The BRICS Model of South-South Cooperation

Swaran Singh
UJCI Africa-China Policy Brief No 2

The BRICS Model of South-South Cooperation

Swaran Singh

Professor in the School of International Studies of Jawaharlal Nehru University, New Delhi, India.

Series Editor: Dr David Monyae

Published in August 2017 by:
The University of Johannesburg Confucius Institute
9 Molesey Avenue, Auckland Park
Johannesburg, South Africa
www.confucius-institute.joburg

External language editor: Riaan de Villiers
Designed and produced by Acumen Publishing Solutions

For enquiries, contact:
Hellen Adogo, Research Assistant, UJCI
Tel +27 (011) 559-7504
Email: hellena@uj.ac.za

Disclaimer: The views expressed in this Policy Brief do not necessarily reflect those of the UJCI.

All rights reserved. This publication may not be stored, copied or reproduced without the permission of the UJCI. Brief extracts may be quoted, provided the source is fully acknowledged.
THE earliest imaginations of South-South cooperation (SSC) have been traced to the Afro-Asian anti-colonial struggles of the 1940s. This is when initial ideas about shared identity, building solidarity towards asserting sovereignty, and channeling simmering opposition to the imperial ‘North’ first germinated. The Asian Relations Conference held in New Delhi in 1947, followed by the Afro-Asian Conference at Bandung (Indonesia) in April 1955, marked the first watersheds in the evolution of SSC, supported by the ‘non-alignment’ and ‘Third World’ paradigms (Chen and Chen 2010: 108-109). In 1960, the SSC thesis was further developed by the dependency theories of neo-Marxist sociologists from South America, who underlined the subservient nature of trade relations between their region and North America (Copeland 2009:64).

The central dictum of SSC was for less developed nations to ‘de-link’ from the developed North as a way of forging stronger economic ties among themselves. This view was driven by the belief that economic interactions among Southern states would be less exploitative than those between the South and North, and more responsive to the needs of developing and less developed countries.

Other than guiding the Non-Aligned Movement from the 1960s onwards, the first concrete success of SSC occurred in the 1970s when the Organisation of Petroleum Exporting Countries (OPEC) forced the developed North to pay higher prices for oil. ‘This created a new market for Southern exports and, by using the built-up capital surplus, provided finance for increased South-South cooperation’ (Folke, Fold and Enevoldsen 1993:19). This inspired the establishment, in 1987, of the South Conference (now the South Centre) which identified the following core areas for developing South-South cooperation: finance, trade, industry and business, service, transport, information and communications, and people-to-people contacts (Bergamaschi and Tickner 2017:2).

However, by the early 1980s, SSC had already begun to lose its shine. For example, the respected economist Mehbub-ul-Haq called it ‘another passing fad ... just a by-product of the current disillusionment with the North ... merely a romantic notion, based on an idealised South that does not exist’ (Chaturvedi 2012: 24) This decline was triggered by several factors, including the ‘take-off’ of the East Asian tiger economies, the ‘debt crisis’ in Latin America, and the Structural Adjustment Programme of US President Roland Reagan and UK Prime Minister Margaret Thatcher that challenged ‘Third World’ unity.

The 11th Special Session of the UN General Assembly on negotiations between the North and South in 1980 and the follow-up Cancun Summit in 1981 col-
lapsed because of a failure to reach agreement on an action plan. The 1980 Brandt Report on international development coined the phrase ‘North-South divide’ that instigated a number of such academic works during the 1980s. The 1986 UN Declaration on the Right to Development, and the formation of the South Commission in 1987 through the efforts of Malaysian prime minister Mahathir Mohammed and former Tanzanian president Julius Nyerere, represented the last gasp of the notion of ‘the South’, and by early 1990s the South Commission had ceased to function (Davis 2012: 238).

In the UN context, the Group of 77 (G-77) established in 1964 has been the other main driver of global South debates, and has continuously worked for initiatives like the Charter of Algiers (1967), the Buenos Aires Plan of Action (1978), the Caracas Declaration (1989), the first South Summit in Havana (2000), the first South-South High-Level Conference on Science and Technology in Dubai (2002), and the second South Summit at Doha (2005). The Group of 33 in the World Trade Organisation (WTO) and the Group of 24 in the International Monetary Fund (IMF) have also played roles in driving the SSC paradigm in global decision-making processes.

In the meantime, the UN South-South Commission, consisting of several eminent economists, had begun to raise some basic questions, like why cooperation should only be measured in monetary terms. Could there be other forms of cooperation with a minimum outflow of financial resources? Could developing countries benefit from each other’s experiences, and share knowledge and best practices? (Viswanathan 2013: 248). Moreover, the Cold War had begun to dissipate, resulting in the cascading collapse of the former Soviet Union and its Eastern bloc, and opening a prolonged era of fluid and contested versions of multilateralism that inserted new actors and issues into global discourses.

**The BRICS-led rejuvenation of SSC**

SSC was revived in the early 2000s when emerging South economies begin to build new coalitions like IBSA (for democracy), BASIC (for climate change mitigation), and BRICS (for reforming global financial governance). Given its focus on democratising international governance, BRICS became especially prominent by providing developing countries with alternative institutions for stimulating business, thereby helping them to escape from patterns of negative growth imposed by the Bretton Woods institutions and the multinationals from industrialised economies (Modi 2011: 9).
India and China, the two largest and fastest growing economies in BRICS, rose to prominence in international markets, with their formidable financial leverage helping to fuel development in several developing countries. This rebirth of SSC was especially inspired by China’s unprecedented investments in a range of African countries, which have since surpassed almost all traditional donations and investments from the North. India, Brazil, South Korea, Mexico, and South Africa have also followed China’s lead, making Africa’s rapidly changing development patterns central to the resurgence of SSC. Today, mega China-Africa summits followed by mega India-Africa summits are making the ‘resurgence of Africa’ the central thesis of this new BRICS-led SSC paradigm.

This shift has not escaped the attention of BRICS critics, who have raised questions around BRICS becoming synonymous with SSC. SSC, they argue, precedes BRICS by several decades and includes a dozen other countries, including Chile, Colombia, Egypt, Malaysia, Mexico, Thailand and Venezuela (Chandy and Kharas 2011: 740). BRICS and SCC have similar objectives but are not co-terminal, and any attempts at conflating them would limit both these development models. Indeed, the birth of BRIC in 2009 has been blamed for replacing the notion of the ‘Third World’ with a rapidly evolving multipolar world economy in which some developing countries have emerged as major economic powers, some are moving towards becoming additional poles of growth, and some are still struggling to reach their potential, with North and South nothing more than just points on the compass and no longer seen as economic destinies (Carmody 2013:1)
Even African scholars have questioned the ability of BRICS to lead SSC, given that the first four BRIC nations have been implicated in a new ‘Scramble for Africa’ which remains a key variable in their rapidly developing economies, especially those of China and India. Second, critics argue that their ‘no strings attached’ approach to development aid, especially that of China, may detract from efforts to promote democracy and human rights among African nations. Third, they point out that the BRICS countries need investments from the industrialised North as much as less developed nations, thus limiting its ability to delink the South from the developed North (Moor 2017). However, continued high growth rates in China and India amid a global slowdown have since put some of these anxieties to rest.

More recently, experts have increasingly recognised the ability of BRICS to promote cooperation among at least some countries of the global South, and create new opportunities to ‘capitalise upon their potential complementarities’ (Economic Commission for Latin American and the Caribbean 2017). Many analysts now regard BRICS as a potent driver of the revival of the SSC paradigm. Indeed, the Economic Commission for Latin America and the Caribbean (2017) has noted that India and Brazil have gained ‘access to supply chains that produce more complex, technologically sophisticated inputs and services from production units’.

The BRICS New Development Bank (NDB) represents not only an alternative source of finance that offers developing countries ‘access to capital for infrastructure and industrialisation projects without resorting to traditional institutions such as the World Bank’, but also an alternative model that would ‘better reflect the principles and practices of contemporary South-South cooperation’ (Abdenur 2014:86).

NDB opened an African regional centre in Johannesburg in July 2017, and announced plans to invest $1.5 billion in South African infrastructure projects over the next 18 months. Since Jim O’Neil articulated the BRIC formation, trade of these four countries with Africa has surged from $28 million in 2001 to $377 million in 2016. The bulk of this upsurge was caused by African trade with China and India that respectively rose from $10 billion to $149 billion for China and from $5.3 billion to $93 billion for India, making them leaders in the BRICS-led revival of the SSC paradigm.
Buoyant Chindia-led BRICS

The BRICS-led revival of SSC has been energised and synergised by the economic buoyancy of China and India. These dynamic emerging economies offer several new opportunities for taking SSC to the next level of collective self-reliance through trade, investment and technological cooperation, but this requires them to ‘speak with one voice’ on South-South coalitions (Chen and Chen 2010:107). Indeed, their parallel thinking about and collaboration on SSC can be traced back to various economic and cultural initiatives following the Bandung Conference of Afro-Asian nations in 1955 (Li and Zhou 2016: 345). However, post Bandung their relations deteriorated once again, and efforts to coordinate their participation in multilateral forums only resumed in the 1990s.

Both countries lack some primary resources for their own development, but both have shown an interest in sharing their meagre resources with other less developed nations. In the BRICS phase, their parallel experiences of SSC have helped them to foster innovation and enhance the credibility of SSC as a contested paradigm, and provide it with a competitive edge over alternatives such as indigenisation or import substitution. Some of their recent domestic experiments in economic restructuring and reform have also been reflected in their multilateral initiatives, and they have jointly participated in a number of international fora.

Chaturvedi (2012: 557) contends that, since its independence in 1947, India has consistently followed a policy of SSC and dedicated a portion of its scarce public resources to helping other states in the developing world. Indeed, as noted by Kugiel (2015: 110), India began to provide development assistance way back in the late 1950s, although this remained limited to its immediate neighbours. But India soon began to expand its outreach, starting with the Indian Technical and Economic Assistance Programme in 1964, followed by the Special Commonwealth Assistance for Africa Programme and the Technical Cooperation Scheme of the Colombo Plan. From the 2008 India-Africa Forum Summit onwards, India has established about 100 institutions in different African countries to ‘strengthen capacities at the pan-African regional and bilateral levels’ (Ministry of External Affairs 2013). In April 2017, India hosted the general meeting of the African Development Bank, thus further strengthening its development connections with African nations.

As regards China, Mao Tse Tung consistently articulated the commitment of the New China to assisting national liberation movements in other countries,
Mao believed that ‘The people who have secured a victory in the revolution must assist those people who are striving for liberation, and this is the obligation of our internationalism’ (Zhou 2017: 2) Initially, China donated small amounts of cash, but in 1952 its new Ministry of Foreign Trade began to undertake substantive development projects. Later, various ministries and departments of the State Council developed their own aid policies, which were greatly facilitated when China gained a permanent seat in the UN Security Council. Premier Zhou Enlai’s efforts to ensure that bilateral development projects conform to the wishes of host nations have also been widely appreciated.

China hosted its first conference on South-South Cooperation in Shanghai in April 1983, but steadfastly refused to join either the Non-Aligned Movement or the G77. However, more recently it has agreed to become part of the ‘G77 plus China’ as well as the G20, and debt relief and the abolition of tariffs have since emerged as pillars of its SSC paradigm (Power, Mohan and Tan-Mullins 2012: 43). In line with this approach, China has cancelled $1.3 billion in debts by 31 African countries, and abolished tariffs on 190 different goods from 29 African nations. More recently, under the juggernaut of the One Belt, One Road (OBOR) policy, more than a million Chinese are helping to build infrastructure in a range of African countries. In 2009, China became not just the largest investor in Brazil but also its largest trading partner, overtaking the United States, which had held that status for the previous 80 years (Cardoso 2013: 93). But there are concerns about China accounting for 55 per cent of the BRICS grouping’s gross domestic product, and this remains a source of intra-BRICS anxieties (Mohan 2013).

Brazil’s SSC policies also go back to the 1950s when its development assistance was focused on providing technical assistance for infrastructure development in South American and African countries. Its scope was initially limited, and Brazil remained a net recipient of development assistance until the turn of the century, when accelerated economic growth allowed it to expand its outreach programme. By 2011, Brazil was involved in development projects in 29 countries in Latin America and the Caribbean, 25 countries in Asia and the Middle East, and 48 countries in Africa (Coning et al 2015: 60).

According to Larionova et al (2016: 67), Russia has not formally stated that it regards itself as a partner in SSC, but generally supports SCC, among others by donations to World Bank SSC support mechanisms. It has also done so via its membership of the G8, G20 and BRICS, leading to its current description as a ‘re-emerging donor’.
Therefore, led by China and India, BRICS countries have not only opened their markets to direct investment, but have also emerged as major investors in infrastructure, information and communications technologies and energy. BRICS provides them with a vital forum for coordinating their efforts. Addressing a conference in New Delhi last year, India's foreign secretary, Jaishankar Subrahmanyam, described SSC as ‘an important aspect of India’s foreign policy, especially its engagement with other development partners’. China-India rivalry had clarified in the course of recent engagements in Africa, with China concentrating on major infrastructure projects, and India on capacity-building initiatives (Press Trust of India 2016).

South Africa’s current and potential role

South Africa could play a vital role in maximising the benefits of the rejuvenation of Africa-centric SSC. Thus far, it has positioned itself as the BRICS ‘gateway to Africa’, which has raised questions on several counts (Moor 2017). First, this implies serving as a conduit for competition over Africa’s primary resources, which may harm the interests of weaker African nations. Second, questions have also been raised about South Africa’s credibility as continental leader in the face of rival claims by Nigeria, among others.

However, its continental engagement is substantive. While China is present in 36 African countries, Russia and India in 25 each, and Brazil in 22, South Africa is present in 31 African countries, which makes it a potent gateway for projects in metallurgy, engineering, mining, construction, hydrocarbons, telecommunications, finance, banking, and retail (AEInvestor 2014).

Indeed, in the late 1990s, long before BRICS, then President Thabo Mbeki began to project South Africa as the ‘natural’ leader of the African continent, with his notion of an ‘African Renaissance’ implying a pan-African revivalism.


It also resulted in the New Economic Partnership for African Development (NEPAD), presented as a vehicle for engaging with other African countries as well as investor nations like those in the G8 (Vieira and Alden 2011: 518). It was also primarily Mbeki who promoted the idea of the India-Brazil-South Africa (IBSA) trilateral, endorsed by Indian Prime Minister Manmohan Singh as a
unique model of transnational cooperation based on a common political identity... [that] came from different continents but share similar world view and aspirations’ (Schor 2014: 193)

South Africa’s shift towards BRICS was rooted in the ANC’s ideological orientation towards Africa. However, it was also seen as an ‘opportunity to break away from the increasingly difficult position of being an (admittedly self-appointed) advocate of African development issues, known locally as the African Agenda’ (Alden 2016: 118). These contestations were settled with the 2007 election of Jacob Zuma as ANC president and his subsequent rise to the South African presidency in 2009, largely due to internal dissent within the ANC over the neglect of domestic issues by the Mbeki government. Zuma sought to build upon the legacy of asserting South African leadership both in Africa and on the global stage (Alden 2016:118). His efforts resulted in South Africa joining BRICS in 2010, and hosting the summit in 2013 was a high point of his presidency.

Despite internal political upheavals, South Africa’s commitment to the BRICS agenda has not wavered. BRICS sees Africa as a continent of opportunities. It is described as the next frontier of development, with numerous economies on the continent growing at seven to ten percent a year. China has been very active in the region, with trade growing at about 20 per cent a year since 2000, amounting to $188 billion in 2015. One of the main goals of for South Africa must be to balance out the influence and holdings of China in this rapidly transforming part of the world. Other BRICS states, notably India and Brazil, can claim their respective slices of the pie (Shepard 2017). Indeed, South African has recently undertaken several important initiatives aimed at shaping the future course of not just BRICS but also the SSC paradigm.

In March 2015, for instance, South Africa hosted the inaugural technical workshop of the Network of Southern Think Tanks involving a group of 25 prominent academics and development experts from the global South to discuss a common analytical framework for SSC. A report on their work was published by the prestigious South African Institute of International Relations in March 2017. In lieu of recommendations, the report listed what its authors described as indicators of effective South-South cooperation. These include:

- Inclusive national ownership, implying ownership being combined with inclusivity and participation beyond the state to involve civil society leaders;

- Horizontality, implying shared responsibility and open communications beyond the state to ensure fairness in spite of power asymmetries;
• Self-reliance and sustainability, implying gradually enhancing local capacities to empower recipients to take control of their projects;

• Accountability and transparency, implying free and widespread sharing of all information especially among all the stakeholders; and

• Development efficiency, implying maximising impact of development projects by ensuring coordination internal and external partners (Besharati et al 2017).

Therefore, despite suggestions that the original BRIC architects were skeptical about including South Africa, and the wide differences and disjunctures among BRICS countries, it has become increasingly accepted, and increasingly effective in introducing alternative institutions like the New Development Bank, as well as influencing conventional international financial institutions.

Indeed, the continued slowdown among the advanced economies of the global North and the shrinking global leadership role of the United States following the election of president Donald Trump have not just catapulted BRICS into prominence, but also raised expectations of this new grouping.

This has resulted in the BRICS agenda expanding exponentially to include not just reforming financial structures but also addressing global challenges like climate change, terrorism, human trafficking, and the inequality of women. As a result, experts have begun to suggest that BRICS should now focus on consolidating instead of continuing to expand. The need today is to ensure the coherence of BRICS by building BRICS constituencies and a BRICS culture, with each unique member contributing to its staying power as a locomotive for SSC.
Conclusion

The NAM in the 1960s, OPEC during the 1970s, and now the emerging economies of BRICS have provided the most important drivers of the SSC paradigm. Largely due to the innovative and democratic models and processes introduced by BRICS countries in the course of their multilateral development initiatives, conventional North-led humanitarian interventions have been increasingly contested by the proponents of the new SSC paradigm. International development aid, for example, is no longer seen as benefaction from the North to address South's poverty and disease. Since the Paris Declaration of 2005 in particular, requests for mutual accountability for global partnerships echo not only donor-driven demands for holding partner countries to account, but also partner countries’ strategic concerns about the transparent and receptive management of donors’ development policies (Kim and Lim 2017: 183).

Critical assessments of BRICS also continue. Mohsan (2013) notes that, despite BRICS encompassing the largest economies in Asia, sub-Saharan Africa and Latin America, with its members regarded as role models in their respective regions, it has only achieved ‘limited success’ in changing global governance. Given the recent slumps in all the BRICS economies, he believes much of the hype surrounding its vaunted geopolitical and strategic significance has evaporated.

But growth rates are not the defining feature of BRICS, or the SSC paradigm. Thus Stuenkle (2015: 20) notes that policy-makers in emerging countries seem convinced that the BRICS meetings are a useful vehicle for promoting South-South cooperation, which, in their view, has grown considerably over the past two decades. Even critics of BRICS recognise its potential, and its vital defining role in SSC. Thus Mohan (2013) notes that ‘one area where this grouping remains relevant is in fostering South-South cooperation, especially in Africa’.

Therefore, BRICS may turn out to be an effective vehicle for SCC in the 21st century, making a meaningful contribution to fostering inclusive development and alleviating poverty in developing countries.
References


Copeland, Daryl (2009), Guerrilla diplomacy: rethinking international relations, Boulder, Co: Lynne Rienner Publishers.


Economic Commission for Latin American and the Caribbean (2017), ‘Brazil and India: two BRICs as a building bloc for South-

Folke, Steen, Niels Fold and Thyge Enevoldsen, South-South Trade and Development: Manufactures in the New International Division of Labour, London: St Martin’s Press.


Li, Xiaoyun, and Taidong Zhou, ‘Chinese perspectives on India’s development cooperation’, in Sachin Chaturvedi and Anthea Mulaka (eds.), India’s Approach to Development Cooperation, 2016.


