetary Fund (IMF), BRIC will account for 61% of global growth in three years' time.*
- *The 2010-2011 Global Competitiveness Report of the World Economic Forum ranks South Africa favourably in relation to the other BRICS countries. The 2010 United Nations (UN) Conference on Trade and Development World Investment Report puts South Africa in the top 20 of priority economies for foreign direct investment in the world.*
- *The structure of BRICS trade (i.e. value-added exports supporting the National Industrial Policy Framework and the Industrial Policy Action Plan is more important than nominal volumes of trade.*
- *South Africa and other BRICS member states will continue existing collaboration in various international organisations and formations such as the UN, the Group of 20 (G20) and the IBSA (India, Brazil, South Africa) Dialogue Forum. South Africa also views the Non-Aligned Movement and the Group of 77 as important for South-South interaction, especially within the framework of the UN.*
- *South Africa can benefit from the concrete projects of BRICS in areas such as agriculture, science, statistics, development finance institutions, security and justice. BRIC agriculture ministers have agreed to cooperate in agricultural technology development and exchange.*

South Africa remains committed to the consolidation of the African Agenda and will use its BRICS membership to increase strategic cooperation among emerging market economies of the South in support of this agenda.

- *South Africa is dedicated to African unity and integration within the framework of the Constitutive Act of the African Union (AU). This includes the strengthening of continental institutions, which are critical in responding to the challenges of poverty, underdevelopment, peace, security and stability on the continent.*
- *South Africa will ensure that the rest of the African continent is advantaged by its BRICS membership and continues to benefit from the BRICS countries in*

the priority areas identified by the AU such as energy, information and communications technology, rail and road infrastructure, agriculture and food security.

- *South Africa took up its two-year non-permanent seat to the UN Peace and Security Council (UNSC) from January 2011 and will continue to make a significant contribution to deepening the relationship and cooperation between the UNSC and the AU.*
- *All BRICS countries will serve on the UNSC in 2011 as permanent (China and the Russian Federation) or non-permanent members (Brazil, India and South Africa), which augurs positively for enhanced cooperation efforts. The fact that three of the Group Four (G4) nations – Germany, India and Brazil – are also on the council at the same time means there will be some aggressive proposals supporting the expansion of the UNSC with both permanent and non-permanent seats this year.*
- *Africa's trade with BRIC grew from 4,6% of its total external trade in 1993 to just more than 19% in 2009, which produced a US$-20,2 billion (R147-billion) trade surplus for Africa.*

As a BRICS member, South Africa's advocacy to prioritise the role of emerging economies will be strengthened in the international developmental agenda.

- *South Africa's BRICS membership will enhance its reputation as one of the leading campaigners for the reform of multilateral institutions, including the World Trade Organization, the World Bank, the International Monetary Fund and the UNSC.*
- *At its first Summit in Russia in 2009, BRIC heads of state called for emerging economies to have a greater voice in international financial institutions and for a more diversified global monetary system.*
- *As part of the G20 and the Group of 5 (G5 – the five emerging nations), South Africa will use its BRICS membership to push for a developmental position on multilateral forums, including on contentious issues such as climate change and agricultural trade. South Africa is the only Africa nation represented in the G20.*

- *The upcoming UN Conference on Climate Change, hosted by Durban, will strive towards a common developmental position to reduce gas emissions. BRICS members have all signed the Kyoto Protocol, a blueprint to reduce carbon emissions.*
- *South Africa is seized with ensuring a legally binding climate-change agreement that will govern the world's response to the increasingly visible effects of climate change and reiterates that any final agreement must support the developmental agenda of the South.*

South Africa's diversified foreign policy objectives and interests allow for both groupings (IBSA and BRICS) to co-exist as they are highly complementary.

- *South Africa's BRICS membership and future engagements will build on existing bilateral relations and IBSA.*
- *South Africa will leverage both formations to promote the African Agenda and create new trade opportunities for value-added exports and investment. IBSA aims to increase trade volumes between the three countries to US$ 25 billion by 2015.*
- *South Africa believes that IBSA remains extremely relevant for political dialogue and South-South relations. South Africa will host the fifth IBSA Summit this year aimed at addressing global issues of common interest; advance national priorities through the sharing of best experiences; and further facilitate and monitor the implementation of IBSA decisions, agreements and action plans.*
- *Any demise of IBSA would negatively affect attempts at the harmonisation in preferential trade agreements between the Southern African Customs Union (Sacu), the Southern Common Market (Mercosur) and the Latin American Trade bloc to culminate in an India-Mercosur and Sacu Trilateral trade arrangement."*

As captured above by Badasie (2011) South Africa does not have a huge and powerful economy compared to its BRICS partners but this country carries the ability to influence decisions that concern global participation and those affecting the continent of Africa. This is not limited by the limit of geographic size but on the national policies a state has and the foreign policy that can compete with global

powers and is more than anything else concerned with national interest. The stable politics of South Africa and its quest of promoting peace in Africa is one of the elements which make this Africa state to be recognised as worthy to represent and interact in multilateral agreements with emerging economic powers of the world. However the vision of South Africa to reap positive results alone out of BRICS is not an obvious case. This country is in alliance with the world's most powerful emerging states; for South Africa to survive the only way is to guard its own interest and that of the continent to realize its aims and objectives in the BRICS bloc.

2.23. CHINA'S FOCAC PLAN EXPANDING SOUTH-SOUTH COOPERATION

The simple approach of China has somehow helped African countries with building roads, bridges, hospitals and other related infrastructure in record time. China has also stimulated the economic growth and directly promoted the development process in the African continent. The Chinese contribution to the African continent's construction has provided a solid and tangible foundation for long term, sustainable development which improves the livelihood of ordinary people in Africa, which is something much needed in the continent. China has reassured the world, both the major powers in the developed world and the developing nations that its economic development and growing international influence should not be characterized with negative perspectives but rather as a positive process which poses no threat, but aims to promote development in an underdeveloped world (Shelton & Paruk, 2008:20).

The evolution of the relationship between Africa and China could result as being one of the most significant developments ever in the international relations of the post-Cold-War era. The last two decades have experienced changes since China started to engage with the African continent in areas of trade and investment whereby certain percentages of growth were experienced. The transformation of this relationship between China and Africa has undoubtedly triggered debates about the future prospects of the continent, making Beijing the main actor in the development of Africa. Africa chose to move with China in line with promoting development in south-south solidarity. Africa still waits to see if the relationship with China will promote mutual economic benefits and development (Ampiah and Naidu, 2008:3-4-5).

One of the good reasons the South African government aligned its engagement with China was based on the country's foreign policy ideals of South-South Cooperation, peace, stability and development in the African continent and more broadly multilateralism. Currently it is not clear what the partnership is based upon and what directs this partnership between the two countries, China and South Africa (Naidu, 2008:186).

Chinese markets are the top destinations for South African exports and leading source of imports, highlighting the need to engage purposefully with the newly joined BRIC group and to prioritise productive capacity. China was the top trading partner of South Africa in 2009 and a leading imports provider to South Africa. China is the dominant investment partner among emerging partners with its foreign direct investment (FDI) ranked 5th in terms of value in early 2010 rated at 33 billion South African Rand (ZAR). South Africa's gross domestic product (GDP) growth recovered in 2010 to reach 2.8% but unemployment remains painfully high, around 25%. The real GDP growth is projected to increase to 3.6% in 2011 and to 4.3% in 2012 (African Economic Outlook, 2011).

The relationship between South Africa and China is anything but strategic or mutual. This relationship is accompanied by more hidden agendas than mutual opportunities and make South Africa the subordinate partner in the engagement, meaning this country will always follow the influential instructions of China. While on the other hand it seem difficult for South African corporates to penetrate the Chinese market, if this country wants its presence to be felt, the government of South Africa must understand that the relationship with China is based fundamentally on the idea of business is business, revolving within the sphere of real politik. The partnership of these two countries should mean more than just normative agendas and like-mindedness (Naidu, 2008:190).

2.24. SOUTH AFRICA ON THE AFRICAN AGENDA

Africa has been the arena where South Africa has continuously generated a larger trade surplus than anywhere else in the world. This continent has been exporting a huge proportion of South Africa's industrial output, more than from any other African country. This has seen South Africa trying with all its might to resolve conflicts raging in the African continent. To South Africa the stability of the continent means more

than just peace, but that trade will continue further without any disruptions by conflict. The new scramble for Africa by China threatens the future of South Africa's prosperity and the reawakening of the continent. As such South Africa should see to it that this scramble will result in positive benefits for the continent of Africa (Habib, 2008:271).

On most occasions when it has been said that South Africa has a small population and a tiny economy as compared to its BRICS partners, South Africa has alluded to the fact that it brings not only its national market but the African continental market. One of the strategic and convincing moves of bringing the African market into the BRICS forum was pushing for the new World Bank President to be the current Nigerian Minister of Finance Ngozi Okonjo-Lweala, a position held up to now by American citizens only. This move, supported by South Africa, Angola and Nigeria, was believed that it would give hope for a fairer global financial regime (City Press, 2012:26).

The Forum on China Africa Cooperation (FOCAC) confirmed the China-Africa relationship as the highest point of power and success of the South-South cooperation in an international system which is rapidly spreading globally. China has pledged itself to assist and advance the African agenda, and also encourage the industrialized nations to fulfil their promises of development and bring about changes in the continent of Africa in line with the Millennium Development Goals (MDGs). China has also sought to support African unity through channels such as the African Union, African Regional Integration efforts such as the SADC community, ECOWAS, and others, as well as the New Partnership for Africa's Development (NEPAD) development programme. Apart from trade and investment China has become a key role player in investing in Africa and as a donor for the continent more than any other country in the world. The African nations have been impressed by China's urgency and commitment. Besides the economic dimension, Africa and China are linked by the common vision and objectives of advancing the South-South agenda on an international stage (Shelton & Paruk, 2008:4).

Many emerging partners use South Africa as a gate-way to the African continent. In December of 2010 South Africa became an official member of BRICS. The challenge now is that the South African government needs to show that it has a purposeful plan

to engage with its BRICS partners to prioritise its productive capacity, and maximise its contribution to its domestic economy. Another challenge that needs to be looked at is to avoid neglecting its old trading partners and at the same time nurture its new important emerging partnerships. Indeed, the EU is still South Africa's top regional export destination. The year 2011 will also witness the launching of the South African Development Agency (SADPA) to inform and direct the country's development assistance (African Economic Outlook, 2011).

2.25. CHINA AND SOUTH AFRICA IN BRICS

South Africa's South-South Cooperation with China

BRICS forum is the abbreviated name for the member states who are involved in this multilateral agreement. The last two initials represent C for China and S for South Africa. As advocated by the South African Foreign Policy of strengthening ties with South-South countries, South Africa has found a number one trading partner in China as a fellow BRICS member.

There are many concerns about South Africa's industrial strategy with its economic relation with China. Few South African industries have gained from the Chinese market; in this case consideration has to be given to those South African industries that are threatened. The way things are going South Africa needs to restructure its approach to China and understand how its economic relations with China will impact on its presence in the SADC region and the African continent. South Africa also needs to research and predict to come up with ways to draw conclusion about whether this Chinese economic boom is suitable for the socio-economic development of the country (Naidu, 2008:184).

"BRICS (Brazil, Russia, India, China and South Africa) group of countries has a special significance in the emerging global economic order and they are set to reshape the economic, trade and political future of the world" said Wang Xinkui, Shangai WTO Consultation Centre President (CUTS, 2011). As the world is changing very rapidly, from the internet and other things in the world that affects people's lives, how will the world change and what will it mean for everyone? It is very important to know where the growth will come from and who will have the new wealth. In short the world needs to have a new look at the global powers of the world

and realize that although the geographic map is not changing, the map of economic power is changing and facing a different direction. The world has just witnessed the beginning of these changes, which significantly affect the whole world, Africa, Asia, Europe, North and South America (American Choices, 2011).

South Africa's relationship with China and its inclusion in the BRIC nations has already produced positive outcomes, and placed confidence in many people's minds. The BRIC nations view South Africa as a gateway to the rest of the African continent, both for its abundance of natural resources as well as its consumer base of over one billion people. The attraction of greater involvement in the African economy has brought in a huge number of new investments that is boosting local business activity within the country. The positive sign about this new foreign investment is that is it not solely based in the unsustainable primary sector of mineral extraction, but has diversified itself across many industries such as the banking system, telecommunication and vehicle manufacturing. The BRIC nations are aiming to expand their market into the African continent and in a way this will help build up South Africa's infrastructure and economic institutions. The inclusion into BRICS also gives South Africa an opportunity to diversify its export markets and avoids the danger of being trapped by the stagnating demand from the US and the EU. Increased access to markets in India and China especially will allow South African businesses to capitalise on the high economic growth of these countries and escape what would otherwise be a long road to recovery. China should not appear to people's eyes as the overpowering evil, but rather as a timely opportunity that can help to boost South Africa's socio-economic development and help reach the economic goals that have been set by the country (Heistein, 2011).

The recent world economic crisis has eventually passed and is being used for renewed economic growth. South Africa needs to take steps to ensure that it remains and will always continue to be, globally competitive in the world in which the culture of productivity remains firmly entrenched. South Africa has not gained positive results in recent World Economic Forum global competitiveness surveys, although it is the leading and dominant economy in the SADC region. The South African economy is reasonably flexible, and can be sensibly managed. The more ambitious a nation's socio-economic wellbeing and programme, the bigger the productivity gains it needs to generate to support it (Parsons, 2009:08).

Does South Africa being attached to China mean that the country has to sacrifice its basic human rights and become puppets to unspoken commands in order to reap its desired benefits? By letting China hold the reins, South African foreign policy has put itself on a dangerous path to which there may be no end. China could damage trade relations with South Africa; however it has no reason to. It has too much to lose. Through BRICS, South Africa will now have stronger allies in international forums such as the UN Security Council, the G20, and COP17. However, unless South Africa stands up for its own goals and values, our vote will become nothing more than an addition to the BRIC and South Africa will lose its political identity completely. South Africa is a valuable country and foreign policy must remain representative of that (Heistein, 2011).

2.26. Conclusion

In this chapter the study began by establishing a justifying theoretical framework to provide a basis/guide for the study. Following after the theoretical framework was the review of the relevant literature on the subject presented about BRICS and its prospects and constraints on the socio-economic development of South Africa. Undertaken with the view of closing the gap on the subject, the scholars have presented and provided relevant information to the study and highlighted a useful insight into the BRICS phenomenon. This chapter concluded with the impact that BRICS has on its members and its future partnerships as a bloc of emerging states.

CHAPTER 3

3.1. UNDERSTANDING THE GLOBAL MULTILATERAL AGREEMENTS OF SOUTH-SOUTH RELATIONS

Introduction

The Origins of the BRICS bloc and its challenges on the socio-economic development of South Africa.

The body of this chapter is an exposition on the research methodology applied to examine the BRICS phenomenon: its prospects and constraints on the socio-economic development of South Africa. It is noted that South Africa's socio-economic development has been boosted by its engagements with the global emerging nations (that are the BRICS). It was not surprising when South Africa joined the BRICS bloc, this move of South Africa joining BRICS, takes us back to how this country's socio-economic development was strengthened by these emerging economies. However, the paper looks at the implications that the BRICS forum may have on South Africa's socio-economic development. This chapter reveals the methodological approaches that the researcher used to accumulate logical and reliable data. These include the research question answered by the researcher through written materials i.e. books, journals newspapers etc. and interviewing knowledgeable experts in the field of international relations. This chapter further continues to examine the nature of multilateral agreements and how they affect the socio-economic development of South Africa.

3.2. RESEARCH METHODOLOGY

The researcher employed the qualitative research methodology to access information concerning the topic investigated. This method is considered appropriate for this inquiry in view of its relevance to the objectives of the study. Maree (2007) looks at the qualitative research method as a model based on a naturalistic approach that seeks to understand phenomenon in context (or real setting) and in general, the researcher does not attempt to alter the phenomenon of interest. In this manner, the study examined the real actual events that transpired and not an experimental situation.

In this paper, the qualitative research method is used in order to investigate the relationship and economic agreement among BRICS member states. A thorough analysis of existing literature will be conducted. In reviewing existing literature, strengths and weaknesses will be measured. An attempt will be made to demonstrate what contributions this study will make to academia (Babbie and Mouton, 2006).

Further still, Maree (2007:78) continues to emphasise that the qualitative research method is concerned with understanding the processes and social and cultural contexts which underlie various behavioural patterns and is mostly concerned with exploring the "why" question of research. With particular reference to the study, a qualitative research approach has been used to address the '"why" questions relating to the BRICS phenomenon.

What distinguishes qualitative research method from other methods is its effectiveness to collect pure/raw data and this is mostly expressed using words. It can also be described as interpretive and humanistic as it seeks to unearth the internal meaning from the sources by exploring issues under the study beyond the standard responses of answering the research question of the paper.

3.2.1. SECONDARY DATA

To enable a successful execution of the study, the researcher has chosen to use the secondary data because of its effectiveness and ability to add to the debate on whether BRICS bloc will result in positive outcomes to its membership. The research used secondary data as it is already available and easily accessible. To add value to the subject presented, the researcher consciously selected informed persons who know the issues related to BRICS, and conducted qualitative interviews to acquire data to add knowledge on the subject investigated. These will include university personnel (lecturers, Doctors, Professors, and other experts related to the topic), researchers from various institutions, and writers dealing with international relations.

Herrnson (1995: 453) demonstrates that the secondary data collection avoids data collection problems and provides a basis for comparison. Secondary data was collected from various sources, which included, but were not limited to: books, magazines, research papers, websites, already published reports, newspapers,

journals and other academic publications. In this particular study, academic books, journal articles, occasional papers, academic articles, conference papers, reports, government and other organisations publications, theses and dissertations, newspaper reports and other relevant literature were used.

As enshrined in the South African foreign policy the statement below shows the intentions of South Africa and its future aspirations on the continent.

"South Africa's foreign policy is premised upon its national interests. This is the reality that the South African decision-makers took into consideration before drafting policy in response to the crisis in Zimbabwe. At its inception, this study committed itself to analysing Pretoria's reluctance in utilizing military and economic power in resolving the political challenges facing in the continent." (Makekeng, 2010).

3.3. HOW DID SOUTH AFRICA GET INVOLVED

China invited South Africa to join the 2011 BRIC summit, most likely as a step towards forging stronger ties with the African continent. Over the years African countries have been potential trade partners of the Chinese and potential political allies, and this explains very well why China so fervently wanted the continent's economic power house, South Africa, to be part of the forum (WorldPittsburg, 2011).

Experts believe that with South Africa being a member of BRICS, a forum of emerging economies alongside Brazil, Russia, India and China, it stands a chance to enhance its south-south cooperation that will see its development increasing more than before. Trade volume between South Africa and India doubled from 2007 to 2010, with India becoming South Africa's sixth largest destination for exports and its ninth largest source of imports. Minister of Trade and Industry in South Africa, Rob Davies, believes there is a huge potential for furthering mutually beneficial trade exchange and increasing investment channels between the two countries (Redvers, 2011).

Speaking at the launch of the India Africa Business Network (IABN) at the University of Pretoria in his own words Davies expressed that:

"World trade patterns were changing and that South Africa was in good position to seize new opportunities."

He further made the point while addressing an audience of Indian and South African business leaders and bankers at GIBS (Gordon Institute of Business Society) Sandton Campus in Johannesburg *"we now have broader opportunities, particularly from BRIC countries here in Africa and India is of course among them."* This shows that it is not only BRICS bloc but the relationship that South Africa has with each BRICS member state (Redvers, 2011).

BRICS acronym has become a buzzword in the public discourse on emerging economies, the so-called "rise of the rest" and what their rise implies for the global balance of power. Although the idea of emerging economies has been around for a number of decades, discussions of the original BRIC forum specifically began in 2001 (WorldPittsburg, 2011).

South Africa's ascendance to the BRICS group of major economies is a boost to the country's brand in all the spheres politically and socio-economically said Miller Matola, CEO of the International Marketing Council at the IMC round table of discussion with London's Financial Times. He added that the membership of his country in BRICS and the alliance with BRICS countries puts South Africa centre stage of global change rather on the side-line (Ramela, 2011).

3.4. WHAT IS THE OUTLOOK FOR THE BRICS MOVING FORWARD?

Some believe that the BRICS have reason to be optimistic about this alliance. The chairman of Goldman Sachs Asset Management International Jim Oneil, (who coined the original BRIC acronym), believes, that the BRICS bloc it is a good platform to plan ahead for future economic goals. Notably the BRICS recovered quickly from the global economic recession and financial crisis. They also are becoming increasingly economically interdependent from the developed states. Some experts argue that economic dominance will translate into political power, and that the BRICS will open up a new balance of power. It will be a multipolar world in which developing countries will have a more audible voice (WorldPittsburg, 2011).

Rossouw (2012:36) notes that South Africa's membership of BRICS in 2011 after being invited by China in the late 2010 would mean that this country will get something back for all those Chinese products, especially textiles, that flooded the South African market, and eroded local economic activity and jobs. It is not clear yet

what South Africa will reap out of BRICS; has this country cashed in on the deal as much as it had hoped? Has South Africa's BRICS membership given refuge from the storm that was the global financial crisis? The results from the Department of Trade and Industry (DTI) as viewed by Rossouw (2012:36) show that trade between African countries and countries of the global south and China is now to the extent that half of everything South Africa trades comes from, or goes to, another country in the South. Trade between African countries and BRICS countries is expected to grow to R530 billion by 2015, which will be an increase of 250% since 2010.

South Africa like any other country in the continent of Africa should guard against being exploited by the powerful countries, whether they have an agreement or not. The BRICS multilateral agreement should be treated as a sensitive issue by South Africa. The country must look out for its own interests and on the other hand look at the dangers that this multilateral agreement might impact on the stability of the country and its influence on the continent. Adebajo (2008:254) states that the then state President of South Africa Thabo Mbeki warned the country and the continent in December 2006 that Africa at risk in entering into a colonial relationship with China, if the continent continues to export raw materials to the Chinese, while importing finished goods from China. This will make it impossible for the African countries to develop but they will rather depend on China's products. The result of this trade will always make Africa depend on China and other powerful emerging nations, and blindfold the African market from expanding.

3.5. BRICS: SOUTH BLOC CHALLENGING WESTERN HEGEMONY IN THE BRETTON WOODS INSTITUTIONS?

Bretton Woods system/institutions (the World Bank and the IMF) were established to set out the rules for commercial and financial relations among the major industrial states of the world. The BRICS hold less than 12% of the voting rights in the IMF and on the other hand the U.S. and Europe continue to have the "exorbitant privilege" of the heads of both the World Bank and the IMF being from these continents. As was analysed in the beginning of 2010, the weight of Europe and the U.S. in the IMF will decrease (from 31.92% to 30.3%, in the case of Europe and from 17.69% to 17.40%, in the case of the U.S.) and the weight of BRICS will increase (from 11.52% to 15.24%). But the imbalance in participation still remains. The IMF and the World

Bank are too Western centred. There is a rise of the new economic power in the world today, and China and India needs to be given their rightful share in decision-making and voting commensurate with their powerful emerging economies and population (Rodrigues, 2012).

BRICS nations have a greater influence on the world stage when seen as talking and acting as a collective instead of individual countries ploughing their own respective furrows. The purpose of BRICS is to reform the existing framework of influential institutions formed after World War II. The first summit of BRICS in June 2009 in Russia can be seen as a stepping stone to push the bloc's influence in the global arena. India proposed the formation of a BRICS bank; this was motivated by the lack of commitment by the Bretton Woods institutions to assist the developing countries (Chaulia, 2012).

3.6. THE STRENGTH OF BRICS MEMBER STATES

Below is the highlight of what the BRICS member states bring to the forum, their strengths and sources of income. This information is supplied by Richard Weitz from the May edition of The Observer 2011.

1. *China GDP is bigger than all the other BRICS partners combined*
2. *Brazil, Russia and South Africa have natural resources*
3. *China and India have large populations and hence large markets*
4. *China is the world's biggest manufacturer of consumer goods*
5. *Russia has a large armament industry*
6. *India has the largest service outsourcing industry*
7. *Brazil, China, India and Russia have space programmes*
8. *Brazil and China are investing in green technology*
9. *China and India have the world's largest mobile phone market*
10. *All BRICS members prefer negotiations around the table as opposed to fighting who disagree with them.*

The on-going debate and discussions about South Africa joining the BRICS has been one of the most popular issues discussed in the South African parliament. One of the opposition parties, Congress of the People (COPE) representative Smuts Ngonyama asked the minister of International Relations and Cooperation whether she has identified any positive contribution that South Africa's membership of the BRICS would result for the rest of the continent, and if not, why not? If so, what positive areas have been identified? And, what benefits will South Africa receive for being a member of BRICS?

The minister replied in this manner to show the importance of South Africa joining BRICS:

"The Brazil, Russia, India, China and South Africa (BRICS) forum is a grouping of emerging powers, in the realm of political, security, and economic issues. These emerging economies, led by the BRICS, are a new essential source of global economic growth, trade and investment." The minister said that her country has much in common with its BRICS partners, "committed as we are to inclusive development and share numerous interests for a more equitable world order. There's a 'unity of purpose' amongst the grouping to bring to bear significant influence on global political, economic and issues of security" (South African Foreign Affairs, 2011).

Adding to the submission made by the minister's reply, Klomeyah (2011) declares that the admission of South Africa to this bloc, as well as being an active participant in the G20, the largest economic power house of Africa, will not only increase the joint economic weight of the association, but will also contribute to the expansion of possibilities for the mutually beneficial practical collaboration within the framework. South Africa is the continent's power house and does not measure up to its BRICS counterparts with its 49 million populations compared to China's 1.36 billion; even though it carries a very small market, this country is on the rise and it made its mark on the world stage by joining BRICS, on the other hand this was its way of strengthening its political and trade ties within the class of the developing world. South Africa accounts for about a third of the gross domestic product in Sub-Saharan Africa and will offer BRICS members improved access to one billion consumers on the continent, and the mineral resources including oil and platinum.

The South African Minister of International Relations and Cooperation further upholds her words in this manner, that South Africa entering the BRICS is one of the platforms, at international level, through which South Africa is able to realize its foreign policy priorities of enhancing the African agenda and sustainable development, global governance reform as well as strengthening political and economic cooperation in line with the country's domestic priorities contained within the programmes such as the New Growth Path. The utility and influence of the BRICS forum have been visible, even though it is still in its infancy (South Africa Foreign Affairs, 2011).

3.7. SOUTH AFRICA AND EMERGING POWERS IN GLOBAL AFFAIRS

As South Africa stepped into the BRICS club of emerging economies, the move surprised many around the world, but this country has worked very hard to be where it is today and to be accepted into this class of the most powerful emerging nations in the world (ChinaDaily, 2011). BRICS is not like many other international groupings which are popping up around the world, but it is a grouping of countries that have a future of developing their economies as a collective and to advance the common interests they have as well as paving a way for other developing and underdeveloped states to build their socio-economic and political stands (Ivashov, 2011).

As South Africa came in, it filled the gap in geographical representation within the classification of 'south-south' grouping, and enhanced its authority to speak on behalf of emerging economies and the wider developing world. In principle, South Africa's emerging status within the BRICS could open up new benefits that the country needs, such as international trade and investment possibilities. Even though the country stands to benefit from this alliance, for the original four BRIC countries there would not be much of a difference (Oxford Analytica, 2011). Though English. News (2011) carries a different view on the original BRIC not benefiting from the inclusion of South Africa, it sees South Africa as a provider of mineral resources and financial cooperation and as a gateway to the whole continent of Africa, a continent which is rich and has the most mineral resources in the world, and a large population that will boost the economic strength of the BRICS forum to increase its influence globally.

Ivashov (2011) outlines the future aspirations that BRICS has in the coming years. He declares that "logically", the steps BRICS will likely take in the foreseeable future will include the following:

- Tighter coordination in international politics, economy, and environment protection in the ranks of the alliance.
- Initiatives aimed at drawing into BRICS the countries sharing civilizational foundations with the alliance's current members.
- To linking of the Muslim world to BRICS and the integration into it of such key Muslim countries as Iran, Syria, Malaysia, and Turkey.
- Synchronization of international politics decision-making within BRICS.
- Efforts to induce an overhaul of global organizations, for example, to recognize the UN Security Council so as to ensure that the world civilizations are represented on it on a permanent basis.
- The establishment of a BRICS common market and economic coordination zone.
- The creation of a BRICS shared security framework.

Two processes are exerting definitive influences over the current global geopolitical dynamics.

- On the one hand, attempts are made to establish –regardless of the imminent human costs- a unipolar world order propped up by financial and military might. Crises, armed conflicts, and various calamities are provoked with the purpose, of justifying instituting a world government, which the main financial empires can easily seize control over.
- On the other hand, the contours of an alternative world order offering greater fairness, rooted in different philosophies of individual existence, and based on its own economic and social order are increasingly visible".

It would be a good thing to report that the present evolution beyond this, with the G20 replacing the G8 as the world's main economic body, and rise of BRICS

reflected only reasoned argument (Ross, 2011). WangHanlu (2011) carries the same feeling as Ross (2011) of emerging countries having an influence in world markets for the better future of the world and most especially of the developing world. Considering the rapid economic growth in BRICS nations, their populations and their contribution to the world, the BRICS have on the right platform to lead global economy and politics, for their view is not one sided but gives attention to all.

3.8. THE PURPOSE AND POTENTIAL OF BRICS

The combined economic strength of the BRICS is undeniable. These countries will always strive to attract foreign direct investment as corporations hope to gain access to their growing middle class markets. They are further increasingly rebalancing their national consumption to achieve a more sustainable growth model that will see these countries growing in a constructive manner. This increased economic power gives BRICS influence and leverage to assert their needs and desires in the international arena (Globalization101, 2011).

Yan (2011) a Chinese ambassador to India supports the view that the BRICS countries are amongst the fastest growing economies world-wide with tremendous potential for future growth. The cooperation amongst these countries reflects the development of the international situation as well as the desire and choice of emerging economies. The BRICS carries those abilities that are needed to speed growth and development domestically and in those countries that are still growing economically.

Classified again as (NIEs) Newly Industrialised Economies for the emerging countries of Brazil, Russia, India, and China the aim of forming BRIC alliance was to pursue fair representation of both the developed and developing world, and a balanced interest thereof. In 2003, India, Brazil and South Africa (IBSA) formed a trilateral pact which was a wise strategic plan to further promote south-south cooperation. After the formation of IBSA, economic-political trends followed such as the (NICs) Newly Industrialized Countries/economies and (LIE) Less Industrialized Economies/countries. BRICS symbolises a shift in global economic power, from the dominant developed G7 economies, to the developing Global south countries, which ushered in a power sharing and a multipolar world order. As the economic giant of Africa, South Africa has been longing to join BRIC because developed nations

including multinational corporations (MNCs) have come to realize that in order to remain and be influential key players in global affairs, in the multipolar world, they have to work together with other NIEs so that their dreams and aspirations are achieved (Matoti, 2011).

According to Gordhan (2011) the shift in global trends is on such a scale that it is impossible to perceive the full impact of the changes as they happen, especially for the emerging countries. The current transition to a new global order has been developing for some time at a normal pace but in the last two decades there have been some visible significant milestones. These developments, among many other things, signal that a global "tipping point" has probably been reached; this also means that the world is now living through a total different new phase and an uncertain transition to a new era. Historic shifts require that the mind-sets and paradigms, through which the world analyses and understands the challenges and the outcomes of its action, as well as plan and act within it, must be reshaped to adjust to new outcomes.

As South Africa joined BRICS, this country made a huge statement globally, that it is also a rising power on the move, without having any fear or doubts, and see itself on the same scale as its counterparts, and that the world should take note of the country's rise (Matoti,2011).

The members of BRICS have a lot in common in many senses. Their historical background is one of those elements that connect them. They are in a similar stage of development and have the same historical task of developing their domestic economies and improving the well-being of their people, which is the first step to development. At present, the BRICS are going through similar challenges in restructuring the economy; maintaining a healthy and sustainable growth and achieving an inclusive, equitable and green development which the world is highly in need of. This alliance of five countries, Brazil, Russia, India, China and South Africa has provided a valuable platform for the BRICS member states to share development experiences and work together on development challenges they come across (Yan, 2011).

Gordhan (2011) outlines some of the significant points from the Sanya Declaration when South Africa joined the BRICS; he does this to make us aware of what is

expected of the BRICS and the potential that the BRICS multilateral agreement is having. This outline supports the submission by Yan (2011) of the growth and future of these five countries. The Sanya Declaration reflects a distinct ethos and orientation by the BRICS members in their approach to various issues, for instance:

- "The overarching objective and strong shared desire for peace for peace, security, development and cooperation."
- "Contributing to world peace, security and stability, boosting global economic growth, enhancing multilateralism and promoting greater democracy in international relations."
- "We are determined to continue strengthening the BRICS partnership for common development and advance BRICS cooperation in a gradual and pragmatic manner, reflecting the principles of openness, solidarity and mutual assistance. We reiterate that such cooperation is inclusive and non-confrontational."

3.9. SOUTH AFRICA AND BRICS OPPORTUNITIES

Alden and Sidiropoulos (2011) are of the view that South Africa has the opportunity to participate and make an input on key global governance issues that are affecting the whole world, and has powers that will play an instrumental role in determining the future of the world order. Representing BRICS interest in key issues on the structuring of international institutions and problems posed by climate change have been met with success by these emerging powers. Being a member of this forum South Africa also has the opportunity to use this bloc to promote support for the development of Africa. The other opportunity that South Africa has is to promote itself as a destination for investment, while on the other hand pushing for the reduction of barriers to do business in the other BRICS market.

Gordhan (2011) carry the same view as Alden and Sidiropoulos (2011) about the opportunities South Africa has in this forum. South Africa is privileged to be part of these historic trends/bloc that places it on a global map. Like all previous eras this country has been through, this one also will have its own challenges. Balancing domestic self-interest with genuine global interest will be one of those opportunities.

All the BRICS members will act in the role of forging a more cooperative, interdependent, prosperous, sustainable, and equitable world.

Rossouw (2012:36) carries a different view noting that South Africa has a trade deficit of 26% with its BRICS partners, which means they make money from South Africa and not the other way round. In this case it is the trade balance that counts. No matter how big the cake is, the important factor is the size of the slice. DTI discovered that South Africa has a trade deficit with its BRICS partners, this shows that the country is not benefiting at all.

According to Yan (2011) the cooperation of BRICS differs from many other international and regional mechanisms. It is neither another new grouping of big powers nor a political alliance. The countries are partners in development, and even though they do not carry the same power in their domestic GDPs, population and economy they are equal in footing as BRICS partners. The partnership of BRICS countries has diversified the growth of the world economy and become a driving force for the democratization of international economic relations. BRICS, no matter how powerful or influential it may appear, is not in competition with other mechanisms, but is a body pushing its own agendas that are affecting the developing world. It is open, transparent and inclusive and will always follow the principle of consensus building. It also serves as a bridge for communications and exchange between the developed countries and the developing ones.

Wheatly (2011) carries a different view from Yan (2011) (the Chinese Ambassador to India) that BRICS is not in competition with other mechanism such as the G7 or the Western powers but Wheatly (2011) opposes the view that the BRICS caucus has already shown its worth as a counterweight to the West in global debate on issues of trade and climate change and, within the Group of 20 leading economies, on how to share power in international financial institutions. The emerging economies that are BRICS countries are striving to have an upper hand in influencing positive decisions in all global governing bodies.

The Times India (2011) believes that the BRICS members should coordinate better on issues such as the global economy, democracy and equitable world order as well as global governance reform. This cooperation should aim at improving the economic wellbeing of their people and promote better domestic development.

The relationship between the BRICS countries is important as it strengthens cooperation and development amongst themselves. On South Africa's side it has already built up a strong economic relationship with China, it is unclear whether the BRICS bloc can add more value and throw light onto the aim of increasing trade between the two countries and investment with the other BRICS. However it is the ability of BRICS to maintain the cohesion of purpose over the long run that will allow them the influence they desire, as a function of their willingness to subsume considerable differences that may arise between them. When one views the geographical entity of BRICS and the challenges they are facing, these are not entirely based on the negotiations with the North but on its connectivity with other developing world. South Africa's role in BRICS will explain what kind of regional representation this country has in the context of promoting the whole continent's development (Alden and Sidiropoulos, 2011).

3.10. BRICS MEMBERS AND GLOBAL INSTITUTIONS

BRICS countries are on a quest to make their domestic currency used as international currency. The five BRICS states are spear heading the transformation in the global institutions such as the World Bank and International Monetary Fund that they should give the developing countries a chance to lead these institutions. BRICS countries share a common ideal of reforming and improving the global financial governance and other relevant institutions. The BRICS are expected to play a huge role on an international platform (Hodge, 2011).

Hodge (2011) above supports Monsters and Critics (2011) on the discussion that the BRICS are on a quest to promote their domestic currency as an international currency to neutralize the powerful and hegemonic US dollar. This, according to these emerging powers, is one of the aspects that will promote development and speed up the economic growth in the developing world. All the five BRICS- Brazil, Russia, India, China and South Africa support the motion. The BRICS member states rally behind this proposal but what will be the benefit to the smaller economies in the developing world and the other weaker members.

In March of 2012, New Delhi in India hosted a BRICS summit, and in this summit South Africa was to take some initial steps to unseat the US dollar as the preferred currency for trade and investment in emerging economies. This move is set to

challenge the supremacy of the US dollar. Expects believe that this move is similar to the currency war of the 1930s. Furthermore the five BRICS member states have collectively called for an end to the tacit agreement between the US and Europe that ensures that the head of the World Bank is an American citizen and the head of the IMF is a European citizen. The BRICS have proposed that a candidate from an emerging market country should be given a chance to head the World Bank when Robert Zoellick's term expires (Gqubale and Ntingi, 2012:1). Each BRICS member state has suggested their own candidates; South Africa suggested the name of Ngozi Okonjo-Lwaela, a Nigerian minister of Finance, to head the World Bank (Rossouw, 2012:36).

As outlined by the Sanya Declaration, Gordhan (2011) selected some points that the BRICS are advocating, in terms of the changes that must take place within the influential global institutions. Below are the points highlighted from the Sanya Declaration:

- "In the spirit of mutual respect and collective decision making, global economic governance should be strengthened, democracy in international relations should be promoted, and the voice of emerging and developing countries in international affairs should be enhanced"

- "Our increased cooperation in economic, finance and trade matters, which will contribute to the long-term steady, sound and balanced growth of the world economy."

- "We support the Group of twenty (G-20) in playing a bigger role in global economic governance as the premier forum for international economic cooperation."

- "Recognizing that the international financial crisis has exposed the inadequacies and deficiencies of the existing international monetary and financial system, we support the reform and improvement of the international monetary system, with a broad-based international reserve currency system providing stability and certainty."

- "We call for more attention to the risks of massive cross-border capital flows now faced by the emerging economies."

- "We call for further international financial regulatory oversight and reform, strengthening policy coordination and financial regulation and supervision cooperation, and promoting the sound development of global financial regulation and supervision cooperation, and promoting the sound development of global financial markets and banking system."

- "We underscore our firm commitment to strengthen dialogue and cooperation in the fields of social protection, decent work, gender equality, youth, and public health, including the fight against HIV/AIDS."

- "We support infrastructure development in Africa and its industrialization within the framework of the New Partnership for Africa's Development (NEPAD)."

- "We have agreed to continue further expanding and deepening economic, trade and investment cooperation among our countries. We encourage all countries to refrain from resorting to protectionist measures."

South Africa's entry into the BRICS will not only provide opportunities for economic development in Africa, but will also make the voice of the South to be audible in global politics (Haijun, 2011). The June 2009 Yekaterinburg summit was hailed by the Russian President as a "historic event". The move to include South Africa also increases the power and the legitimacy of the collective voice for the BRICs when dealing with issues of fairness in the global arena. Influencing decisions in global mechanisms the BRICs could become a caucus grouping of non-G-7 countries within the G-20, putting pressure on other countries such as Indonesia and even Mexico and South Korea to choose sides in terms of how the international bodies should be directed (Cooper, 2011).

Prime Minister of India Manmohan Singh expressed their view that BRICS countries should coordinate better on issues such as the world economy, democratic and equitable world order and global governance reform, and also to combine the huge influential potential to continuing enhancing their coordination on major issues that concerns them all. Manmohan Singh believes that the cooperation among BRICS members should aim more than anything else to improve the economic well-being of their people (Yan, 2012). Despite a small decrease, the unemployment rate was still

at 23.9 per cent in 2011, and over 35 percent if one includes those who stopped looking for jobs. The South African Government pledged to spend R9 billion (900 million euros) over the next three years to create five million jobs by the year 2020. The South African President Jacob Ẓuma has been repeatedly criticized for his lack of vision and inefficiency; it is hoped that his investment policy will create a proactive outcome.

While the diplomatic advantages to both sides of South African 'membership' of an expanded BRICS are plainly visible, the economic importance especially for South Africa is far less certain. Some commentators visualize great opportunity for South Africa, others perceive substantial dangers. South Africa joining BRICS was an opportunity for the country to punch above its weight in the international arena. However, this was also accompanied by some potential strains, arising not least from the fact that South Africa is an African representative, but South Africa's global interests do not always coincide with those of its continental sister countries (a factor also affecting BRIC countries). Furthermore, South African diplomatic resources are already thinly stretched, and it may not be well placed to take full advantage of the opportunities offered by BRICS. The growth rate of the country has also lagged behind much of the rest of the continent, and its ability to attract investment into its mineral sector. The BRICS countries, especially China, so far appear to have had little difficulty investing directly in, or trading with the rest of sub-Saharan Africa, without using South Africa as the gateway to the continent (Oxford Analytica, 2011).

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South Africa is critically lacking qualified labour. Some 800,000 job vacancies for engineering and other high level positions are still empty and not filled. The consequences of apartheid are seen when government spent about 10 times more on a white child's education than on a black child, are still felt today. The government now spends 20 per cent of its budget on education, but the funds are often misused. On average, the country has three social benefit recipients for only one taxpayer and corruption is destroying the administration. In exchange for bribes, some of the ruling African National Congress (ANC) leaders are caught in a habit of offering contracts to 'friendly' companies that in return over-charge for their services. In the year 2010 South Africa hosted the first soccer world cup ever to be hosted in the continent of Africa and this improved the country's image in the investors' eyes. The country's continuing discussions on the nationalization of mines and the new labour-code have

not done much to ease the fears of investors. The Congress of South African Trade Unions (COSATU), a major ally of the ANC, has also refused to weaken workers' rights while employers on the other hand claim that the cost of labour in South Africa is too expensive to manage (Hervieu,-2012).

South Africa has failed to provide a clear direction for the regional integration that could have provided Africa with A counterweight to the divide and rule economic strategy of China, in particular. Not only has economic integration in the Southern African Development Community (SADC) made very little headway in almost 20 years, but this country arguably has also contributed to the destabilization of regional economic cohesion through its own trade diplomacy and trade policies, and joining BRICS will make the situation unclear. There is evidence that these circumstances will change dramatically in the foreseeable future. Moreover, there is a danger that South Africa will lose out further in many ways.

3.11. IBSA AND BRICS AS THE SOUTH-SOUTH BLOC

South-South multilateral agreements are the most influential trading and political blocs in the world. Their influence has opened up doors for the developing world. The formation of India-Brazil-South Africa Dialogue Forum (IBSA) that was founded by the Brasilia Declaration in 2003 is one such example. It serves as a coordinating mechanism between its member states and a platform for paving the way for the future. This Brasilia Declaration cited three major reasons as the basis for closer cooperation: shared democratic credentials, developing country status and desire to act on a global scale (Mancheri and Shantanu, 2011).

India, Brazil and South Africa; these countries have a remarkable role in their respective regions and their international influence is increasing. The three emerging south powers as noticed by de Sousa (2007) are participating more actively in international forums like the United Nations Organisation, the World Trade Organisation and the summit of the G-8 celebrated in Germany in June 2007. These three countries have increased their influence by making an impact on the multilateral institutions. Two of the three IBSA members, South Africa and India are strategic partners of the European Union (EU) and Brazil was given the same status in 2007.

According to de Sousa (2006) India, Brazil and South Africa have played significant roles in their respective regions, and have increasing international influence. The IBSA members have enough resources and capabilities to support regional and international developments especially in the developing world. While emerging powers around the world have significant economic and demographic potential, all three IBSAs are far from being considered great economic powers. However, these countries could gain weight in the international scene by increasing trilateral coordination and economic cooperation, acting as a collection of Southern economies.

The UN also recognizes the ever-increasing importance of these countries, and Washington has strengthened its relations with Brasilia, New Delhi and Pretoria. But in order for the IBSA to get to the top they must get through their domestic and regional problems which are limiting the projection of their power. The main policies that the three countries have agreed upon are based on their historical background; these are the promotion of democracy, peace and stability, development, the struggle against hunger, poverty and social inequality at national and international level. In addition, India, Brazil and South Africa are three democracies which have pluralism of cultures, religions, races and languages and as such have to find solutions for similar internal challenges (de Sousa, 2007).

Aside from demographics, economics and military capacity, Brazil and India are continental powers. The population and territory size of these countries may help countries with global aspirations to advance their status in the international system even though these may not be decisive factors. IBSA countries have been on the UNSC as rotating members, but are not permanent members with the veto power.

For emerging powers of the South such as India, Brazil and South Africa, multilateral institutions are an essential framework for the projection of their power on the international scene. Thus, they tend to come into agreements or have multilateral alliances with countries that have common international interests and objectives. In this manner their voice becomes audible and their image cannot be ignored, nor their decision making-power although traditionally dominated by the great powers of the west such as the UN and the World Trade Organization. de Sousa (2006:5) further states that in January 2003, Thabo Mbeki, South African president, advanced the

idea of the idea of the IBSA alliance due to the increasing influence these emerging nations have at the global level and to enhance trilateral cooperation between them. Following several informal meetings by the heads of government during the June 2003 G-8 summit in Erian, the foreign ministers of the IBSAs formalised the IBSA dialogue forum in the Brasilia Declaration. Since then, these three countries have held annual meetings and signed several agreements on specific sectors and global cooperation (de Sousa, 2006).

The BRICS forum is made up of five countries, three of them being IBSA members. In 2008 the original four BRIC members attained a huge global significance and in 2011 South Africa was inducted as a new member of the transformed BRICS. BRICS member states like China deem IBSA as a barrier or an obstacle. China has secretively instigated the extension of BRIC membership to South Africa and subsequently lobbied India to dissolve IBSA, arguing there would be unnecessary clashes and overlapping with BRICS. On its quest to put an end to IBSA, Beijing equally proposed a BRICS-IBSA joint summit in Sanya, an offer which India declined, strategically opting to retain its own forum. This revealed the dominant power that China has within the forum which can influence decisions, but with the presence of countries like India, equality will always prevail. This seems a huge competition between China and India, but IBSA is a tool that connects India with South America; while China is venturing all over Africa and aiming to go to South America (Mancheri and Shantanu, 2011).

Mancheri and Shantanu (2011) believe that for IBSA and BRICS to prosper and expand their influence, coexistence and cooperation seem to be the most viable option; narrow, focused and complementary target areas should be identified to facilitating this. BRICS is a stronger economic grouping consisting of powerful countries in the world and is more suited to addressing global political and economic issues, whereas IBSA already has mechanisms in place to tackle socio-economic and development issues. The India, Brazil, South Africa forum holds also greater soft power potential owing to the ideological unity of emerging democracies, and there is a more evenly- balanced power status among the group's members.

3.12. SCRUTINY OF SOUTH AFRICA'S INCLUSION IN BRICS FORUM

"The BRIC man" 'Jim O'Neill criticises South Africa for being part of BRICS

African countries currently are appreciating that the global economy is rumbling with new tension and challenges. As the old economic powers are largely lacking financial resources, the emerging economies on the other hand are growing at a fast pace and dominating the world markets. The BRICS are seen as the 'new threats'. The global economic landscape is unravelling and recoupling in such a manner that would likely change the economic, military, and geopolitical power in the medium term. With these new pressures have emerged demands for exhaustible natural resources and markets to sustain national security and prosperity. The major powers are no longer able to make use of the WTO as they wish to impose new rules on developing countries, they are now resorting to bilateral and regional policies and agreements to try and push their way forward. Africa on the other hand has once again attracted attention as a theatre of the new struggle (Soludo, 2012:15).

Moore (2012) observes South Africa as the largest economy in Africa. Its relations with at least three BRIC partners are well established and well documented. South Africa formed one of the influential IBSA bloc, a South-South tri-dialogue forum with India and Brazil in 2006, under the leadership of the then Presidents Thabo Mbeki and Lula da Silva. South Africa is also the foremost trading partner of China in the continent. South Africa is often perceived as a lead state in Africa. The country's economy weighed heavily in favour of South Africa's inclusion in the BRIC bloc. The South African deputy minister of International Relations stated that *"South Africa's South-South cooperation strategy is anchored on the BRICS partnership mechanism with China, India, Brazil and Russia"*. He further expressed that *"the country's membership of BRICS has three objectives: to boost job creation and the domestic economy; to support African infrastructure development and Industrialisation; and to partner with the key players of the South on issues related to global governance and its reform"*.

South Africa's role as a 'gateway' should be seen as problematic in the light of what its role entails: facilitating the economic engagement, whether positive or negative, of external actors with the African continent. A third problem is presented by the limits of South Africa's influence in Africa: to what extent can the country acts as a gateway when its leadership is uneasily accepted on the continent? The selection process of a chair for the African Union Commission has brought to the surface some deep underlying tensions between South Africa and its African sister countries.

The other crucial and disturbing problem is the misunderstanding between South Africa and Nigeria. Nigeria chose not to support South Africa, following some consular incidents involving nationals of the two countries, which proved to be a testing moment in South Africa's African diplomacy. This incident, along with the country's failure to present a strong decisive showing in the UN debates over Resolution 1973 authorising a no-fly zone over Libya sparked questions over the country's ability to lead Africa (Moore, 2012).

3.13. SOUTH AFRICA NOT FIT TO BE PART OF BRICS?

Jim O'Neill coined the BRIC acronym in 2001before the bloc became an official body in 2009 in Russia, forecasting the influence that Brazil, Russia, India and China were to have in the global socio-economic and political sphere. O'Neill stresses that South Africa is not yet fit to be part of BRICS with its unstable economy and tiny population. "It's just wrong; South Africa doesn't belong in BRICS", said O'Neill. He further argues that "South Africa has too small an economy. There are not many similarities with the other four countries in terms of the members. In fact, South Africa's inclusion has somewhat weakened the group's power" (Naidoo, 2012).

Patel (2012) notes that many South Africans were outraged by comments made by Jim O'Neill as he believes that South Africa's economy is small and that countries such as Nigeria now carry more power. South Africa is well aware that Nigeria is on course to dwarf it as the largest economy on the continent. Already Lagos is being labelled as the new Johannesburg, but surely the present state of the South African economy merits inclusion among the world's most vibrant economies.

Peter Draper, Adjunct Professor of International Business at Wits Business School (a South African University) believes South Africa's beautiful legacy after apartheid and its peaceful transition to a democratic state, accompanied by its relative economic weight over the rest of the continent, made it an option to be included as part of BRICS. However, Draper cautions that the country's appeal is fading: "Those foundations are waning in the face of the African National Congress government's growing ambivalence towards democratic norms and the relatively rapid growth and development that is taking place in sub-Saharan Africa" (Patel, 2012).

As Naidoo (2012) observes when interviewed Jim O'Neill, made comments were critical of South Africa being part of BRICS. O'Neill also believes that South Africa's market is about to collapse, looking at the country's growth prospects over the next five years. Gross domestic product (GDP) growth has been revised down from 3.6% to about 2.7% for the year 2012; 3.6% in 2013 and 4.2% in 2014. Comparing these figures to the rest of the African continent, Africa is expected to grow on average by about 7% over the short term medium term that is according to the IMF. On the other hand China and India are expected to grow more, with 7% and 10% growth respectively.

3.14. MATCHING OF THE BRICS

From its humble origins, the BRICS group has now grown to be the most powerful and influential bloc ever. It is a formal organisation, complete with annual meetings, official logos, and joint press releases. Many questions remain about this group, about its fundamental rationale, the opportunities it offers for members (especially a junior member like South Africa), and its likely future direction. Some say it does not make sense on how this group was formed. For example, South Africa is a 'sore thumb' in the group, looked at the economic terms, with a much smaller population, economy, much slower growth, and much higher unemployment than all its BRICS peers. Politically, the group is also mismatched. Brazil, South Africa and India have vibrant democracies, with outspoken opposition parties, influential civil societies and boisterous media outlets, constitutions that give decent protection to individual civil liberty and reasonably free and fair elections. In contrast, China and Russia are much more authoritarian, with tame media. Russian has minimal political opposition and China none, they have frequent human rights violations, constrained civil societies and highly dubious elections (Duncan, 2012).

South Africa is criticised for being part of BRICS for several reasons. The country must justify its inclusion in the BRICS bloc, by maximising the intra-African trade and investment. Also much needs to be done to restore growth and international confidence in the country (Patel, 2012). South Africa needs to be strategic when dealing with its BRICS partners. This country will also probably struggle to get favourable concessions from giants like China and India, and so the unequal trading relations that currently exist may endure; South Africa exports raw materials to

China, and runs a large trade deficit with her as a result of importing finished goods. The future of the BRICS group, and particularly looking at what South Africa will benefit from the bloc, from its membership therein, will depend a lot on the political skills of the country's leaders. South Africa must punch above its weight to make BRICS an equitable forum, to get favourable deals from the bigger nations, and to ensure that BRICS geopolitical positions are in line with the country's liberal, democratic rules (Duncan, 2012).

South Africa's role in the newly formed BRICS bloc is untried and untested in action. The role of an African country in this powerful bloc of emerging giants is yet to evolve. It is, however speculated that South Africa has been included to open the way for BRICS countries to move into the African market and for its political stature in the international community. The focus in BRICS is whether the bloc will be able to promote intra-trade between the BRICS countries. For South Africa this means that the country will have to tackle a number of structural issues regarding its domestic trade capacity to become more competitive in the global market. South Africa must invest in its own, and in the regional infrastructure, as well as reducing intra-African trade barriers for the country to provide meaningful contribution to BRICS, enhance its competitiveness in the international arena, and prove that it deserve its place in the BRICS forum (Cream Media, 2011).

O'Neill, observes Naidoo (2012) believes South Africa is part of BRICS because it suits the Chinese agenda. Currently O'Neill does not regard the four BRIC countries as emerging giants anymore. They have shifted their focus in building powerful economies to form a political talk-shop that is trying to wield great influence on the global negotiation stage, and that they are no longer emerging giants but are a powerful market because of the size of their economies. These emerging giants have placed themselves in a position of calling the shorts and expressing their concerns. The new weight of the emerging giants has frightened the Western super powers and left them structuring new approaches to retain their positions in the world markets, more especially the African market.

3.16. CONCLUSION

This study has clearly highlighted the research design adopted, specifying also the method employed to generate, gather and collect data for investigation. The study

has also indicated clearly the factors considered in deciding the selection of interviewees and to guarantee easy analysis of data. Furthermore, this chapter highlighted the relevant information that indicates the role of South Africa in the BRICS forum.

The BRICS phenomenon has made sound waves across the borders of the South and North in a sense of neutralizing the western influence. However, it was not the initial agenda of the BRICS multilateral agreement to counterbalance the Western influence alone, but more than anything else the formation of BRICS was motivated to promote economic wellbeing and freedom among developing nations and to speed up growth and development based on the socio-political and economic situations the South finds itself in. One may embrace South Africa as part of this gigantic bloc but query how effective and beneficial the BRICS forum will be to the socio-economic development of the country. The analyses vary when it comes to what South Africa will gain from the BRICS forum. Mainly these analyses are based on the weight of South Africa in comparison to its BRICS partners. The approach and tactics of South Africa will be the ones that will direct the outcomes of South Africa. Lately, it has been viewed in a negative sense in that South Africa is just being used as a market to be preyed upon by its BRICS partners and used as a passage to the African market.

These analyses direct the purpose of BRICS countries relative to South Africa and what they will get out of the forum and this puts South Africa in a weak position of not enjoying its hard-won African market. South Africa should look at the approaches and strategies it applies in the BRICS forum so as to work to its advantage. South Africa's foreign policy dictates that the country must get something out, not only being a provider and benefit nothing in return. It is clear that every BRICS member's approach is guided by its foreign policy to uplift the image and standard of their socio-economic wellbeing; however, in this case it is the survival of the fittest.

THE EFFECTS OF GLOBALISATION

The globalization of world politics in the field of international relations is accompanied, among other things, by a globalization of economics or what is widely known as International Political Economy. In this case, it has been discovered that politics and economics are inseparable within social relations. Politics drives the

socio-economic political factors in acquisition, distribution, and exercise of power and is needed for the production, exchange, and consumption of resources. Equally, economics is also necessary to politics, because it is essential to determine where power lies and how it is exercised (Scholte, 2005:600).

These elements of politics and economics are the drivers of the country's development and South Africa should strengthen those elements so that BRICS should be beneficial to the country. The year 2012 fifth BRICS summit as was hosted in South Africa, the country needed not only to speak strongly about what it can offer the BRICS countries and what unity must be made among the member states, but South Africa, looking at its size and strength, must at all costs advocate for its self-interest and try by all means to shape a good future by using BRICS to engage in alliances with other countries both in North and South.

CHAPTER 4

4.1. The prospects of BRICS forum on South Africa's socio-economic development and the strength of BRICS membership.

Introduction

This section of the study contains a highlight of the interpretation of data analysis as propounded by the researcher, whose view has been adapted for this study. Besides, the method of analysis considered suitable for this work has also been mentioned with relevant explanations. Furthermore, the approaches employed by the researcher to generate and collate the required data have been identified, and this is followed by a summary of the adopted procedure for the data analysis employed by this paper. Finally, this section concludes with the data generated, collated, categorised, sorted, ordered and structured for presentation to enable the paper to be easily understood.

4.1.1. DATA ANALYSIS

Data analysis explains the route in which raw data is orderly organized so that useful information can be spotted and used in the study. The data will be analysed through a qualitative research methods. This research method allows the researcher to look at materials such as books, journals, newspapers, online informants and other useful materials to analyse data accordingly. In this case data analysis will assist to look at how BRICS will assist in improving the socio-economic development of South Africa and what are the constraints and prospects that will be accompanied by membership of the BRICS forum. The researcher will always analyse data by looking at various informants on their views about the BRICS forum and how it will impact on the socio-economic development of South Africa. The data will cover both the prospects/benefits and the constraints that BRICS may have on the country's development stability. The paper will be analysed by looking at both positive and critical analysis submitted by different authors to inspect the role of South Africa in the bloc, so that the information must not be one sided or biased but provide a clear panoramic understanding of South Africa joining BRICS and possible outcomes to be offered by this multilateral agreement. The scenario of the study as guided under

this methodology will mainly focus on the good and bad effects of BRICS on South Africa and will be discussed and argued in the following chapters.

According to Maree (2010:78), qualitative data analysis is based on an interpretative philosophy that is aimed at examining meaningful and symbolic content of qualitative data collected. This means that the form of analysis tries to establish how participants make meaning out of specific phenomenon by analysing their perceptions, attitudes, understanding, knowledge, values, feelings and experiences, in an attempt to approximate their construction of the phenomenon. In specific terms, the method of analysis for this study is content analysis, which by definition, refers to an approach that identifies and summarises message content. Maree (2010:83) emphasises that content analysis as a term refers to the analysis of materials such as books, written documents, newspaper reports, visual media etc.

First and foremost, it will be necessary to state clearly the procedure of data analysis adopted for this study to ensure reliability of the process. The researcher conducted interviews to accumulate information from informed persons. Data collected through interviews were analysed by the researcher to accumulate rich information to answer the investigated topic. A relevant starting point in data analysis, as well as presentation of such is to give a description of the participants, comprising how the participants were identified and selected, and their relevant background data (Maree,ibid).

Finally, the last step in the procedure as observed by the study for analysing a qualitative data is to bring some order and structure into the categories identified. This involves identifying how each category is linked or related to other categories. The relevant questions to ask at this stage include the following; what seems more important? What is less important? Are the exceptions or critical cases that do not seem to fit?

Chapter 4 provides an opening and an understanding of the prospects that South Africa will accrue out of the BRICS multilateral agreement. This chapter also seeks to provide an insight into the flow of discussions through the whole chapter. Furthermore, this chapter will address the approaches that South Africa should use in order to achieve its expected gains in this bloc.

The relationship of South Africa and emerging economies of the South further raise the image of the country globally. The country's eminent successes cannot be ignored; its connectivity with all the emerging economies of the South speaks volume of the country's influence in the International arena. South Africa's successes will always be linked with the contribution made by emerging economies as well as those of the North. Socio-economically and politically this country is rated amongst the best in the world. South Africa has proved over the years that when working together with countries with common historical background and common future aspects, good results are bound to appear according to the country's ambitions.

China invited South Africa to join BRIC in its capacity as rotating chairperson of the forum. South Africa with its $ 285 billion economy has a much smaller population and a very small growth rate of about 3 %. Comparing this country to its counterparts, nothing measures-up or comes close to the growth and economic well-being of the other four BRICS countries. South Africa and the region of SADC offer the original BRIC states something that they desperately need, with many commodities to feed their economic engines. Adding to this, Herskovitz and Bauer (2011) believe that South Africa needs to have a focus on getting as much out of BRICS as possible by advocating for regional integration.

Elements that were outlined in South Africa's 2011 budget speech were:

- *To intensify activities that that make a difference to the lives and prospects of all South Africans,*
- *Priority programmes required for implementing the New Growth Path (programme aiming to reduce poverty, create jobs, economy of the country, improve service delivery)*
- *Macroeconomic stability is maintained, with necessary adjustments supporting enterprise and job creation* (Gordhan, 2011).

These are the most significant elements as they are the tools of strengthening the economy of South Africa and promoting domestic development through infrastructure development, job creation, vibrant economy and good contact with the

country's neighbouring states. The South African government is also passionate on issues of long term visions such as education, social security, transparency, municipal infrastructure as well as access to health services.

Looking at South Africa and its BRICS allies, these countries have differences in development models, economic structure, stage of industrialization as well as cultural traditions and values. It is also very important to deepen the internal cooperation amongst the BRICS countries. The BRICS have to promote their internal coordination among different organizations as well as cooperation in micro mechanisms, trade promotion, investment promotion, industry, information, development and mechanism construction (Zhangqian, 2011).

Continuing looking at minister Gordhan's budget speech, he expresses the views that there is moderate growth in the USA and parts of Europe, whereas China and many other emerging economies continue to expand even more. Looking at the global financial crisis and subsequent recession, the minister believes that this global recession that took place brought painful adjustments in most countries in the world. But even throughout the evolving world, the multi-polar system will continue to be directed by the shift of world trade, investment, manufacturing, incomes and consumption which is a structural transition that will be with us for years to come (Treasury,2011).

As the new century turned, the developing countries made their mark by performing well in world markets and accounted for about 20% of global output. This will increase to 40% by the year 2015. These developing economies in Africa, Latin America and South Asia will play a very significant role in the global economy in years to come as incomes rise and poverty falls (Treasury, 2011).

Blank (2011) defines a multilateral agreement as a binding agreement between three or more parties concerning the terms of similar circumstances. BRICS was formed the same way as Blank (2011) describes multilateral agreements. These multilateral agreements are there to promote the economic interests of member countries focusing on development within their boundaries as well as having good relations with other countries.

Multilateral agreements/forums such as BRICS are directed by Kocic's (2011) explanation on trade agreements that these are aimed at lowering trade barriers between countries that are part of the agreement, and thus they increase the degree of economic integration between state participants. Furthermore Kocic (2011) argues that this is the most effective way of liberalising trade for developing states in an interdependent global economy.

Being a South-South multilateral agreement as it is, BRICS is a platform for development and cooperation amongst developing countries. The concept of South-South cooperation is simply the process of development or transformation by developing countries (Insouth, 2009). Most of the developing world is characterized by economic challenges which are slow economic growth, increasing unemployment rate, falling shares in world trade, and high debt burden. The emergence of Brazil, China, India, and South Africa has created new dynamism in South-South economic cooperation and trade (Pandit, 2007).

Linked by their past events, socio-economic and political challenges, the countries of the South share issues that commonly affect them expanding their source of support and restructuring global institutions and try place countries on the same scale with equitable forms of global interdependence. These areas of cooperation include trade, investment, human resource development, democracy, technology and health, good governance, climate change, human rights and global challenges. The cooperation between South countries could also raise a voice on issues of critical importance to developing countries such as reform of global governance institutions, to create a more equitable world order, to achieve the millennium goals, poverty reduction, food security and sustainable development; this is according to Insouth (2009)

One of the expected ventures of South-South cooperation is to bring policy experts, practitioners and evaluators together to establish what works and what does not' in developing economies and improve practices that can be harnessed by weaker countries' economies. Paudyal (2011) further upholds that most developing countries lack strong leadership, responsive, and accountable institutions and productive resources. Strong commitment and passion is needed to realize the objective of the South-South cooperation to plan and introduce loyalty to duty like

that of leaders from East Asian Economic Giants such as China, and it can assist most developing countries so that they too can plan and try to improve their countries without exploitation.

Green (2008:172) looks at the phenomenon in this manner that South-South investment is rising at a faster pace than North-South trading flows, as firms in China, India, South Africa, and East Asian Tigers engage themselves in multinational trade with other developing countries. Lundavall (2011) reasons that South Africa after apartheid has been able to develop its own innovation policies, but still suffers from total transformation of development. The major concern of the country is the difficulty of opening up reasonable opportunities for access to competence-construction for its black population and learning is a major part of the policy.

Since South Africa joined BRICS, the country brings to this forum not only its domestic market but that of the whole continent of Africa. The combined economies of the African states including that of South Africa are forecast to expand at an annual average rate of 4.3% over the forecast period. The political stability of the African countries and their commodity prices play a central role in the general growth of the continent. The maintenance of the relative political stability and rising prices (including oil) reflects positive growth for African states in a new form Klomegah (2011).

South Africa joined BRICS, one of the most important South-South blocs, motivated on the basis of strengthening the country's cooperation with the world's most influential emerging economies. The BRICS has selectively chosen its membership based on common developmental understanding and adopted its policies centred on strengthening economic and trade relations with the BRICS member states (Badasie, 2011). To broaden their influence in the developing world, the BRICS states have made another significant move by making the forum active in the comparable economic performance of emerging countries. Increasingly the forum has been shaped in a way that it will be a voice for the developing world; this was one of the moves to counterbalance the Western influence on decision making in major international bodies (Hervieu, 2011).

The BRICS are currently leading the way in global foreign investment, and this was revealed in the Geneva-based UN conference on Trade and Development

(UNCTAD) in its latest Global Investment Trends report. This report stated that while there was a 13 % increase in overall investment on a global scale, 70 % of such was coming from the emerging countries, in particular led by BRICS countries (Taylor, 2011).

4.2. SHIFT OF SOUTH AFRICA'S TRADING DEALS

Gordhan (2011) states very clearly that South Africa's participation in BRICS is a logical step in that the continent which is central to sustainable global growth should be included in a grouping that includes the world's leading developing markets in Asia and Latin America. Africa is the world's third largest market; as such there is a need for the continent to have its say in the renovation of the international economic and political architecture, the establishment of a more equitable and sustainable trade dispensation, and agreement on climate change to ensure the future of the plane for all its inhabitants. All BRICS nations are increasing their trade with and investment in Sub-Saharan Africa as an indication of their interest in its growing consumer market and resources.

Campell (2011) agrees with the latter submission on the African market, that the membership of the BRICS underlines the potential advantage available through its relationship with the economies of the African states, and increased significance given to Africa and its resources. As the BRICS are growing rapidly, they need Africa's commodities in order to secure this growth. As part of their growth the BRICS intend to expand inter-trade amongst themselves to $ 500 billion by the year 2015. South African companies are keen and have committed themselves to see to it that this target is reached by this date.

As the BRICS expanded from four to five countries with South Africa, which is the most important African representative on the bloc, this also strengthened the summit mechanism (Mingqi, 2011). The focus of the BRICS countries is to increase their economies through overseas investments, especially in developing countries. The BRICS economies in cooperation with developing countries are a mutually beneficial affair for all. The expansion of BRICS markets is focused to help countries in the developing world in Africa, Latin America and Southeast Asia, which may result in increasing their exports, BRICS on the other hand, has the opportunity to take

advantage of the rapid development of other developing countries' markets to increase their own exports and economic growth.

South Africa's presence within this grouping has puzzled scholars since there are other developing countries with stronger economies than that of South Africa. Even though South Africa so badly wanted to be part of this bloc, its membership was was motivated by China's hunger to use South Africa as a stepping stone to the entire market of the African continent with its 313 million middle class population (Zheng Xinli (Dailynews), 2011).

As the stepping stone to the continent, another advantage South Africa offers the BRICS countries comes from its strong connection to the economies of the regional group SADC, which consists of 15 countries of Southern Africa with total GDP of $ 471 billion and a population of 257 million. Some of these include countries with fast growing economies like Angola, one of Africa's biggest oil producers, Botswana, the world's biggest diamond producer, Mozambique home of the world's untapped coal reserves and Zambia, the continent's biggest copper producer as well as other Southern African Development Community (SADC) countries that have not been mentioned like Tanzania, DRC and others (Herskovitz and Bauer, 2011).

4.3. MULTILATERALISM ON THE SOCIO-ECONOMIC DEVELOPMENT

South Africa was offered a huge opportunity by being accepted as a member of BRICS. This will boost its competitiveness via cooperation in investment and trade (Xinhua, 2011). The Southern African Customs Union (SACU) consists of South Africa, Namibia, Lesotho, Botswana, Swaziland; this customs union has been advocating imposing common external tariffs and quota agreements to countries outside the SACU union. It is very important for South Africa to encourage economic integration such as free trade areas (FTA) as well as customs union similar to SACU. This would open up new markets for South African producers; it would also create efficiency and allocation of resources across Africa and, in theory, it would increase the average wealth of its members. The African continent must come up with ways to lower barriers to movement of resources and capital, so that foreign direct investment is attracted and secured. The promotion and the growth of business incentives through freedom of operation and foreign investment could step up to heal

infrastructure and other developmental ailments faced by many African nations, including South Africa (Hestein, 2011).

Heistein (2011) declares that South Africa also needs to be careful when forming preferential trade agreements with wealthier nations. It is true that South Africa joining BRICS opened up doors for its other four members to access the African markets; on the other hand South Africa must ensure that it also gains access to the four BRIC markets. It must ensure that these investments will create capital and jobs and not just a change of ownership. Looking at partnership South Africa has a lot to gain from economic integration, but it also has huge wealth envied by many. The country must ensure that its outflows are goods and not earnings, and that its inflows are wealth and not dependents.

4.4. THE GROWTH AND DEVELOPMENT

Compared to other developing economies such as China, India, Brazil, South Africa may not have the same attraction as an economic destination as these countries, but it may draw foreign direct investment that could have gone to other developing countries in Africa. International trade is, perhaps, the most important form of engagement with the world economy for China, India, Brazil and South Africa and other developing countries. Information for exports and imports of goods and services as a proportion of the GDP rose from 44 % to 69 % in China, India 28 % to 45 %, Brazil 53 % to 56 % and South Africa from 56 % to 67 %. This shows the significance of South Africa, China, India, and Brazil, as markets for exports and services of imports for the new world (Nayyar, 2008).

4.5. SOUTH AFRICA AND ITS BRICS PARTNERS TO RESCUE THE EUROZONE

Nayyar (2008) continues to insist that it is necessary to recognise that the importance of South Africa and other emerging economies in the world would shape not only in the sphere of economy but also the realm of politics. In June of 2012, at the G20 summit held in Los Cabos, Mexico, BRICS member states resolved to take part in rescuing the Eurozone. South Africa contributed $ 2 billion (about R17billion) as a pledge to the IMF to speed up the process for Africa to gain more representation in this global financial institution. The other BRICS members contributed $73 billion, China $43, Brazil $10 billion, Russia $10 billion, India $10

billion and adding the $2 billion of South Africa brings the BRICS total contribution to $75billion. The move by South Africa of pledging the amount of money is expected to uplift the country to a moral high ground because it will place the country in an influential position in global politics. However, the pledge saw President Jacob Zuma coming under fire at home for contributing the money that could be used to pay half of the R30 billion e-tolling bill, build 290 000 houses and cater for education needs. As the BRICS contributed this large amount of money the IMF is under pressure to speed up transformation in extending better representation to the developing nations (Rossouw, 2012:04).

When South Africa contributed $2 billion to the IMF to rescue the Eurozone, Cosatu (the country's leading trade union) disagreed with the action. Cosatu claims that the IMF should be lending South Africa money, but however believes this is the price for international recognition and influence. With the emergence of the United States as the world super power, it stepped up to help when needed, and assisted where it could. Like the USA, South Africa made this decision after a careful consideration about its self-interest. South Africa will be very affected if Europe goes down as the country trades more with Europe than with any other continent. Pledging this huge amount of money to save Europe is a gesture that shows the world that South Africa is ready to take on the responsibility that comes with influence (City Press says, 2012:26).

As the largest South African labour federation Cosatu criticised this notion. They firmly maintain that South Africa should be a beneficiary rather than a contributor to the IMF. South Africa had to assist where it could as a BRICS member to save the Eurozone. If Europe was to meltdown it would have a three stage effect on South Africa. Financial markets would be upset and this will influence the volatility of the Rand, there will be greater risk aversion which means it will be more difficult to get access to credit, and there will be less trade and foreign direct investment coming South Africa's way (Rossouw, 2012:04).

Chikulo (2012:11) traces the challenges that led to the current sinking of the Eurozone and that BRICS pledged to save it as a consequence of trading with the European countries and to increase its capacity in the IMF. He further notes that as a result, the North now faces similar questions on social exclusion, empowerment, and

renewal of democracy. In relation to the social questions above, there is a growing convergence of advanced western countries and Newly Industrialized Countries (NICs) or emerging states.

On the basis of the growth of the developing countries/emerging markets such as the BRICS to where they are today, Chikulo (2012:11) highlights the elements that assisted and were used as tools and instruments that paved the way for these countries to be on the cutting edge of participation in the international political economy and making their mark on global history.

- "It is about 'development- however, defined",
- "It is theoretical, policy related and instrumental concerned with real world problems",
- "The primary focus is on developing countries per se",
- "It is cross-regional and cross country, comparative foci with emphasis on development; and"
- "It is inter-disciplinary in nature"

The growth of the South/emerging states in the neo-liberal strategies especially in Africa and the success of industrialization in Southeast Asia in the NICs, have been accompanied by the rise of the emerging societies/blocs with a large public sector such as China, India and Brazil. These countries have placed development of the state on top of the development agenda. The situation in Africa in general and South Africa in particular is increasingly viewed as having paramount significance and a crucial role to play in tackling current and emerging development challenges. Today more effective states such as South Africa in Africa, Brazil in Latin America, India and China in Asia are needed if developmental sustainability is to succeed in the world's poorest countries. All this has to explain why the South/NICs socio-economic societies such as BRICS are formed and what is the basis and what are the aims and roles of such formations (Chikulo, 2012:06).

As far as the BRICS club is concerned one needs to highlight the influence of globalization and how it will affect small economies such as South Africa with the "emerging Giants" such as China, India, and Brazil, whether it will succeed in pushing the developmental agendas for South African and African markets and how South Africa will influence issues in the group, small as it is. Chikulo (2012:18)

continues the discussion reflecting on the influence of the global agenda to the development of emerging states that globalization emphasizes the interconnectedness of the world in terms of both physical distance and the flow of goods and people. This connection has resulted in a 'shrinking world' and has made progress in the world that remains deeply divided. Nonetheless, new thinking on globalization has brought about the need for current rethinking and exploring of both development theory and practice. The emerging economies' issues may not be a new phenomenon in themselves but the emphasis they are receiving are new and some issues have received a new significance over time. Thus, new relations are emerging and new policies are required. Following these recommended concepts above, South Africa would be well able to exercise its role in BRICS.

4.6. SOUTH AFRICAN DOMESTIC CHALLENGES AND PROSPECTS IN BRICS

Trade among the five BRICS countries has experienced a rapid growth at 28 per cent annually from the year 2001 to 2010 and has reached $230 billion. When the concept of BRICS first became known to the public, no one would have expected that it would have developed into such a vibrant and powerful cooperation mechanism for the emerging markets in such a short space of time. The BRICS are in the cluster of the world's fastest growing economies, with tremendous potential. The BRICS relationship amongst its member states reflects the development of the international situation as well as the desire and choice of emerging economies. These five countries Brazil, Russia, India, China and South Africa have a lot in common in many senses. They are in a similar stage of development (except Russia as was explained in chapter 1, but is part of this group because of its ideological relations with the south countries dating back to the cold war era) and face the same historical task of developing their economies and improving the well-being of their people. The BRICS are also facing similar challenges or implications in restructuring their economies, maintaining a healthy and sustainable growth and in achieving a stable, equitable and green development. The cooperation of these five has provided a valuable platform for the five countries to share development experiences and work together on development challenges (Yan, 2011).

Experts believe that the BRICS caucus has already shown its worth as a counterweight to the West in global talks on issues of trade and climate change and,

within the G20 leading economies, on how to allocate power in global financial institutions (Wheatly, 2011). The cooperation of BRICS is different from many other international and regional mechanisms, such as the Group of 8. It is neither another new grouping of big powers nor a political alliance of the south. These countries are partners in development. The alliance of BRICS countries has diversified the growth of the world economy and become a driving force for the democratisation of international economic relations. The BRICS mechanism is not in competition with other related mechanisms but advocates its own agendas (Yan, 2011).

Africa, the second largest and the most populous continent after Asia, has 54 nations with diverse history and growth trajectories. South Africa is different from the other BRICS member states; it has a unique history in terms of development and various economic phases. It does not represent the other African countries but it does share common concerns of democracy, countering violence, dealing with issues of law and order, economic inequality, a socially and culturally diverse populace, poverty and unemployment with other African countries (Modi, 2012). However, South Africa may have been added to BRICS, but unlike the other members of the emerging nations in the alliance, it is facing weak growth and structural disadvantages that include the past legacy of apartheid and the toll of AIDS on economic rejuvenation (Hervieu, 2012)

Hervieu (2012) looks at the strength and challenges of South Africa in that, it wants to export its precious metals more efficiently in a bid to jumpstart the sector on which the country has long built its economic strength. South Africa was the continent's strongest economy, but it lost some ground in 2011. In April 2012, South Africa celebrated its first year as a BRICS member. But the economic growth rates of Brazil, Russia, India and China greatly overpower that of South Africa. The past five years have seen average annual growth rate of just 2.7 per cent of South Africa and the IMF is expecting 2.5 per cent GDP growth in 2012 (compared with sub-Saharan Africa's 5.5 per cent), mostly due to the economic instability in Europe, the destination of more than a third of the country's exports. Goolam Ballim, a chief economist at the South African Standard Bank, foresees a period of tragedy for South Africa and warned that the country was entering 'a period of light stagflation' (weak growth coupled with high inflation and unemployment). In January 2012, the

Fitch ratings agency downgraded the country's economic outlook because it cannot create enough jobs for its people.

4.7. BRICS AND THE WAY FORWARD

According to Xinhua (2011) the BRICS countries will continue to see robust economic growth in years to come, as stated by the International Monetary Fund (IMF). As leading emerging economies, the BRICS countries, which is made up of Brazil, Russia, India, China and South Africa, will continue to have successful growth and outpace other developing countries. Xinhua (2011) is not alone in this; WangHanlu (2011) supports the vision that the rapid emergence of the new rising markets in the world represented by BRICS nations brings a more active internal economy within those countries and interactions of mutual economic cooperation amongst these states as a collective.

Giving special attention to India, its output is projected to grow 8.2 per cent in 2011 and 7.8 per cent in 2012. Compared to its BRICS counterparts, China and India, Russia and South Africa will also experience relatively moderate growth in the coming years. The growth South Africa, a newly inducted member of BRICS, is projected to rise 3.5 per cent in 2011 and 3.8 per cent in 2012. However the predicted growth of the two countries India and South Africa in 2011 and 2012 is more prosperous than what they achieved in previous years (Xinhua, 2011).

4.8. FUTURE OF SOUTH AFRICA WITH BRICS

"*A country's foreign policy, whether be a superpower such as the US or a modest country like Zambia, is driven by the need to secure its own interests. These interests can vary from the need to control the global institutions to ensure that one's country continues to dominate world affairs, or to maintaining friendly relations with other countries, the main intention being to attract foreign direct investment (FDI) to build schools and hospitals. Nevertheless, countries can never have the same interests since not all are on the same level of development*" (Makekeng, 2010).

The foreign policy of South Africa is one of the best-constructed foreign policies in the world, concerned with national interest more than anything. Makekeng's (2011) view above has made it easy for us to understand the importance of the country's foreign policy and why South Africa joined BRICS.

The South African Minister of International Relations and Cooperation views her country as the hope of the continent agreeing with all the information given by the sources used in this paper when she said:

"*We will continue to prioritise Africa because we are in Africa. We will continue to engage with African countries, including Zimbabwe, in pursuit of Africa's development. In pursuit of these objectives, South Africa recognises that its destiny is inextricably linked to that of the developing world in general and to the African continent in particular*" Nkoana-Mashabane.

South Africa became part of the BRICS group of nations as a strategic and political measure guided by its foreign policy as well the need of the four BRIC countries to have an African representative. With $285 billion foreign reserves, a much smaller population and tepid growth of about 3%, South Africa pales and seems less important compared to the four BRICS members. This country has earned a spot politically as the stepping stone to the rapidly emerging states of Sub-Saharan Africa, which helps expand the geographic reach of the original BRIC states. South Africa's inclusion in this bloc has been viewed mostly as a diplomatic achievement for the country, rather than an economic one (Herskovitz and Bauer, 2011).

Gordhan (2011) supports the submission above that South Africa is privileged to be part of these historic trends, although they bring changes. One of will be balancing the national self-interest with genuine global interest. South Africa will also play the role as a BRICS member in forging a more cooperative, interdependent, prosperous, sustainable and equitable world. Being part of BRICS has put South Africa in the league of the world's fastest growing and potentially most influential group of nations, thus placing this country and the African continent at the cutting edge of the international changes that are taking place in the world. South Africa has diversified economy, and its highly developed financial institutions, world class infrastructure, and expertise are more entrenched. The country's position as the only G-20 member from the African continent facilitated Africa's entry into the BRICS.

4.9. CONCLUSION

This chapter has addressed the data analysis and the broader picture on the prospects and constraints of BRICS bloc on the socio-economic development of

South Africa. The significance of data analysis was to make sure that the data collected through the means of written materials was necessary to give the study a clear direction and value to the topic investigated. Finally, the last step in the procedure for analysing qualitative data is to bring some order and structure into the categories of the study as explained above. Furthermore, this chapter looked into the prospects of South Africa has as a member of BRICS and the approaches that this country will have to take in order to have tangible benefits. Over the years South Africa has been viewed as the leader of the African continent, but lately the charismatic charm and the hegemony of this country has been viewed as weak and not able to lead the country in any socio-economic sectors of development.

What South Africa needs to do now is to approach the experts in the field of International Political Economy to come up with and execute strategies in order to put the country in the right direction and see to it that South Africa will reap tangible results from the BRICS multilateral agreement. South Africa must be aware that in every multilateral agreement or bilateral agreement, whether be it of North-South or South-South, each and every country's ambitions are based on national interest more than anything else.

"*The statesman must think in terms of the national interest, conceived as power among other powers. The popular mind, unaware of the fine distinctions of the statesman's thinking, reasons more often than not in the simple moralistic and legalistic terms of absolute good and absolute evil*"(Morgenthau and Thompson, 1985:165).

Benefits are based on interests, on what one will get out of an agreement. Even relationships are based on benefits, whether socially, economically or politically, unless guided by principle of ideas but this is not appropriate for state-to-state agreements. Morgenthau teaches us in his book with Thompson "Politics Among Nations" that a statesman should consider above anything else, the national interest that is what he will get out of the agreement. These national interests should be guided by the agreed guidelines not to step on the toes of the alliance partners, but strategically look out for self-interest. The BRICS multilateral agreement is one of the best ever agreements that has made the image of the developing world more visible and raised its voice in global participation. South Africa being part of this agreement

will be awarded that opportunity to prove to itself that it can benefit out of this enormous partnership.

Conducting this study one was tempted to ask the questions, "Was it too early for South Africa to join BRICS? What does the BRICS want with South Africa?" Honest answers will be tricky to find, but South Africa is well experienced when it comes to the cut throat politics engagement and BRICS is one of those experiences that can make or paralyse the socio-economic development of the country. Above all South Africa must be aware what its continental rivals think of it, and the country's ever weakening economy, and the decreasing political influence in the continent mostly focusing on mediation and peace-making efforts, and uniting the warring groups within African states. The current challenges of South Africa have left much to be desired; the civil disobedience in communities, looting of state funds, mining strikes and killing of workers in South African mines, the current President's unhealthy political image of not being hands on to develop the country, frequently reshuffling the cabinet and his alleged misuse of state funds. All the above mentioned challenges give the country a wrong image, while other countries want to take advantage of that and exploit South Africa. But this has been a challenge for most countries in Africa, with both leadership and certain citizens lacking patriotism and looking for personal enrichment, while the majority of the citizens are not offered a platform to express their human rights and rights as the citizens of the country.

CHAPTER 5

5.1. CONCLUSION, FINDINGS AND RECOMMENDATIONS

Introduction

This paper is divided into five chapters, which are specifically designed to deal with different contents that direct the study in achieving its main objective of discovering the prospects and constraints of the BRICS multilateral agreement and how it will impact the socio-economic development of South Africa. The current chapter is the last chapter of the study which specifically focuses on the conclusion, findings and recommendations of the study. Herein, this chapter will summarise the previous chapters and give a direction on the significance of the study, its useful findings and offer recommendations on its contribution as a new body of knowledge to the field of international political economy and the importance of South-South multilateral agreements. In conclusion the data analysis is revisited in this regard to ascertain the importance of the South-South multilateral agreement and the BRICS forum, as well as looking at the prospects and constraints that come with it, in conjunction with the topic investigated.

> *"It is not possible to remain stationary. We can only choose between two possibilities: moving backwards or moving forwards."* Erich Fromm

(Raymond, 2009: 01).

Post-1994 after the abolition of apartheid, South Africa built itself up from the ruins of the past and worked as a collective to change from a country that was divided more than any country in the world to a country more united than most in the world, inclusive of people of different race, creeds, and religions. The formation of the TRC (Truth and Reconciliation Commission) which was a huge tool for healing wounds of the past made South Africa recognised worldwide as a country of peace and humility. The President of the former apartheid government, F.W. de Klerk and the President of the new democratic South Africa, Nelson Mandela shared the Nobel Peace-prize for their efforts in building a better and united country. This made South Africa a united country and an example for the warring groups in conflict-stricken countries in Africa. This country has mediated, united, and has been involved in

peace-keeping missions which gave positive out-comes. These attempts place this country firmly on the world map.

The period of the second democratic president of the Republic Thabo Mbeki saw this country as a dominant force in the continent of Africa economically as well as politically. The transformation of the OAU to AU, formation of NEPAD and strengthening of the regional bloc to name but the few, took South Africa to greater heights in the world. South Africa is currently a UN Security Council's non-permanent member and has even chaired the Security Council meeting. Among the country's visions for the developing world was to create connection and blocs that will enable the developing countries to have a say in global affairs. The coming together of IBSA- India Brazil and South Africa was a stepping stone for emerging nations. Mbeki coined this IBSA forum as the G8 of the South.

Makwiramiti (2011) when comparing South Africa to its BRICS partners, states that South Africa does not measure up to its BRICS counter-parts. However, in terms of representing world regions, this country excels; it is the largest economy in Africa, accounting for about a third of the total gross domestic product in Sub-Sahara Africa. South Africa also has more to offer to its BRICS members and as such serves as a platform for additional opportunity for economic development of Africa. Nott (2011) further supports the above submission by Makwiramiti (2011) that many economists have pointed out that Africa is one of the most profitable areas in which to do business. As such since South Africa is an established economy within Africa, and the only African representative within the BRICS alliance, it will be in a position to represent the whole continent and to offer its political, economic and other expertise.

5.2. WHAT ROLE SHOULD SOUTH AFRICA PLAY

South Africa being the continent's economic powerhouse should be free to maintain good diplomatic and trade relations with other states and share mutual economic benefits.

South Africa has a very strong regional agenda in its foreign policy unlike its BRICS partners. Building alliances is an important element of international relations which connect states and BRICS should be viewed in the same manner. The following questions need to be taken into consideration by the country when looking to

strengthen its socio-economic and political standing. What can South Africa bring to the BRICS? How South Africa comported itself within the IBSA forum gives an indication. In that forum South Africa was a good and reliable partner. South Africa could play a bridge-building role within BRICS as it has a very good bilateral relation with all of the BRICS members (Siridiopoulos, 2011).

Such a vision of the G8 of the South was not only dreamt of by Mbeki, but China had even greater dreams than that. India, Brazil and even Russia deemed it fit that the countries of the South must unite to actively participate in global affairs and build strong economies among themselves. Thus BRIC came into being.

According to Makwiramiti (2011) the term 'BRIC' was initiated by a Goldman Sachs economist Jim O'Neil in 2001 to describe the growing influence of these large emerging economies, although the official body of BRIC followed at a later stage. In late December of the year 2010 South Africa received an invitation to join the Brazil, Russia, India, and China (BRIC) group of large emerging economies. China extended the invitation in its capacity as rotating chairperson of the BRIC formation based on the agreement reached by the BRIC members. With South Africa's membership, the group was known as "BRICS". BRICS has become more recognisable due to the role of emerging economies in promoting the reconstruction of the global political, economic and financial landscape into one that is more equitable and balanced.

Nott (2011) indicates that one of the most significant economic and political courtships over the past two years has been that of South Africa joining with Brazil, Russia, India, and China (BRIC) in a cooperative alliance. This alliance given the very nature of the world economy is going to play a huge role in influencing events in world markets. The markets that Brazil, Russia, Indian and China embrace speak volumes of what the future will be with BRICS in world markets. These countries have huge markets by any standard. The combined population of the BRIC is estimated around 2.85 billion- around 43% of the present global total, with a combined labour force of 1.5 billion. The track record of the success of the BRICS countries is incomparable.

BRICS should result in being an economic booster and a tool to fight poverty within South Africa and its market, Africa. It must develop and improve the country's socio-

economic and political standing; as such the continent will be injected positively with the growth of the country. This could also be a long awaited drive for development for South Africa. The precious global alliances of south-south and north-north based on greed and a dictator's personal enrichment have been the elements that hindered developments especially in the developing world, as the world has experienced long drawn out wars and conflicts due to this. BRICS and other south-south alliances give the developing world a platform from which to engage and promote national developments in these countries. The south-south (under-developed, developing, emerging) alliances have resulted in more positive results than those of south-north, whereby developing states engage with developed states.

BRICS as an international society of five emerging and fast growing economies has a common interest through socio-economic and political means (Abhijit, 2011). In 2011, BRICS countries held discussions intended to promote the use of their own currencies for international trade at the Sanya summit in China. The designated banks of each country were part of the agreement that was formed at the gathering to agree to make their national currencies used as international currencies (Economic times, 2011).

To broaden their influence in the developing world the BRICS member states have made yet another significant move, meaning that this agreement is not only an artificial body founded on comparable economic performance of emerging countries, but increasingly a political club representing and being a voice of the developing world; this is one of the moves to counterbalance western influence on major international bodies in decision-making (Hervieu, 2011).

To strengthen its development, South Africa has adopted the strategy of engaging itself in multilateral agreements. This has proven to be an effective strategy, evidence being the economic growth, good political relationship with multilateral agreements partners as well as development within the state. South Africa joined BRICS to achieve tangible goals of development. In the India, Brazil and South Africa (IBSA) forum, South Africa managed to increase its exports, engaged in technological exchange and socio-political economic policy exchange. These achievements and others made South Africa realize that multilateralism with developing countries is an essential tool for growth (Foreign Affairs, 2006).

A country with the historical background of South Africa, in alliances such as BRICS, needs to be wise and robust in approaching issues that will advocate the interest of the country and those of the continent. Most countries that are at the fore-front in global affairs did not wait for things to happen but went all out to see to it that their interests are advance and robustly pushed their national agendas.

A healthy relationship with BRICS members is the only way to see that South Africa's developments are tangible. Considering China's influence in the global arena, the waves that Russia is making in Europe, the influential rise of Brazil and the speed that India's growth is having, these elements show that if South Africa plays its cards well it will reap real benefits from the BRICS agreement. More than anything else South Africa must focus its attention within BRICS on its domestic growth priorities, using RDP, New Growth Path and the Industrial Policy Plan Action programmes as a way of championing development with the country. South Africa must also ensure that the active participation of citizens is encouraged in job creation; the government must take firm steps to see to it that people are educated and are aware of the plans of the country. In this era of technology and the internet, the country must therefore use BRICS to advance the knowledge of technology to its wider population. South Africa must also ensure that any of the BRICS agreements are based on positive mutual results to all, not only to push one member state's agenda within the alliance.

As an exemplar to many countries in the world, South Africa must guard against being a tool used by its BRICS partners in pushing their political agendas onto other states and betraying the African continent. BRICS is currently the most influential and powerful alliance of emerging states which will result in good out-comes not only for member states but also for the continents where these countries are situated. As stated by South Africa in its inception into the alliance, it is not only coming to the forum as a country but it comes to this forum with the entire African market, which will see growth for Africa as a whole, and strengthening economic ties with BRICS counterparts.

5.3. HOW SOUTH AFRICA SHOULD APPROACH BRICS

After the Second World War things changed between 1945 and 1978; the world economy changed, and China started the process of adopting an open economic

policy. Because South Africa had unique minerals it competed with the developed Western countries who were its trading partners; as the global economic outlook changed, the Asian countries came into the picture. Asian countries focused on investing in the education and health of their populations. Asian unskilled labour was in general more productive than that of South Africa because it was better educated, and also had cheap skilled professional labour that was abundant (Mbeki, 2009:91-92).

Siriopoulos (2011) believes that South Africa has displayed a matured foreign policy in the context of the world's growing multipolarity, this allows it to adopt a far more nuanced and strategic engagement on the international stage. In contrast, other African countries display foreign policy based on historical background and as such they are directed by emotions not business of the day. South Africa and the continent should always bear in mind even if BRICS is the biggest phenomenon in the world today, the EU and US remain the largest export blocs for Africa. Thus a political and economic shift of direction to the East does not need to occur at the expense of relations with traditional partners.

Mbeki (2009:92) advises that one way of competing against China would be to follow the South Korean course of moving into increasingly higher tech industries, but this option is not open for a country like South Africa due to its low skills profile. The second way would be to do exactly what China is doing by investing heavily in the health and skills of the population and thereby eliminate the artificial shortage of skilled labour that drives costs up; this would give the economy of the country a clear direction. These are some of the approaches South Africa should take in order to strengthen its internal and external economy and as such it will pave the way to its socio-economic and political relations to the world.

Sidiriopoulos (2011) further affirms that by marketing South Africa as a gateway to Africa, the country may lose its greatest competitive advantage, thus losing the influence it has in the continent. South African corporates have the best opportunity to unlock the potential in the rest of the continent. This country should seek out these opportunities more than anything, rather than rolling out the carpet for their biggest competitors. South Africa needs to look at its own interests first and strengthen its capacity rather than being friendly to other countries. There are gains to be

leveraged from the fact that South Africa is the most diversified country with a well-regulated economy on the continent and is politically stable. South Africa again needs to provide leadership direction in developing foreign investment in Africa.

5.4. BENEFICIAL RELATIONSHIP

The good news is that Africa's growth has shown a positive increase over the past decades, gaining exceptional momentum recently. There is a new shift in strategy in looking into business on the continent. The challenges of poverty, governance, and some other age-old concerns are still seen in Africa but the new healthy look for the continent is increasing (Nott, 2011).

As the continent's most developed economy, South Africa membership of BRICS presents an opportunity for the African continent to benefit in terms of international trade, investment and infrastructure projects that can accelerate employment creation which is much needed and on the other hand help alleviate poverty while promoting Africa's economic development (Makwiramiti, 2011). In this case BRICS is set to play the role of one major trading bloc in the world and has the potential to be in the class of world dominating economies. However, Africa does not stand in isolation; it cannot escape the repercussions of world economic crisis. But Africa may be in a better position than most to steer itself to a middle ground. Out of Africa come commodities and resources that countries of the West and the East are in need of to survive; that alone is a huge opportunity Africa must grasp with both hands (Nott, 2011).

South Africa's acceptance into BRICS raised some eyebrows internationally, but there is no doubt that the country has the credentials to back its membership in BRICS, therefore most advantageous being the 1 billion consumers living in Africa, as well as the vast mineral and agricultural opportunities the continent offers (China daily, 2011).

5.5. SOUTH AFRICA UNDER THE WINGS OF BRICS

Besides the opportunity to promote its economic growth and job creation priorities, BRICS offers a lucrative market for South African goods and services. The alliance will help in offering opportunities for cooperation in the realms of finance, business and development exchange. Additional areas of collaboration that South Africa will

benefit from are science and technology, culture, sport, climate change and energy. Apart from the above mentioned sectors tourism is another key sector that can benefit directly from this relationship.

South Africa has a lot to gain from and offer to this relationship given its abundance of minerals and labour resources, credible regulatory environment, prudent monetary policies, transparent fiscal policies, and well-functioning and efficient financial markets. In its quest for survival South Africa seeks to attract more foreign direct investment from BRICS partners, while at the same time building upon the BRICS platform to enable companies from South Africa to invest abroad (Makwiramiti, 2011).

Nowadays, the emerging market countries have become more active participants instead of passive role players the economic globalization. The development of the BRICS countries and other emerging market countries has made the world economic order more reasonable and more balanced compared to the past. As such, BRICS countries will have to deepen their internal cooperation. BRICS countries have different models of development, economic structure, stage of industrialization as well as cultural traditions and values. BRICS need to promote their internal coordination among different organizations as well as cooperation in micro mechanisms, trade promotion, investment promotion, development, industry, information and mechanism construction (Zhangqian, 2011). As in the IBSA forum South Africa and BRICS member states must see to it that promotion of democracy, peace and stability, development, the struggle against hunger, poverty and social inequality at national and international level are upheld (de Sousa,2007).

The paper has discovered that the south-south multilateral agreements are an essential tool for all the developing and emerging countries. The growth of great states like China, Brazil, India and other upcoming states like South Africa are the results of multilateral agreements. The IBSA trilateral agreement proved also to be an effective tool for development. BRICS carries even more effective elements of growth from its member states, as the study investigated South Africa's South-South multilateral agreements and their impact on the socio-economic development of the country. Looking into BRICS as a guide line of the study, the output was positive. The alliance of Brazil, Russia, India, China and South Africa traces its roots back in

history on how these countries survived imperialism and how these countries rose to be among the world's leading economic markets.

Makwiramiti (2011) is firm in his view that South Africa's membership in the BRICS grouping makes sense when it comes to its own relationship with Africa. The unities that exist between South Africa and the African continent are the ones that will see to it that South Africa opens doors for Africa and South African domestic ambitions. South Africa serves as a vital gateway to the African continent as well as a valuable conduit between other developing African and developed countries. South Africa is uniquely placed to bring the African perspective to the BRICS agenda, considering the fact that it is the largest investor in a number of African states.

Even though South Africa has a small economy compared to its BRICS partners (Siridopoulos,2011), through its BRICS membership, the development of this country will grow well and not only that but an African voice can be heard on pressing global issues. This membership in BRICS places South Africa in a better position to voice its aspirations in global affairs, especially when it comes to institutions like the IMF, G20, the World Bank and United Nations Security Council. The BRICS countries have been at the fore-front with regard to claim the position of the IMF Head, suggesting that the top job should be taken by someone from the developing world (Makwiramiti, 2011).

Over and above what the paper has discussed throughout, Makwiramiti (2011) predicts that there is the potential for affecting changes in the way of doing things at a high level of global institutions, whose existence has been overpowered by the developed countries. With continuing cooperation of the BRICS, this may result in a new world order unfolding in global economics and politics with BRICS member states increasingly visible in this transition. BRICS partnership with South Africa has the potential of placing Africa in the path of genuine benefit from trade and investment opportunities. It is therefore left for other African countries to learn from the exemplar of South Africa's influential strategy in several groupings and its involvement in global affairs. The emanating influence and power from BRICS will continue to change the economic and political landscape as we know it.

Haijun (2011) captures the words of South Africa's minister of International Relations and Cooperation, Maite Nkoana-Mashabane on how she views her country's

involvement in BRICS forum when interviewed by Xinhua "*looking at the new global political order unfolding out there, the members of BRIC also thought there was a political space for this country in their grouping—they knew BRIC would not be complete if it did not have the voice of the most influential country in the South, particularly in Africa.*" These words showed the feeling that South Africa had when it received an invitation to join BRIC, that this was not a mistake but something that was meant to be, for this country to represent the interests of the developing world, especially those of Africa.

The minister believes that membership in BRICS has offered South Africa huge economic benefits for the future as she further stated "*They (BRIC members) offer tremendous market. They offer huge potential for foreign direct investment, collaboration research in science and technology, particularly in food security and agricultural research, infrastructure development in Africa*" (Haijun, 2011).

The emergence of BRICS is earmarked to change global economic order that can benefit Africa through deeper cooperation and investment. The economic performance of BRICS is currently leading the shift of global economic power away from the developed countries towards the developing countries. However, these emerging economies need to remain vigilant of the risks that they may be exposed to, against the backdrop of the recent widespread global economic crisis. In order to achieve their goals through this partnership, there is a need for extended cooperation of the BRICS countries to impact global affairs. This also has the potential of facilitating the idea of having a common voice when it comes to international affairs in attempts to promote global economic growth and development (Makwiramiti, 2011).

5.6. THE INFLUENCE OF THE RELATIONSHIP OF BRICS

Globalization teaches us that the history of the cold-war shaped the world with the political relationships that countries are having today. South-South is not only the countries who are located in the Southern part of the globe but those having a common history and shaped by an entity of common ideology. The North-North states relationship is not directed by geographical location but by the ideology which differs from the South one. Australia is located in the Southern hemisphere but it falls under the North states.

BRICS came about as a result of the spirit of ideological similarities among member states of the South-South multilateral agreement. These countries are deemed to be in a similar class of Newly Industrialized Countries (NIC) or newly advanced economic development, unlike most of their South counterparts which are still underdeveloped or in their developing phase. South Africa takes a place in this classification based on its development and its plans for future development, thus creating a space for strengthening its economic and political stance.

This approach of venturing into South-South cooperation is in line with South Africa's recently adopted economic road map known as the N.G.P (New Growth Path), which lays much emphasis on local input and joint ventures to create jobs, boost manufacturing, the beneficiation of minerals and natural resources. Membership in BRICS has put South Africa in the league of the world's fastest growing and potentially most influential group of nations, which puts South Africa and Africa at the cutting edge of the new global changes taking place. South Africa is privileged to be part of these historic trends as it places this country at an advantage for growth and development. Like previous eras, this one will also have its own challenges; the BRICS will be keys players in the forging of a more cooperative, interdependent, prosperous, sustainable, and equitable world (Gordhan, 2011).

Through global economic cooperation, there could be an expansion of markets, promotion of international trade and investment, as well as facilitation of efficient and effective allocation of resources. Infrastructural development and investment in natural resources has the potential of ensuring that the BRICS will continue to function as a powerful entity for global economic growth. As such this commitment can help to realize and sustain the economic development and political destiny that South Africa and its BRICS partners seek to achieve.

Rossouw (2012:36) believes that South Africa will have to stand on the side-lines while the stronger BRICS member states fight and defend their own national interests. Besides its ideas of promoting South-South cooperation and bringing the African market to BRICS, South Africa does not have the capacity or the money to insist on playing a hand in this round. The policies of BRICS have not turned out as many hoped and others feared. South Africa is still new in BRICS, and so far has only attended the Chinese summit and the Indian summit in March of 2012. For now

things are not yet clear and definitely not going the way of South Africa. In March 2013 South Africa will host the BRICS summit, and this will be a moment of truth whereby South Africa will have to prove itself. If this country will not succeed, then BRICS will be simply an example of South Africa being a part of a team but watching from the side lines while the big boys play.

It is still premature to draw any conclusions about the future of South Africa in BRICS. Multilateral agreements have no climax but are a continuing process, whereby other countries can join and change the shape of a forum. BRIC has challenges but it achieved a lot for its member states. BRICS will continue where BRIC left off but will have a new face with the inclusion of South Africa and new ground to break such as entering the African continent through South Africa, thus development of this country relies on how BRICS carries itself and how South Africa will use the opportunity in the BRICS alliance.

Sparks (2003:48) rightly captures the growth of South Africa in this manner; all the socio-economic changes are taking place in the developed/first world countries and therefore the more visible sector is that of South Africa. In the third world sector a very different story is unfolding which will capture the attention of the world. South Africa's minister of International Relations and Cooperation closes the discussion of the paper with these words "BRICS members are still talking about the overall and overarching vision. South Africa believes that we are there at the right time to make a kind of influence and make sure that BRICS doesn't just focus on big governments, big economies, but also looks at softer issues on how to make sure that ordinary people benefit and can also take ownership of BRICS" (Nkoana-Mashabana in Haijun,2011).

In 1978, Thabo Mbeki in his capacity as the National Executive Committee member of the ANC delivered a speech titled "The Historical Injustice" and he rightly captures the connectivity of South Africa to the world with these words when he said

"We are convinced that in this way we would restore our country to its rightful position in the world as a steadfast friend and ally of all who struggle for peace, democracy and social progress..."(Mbeki,1978).

The words quoted above gives us the picture on the intentions of South Africa for working together and forming alliances with other countries especially those that are considered emerging economies. This is a significant measure taken by this country to pave the way forward and promote its socio-economic development that needs to be classified as one of the best in the world but also to improve the domestic interests of its citizens such as job creation, economic growth, poverty reduction, improved infrastructure, technology, education and other essential tools that the people of South Africa will be beneficiaries of. So far BRICS is the most powerful bloc of emerging economies in the 21st century, which is even feared by the developed world. BRICS stand the chance to see to it that South Africa will benefit from this alliance to achieve all its socio-economic and political goals.

5.7. WILL SOUTH AFRICA PROSPER OR FALL?

The successes of South Africa's economy since 1994 are well known. South African economic growth rate after ten years in democracy increased to a level of 5 % after an average 3 % during the preceding ten years. All these were accompanied by an uneven and unstable growth rate and uneven unemployment rate. Most of the successful countries in the world strive to improve international competitiveness as a means to increase production capacity and as a result to generate job creation, as well as to increase skills and wealth. The improvement of technology is one of the key measures that could be used to improve international competitiveness. South Africa has shown progress in this respect in various sectors but overall, the progress has been slow compared to other countries. The major reasons captured for this failure to improve the country's international competitiveness are poor health and education delivery, and inefficient labour markets. South Africa's socio-economic performance is even poorer is according to the Institute for Management Development's World Competitiveness Yearbook, released on June 2008. It is well known that investment provides benefits through the accelerator-multiplier efforts on economic growth and job creation, as well as its forward and backward linkage to other sectors of the economy (du Toit and Tonder, 2009:23).

Having highlighted the submission in the previous paragraph about South Africa's rating on the global platform, for South Africa to prosper, as we have seen that the BRICS partnership will be determined by the powerful members, the country needs

to have a wise and strong political head. This political head must be aware of international politics and economy as well as the domestic one, however more than anything else South Africa needs to guard against invisible intruders and safeguard its national interests. Scholte (2005) explains the political leadership and how it influences the socio-economic development of states; politics are the drivers of the socio-economic political factor is the distribution, and exercise of power and is needed for economics the purposes, market exchange, and consumption of resources. Equally the economics have the same effects on the political side.

Experts related to the study were interviewed to get different views so as to analyse South Africa's role in BRICS. Both Roger Southall and Francis Kornegay believe that South Africa deserves to be part of the BRICS to represent 60th the domestic interest and the continental one. When asked by the researcher on the critic's argument that South Africa does not belong in BRICS Kornegay stated that "Whether it deserves to be or not, it is Africa's largest economy and it is strategically located astride the southern sea lanes and politically Africa had to be represented. Such a statement proves that there was a need for South Africa to be part of BRICS and it was supported by Southall saying that South Africa will not only be under pressure to avoid being prey of the BRICS member states but he also believes that this country will more than anything benefit a lot by being part of the forum of emerging economies. Such benefits as he expressed when answering the researcher were highlighted in this manner "Greater access to export, markets in BRIC countries, and Greater chance of mutual investment, Shared knowledge and innovation, Greater influence in the South.

5.8. THE LATEST RATINGS AND SUCCESSES OF SOUTH AFRICA

SOUTH AFRICA ADDS THE FOLLOWING STRATEGIC VALUE TO BRICS:

•*South Africa's comparative advantage within BRICS pertains to the country's considerable non-energy in situ mineral wealth. In a recent report commissioned by the US-based Citigroup bank, South Africa was ranked as the world's richest country in terms of its mineral reserves, worth an estimated US$2, 5 trillion. South Africa is the world's largest producer of platinum, chrome, vanadium and manganese, the*

third-largest gold-miner, and offers highly sophisticated mining-related professional services, contributing significantly to the BRICS resource pool.

•South Africa is investing R300 billion (US$35, 6 billion) into expanding and improving its railways, ports and fuel pipelines, as a catalyst to help unlock the world's greatest mineral wealth. Africa will also continue to be buoyed by the exploding global demand for oil, metals, minerals, food and other natural resources. Likewise, the African continent, which is arguably one of the world's largest unexplored resource basins, has an abundance of riches, including 10% of the world's oil reserves, 40% of its gold ore and 95% of platinum.

•The demand from BRICS countries for these commodities has been a critical source to support growth on the continent.

•South Africa's financial market development and sophistication, also as a source of exceptionally sophisticated professional services and financial expertise, is globally recognised. The World Economic Forum's 2011/12 Global Competitiveness Index displayed a high level of confidence in South Africa's financial market development, ranking the country in fourth place globally on this measure.

•The regulation of the Johannesburg Stock Exchange was ranked number one in the world, as was the strength of South Africa's auditing and reporting standards. Additionally, South Africa is ranked second for both the soundness of banks and the efficacy of corporate boards.

•South Africa's excellence in science, technology and innovation is also recognised, e.g. it being awarded the majority stake in hosting the Square Kilometre Array. BRICS countries supported South Africa in obtaining the majority stake.

•South Africa's export structure to BRICS member countries shows significant diversification and the negative trade balance has also narrowed over the last four years, i.e. from R57 billion in 2008 to R22, 8 billion in 2011. South Africa's export trade with the BRIC partners grew from 6, 2% of the total in 2005 to 16, 8% in 2011, whereas its imports from the BRIC countries represented 13, 6% of total imports in 2005 and 20% in 2011. The Minister of Trade and Industry, Dr Rob Davies, has emphasised that in 2011 alone, trade between South Africa and BRICS countries grew by 29%, which is considerable.

•South Africa enjoys recognition as a dedicated and committed global and regional player. South Africa's constructive role in global governance structures as well as its position within organisations of the South, notably the African Union (AU), the Group of G77 (G77) and China and NAM is appreciated by BRICS and other like-minded partners. South Africa is also the only African country represented in the Group of 20 (G20), which has become an important institution on the reform of the financial and economic global governance architecture.

•South Africa has always been at the forefront of promoting more inclusive formations and more equitable participation of notably emerging markets and developing economies in the world system and its decision-making structures. This belief stems from our core conviction that Africa has to be repositioned in the global system to assume its rightful place. South Africa, together with other African countries, initiated the dialogue with the Group of 8 (G8) in 2000, which led to the subsequent endorsement of the AU's New Partnership for Africa's Development (NEPAD) by the international community at large. At the last BRICS Summit, President Zuma once again strongly articulated this view, also in light of the issue of the World Bank Presidency, where Africa had put forward an exceptionally merit-based candidate.

•South Africa's own unique historic political transformation process to become a constitutional democracy is perceived as a unique contribution to the world. The country has facilitated similar processes for peace elsewhere in the world (BRICS5 Source, 2012).

More than the constraints, prosperity is certain to come to South Africa provided the strategies and tactics the country will undertake succeed or else it will fall prey to BRICS if it will not use the strategies of defending its national and economic market continental interest. This should be South Africa's approach to the BRICS forum as was highlighted in the ANC 2009 election manifesto *"the developmental state will play a central and strategic role in the economy. We will ensure a more effective government; improve the coordination and planning efforts of the developmental state by means of planning entity to ensure faster change..."* (Parsons, 2009:01).

5.9. EXPERTS'S VIEWS ANALYSING SOUTH AFRICA BEING PART OF BRICS

To get valid and informative data for the study, the researcher conducted interviews on South Africa's multilateral agreements and how BRICS forum will impact on the socio-economic development of South Africa. The researcher consciously selected various experts related to the field of International Relations, Politics, Economy, Development in relation to multilateral agreements and BRICS bloc.

Among experts chosen was **Roger Southall** an Honorary Professor in SWOP (Society, Work and Development Institute), who was previously Distinguished Research Fellow at the Human Sciences Research Council (HSRC) (2001-2007) and Professor of Political Studies at Rhodes University (1989-2001). Prof Southall is an author of Imperialism or Solidarity? International Labour and South African Trade Unions (UCT Press), as well as being author or editor of another dozen books. He has also published extensively on African politics, political economy and labour in leading academic journals, as well as contributing chapters to numerous books. He is editor of the Journal of Contemporary African Studies, a major journal published by Francis and Taylor from Oxford, UK.

Francis Kornegay is a Senior Research Fellow in the Emerging Powers programme. He carries Master's Degrees in African Studies from Howard University and in International Public Policy from the School of Advanced International Studies at Johns Hopkins. Francis Kornegay served two stints in the US Congress as a professional staffer, among other things, developing financial sanctions legislation on South Africa. He established the Research and Evaluation Unit for the African Development Foundation, an independent US agency. In South Africa, he served as the country director of the African-American Institute (AAI) and was involved in electoral support activities. Since then, among other things, he has focused on South-South co-operation issues on which he has written and published extensively. He managed a Ford Foundation-funded project on IBSA and has organised seminars on IBSA both in South Africa and India. In Brazil, he presented a paper on South Africa as an emerging power and present another on IBSA, BRIC and South-South co-operation at a Stellenbosch seminar in September 2010. In 2009, he authored the Global Insight on 'South Africa's South-South Dilemmas: Will a BRIC fall on IBSA.

5.9.1. INTERVIEW WITH: ROGER SOUTHALL

Objective : Data on BRICS and potential benefits and constraints South Africa

: Complete Master's degree in International Relations.

A. The purpose of this interview is to gather data on the potential benefits and constraints to South Africa as a result of joining BRICS. Your responses will be highly appreciated.

B. Interview questions

1. Knowledge about BRICS multilateral agreement.

As an informed person please indicate bi/multilateral agreements that South Africa has entered into in the last five years, comment on what benefits South Africa will experience as a result of these agreements?

Greater access to export markets in BRIC countries

Greater chance of mutual investment

Shared knowledge and innovation

Greater influence in the South

2. BRICS socio-economic benefits.

South Africa has recently become a member of BRICS. What socio-economic benefits will South Africa gain by its membership to BRICS?

Please illustrate:

With European decline, South Africa needs to begin to re-orientate its export markets, investment venues and so on.

3. Constraints that BRICS may impact on the socio-economic development of South Africa.

What negative challenges will BRICS multilateral agreement likely to affect South Africa's socio-economic development, looking at the strength of all the BRICS countries?

Please explain:

BRIC countries are larger and more powerful than South Africa, and may use their greater weight to drive hard bargains re investment etc. Chinese investment, although welcome, comes with some dubious labour and human rights practices.

4. Skills needed to gain maximum benefits.

What strategies should the government of South Africa develop to gain maximum benefits through BRICS membership?

Please be specific: Working out what interests its shares with other BRICS countries, and where the interests diverge, and being prepared for differences of opinion within a common framework

5. Public knowledge about BRICS.

In your own opinion, has the government of South Africa educated the public about BRICS?

Please explain: NO, but then the wider public is generally pretty ignorant and uninterested in global affairs.

6. Continental exploration of South Africa: Geo-Political location.

Members of BRICS are at different levels of development. Assess what benefits that will accrue Brazil, Russia, India and China through BRICS multilateral agreement with South Africa to enter the African market?

Please explain: May be access to countries in SACU and SADC?

7. Commentators rate South Africa as the most powerful nation on the African continent. Do you agree?

Depends what you mean. SA a declining military power. Economically remains powerful relative to most of Africa, but Angola and Nigeria set to overtake. Economic prospects in SA very dubious.

8. What should South Africa do to attract investors?

Aim for predictability in policy whatever the policy is. Cut red tape and speed government decision making.

9. South Africa has been accused of harbouring hegemonic tendencies in the continent, through its foreign policy. What is the view of the continent's economic giants such as Nigeria towards South Africa's current ventures?

Please comment:

These accusations have relapsed since Mbeki displaced. Zuma policy much lower profile. SA has learnt in Ivory Coast that West Africa is Nigerian back yard.

10. At a recent G20 summit in Mexico on 19th June 2012, South Africa pledged US$ 2 billion to the IMF (joining its BRICS partners) to help the Eurozone countries. Was that action on its part appropriate, given the high unemployment rate in South Africa?

Please comment:

Yes. (i) if you join a club, you expect to pay the membership fees. (ii) the money was not given to the G20, it was a loan. Anyway, SA government cannot manage to actually spend its budget as it is.

11. Jim O'Neil (Chairman of Goldman Sachs Asset Management) came up with the BRIC acronym and he believes that South Africa does not cut out to be a member of the bloc due to the country's unstable economy and its tiny population compared to its multilateral partners. Does South Africa really deserve to be part of BRICS looking at the strength of Brazil, Russia, India and China?

Not on objective indicators such as size of population and economy etc. But BRICS needed an African country and SA the logical choice.

12. The next BRICS summit is scheduled to be hosted by South Africa. What do you think will be the main focus of the summit, looking at the country's degrading economy, high unemployment rate and the Africa market in general?

Please explain: Coping with the global downturn. Mutual investment.

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5.9.2. INTERVIEW WITH: FRANCIS KORNEGAY

A. The purpose of this interview is to gather data on the potential benefits and constraints to South Africa as a result of joining BRICS. Your responses will be highly appreciated.

B. **Interview questions**

1. Knowledge about BRICS multilateral agreement.

As an informed person please indicate bi/multilateral agreements that South Africa has entered into in the last five years, comment on what benefits South Africa will experience as a result of these agreements?

SA has entered into numerous bilateral and multilateral agreements during this period.

2. BRICS socio-economic benefits.

South Africa has recently become a member of BRICS. What socio-economic benefits will South Africa gain by its membership to BRICS?

Please illustrate:

Again, given the amount of reporting, commentary and analysis that has been done on BRICS, this is research that you should be conducting before interviewing someone like me wherein you could come up with questions based on what you have found. Further, whether SA has benefited or not is a contested issue so you need to do some googling.

3. Constraints that BRICS may impact on the socio-economic development of South Africa.

What negative challenges will BRICS multilateral agreement likely to affect South Africa's socio-economic development, looking at the strength of all the BRICS countries?

Perhaps the biggest challenge has to do with their competition with SA in the larger African continental market. There are no multilateral agreements under BRICS that directly relates to SA socio-economic development. Here you have to look at individual economic relations between SA and other BRICS.

4. Skills needed to gain maximum benefits.

What strategies should the government of South Africa develop to gain maximum benefits through BRICS membership?

Main strategy has to do with SA getting its domestic governance institutional architecture in order and in developing a coherent foreign policy and economic diplomacy while leveraging its BRICS membership to strengthen its diplomacy in Africa.

5. Public knowledge about BRICS.

In your own opinion, has the government of South Africa educated the public about BRICS?

Perhaps not as the government was in so much of a rush to become a BRICS member that a thorough reflection and thinking through of joining BRICS was not widely debated and discussed but there has been a lively debate going on in the press, enough for the public to become aware of BRICS and issues surrounding it.

6. Continental exploration of South Africa: Geo-Political location.

Members of BRICS are at different levels of development. Assess what benefits that will accrue Brazil, Russia, India and China through BRICS multilateral agreement with South Africa to enter the African market?

Please explain:

Again, you need to do your own research on this

6. Commentators rate South Africa as the most powerful nation on the African continent. Do you agree?

Yes

7. What should South Africa do to attract investors?

This is widely debated. You need to read Business Day and bone up on this issue.

8. South Africa has been accused of harbouring hegemonic tendencies in the continent, through its foreign policy. What is the view of the continent's economic giants such as Nigeria towards South Africa's current ventures?

Please comment:

Ambivalent. Research some of the commentaries of Dianna Games in Business Day

9. At a recent G20 summit in Mexico on 19th June 2012, South Africa pledged US$ 2 billion to the IMF to help the Eurozone countries. Was that action on its part appropriate, given the high unemployment rate in South Africa?

Please comment:

This is debateable but it was part of BRICS-wide initiative to do this.

10. Jim O'Neil (Chairman of Goldman Sachs Asset Management) came up with the BRIC acronym and he believes that South Africa does not cut out to be a member of the bloc due to the country's unstable economy and its tiny population compared to its multilateral partners. Does South Africa really deserve to be part of BRICS looking at the strength of Brazil, Russia, India and China?

Whether it deserves to be or not, it is Africa's largest economy and it is strategically located astride the southern sea lanes and politically Africa had to be represented.

11. The next BRICS summit is scheduled to be hosted by South Africa. What do you think will be the main focus of the summit, looking at the country's degrading economy, high unemployment rate and the Africa market in general?

The main focus will be on joint BRICS strategies with some attention to how BRICS should benefit Africa and developing countries.

BRICS MEMBER STATES LOCATION



APPENDIX 1

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