

What should be the mission of BRICS in the current global environment?

By Dr Kenneth Creamer, member of Jeannette Schoon ANC Branch (Johannesburg Ward 87)

BRICS is a powerful force in global politics

The BRICS geopolitical grouping – made up of Brazil, Russia, India, China and South Africa – is a powerful bloc of countries working together for their mutual benefit and with the aim of rebalancing economic and political power in the world.

Broadly speaking BRICS countries are from the Global South, with most BRICS countries having for some time been colonised or dominated by Western countries as a result of past Western expansion and colonisation.

BRICS countries represent about 3,2-billion people, over 40% of the world's population. BRICS member countries have a number of programmes for fostering international co-operation. The New Development Bank (NDB), also known as the BRICS Bank, was established to mobilise finance for infrastructure investment in BRICS countries and other emerging market countries.

Through its many initiatives, BRICS seeks to reshape the world's existing international financial architecture and systems of trade and investment so as to strengthen the economic performance of countries in the Global South.

Changing global environment

BRICS has faced certain inevitable challenges as the global environment has changed over the past two decades or so. For example, there was a broad policy consensus as to the benefits of global trade and globalisation at the time when China joined the World Trade Organisation (WTO) in 2001. In more recent years, policies in support of globalisation and global cooperation have been on the decline and nationalism and narrower country-specific policy making has been on the rise – some have described this as a process of “de-globalisation”.

Also, as certain BRICS countries experience changes of their governments, some of these governments display less commitment, and some more commitment, to BRICS and to its programmes.

Furthermore, the world in recent years has experienced major economic shocks such as those arising from the Covid pandemic and those linked to the ongoing war between Russia and the Ukraine.

BRICS must remain true to its original mission

The global environment in which BRICS operates is challenging. An important compass for BRICS in navigating through these ever-changing waters is for BRICS to remain true to its

original mission of promoting mutually beneficial cooperation among its member countries and working to transform the world economic order into one that is fairer and more inclusive.

BRICS countries must not allow themselves to be thrown off course by the rising tides of nationalism, the gales of protectionism, or even the storms of war.

BRICS must remain true to its mission of fostering economic development and a fairer world political and economic system. If it is decided that other countries are to join BRICS, as quite a number of countries have applied to join, then it must be a clear condition of such joining that all member states would have to adhere to the BRICS mission of fostering mutual economic development and building a fairer world political and economic system, rather than for any other geopolitical purposes.

South African President Cyril Ramaphosa has recently explained South Africa's strategic approach on this issue, as follows:

"South Africa has... used its membership of... international forums like the G20 and BRICS... to advance the views and interests of countries in Africa and the rest of the Global South. Throughout, we have been firm on this point: South Africa has not been, and will not be, drawn into a contest between global powers."

Upcoming BRICS Summit in South Africa

South Africa is a relatively open economy, and the economy's openness has increased since the ending of apartheid in 1994. In addition to being a member of the WTO, South Africa has a free trade agreement with the European Union and benefits from the African Growth and Opportunity Act in accessing the United States market.

In as much as South Africa's participation in BRICS is about promoting South-South economic cooperation and reshaping the global economic system, South Africa's entry into BRICS is consistent with the country's commitment to opening trade and investment flows with as many parts of the world as possible and is in line with the vision that South Africa should serve as a gateway for trade and investment in other parts of the African continent.

South Africa currently chairs BRICS and is preparing to host the BRICS Summit in August this year. In the build-up to the BRICS Summit, under the auspices of the South African BRICS Business Council, there has been ongoing engagement with business councils and business chambers of other BRICS member states in order to explore economic opportunities.

Through this process, a number of working groups have been established focusing on such matters as knowledge sharing in agricultural technologies, the boosting of fertilizer production, plans for increased agricultural trade between BRICS countries, as well cooperation on health care, vaccine development, and malaria control and elimination.

These are positive developments, and it will be important that the upcoming BRICS Summit in August should build on these detailed and practical, economic engagements. Such

engagements are the very building blocks through which the vision of increased South-South co-operation will be attained.

Future scenarios for the global economy

Looking more broadly, all plans and joint actions involving South Africa and the BRICS member countries, will take place in the context of a changing world economy and of challenging geopolitics. What view should we take on what the future will look like for the global economy?

Historian Adam Tooze has suggested three possible future scenarios.

The first is one where the world's powers see that globalisation is the most beneficial way forward and see to that global economic integration continues. In this regard, WTO Director-General, Ngozi Okonjo-Iweala, has advocated for policies that promote "re-globalisation" through increased integration of global trade and investment.

Tooze's second scenario is that the world is on the cusp of a new historical epoch, a new cold war, a new era of decoupling and confrontation between the super powers.

Tooze's third scenario is somewhere in between the first and the second scenarios, it predicts neither a complete revival of globalisation, nor a full-scale decoupling between nations. As Tooze puts it: "A future world economy might be made up of a patchwork of antagonistic coalitions divided by more or less visible data curtains. States that have the resources will launch national policies... and a push for friendly supply chains."

If the world is to be guided by the logic of 'pure' economics, which aims at removing obstacles to trade and investment in order to improve living standards across the globe, then the first scenario of globalisation and reglobalisation will prevail.

On the other hand, if the logic of nationalism and national security becomes dominant, then the world is most likely to be pushed into the second, new cold war, scenario.

In the third scenario, which seems most likely if one reads the signs of the times, the logic of economics and the logic national security will both remain in play, jostling for policy primacy as the world is constantly confronted with changing sets of circumstances. If carefully managed, there is still scope in this third scenario for increasing global trade and investment, but there will at the same time be ongoing strategic competition, and the risk of conflict, between countries and blocs of countries.

Economists Dani Rodrik and Stephen Walt have described this third scenario as follows: "[O]ne can... envision a more benign order in which... world powers compete in some areas, cooperate in others, and observe new and more flexible rules of the road designed to preserve the main elements of an open world economy and prevent armed conflict while allowing countries greater leeway to address urgent economic and social priorities at home."

Guiding principles for BRICS

If this third scenario represents the kind of world in which we will most likely operate in the years ahead, then it will be useful for the BRICS member countries, to develop a set of principles to guide their strategic engagement with each other and with the rest of the world. Such guiding principles could include the following objectives for BRICS:

- Firstly, to promote new patterns of economic development, trade and investment among its member states and among countries of the Global South;
- Secondly, to promote the building of a fairer world political and economic system;
- Thirdly, to promote African economic development specifically in order to improve the prospects and living standards of Africa's people;
- Fourthly, to promote international cooperation to reduce global warming, climate change and extreme weather events;
- Fifthly, to promote international cooperation in order to improve global health;
- Sixthly, to promote the peaceful resolution of disputes and the avoidance of war; and
- Seventhly, to work within the rules of the United Nations system to advance these objectives, while working to reform the United Nations system so that it can become more inclusive and representative of all humanity.

This article is based on extracts from a Key Note Speech on 'BRICS Cooperation and Possible Future for the Global Economy', delivered by Dr Kenneth Creamer at Wits University on 19 May 2023.