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SOUTH AFRICAN FOREIGN POLICY AND THE BRICS' BRAZIL SUMMIT

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INTRODUCTION

The Brazil, Russia, India, China and South Africa (BRICS) Heads of State Summit has come to dominate the South African government's foreign policy thinking. This fits with South African foreign policy's broader thrust, particularly south-south relations and the African agenda. Consequently, South Africa's relations with the west have been downplayed, and are likely to become increasingly fractious. However, the BRICS' future is not assured as the world is changing rapidly. Domestic politics are likely to realign in Brazil in the wake of the World Cup. And the election of Narendra Modi in India at the head of a decisive parliamentary majority raises longer term questions about India's alignment in BRICS. Consequently, the Fortaleza Summit is likely to be a holding operation, while South Africa's strategic emphasis on the BRICS may increasingly come into question.

SOUTH AFRICA'S FOREIGN POLICY INCLINATIONS

During its time in exile, which spanned three decades, the African National Congress (ANC) managed to cultivate an internationalist outlook and spawned a wide diplomatic network on the African continent and in key countries abroad. In this period, the ANC prided itself on its

internationalism and solidarity with other former colonies or 'Third World' revolutionary movements. African-orientation and south-south relations consequently became the two most important drivers of South Africa's foreign policy under the ANC government.

The Department of International Relations and Cooperation (DIRCO) considers that South Africa's global profile in the future is dependent on the country being accepted by other African leaders and recognised as a major player in continental and global affairs. This dynamic plays out in South Africa's participation in many multilateral forums. In South Africa's view, continued emphasis on Africa's development interests, and inviting key African countries and institutions to BRICS meetings, would help to lend it a more positive image and give it some leverage on the continent. Being seen as a gateway to the African continent is important for the South African government, as this is a mark of recognition of its 'leading' role on the continent.

However, pursuit of recognition and significance on the African continent potentially inhibits South Africa's clear assertion of its own interests. Although South Africa claims to champion Africa's interests, its Africa strategy is not distinctively and coherently laid out apart from broad themes of economic development and poverty reduction, promoting regional integration, and facilitating infrastructure

development. There are no clear indicators of success in pursuing these grand objectives, nor is there any clear linkage to South Africa's core economic interests.

Furthermore, South Africa's 'leading' role on the continent is assumed more than it is real. Other key countries in the region do not necessarily regard South Africa as a leader nor do they view it as championing their interests in multilateral fora. This is the case with countries such as Botswana within the Southern African sub-region, which tends to contradict South Africa's positions; or Nigeria, which sees itself as a continental leader in its own right, now buoyed by its newly acquired status of becoming the leading economy in Africa; and Kenya, which South Africa is yet to develop meaningful relations with at a high political level.

South Africa's domestic economic weaknesses also contribute to its waning aura in the region. It is increasingly seen as an ordinary country that does not have much of a moral or economic claim to exercising leadership on the continent. In a sense, South Africa has weak hold on the continent, and has had to negotiate and carefully navigate relationships in order to exercise some influence.

Nonetheless, South Africa's interdependence with other countries from the 'south' is supposed to be managed in a way that shows sensitivity to its partners on the African continent. As such, the African Agenda – or deepening relations with other African countries – would have primacy in South Africa's foreign policy pursuits; south–south co-operation is meant to amplify this and project Africa onto the global stage in a manner consistent with South Africa's own interests.

There is a view within South Africa that beyond just working together with the emerging powers of the BRICS and other south–south forums, for purposes of 'solidarity' amongst like-minded countries, such co-operation is necessary in view of the declining power of the west in global affairs, and will help offer a critical layer in the growing leadership vacuum in the world. South Africa is content with being seen as both an emerging economy and part of the global south, with the latter identity enjoying primacy. The old ideological frameworks of north versus south, associated with the Bandung spirit and the struggles against colonialism and imperialism, remain deeply etched in the thinking of the older diplomats and politicians in the

governing party. Condemning the west and participating in summitry with other developing countries are repertoires that fit with this ideological orientation.

There is, on the other hand, a realisation of the importance of economics or commerce as an important pillar of foreign policy in the 21st Century, and this reality transcends north–south designations. There are also signs in various pronouncements by leading ANC politicians that South Africa would be keen to deepen commercial relations with its BRICS partners, something that is attested to by South Africa's activism in the BRICS Business Council.

Although South Africa still maintains sound diplomatic relations with western countries – particularly the US, Britain, and broadly the European Union – it would seem that it maintains these grudgingly, if not for pragmatic reasons, since they are still important from an economic or investment point of view. It is critical to recall that the US under President Reagan, and the UK under Prime Minister Thatcher, did not support the global call to isolate Apartheid South Africa economically through sanctions and disinvestment – largely because they considered the ANC to be a communist front at a time when the Cold War was building to its climax. The US, UK, and Germany in particular are deeply entrenched in South Africa's economy and social fabric, affording them some political leverage. However, their diplomats here recognise that politically the BRICS is the main arena for South African action, and that they will play second fiddle for the foreseeable future.

Finally, multilateralism is seen as the best possible safeguard against dominance of international relations by major powers. The cardinal principle of multilateralism as a rules-based framework finds easy acceptance in South Africa's socio-political milieu, notably its liberal constitutional arrangement. South Africa's multilateralist commitment draws on the country's predisposition to the normative ideals of fairness, justice, and human rights. These were guiding values in the ANC's struggle against Apartheid. In addition, the foreign policy image that South Africa has sought to cultivate since 1994 is that of a bridge-builder or reconciler of competing interests. This plays to its status, perceived and real, as the political gateway into Africa. But when it comes to forging alliances in key multilateral arenas, the South African government tends to gravitate towards its African and Southern partners, sometimes in spite of diverging interests.

ISSUES LIKELY TO FEATURE IN BRAZIL 2014

South Africa has enthusiastically embraced its membership of the BRICS forum to enhance its influence in global affairs and as a means to facilitate African growth and development given the growing economic engagements with other BRICS countries. In the Durban Summit South Africa set out three objectives for its role in the BRICS – and these are unlikely to have changed: advancing national interests; using the BRICS to promote regional economic integration and related continental infrastructure programmes; and partnering with key players of the South on issues related to global governance and related reforms. These issues will feature in South Africa's positioning with respect to the Brazil Summit.

GLOBAL SECURITY ISSUES

South Africa is unlikely to take hard-core positions. Possibly it would want to add a paragraph on issues affecting peace and security in parts of Africa, in particular Sudan, Mali and Libya. South Africa's positions in this regard will mainly reinforce its messages around the need for peaceful resolution of conflicts.

Regarding global security matters South Africa will want to have a subtle condemnation of the involvement of the west in the internal affairs of other nations. This could apply particularly to the Ukraine issue, since there is substantial domestic support for Russia's position in that crisis. Related to this, and in response to overtures from President Putin to President Zuma, South Africa may support a discussion on financial and other sanctions on Russia. However, given the deep integration of the South African financial system into the western, especially US, financial structure, South Africa's support will likely not extend far since this would be resisted by the private sector, treasury, and the Reserve Bank. Similarly, in light of the intense lobbying by the Vietnamese, were China to propose a discussion on the South and East China Sea disputes, South Africa would probably not extend overt support to the Chinese position. Instead, South Africa is likely to propose multilateral, negotiated solutions to the various impasses. In any case, South African authorities are uncomfortable with involving themselves in disputes in other regions.

Paragraphs on the need for support to the people of Syria to resolve their internal conflict peacefully – as well

as support for the political process in Syria – are likely to feature. Condemnation of western military support to insurgents in Syria is also likely to form part of South Africa's draft language. Finally, there will most likely be a section affirming support for the people of Palestine, and the need for a full recognition of Palestinian statehood.

GLOBAL ECONOMIC GOVERNANCE

Notwithstanding political posturing to the contrary, in the G20 Heads of State Summit the BRICS do not share many common interests on the core agenda. The summit is divided into the finance track, led by finance ministries and central banks; and the Sherpa track, in South Africa's case led by DIRCO with the support of the Presidency. The meat of the G20's agenda really lies in the finance track, and in this track the South African National Treasury and Reserve Bank pursue generally pragmatic approaches. Thus alliances are issue-driven, not partner-driven, and they are just as likely to collaborate with Australia and Canada on bank reforms as with the BRICS. This reflects the fact that South Africa has a very sophisticated and comparatively large financial sector that interacts with these two key government agencies at many levels, and that regulation of this sector is a very serious business. Overall it is too important to be subjected to ideologically or politically driven agendas although these can and do play a role, such as South Africa's participation in the BRICS-led Development Bank. There is more room for pursuing ideological agendas in the Sherpa track, but given its focus on economic matters the scope for this is limited.

Nonetheless, one issue that all G20 members support is the 2010 International Monetary Fund reform proposals, and they most likely share the view that should the US Congress not endorse it by the end of this year then ways must be found to bypass the US. The BRICS are potentially well placed to lead such a process, but it is not clear what form this would take and whether it would be credible. Furthermore, the BRICS will agree on endorsing the G20's evolving development agenda, especially insofar as this involves Africa. But this agenda has yet to acquire any real traction at the global level, so it is not clear that this amounts to much.

In the World Trade Organization (WTO) a significant divergence is emerging between the IBSA (India, Brazil, South Africa) countries and China; Russia's position on the issue is not known to us. This concerns whether the organisation

should countenance negotiating plurilateral agreements amongst small subsets of the entire membership. The IBSA countries resist this idea, but China has recently signaled its desire to sign up for the Trade in Services Agreement (TISA), a potentially major plurilateral agreement focused on liberalising services markets. This position seems to be driven by China's domestic economic reform imperatives in which services liberalisation seems to feature prominently, at least rhetorically.

Furthermore, there is one WTO issue that has the potential to blow up in the face of South Africa's African agenda. Recently South Africa was instrumental in arguing for the Trade Facilitation deal concluded amidst much difficulty in Bali, to be linked back to the Doha Round's single undertaking rather than implemented separately. This position purported to represent an African consensus as agreed at an African Union trade minister's meeting in April 2014, but it is apparent that some, perhaps many, if not most, African countries do not support it. This unfolding episode is indicative of the fact that South Africa's relations with the Africa Group in Geneva have historically been testy owing to substantially diverging interests on a number of issues.

Moreover, India seems to be poised to pursue its own set of domestic economic reforms under the Modi government, which may impact on its positions in the WTO and other global economic governance forums. Brazil, South Africa and Russia do not seem to be ready to embrace further market reforms yet. In the foreseeable future, the potential divergence between them, on the one hand, and China and India on the other, may widen the existing gaps amongst BRICS members when it comes to making commitments in key global economic governance forums.

BRICS INSTITUTIONS

In line with its foreign policy thrust on the Africa Agenda, South Africa will, no doubt, lobby for recognition of Africa as an important geography to benefit from infrastructure development funds to be made available via the BRICS Development Bank. This will be critical for South Africa, which has played the role of champion to the Programme for Infrastructure Development in Africa (PIDA), and chair of the north-south corridor connecting South Africa to the Democratic Republic of the Congo and Tanzania. This will be more so since it lost the bid to play host to the BRICS Development Bank.

Similarly, South African officials endorse the Contingent Credit Line facility, or system of currency swaps in the event of macroeconomic crises, agreed amongst the BRICS at the Durban Summit. However, notwithstanding the fact that this facility is modeled on the Chiang Mai Initiative (CMI), an East Asian arrangement in which China participates, South African officials complain that they have not been able to access the documentation governing the CMI. This apparent lack of transparency has made it difficult for South African officials to properly evaluate how the scheme would work and its attendant implications for the country. Nonetheless, as South Africa's credit ratings seem to be on an inexorable downward slide consequent upon low domestic growth and lack of confidence on the part of financial markets in the Zuma cabinet, this facility may come increasingly to be regarded as an important lifeline.

BRAZIL AND BEYOND: WIDER DYNAMICS

There is a broader set of issues that will have a bearing on the success of the Brazil Summit. First and foremost the host nation, Brazil, seems to be irretrievably distracted. At the top of the list of diversions is the World Cup football; an enormous logistical and diplomatic undertaking which has occupied most of Brazil, including the Foreign Ministry which leads on summit preparations, for the past year, and intensively for the past six months. Second on the list is the fact that Brazilian national elections are due in October, so President Dilma is very focused on her re-election campaign. Furthermore, these two events interact in a manner unique to Brazil: there is a view in Brazil that should Brazil not win the World Cup on home soil then Dilma will not be re-elected. Consequently, the Brazilian government's eye is not on the BRICS ball. Working groups and discussion forums seem not to have acquired much traction in the build up to the summit. This is reflected in the fact that it took a long time to settle the final date for the summit. Related to this, logistical arrangements for the Brazilian government to host its Heads of State counterparts seem to be concocted on the fly, attracting considerable criticism from South African officials. Not to put too fine a point on it, Brazil seems not to have prepared the groundwork for the summit adequately. This raises big questions about how much the summit can really be expected to achieve; in all likelihood it will be a 'holding summit' agreeing to keep the show on the road but not making any major decisions.

The second important dynamic is the recent election of Narendra Modi and his Bharatiya Janata Party (BJP) in India. On the one hand the Modi government has a strong mandate to implement domestic reforms; an issue he campaigned on and seems set to pursue. On the other hand there is a strong faction in his party that views China, especially, with substantial suspicion. After all, it was the BJP government that detonated an atomic bomb in 1998, and then stated that it was aimed at deterring China. It could be that the recent Russia–China rapprochement, in the wake of the Ukrainian saga inter alia, will also bring India into an evolving Eurasian alliance aimed at resisting western incursions. As we argued above, such a development would find favour in key South African foreign policy circles. However, it is just as likely that the Modi government will align itself more closely with Japan – as

Modi himself did when Chief Minister of Gujarat. Indeed, the conservative wing of Prime Minister Abe's Liberal Democratic Party is reportedly very pleased with Modi's election. Should that prove to be the case then it will call into question the foundational glue in the BRICS formation – geopolitics anchored in resisting western prerogatives. Coming on the back of a floundering summit in Brazil that could pose interesting challenges to the BRICS' evolution.

In conclusion, should the Dilma government not be re-elected, and the Modi government pursue a geopolitical course at a tangent to South Africa's foreign policy orientation, then the ANC-led South African government would have to re-evaluate its position in the BRICS. This could be a pivotal year for the BRICS, and South Africa's role within it.

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