



BRICS, AFRICA AND GLOBAL ECONOMIC GOVERNANCE: ACHIEVEMENTS AND THE FUTURE

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Introduction and Overview

1. Contextualisation
 - Taking stock of BRICS achievements over the past decade
 - Assess BRICS - Africa cooperation
 - Scope: Economic achievement and cooperation
 - Interviews and Surveys
2. BRICS and Global Economic Governance (IMF, WB)
3. BRICS and Africa Cooperation
4. Recommendations

1. BRICS and Global Economic Governance

- Four Stages
 1. 2000s – 2007/2008 – Consensus Building
 - Different formations (IBSA, BASIC); challenging policy positions; global inequality
 2. 2009 – 2012 – Formation and Reform as ‘Inside Initiatives’
 3. 2012 – 2017 – Enterprise: Reforms through Parallel Institutions, ‘Outside Initiatives’
 4. 2018 – Strategic Cooperation
 - BRICS Plus, BRI, AAGC, etc.

1. BRICS and Global Economic Governance

- 2009 – 2012 - **Inside Initiatives**
 - Objective: Reform in the IMF and WB (voting shares, quota formula, leadership positions)
 - Achievements
 - IMF: BRICS increase of 3.1% (total 14.1%); WB: BRICS increase 1.84% (total 13.1%)
 - Other EMDCs also increase in IMF – South Korea, Singapore, Turkey, Mexico
 - Open and competitive election of top positions
 - Challenges
 - Much of the voting shift happened within EMDCs
 - Institutional power remains e.g. veto power in IMF
 - Open campaigning, yet BRICS fail to coalesce around single candidates

1. BRICS and Global Economic Governance

- 2012 – 2017 – **Outside Initiatives**

- Achievements

- Establishing the New Development Bank and the Contingent Reserve Arrangement

- Business model remain the same, operational model changes (UCS, local currencies, local lending)

- Healthy competition in the market + address infrastructure finance deficit

- Challenges

- Expanding its reach beyond the core group

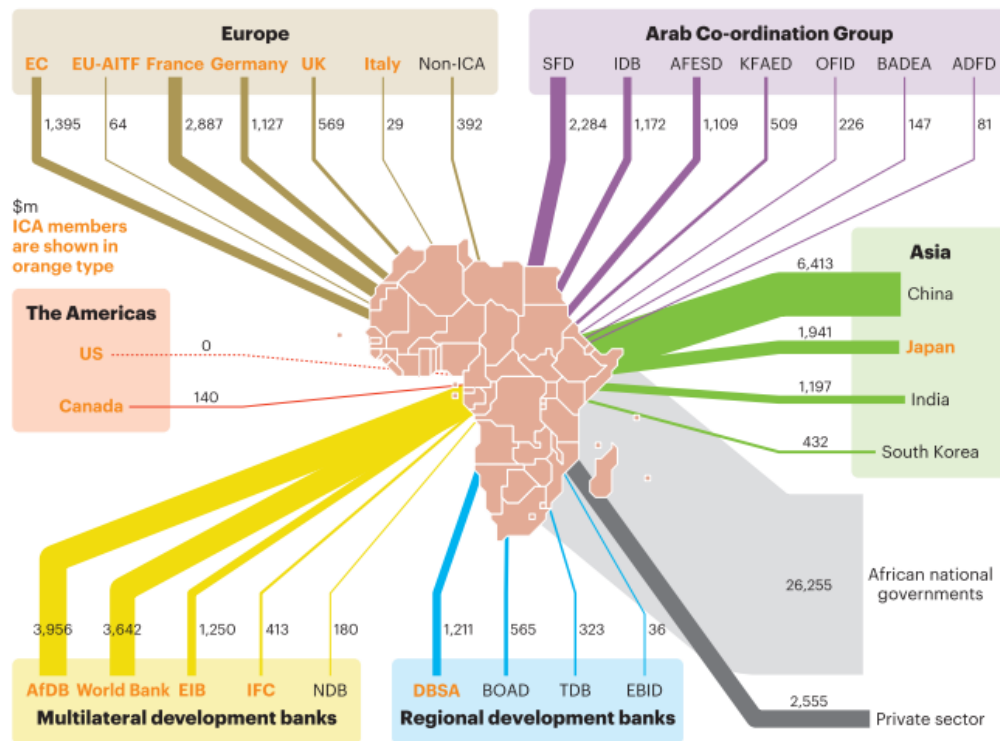
- African countries – clear, but waning interest

2. BRICS - Africa Cooperation

- South Africa's Foreign Policy – altruism and national interest
- Priorities aligned with AU and Agenda 2063 – Infrastructure Development and Industrialisation
 - SA in the BRICS - Strong continuity from 2011 onwards
- Outreaches and Priorities
 - BRICS + Neighbourhood – 2013 Outreach
 - 2018: 'BRICS in Africa: Working towards the realisation of the African Aspirations'
- Engagement remains largely bi-lateral
 - FOCAC, India – Africa Summit, South America - Africa Cooperation Forum, Russia – Africa (2019)

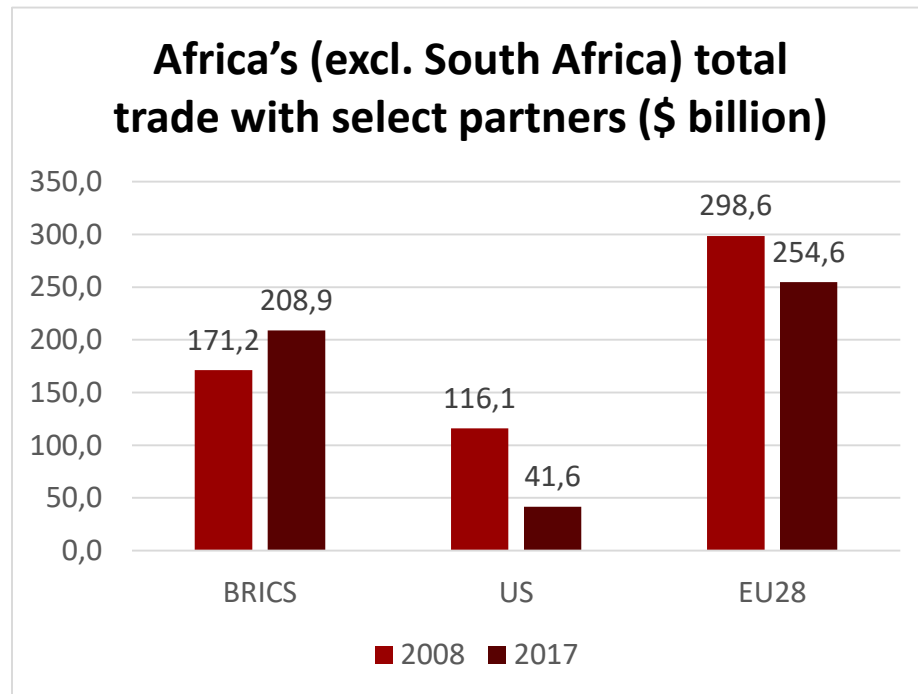
2. BRICS - Africa Cooperation

- Infrastructure Development
 - China, India, SA have become important bilateral creditors in Africa
 - Rising debt stock – In Djibouti, 3 Chinese-backed projects increased the country's debt-to-GDP ratio from 50% in 2015 to 85% in 2016 (IMF)
 - Debt not bad
 - Transparency is important



2. BRICS - Africa Cooperation

- Trade, Investment and Industrialisation
 - Inequitable trade
 - **African Continental Free Trade Agreement** holds significant potential to enhance BRICS – Africa cooperation
 - AfCFTA – 1.2 billion people, \$2.5 trillion GDP (AU)
- African Agency
 - African research on BRICS
 - Institutional arrangement (Guinea, Rwanda)



3. Recommendations

- Hybrid Model of Global Governance Reform
 - Inside Initiatives – broader cooperation to overcome institutional power dynamics
 - Outside Initiatives – NDB value proposition to prospective members; communicate timelines and clarifying expectations
- BRICS – Africa Cooperation
 - Support the data transparency initiatives
 - African policymakers, researchers and the business community should work synergistically to identify areas of cooperation with the BRICS
 - AUC should set up a dedicated BRICS unit to provide support on BRICS-related issues to the rotating AU chairs