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Mzukisi Qobo

University of Pretoria, mzukisi.qobo@gmail.com

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Abstract

It is widely recognized that BRICS countries will become the main drivers of global growth in the next several decades. This economic power-shift, however, has not yet translated itself into political agenda-setting authority. The lack of congruence between political and economic power in global redistribution of power is the main theme I explore in this paper. In undertaking the critical assessment of the notion of global power redistribution I borrow from theoretical approaches associated with Susan Strange on structural (and agenda-setting) power and Joseph Nye on 'soft' and 'smart' power. This paper deals in particular with two questions. The first concerns the extent to which the global power-shifts, largely occasioned by the rise of emerging powers, are changing the global landscape of ideas, norms and leadership, especially in global governance institutions such as the G20.

The second dimension that this paper examines is South Africa's place in the world, looking in particular at the country's recent membership to the BRICS Forum, as well as its involvement in various multilateral bodies such as the G20. As such, it is interested in understanding how South Africa perceives its identity and influence in a changing world, as well as how the country is responding to global redistribution that is underway.

Keywords

emerging powers, middle powers, South Africa, global strategy, global governance, global summitry, BRICS, BRIC, Brazil, Russia, India, China, Goldman Sachs, G8, G20, N-11, structural power, international affairs

Cover Page Footnote

Qobo is senior lecturer in the department of political sciences at the University of Pretoria, South Africa. He works on South Africa's Foreign Policy, the BRICS and Global Governance issues.

INTRODUCTION

The past two decades has seen an accelerated shift in global power structures, evident in the spheres of production, trade, and finance. Some of the characteristic features of this development include the relative decline in the power of the US and other traditional powers, as well as in the emergence of a new bloc comprising Brazil, Russia, India, China, and South Africa (BRICS). It is widely recognized that BRICS countries will become the main drivers of global growth in the next several decades.

This economic power-shift, however, does not equate to political or agenda-setting authority. The incongruence between political and economic power in global redistribution is the main theme I explore in this piece. In undertaking the critical assessment of global power redistribution and its consequences I borrow from theoretical approaches associated with Susan Strange on structural (and agenda-setting) power and Joseph Nye on 'soft' and 'smart' power.

This paper deals in particular with two questions. The first concerns the extent to which the global power-shifts, largely occasioned by the rise of emerging powers, are changing the global landscape of ideas, norms and leadership, especially in global governance institutions such as the G20. The term "emerging powers" in this paper refers mainly to Brazil, Russia, India and China, but may also include other major developing countries whose influence on the global political economy is growing.

The second issue in this article is an examination of South Africa's place in the new global order. From this perspective I look at the country's recent membership to the BRICS Forum, as well as its involvement in various multilateral bodies, most particularly the G20. As such, I am interested in understanding how South Africa perceives its identity and influence in a changing world, as well as how the country is responding to the global redistribution of power that is underway and is apt to alter global leadership. As I argue, however, the global order is far from experiencing redistribution of power in a substantive, ideational sense. The ongoing power transition appears to be causing the leading powers to take action to preserve the core of existing norms and stabilize rather than overhaul the system.

BRIC ORIGINS AND GLOBAL POWER SHIFTS

There are two developments that have come to shape much of academic and policy discussion regarding BRICs. One was a research undertaken by the Goldman Sachs team under the leadership of its then Chief Economist Jim O'Neill that sought to map the merging terrain of rising powers, and its effect

on wealth redistribution across the world. This work suggested that countries such as Brazil, Russia, India and China (BRIC) were on an upward trajectory in the global economy based on indicators mainly to do with growth rates and demographics (Goldman Sachs 2003). The Report also pointed to corresponding slow growth rates for advanced industrial countries such as the US, Japan, Germany, the United Kingdom, Canada, France, and Italy.

Accordingly, the Goldman Sachs research team detailed a story of a global economy whose weight was shifting in favor of emerging economies, and implicitly counseled would-be investors to become cognizant of this new reality. While arbitrary in its grouping of these disparate countries together, given their institutional diversities and points of tensions amongst each other, the Goldman Sachs research underlined the growing economic influence of countries that over two decades ago were not taken very seriously and were situated on the margins of political power in the global system.

Goldman Sachs' extensive work constituted the first research to chronicle the shifts in the structure of global economy. While not the first and the only report to have prognosticated about the rise of emerging powers and the declined of advanced industrial economies, it was the first to offer a detailed account of the contours of these shifts. It coined the designation "BRIC," which later gained currency in policy debates about global transformations. What is significant about the Goldman Sachs research is that it explained the objective reality of the relative distribution of economic weight and set an inventory of variables to define this shift in the global system.

The second strand of discourse on the BRICs can be regarded as socially constructed and facilitated by diplomatic arrangements amongst the various countries that were under the spotlight of the Goldman Sachs Report. These countries used the Report as a vehicle to launch a counter-bloc to the G7 group of countries made up of the United States, the United Kingdom, France, Germany, Japan, Italy, and Canada; additionally, the Report was used to reinforce their position in asserting a claim in helping to define a new global order, post global financial crisis. The BRIC bloc launched at a Summit hosted by Russia in Yekaterinburg in 2009. While not explicitly making a reference to the Goldman Sachs designation, the BRIC countries saw this as auspicious and used the opportunity to make a political statement echoing their economic rise. For Russia, in particular, it would seem the BRIC Forum played a setting for buttressing its re-emergence on the global stage.

The two distinct processes (the Goldman Sachs geo-economic mapping and the diplomatically-driven initiative) have elevated the discourse on BRICs

and drawn the international spotlight towards these emerging powers. They have, in different ways, helped to shape how the rise of emerging powers is conceptualized. In one sense, the BRIC members are seen very narrowly as the presumed future engines of growth for the global economy. There seems to be an inevitability about their rise given that the recent economic growth rates and their growing and urbanizing population — the classic setting for sustained economic growth — and the increase in domestic savings that fuels it. In a different sense, this ascent brings up questions about the possibilities of civilizational transformation or, at least, a different intellectual and normative discourse in global governance processes.

Moreover, the BRIC Forum is subject to nebulous political criteria and any middle-income country that can lobby effectively, as South Africa did, could accede to membership; whereas, on the other hand, the Goldman Sachs' BRIC is based on a set of criteria that include the size of the economy, economic growth, potential as source of new global demand, and incomes and demographics. Furthermore, the BRICS Forum can be utilized to advance the interests of a nascent “superpower” – China in this case.

Emerging but Scattered: Uneven Distribution of Power

The BRICS countries do not possess equal weight. Neither do they share similar institutional and political characteristics or possess a common paradigm about the global system. These countries happen to be economies that are fast growing, have regional significance, and are asserting themselves in multilateral organizations. Although they lead the pack, BRICS are certainly not the only countries on the rise.

Two years after the publication of ‘Dreaming with the BRICs’, Goldman Sachs issued another paper to map a different tier of countries that could also be regarded as on the rise. Titled the Next-11 (N-11), this report, issued in December 2005, focused on a group of countries that could become future growth poles based on their demographic strength. According to the Report, ‘Nigeria and Indonesia have the scale to be important if they can deliver sustained growth’ (Goldman Sachs, 2005:2).

Apart from Nigeria and Indonesia, other countries that are part of this N-11 designation are: Vietnam, South Korea, Mexico, Egypt, Bangladesh, Iran, Pakistan, and Philippines. These countries represent a mixture of democracies, authoritarian regimes, and hybrid regimes. The report highlights trends considered to be crucial in propelling these countries, including technology, energy, urbanization, infrastructure, and human capital. What this report, and many others that have preceded or followed it, shows is the

diffused nature of power: there are no clear-cut boundaries of leadership distribution.

George Magnus illustrates the difference in economic weight amongst emerging powers through a pyramid representation. At the top of the emerging power pyramid sits China. The second layer is made up of India, Brazil and Russia. The third layer comprises Singapore, Hong Kong, Taiwan, and the Republic Korea. The fourth layer, countries on the rise, includes Argentina, Poland, Turkey, Indonesia, Thailand, Malaysia, and Vietnam. Occupying the base of the pyramid is Saudi Arabia, Iran, Mexico and other OPEC members (Magnus, 2011:5-6).

Even if we exclude the ‘Asian Tigers’ such as Singapore, Hong Kong, Taiwan and Korea – who arguably have reached living standards that mark them as developed - and focus only on the new generation of emerging powers, it wouldn’t seem that the new generation of emerging powers likely will constitute a hegemonic bloc with fundamentally different normative and intellectual commitments from the advanced industrial countries.

This then brings us to the core question of global power transition. While it is by most accounts evident that economic power is shifting from the West to emerging economies, this is not so evident with respect to political or agenda-setting power. The conceptual distinction between these two forms of power (economic and political/agenda-setting), is important if we are to grapple with, and appreciate, the nature of global change and how different forms of power are being redistributed. In the next section I discuss analytic frameworks for understanding power.

THE MEANING OF POWER IN CONTEMPORARY GLOBAL POLITICAL ECONOMY

There are many ways to view power and its expression in the global political economy. Two overlapping, if not complementary, perspectives are offered by Susan Strange (1988) and Joseph Nye Jr. (2011). Strange’s heuristic device is employed in this paper to analyze the extent of power shifts between the so-called emerging powers, as expressed in the rise of the economic weight of the BRICS countries.

For Joseph Nye (2011), the concept of power is complex, and cannot be measured merely in terms capabilities or outcomes. Countries that are best endowed with resources, as Nye (2011:8) observes, do not always get the outcomes they are looking for. In his view, defining power requires understanding its boundaries, especially with respect to *the scope of power* as well as its *domain* (Nye, 2011: 6). What this suggests is that power is not

unlimited or without constraints. Countries exercising power may also have their remit limited to a certain group of countries or issues.

In the context of global governance and the G20 processes in particular, both established and emerging powers may find it difficult to influence decision-making on a range of policies, but the underlying agenda still reflects the values and interests of developed countries. Determining and shaping the structures of the 'world's political economy' lie at the core of Susan Strange's conception of 'structural power'. This notion of power is distinct from the classic 'realist' relational power. In this conception of power, actor A can exert its influence over actor B by inducing the latter to do what it would not otherwise do (Strange, 1988:24-25).

Strange's structural power entails the interplay of four dimensions: security, production, finance, and knowledge. As she put it: "Structural power, ... is the power to shape and determine the structures of the global political economy within which other states, their political institutions, their economic enterprises and (not least) their scientists and other professional people have to operate" (Strange 1988:24-25).

Structural power is, accordingly, the power to construct the underlying coordinates of the global order and to shape its agenda. It is the foundation for the political architecture of global governance. In the context of this discussion on global power redistribution, it can thus be regarded as the basic framework for the political order: ideas, norms, and institutional identity (part of the fourth dimension of Susan's Strange conceptual framework) that underpin the existing global order.

Defining the structure, choosing the game, and setting the rules these are all elements, according to Strange, that mark structural power. This structure can be only be affected when one or a few actors have a preponderance of other crucial resources such as production, finance, security, and knowledge. Importantly, the key to structural power is how these are utilized to create outcomes. Nye (2011:8) takes this further by arguing that, of more importance is how actors develop well-designed strategies and combine these with skilful leadership to create results (Nye 2011:8).

In the current global order, characterized by the rise of new power actors and the scattering of power, it is not possible to have one actor possessing the monopoly over the elements of structural power. Even as BRICS countries possess impressive economic and increasingly sophisticated military resources – in the case of China – converting these power resources into effective strategies to achieve desired outcomes will not be easy.

THE CHANGING LANDSCAPE OF GLOBAL POLITICAL ECONOMY AND EMERGING POWERS

Although the main point advanced in this article is that there is no substantive redistribution of power away from advanced industrial countries to emerging powers or the BRICS, it is evident that there are in fact shifts in the distribution of economic weight among the major countries. The 2008 global financial crisis, followed by sovereign debt crisis in the Eurozone, underlines what appears to be a waning of economic heft and influence of the Western advanced industrial powers, in particular that of the G7. It is not certain that there will be a seamless diffusion of (ideational) power towards the BRICS. The BRICS bloc have not cultivated what Nye (2011:84) refers to as soft-power, and which is built around three basic resources: the attractiveness of culture, consistency of political values at home and abroad, and moral authority of their foreign policy.

What we seem to be witnessing in the wake of the global financial crisis is an emerging vacuum in the existing global order. What holds the global political structure together is no longer hegemony, especially as the US appears to shift inwards and is less disposed to extending its authority abroad. This lack of leadership anchorage has led some commentators to predict the emergence of zero-sum thinking in the world; this perspective is quite different from the one that accompanies an undisputed hegemony and is characterized by slowing economic growth, growing rivalry between the United States and rising powers, and the clash of national interests on a range of global policy issues (Rachman 2011:202 – Kupchan and Ian Bremmer).

In the post-World War II period, marked by US hegemony and the creation of a welter of international institutions – under the Bretton Woods system – including the International Monetary Fund, the World Bank, and the General Agreement on Trade and Tariffs (GATT), it was easier to evaluate the constitution of the world system. ‘Hegemonic Stability Theory’ was a dominant conceptual lens that explained inter-state relations and underlying power structures. In the post-1990 global political economy, hegemonic stability thesis has lost its analytic weight.

According to ‘hegemonic stability theory’, the international system requires the anchorage of a powerful country to hold it together and underwrite its costs. For Charles Kindleberger (1973), it is a system conceived of as the world economy that is in need of such a stabilizer; Robert Keohane (1984) posited the international regime; and Robert Gilpin (1987) limited the requirements of the hegemon to a particular form of the international system – the international liberal order (Gilpin 1987). Gilpin makes a distinction

between the world system in its general expression and the one whose core feature is liberal internationalism, arguing that it is the latter that requires a hegemon (Gilpin 1987:72). While Keohane also alludes to the importance of the stabilizing role of the hegemony, he does not see this as 'a sufficient condition for the emergence of cooperative relationships' (Keohane 1984:31).

The economic weight of the BRICS does not guarantee them political or ideational influence. Following Nye (2011), the BRICS countries have not fashioned a normative and intellectual framework that could provide the basis for a new global governance mechanism. Furthermore, it is unclear whether the emerging powers are ready to assume a role at the head of civilizational transformation or, more modestly, to lead the global institutions created by the West. It is also unclear whether they have the capacity to construct a new framework of global governance that bequeaths humanity with better standards and outcomes, which fundamentally improves the existing Western paradigm, affirms human dignity, and allows for full expression of liberty.

The BRICS lack the legitimacy and social purpose that is required to create a framework of global governance forged on the basis of common interests and shared values. This weakness makes it difficult to complete redistribution of power from the G7 to the BRICS. According to John Ikenberry and Andrew Kupchan (1990:86-87), 'Acquiescence is the result of the socialization of leaders in secondary nations. Elites in secondary nations buy into and internalize the norms that are articulated by the hegemon and therefore pursue policies consistent with the hegemon's notion of international order.' However, Ikenberry and Kupchan differentiate between influence that is achieved through manipulation of material incentives (threat of punishment or promise of rewards) and influence gained by altering the substantive beliefs of leaders of other nations, a process achieved through transmission of norms into the international order (Ikenberry and Kupchan 1990: 285-286).

There is no sign yet that the BRICS, individually or collectively, embody the idea of a hegemon that socializes others into its norms and values. It is only in respect to other developing countries, especially African countries, that the BRICS — in particular China — can extend their influence through the use of the hard-power (material incentives) of development aid and investments. Even in such cases, there is a deliberate avoidance of influence, with relations limited to commercial transactions.

It worth stressing that the political character of BRICS countries such as China and Russia lacks the power of attraction. These countries cannot export values they do not possess. They will pass on to the global order what is already ingrained in their domestic polity – authoritarianism – should they

export any values at all. Even their institutional constructs suggest a yearning for Western modernity and appear designed to catch up with the West. The following section looks at the relationship between emerging powers and the global governance political order, in particular the G20 Leaders Summit.

EMERGING POWERS' RESPONSES TO GLOBAL GOVERNANCE CHALLENGES

The system of global governance today is characterized by a slew of multilateral organizations, largely the creation by the US in the post-War era. This period was characterized by a militarily and economically hegemonic United States. It had a technological lead, which enabled it to enjoy dominance across capital and labor intensive sectors, and it had high-tech pre-eminence in sectors such as pharmaceuticals, aerospace and electronics (Ostry 1997:2-3). This structural dominance was important for placing the US in the lead of the global system, and positioning the United States at the heart of designing the global governance architecture.

The US was at the center of the creation of the World Bank and the International Monetary Fund in 1944; as well as laying out the principles that were to foster post-war recovery – price stability through fixed exchange rates, reducing barriers to international trade, and the integration of markets with indicative government planning. The multilateral system of international economic governance was thus essentially meant to address post-war problems: maintaining stability, avoiding the recurrence of a 1930s-style depression, and sustaining international peace among the great powers.

Several institutions emerged in the 1960s, including initial efforts towards European integration project and routine consultations within the Organisation for Economic Cooperation and Development (OECD), Regular meetings of the finance ministers, central governors, and their deputies under the aegis of the Group of Ten in Paris all helped to solidify a set of ideas that would establish the foundations for today's global governance (Eichengreen 2010:23-24).

The Library Group (meeting in the White House Library) was an informal gathering of leading economies, with the UK, West Germany, the US, France, and Japan as initial members (Marber 2009); its creation played a huge role in both placing the Liberal International ideas that occupied the center-stage and framed global governance and multilateralism through the narrow prism of developed countries' interests. The key objective of this informal group was to define the intellectual discourse to frame global policy making. Over time, and under the leadership of the US and France, this group

evolved to become the G-7, with Canada and Italy joining later (and Russia becoming a member of the political G8 in the late 1990s, but excluded from the Finance convocation).

With the relative decline in US leadership, the rise of newly emerging large market powers such as Brazil, Russia, India and China, and the proliferation of environmental and security threats, the global system today can be said to be in a state of transition and fluidity. The notion of multilateralism that was central to the post-war global governance architecture was very much linked to the liberal internationalism that prevailed in the West at the time and also tied to specific interests of the dominant countries, in particular the US.

The creation of the G20 at the Leaders' Summit in late 2008 in the wake of the global financial crisis was a powerful admission of the need to manage the global economy differently. This laid the basis for serious discussion about reforming global governance, albeit in a direction aimed at stabilizing the system and injecting a dose of regulation. This was a landmark of major shifts in the global order, especially in its decision-making processes. It remains to be seen to what extent this will lead to significant changes in the underlying norms and ideas or institutional mechanism in the future.

One of the major decisions of the Pittsburgh Summit in September 2009 was the restructuring of the G8 and the G20, with the former assigned a role as a forum for consultations on political and security issues, while the latter was elevated into a premier forum for managing the global economy. In reality though, the G8 (or more appropriately, the G7) defines much of the G20 ideational agenda. Made up of advanced industrial countries — the US, the UK, Germany, France, Italy, Canada and Japan — the G7 established a consensual normative platform for managing the international economic order along Liberal Internationalist values.

Beyond its perpetuation of Liberal Internationalism, what also defines the G20 is the space it has created for plurality of actors and views, and experimenting with an inclusive global economic governance framework. The G20 Leaders Summit is also an institution that is making its mark when the credibility and legitimacy of institutions such as the World Bank and the IMF are under question. If Rachman (2010) is correct in his observation that the global system in the future will be driven by a zero-sum mind-set, it could be expected that instead of creating an improved replacement to the existing world order that remains anchored in the US and the G7, the G20 could become a forum characterized by tensions over national interests.

Although the G20 is an expression of the emerging reality of global interdependence and the proliferation of new actors with economic influence, in another sense it is a crisis stabilizing mechanism. In this way, it acts as a framework for mediating tensions over the appropriate terms of managing global economic governance and the parameters of global financial regulation post-crisis. The G20 is, on the surface, concerned with creating a framework for mediating competing interests amongst different state actors and to facilitate deliberations over a set of issues that may have far-reaching implications for a critical number of countries (Higgot 2005:4).

According to Andrew Cooper (2010:741-757), at a basic level the G20 can be characterized as a crisis management committee that seeks to regulate the global economy, in particular setting a broad framework for:

- regulating the behavior of financial markets;
- encouraging stronger risk management instruments;
- stimulating growth and sustaining demand in the global economy;
- proposing solutions to global imbalances; and
- intensifying international cooperation, especially with respect to global macro-economic coordination.

The G20 may only be able to offer, however, minimalist and flexible regulatory governance, as governments are likely to resist any notion of transferring power to ‘an insulated global technocracy’ (Rodrik 2011:208-209).

Beyond the set of objectives highlighted above, and which appears in various G20 communiqué, there is a strong global economic governance thread, providing greater voice and representation to developing countries in the IMF and the World Bank. Since its establishment, the G20 has indeed pushed for debate or consensus on some major policy decisions, mostly to do with stabilizing the global economy in response to the effects of the crisis. These relate to cooling the effects of the crisis and stabilizing the global financial markets through a decision to replenish IMF resources with the goal of oiling global economic activities, easing credit markets, and stimulating demand.

In 2009, for example, the G20 agreed to triple IMF resources to USD750bn to support new Special Drawing Rights at USD250bn, with another USD250bn allocated towards trade finance, and USD100bn directed towards support for conditional lending by multilateral development banks. Furthermore, it agreed on the use of additional resources from IMF gold sales

to be harvested towards concessional finance for poor countries. These were mostly stabilizing measures, with the intention of igniting economic activity and restoring confidence in the global economy.

The second area of policy deliberation has had to do with reforms aimed at increasing the quota of emerging economies in the IMF so that they can have more voice in decision-making. It was in 2008 that the IMF Executive Board agreed to a package of reforms aimed at putting in place a regime on a new quota formula that would ensure an increase of developing countries quotas in the IMF. The third, which presents itself as an afterthought, is a developmental agenda.

As the Board put it, the reform package would ‘realign quota and voting shares of countries with their relative weight and role in the global economy, and thus the participation and voice of emerging and low income countries in the IMF’ (IMF 2008). Indeed, in March 2010 the G20 Finance Ministers and Central Bankers Meeting confirmed the decision to shift about 6 percent of the voting shares to major developing countries. This approach to reform only touches lightly on voting share revisions and does not go nearly deep enough in tackling acute asymmetries in decision-making processes. There is still poor representation of developing countries, and even the latest quota increases will favor mainly large emerging market economies such as Brazil, India and China. Reforms on the development agenda are discussed under the section looking at South Africa’s approach to the G20.

The rise of emerging powers as I have already argued does not suggest a complete process of power redistribution. There remain significant power asymmetries between the developing and the developed world in various multilateral processes. No doubt, the global financial crisis in 2007/8 provided some impetus to the process of global redistribution of decision-making especially on global economic issues, with the G20 conferred a status of premier decision-making body on such issues.

SOUTH AFRICA’S APPROACH TO POWER REDISTRIBUTION: FOREIGN POLICY THRUST

Since 1994, South Africa has defined its global integration as being aimed at benefitting the African continent and building the bridge between the developed North and the developing South. This core trait of South Africa’s foreign policy has manifested itself strongly in the country’s involvement in the multilateral setting, in particular in the context of the World Trade Organization (WTO) and more recently in the G20. In these settings, South

Africa has actively championed Africa's interests as well as those of the broader developing world.

In its early years of transition from apartheid and in its integration into the global system, South Africa was always regarded as a country that punches above its weight on global affairs, and does not hesitate in playing an active role in regional and global politics. Soon after its first democratic elections, the country appropriated an image as a regional leader in the African continent. South Africa is no doubt the most respected country in the African continent, both politically and economically.

But what exactly are South Africa's objectives in the global system, and how should its identity properly be defined? Since its formal break with apartheid in 1994, South Africa has since been constantly defining its identity and place in the world. One of the pressing challenges for South Africa in the early phases of democracy was to burnish its image as a responsible international actor and a champion of multilateralism.

This multilateralist image was accompanied by an active foreign policy agenda that included various leadership roles in regional institutions such as the Southern African Development Community (SADC) and the Organisation of African Unity (OAU), with South Africa as one of the prime movers in the transformation of this entity to an African Union (AU). The country also played a central role in defining ideas about Africa's economic development, and these were packed in what became known as the New Economic Partnership for Africa's Development (NEPAD).

The formation of NEPAD, credited to President Thabo Mbeki's leadership, was the clearest expression of South Africa's urge to play a leadership role in its region, albeit in a less overbearing manner, and sometimes with signs of timidity. This approach later crystallized in what in South Africa's foreign policy machinery called the African Agenda. This Agenda essentially articulates South Africa's key commitments in the African continent: conflict resolution, peace-building, post-conflict reconstruction, and deepening bilateral political and economic relations.

Beyond the African region, South Africa has been very active in the multilateral trade negotiations, emerging as one of the countries that were instrumental in championing the launch of the WTO Doha Round in November 2001, and in asserting the need for stronger development content in the negotiations. In the run up to the launch of the Doha Round, South African government officials held several consultations with major developing countries such as Egypt, India and Brazil; as well as with SADC Ministers of trade in an attempt to evolve a common position towards the WTO

negotiations. South Africa firmly supported the launch of the negotiations throughout, believing that multilateralism, pursued through a strengthened and rules-based WTO mechanism is ‘...an appropriate institutional policy response to globalization,’ and that developing countries’ interests can be fully addressed through this instrument (Department of Trade and Industry, 2000).

Apart from multilateral trade negotiations, there are other multilateral processes such as the World Intellectual Property Organization (WIPO) and the G20 Leaders’ Summit. As part of the G20, South Africa is the only African country and has been active as part of the Development Working Group and as a co-Chair with Australia of its Reform Working Group. South Africa was also the only African country to participate in serious North-South dialogues such as the G8+5 and the Hellingendam process, which was initiated in 2007 as part of the OECD-enhanced engagement, and aimed at building bridges between key influential countries from the South and OECD countries around themes such as investment, governance and development. In addition to South Africa, this process included Brazil, India, China, and Indonesia – countries the developed North regarded as potential members of the OECD.

This activism, which some have characterized as a pursuit of a ‘reformist agenda (Nel, Phillip *et.al.* 2001), tells us very little of what South Africa seeks to achieve in the global order. In explaining South Africa’s positioning in the WTO, some commentators have also argued that South Africa could be characterized as a middle power (Andrew Cooper F, 1997:6; Nossal Richard K and Richard Stubbs, 1997:149; van der Westhuizen Janis, 1998:435-455).

Recently, the South African government has sought to recast its foreign policy approach more in line with its perception of how power is being redistributed globally, and the need to maximize its position to achieve one of its core foreign policy goals – to shape the global governance agenda. South Africa’s new White Paper on Foreign Policy, dubbed ‘The Diplomacy of Ubuntu,’ stresses South-South cooperation, with the membership of the BRICS Forum as a cornerstone to drive South-South agenda.

The White Paper observes that, ‘The shifts in the balance of power in the international system continued with the rapidly closing capability gap between developed countries and emerging powers create opportunities for South Africa’ (White Paper on South Africa’s Foreign Policy 2011:18). The White Paper also underlines the need for South Africa to ride this wave of emerging powers in order to shape the new global order. In delivering his

speech on South Africa's foreign policy at the University of Pretoria (13 October 2011), President Jacob Zuma pointed out that:

South Africa uses its membership of BRICS as a strategic opportunity to advance the interests of Africa in global issues such as the reform of global governance, the work of the G20, international trade, development, energy and climate change. In the G20 we will continue to advance the development agenda of Africa and the South through the G20 Development Working Group.

While South Africa's foreign policy retains much of its African-orientation, it increasingly views the possibilities for influencing the global order as lying with the BRICS countries, and membership to this forum as seen as critical to achieving such an objective and combining it with championing Africa's development. This is based on the misreading of what is possible to achieve via a disparate group such as the BRICS Forum, with no clearly articulated norms that are shared by all members; as well as over-estimating possibilities to advance global governance restructuring through the G20.

South Africa was one of the only seven developing countries to participate in the inaugural meeting of the G20. It is one of the nine non-OECD countries that are part of the G20. The others are Brazil, Russia, India, China, Indonesia, Saudi Arabia, Argentina, and Turkey. These countries participate alongside OECD countries such as the US, UK, Mexico, Italy, Japan, Korea, Germany, France, Canada, and Australia. Given the crisis origins of the G20, much of its effort is aimed primarily at stabilizing the global economy in order to create a strong basis for sustained growth.

It is only recently that the G20 has had a dedicated focus on development issues. Much of the G20's agenda is dominated by the interests of major economies, both advanced and large emerging market countries, in a post-crisis mop up exercise. In its Summit held in Seoul in November 2010, the G20 issued a 'Development Consensus for Shared Growth,' and set out to put 'jobs at the heart of the recovery, to provide social protection, decent work, and ensure accelerated growth of low income countries' (G20 Leaders Summit 2010).

More specifically, a 'Multi-year Action Plan on Development' was agreed on. This Plan has nine pillars:

- infrastructure, with an emphasis on improving energy, transport, communication, water and regional infrastructure so as to unlock growth;

- human resource development, focusing on aspects related to skills for employment as well as identifying constraints in the education system;
- enhancing trade capacity building and access to markets, with aid for trade and duty-free, quota-free market access for low income countries as dominant features;
- supporting value-adding private investment and job creation;
- food security, with increased investment and financial support for agriculture development;
- promoting growth with resilience, mainly stressing social protection systems;
- ensuring financial inclusion, with the small and medium enterprises as a key sector of focus;
- strengthening tax and fiscal policies, including enhanced transparency and accountability of public and government institutions; and
- knowledge-sharing.

Much of this work depends heavily on action by other multilateral institutions, for example in the case of aid for trade and market access issues, are identified with the WTO agenda. Progress on implementation of some of these nine focal points also depends on the quality of cooperation between various multilateral institutions such as the World Bank, the regional banks, the OECD, and the International Labour Organization. Most of these are actually old commitments in re-stated fashion, and already part of bilateral development cooperation agenda of major economies.

The broad generalities of these aspirations also render it impossible to have measurable and concrete outcomes any time sooner. Perhaps an important area that could yet yield some positive outcome is within infrastructure development, which has a High Level Panel of experts already established. However, the main task of the Panel is that of reviewing work to be done by multilateral development banks and commenting on policy frameworks and action plans. Nonetheless, as a developing country member of the G20 and a co-Chair with France and Korea of the Development Working Group, South Africa has played an important role in shaping this development framework, although there is no evidence that it really leads this effort.

The work of the G20 is still fairly new and limits the space for thorough assessment of South Africa's overall contribution in this multilateral institution. Although South Africa has sought to play a positive role in designing the architecture of global economic governance South Africa is not

always good at pursuing its own distinct national interest. Its default position is always that of burnishing its multilateralist commitments.

It will likely take some time before the shift in the geo-economics of power from the G7 to large emerging powers translates into ideational or agenda-setting power. This will be a function of contestation over norms that should underpin global governance as well as a compromise framework for mediating conflicting interests. South Africa's membership in the BRICS Forum may fail to yield the expected outcomes – to shape the global order and champion Africa's development agenda. Instead, South Africa could find itself constrained by the more powerful newly emerging powers such as China, who may use the forum to bolster its own legitimacy and weight in global affairs.

It was China that supported South Africa's bid to become a member of the BRICS, possibly to supplant the India, Brazil and South Africa (IBSA) Forum, bringing together three large democracies from the developing world, and from which it was excluded. IBSA was, on the account of its normative commitment, gaining legitimacy on questions related to global governance, especially as they pertain to the reform of the United Nations Security Council. All three countries of IBSA fail to be permanent, veto-wielding, members of the Security Council. The BRICS, on the other hand, have China and Russia who may likely defend the prevailing *status quo* in the UN Security Council as they are permanent members already. As such, there is normative congruence in IBSA that is lacking in the BRICS Forum. South Africa was finally accepted as a member during the third BRICS Summit held in the town of Sanya, China in April 2011.

CONCLUSION

The core argument advanced in this paper is that there is a discernible shift of power from the advanced industrial economies represented by the G7 to a new layer often expressed as BRICS, but this shift does not entail deep transformation in the content of power and its uses. It can best be expressed in the imagery of relay runners who pass a baton to each other, without any change in course. Change in the global system does not go beyond the reordering of actors; and it does not suggest substantive shift in the nature of the rules or the qualitative character of some of the dimensions of power. Rather it reflects the utilization of existing power structures to propel individual or groups of actors forward.

Global redistribution for these countries is more about realizing plurality of voices in global governance institutions and being part of stabilizing the global financial and economic order. Their interest is to be

recognized as countries on the rise. Gaining international prestige and deriving economic benefit in the form of investment flows is what motivates their global economic strategies. Even the 'development agenda' pursued through structures such as the WTO, the G20, and the IMF lacks deep conceptual precision, and is high on rhetoric and low on substance.

The growing economic influence of these emerging powers (including non-BRICS ones) does not necessarily translate to the civilizational transformation of the global economy. These countries are not offering counter-narratives to existing power structures. Instead they are being socialized into Liberal Internationalist norms, and with the only change in the discourse being around increasing regulation and global coordination of domestic macro-economic actions in order to avoid any self-serving policy that may generate pain elsewhere in the system.

More than seeking to overhaul the existing template of global governance, emerging powers are seeking greater inclusion and recognition in decision-making processes at the global level. Their idea of global redistribution is limited to voice and representation, and is largely motivated by a desire for greater international prestige and to use the global space to promote national economic objectives.

There is little doubt that the global system is undergoing change, but this is less in the realm of ideas than is in that of economic power. As such the emerging economies are acting more as stabilizers than as catalysts for an alternative global system. This raises the question: what unique institutional and normative contribution are the BRICS countries hoping to bring? The evidence so far is that they are largely content with the *status quo*, and are unlikely to change the global agenda. Having a voice in decision-making – that is, in decorating the house rather than overhauling its foundations – seems sufficient for most of these countries. There are no distinctive values they are proposing.

It needs emphasizing that the BRICS countries are a 'motley crew.' These powers do not necessarily have consensus on norms. Understanding domestic level dynamics may offer insights into the kind of standpoints these countries may assume in global governance deliberations in the future. Given South Africa's longstanding commitment to political liberalism, a human rights culture, a liberal business climate and regulatory transparency, it is clear that there are clashes of values with some of the other BRICS countries. There are no easy answers to such tensions. One thing they reveal though is how fluid this power redistribution is that is currently underway.

Second, political thought and tradition at the domestic level in some of the BRICS countries, in particular China and Russia, do not suggest an urge for transformative possibilities in the sense of pushing for the democratization of the market, deepening of democracy, and the empowerment of the individual and civil society.

An important area that requires further probing is with regards to extent to which the new powers will expand the possibilities for redressing economic imbalances between the more developed and the less developed members of the global community, especially African countries, given that emerging powers are no longer strictly-speaking ‘developing’ countries in the sense used in the Cold War or post-colonial eras. Could this further differentiation of the South, occasioned by the emergence of BRICS as an elite group, generate more tensions among developing countries both within regions and between some of the emerging powers and African countries?

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