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**Causal Layered Analysis of South Africa's
Inclusion in BRICS**

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Causal Layered Analysis of South Africa's Inclusion in BRICS

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Abstract

Purpose

This article was undertaken with the purpose of investigating through the application of a critical futures technique, Causal Layered Analysis (CLA), the case for South Africa's inclusion in the BRICS alliance.

Design/Methodology/Approach

CLA was explored as a technique that allows for the creation of transformative knowledge concerning the ways in which to contextualise the reality of enabling and exploring different alternatives and outcomes. In an attempt to understand the unique features that underscore emerging economies and why emerging economies are considered the engines behind global economic growth, the member states' economies are systematically deconstructed. Analysis of key economic variables, strengths and weaknesses, CLA allows for the development of conclusive narratives regarding the legitimacy of all BRICS economies.

Findings

This article discusses the motivation for the formation of the BRICS alliance and its role in the global economy. It also demonstrates and sorts out the different views concerning dreams and aspirations. The all-inclusive nature of CLA therefore also allows for the consideration of a wide range of perspectives that seek to clarify motives behind the convergence of the BRICS economies to form an alliance.

Originally/Value

South Africa's membership was assessed using both the economic and political schools of thought. On a balance of a number of dominant views, considered valid, that either support or reject the inclusion of South Africa, this article demonstrates that whether or not South Africa belongs amongst the major emerging countries, is a problematic question. This article proposes that a pertinent question to ask is one that explores ways in which South Africa can effectively capitalise on its BRICS membership to drive its own economic growth.

Keywords: BRICS, emerging economies, South Africa, causal layered analysis.

Introduction

In their own words, Vlad, Hurduzeu, Josan and Vlăsceanu (2001) state:

“...the 21st century appears to be Asians century following the 20th century which was Americas and the 19th belonged to Europe....”

The winds of change have indeed swept across the globe leaving some in total disbelief. Previously considered the developing economies of the third world, the major emerging economies have moved to the fore becoming the key engines responsible for global economic change of the present and next world (Vlad, Hurduzeu, Josan and Vlasceanu, 2011: 52). Multinational conglomerates from developing countries are now, like never before, responsible for major global investment flows with 96 of the Fortune 500 companies coming from the BRICS economies (Gumede, 2013). Once considered the ‘ideal benchmarks’ for developing countries to emulate, the western economies are observably being displaced in various markets (Gumede, 2013). The western dominance has passed its peak (Armijo, 2007). The 21st century will go down into history as the period that witnessed the greatest turning point in the global economic landscape. In this century, the combined GDP of the emerging economies has risen to challenge the combined output of the developed countries with China and India leading the pack (Vlad *et. al.*, 2011: 49).

One of the distinct features of the human species is their ability to reflect on the past occurrences and envisage possible futures, which allow for the concentration of efforts towards achieving an ideal future state. This phenomenon is witnessed through the works and foresights conducted and published by Goldman Sachs devoted towards studying the development of the so-called ‘emerging economies’. The BRIC concept came into light in 2001 after the Goldman Sachs economist Jim O’Neill outlined his future worldview in his renowned economic paper entitled “Building Better Global Economics” which projected a major economic shift away from the West (O’Neill, 2001). Goldman Sachs forecasted that these countries would become economic powerhouses in the not so far future (O’Neill, 2001, s.03; Dubbelman, 2011:1), thereby exerting pressure on the traditional powerhouses such as the Group of Seven (G7) countries (IBR, 2012: 2). The rise of the BRICS nations significantly affected the growth performance of the G7 countries as their share of global GDP fell from 72 percent in 2000 to 53 percent in 2011 (Carmody, 2013). The BRICs countries are acknowledged as key role players in world economy and as significant producers of goods and services, receivers of foreign direct investment (FDI) and to possess a large potential consumer markets given their relative large populations (Vlad *et. al.*, 2011: 49). What really sets the BRICs economies apart from other emerging economies is the outstanding size of their economies, ample land and large internal markets (Vlad *et.al.*, 2011: 50). The adverse performance of the US economy, the largest economy in the world, and the debt crises in Europe, which resulted in

the global crises, tilted the scales in favour of the emerging economies such as China, India and Brazil thereby reshaping some of the long standing unequal global power relations between the developing and the developed countries (Gumede, 2013).

To the apprehension of many researchers including O'Neill (2011), South Africa was formally invited to join the group in 2010 adding the 'S' to the BRIC reflecting this expanded membership. South Africa's economy is much smaller than that of any of the four other BRICs economies with its GDP only constituting a third of Brazil's or Russia's and a fraction of India and China's economy (Morazán *et. al.*, 2012:8; O'Neill *et. al.*, 2005; Cronje, 2010: 2; Mnyandu, 2013:1). At approximately fifty million people, it has by far the smallest population of the five countries constituting only approximately third of the 142 million people in Russia, a quarter of the 192 million people in Brazil, a fraction of the 1.14 billion and 1.32 billion people in India and China respectively (Cronje, 2010: 1). It possesses a relatively insignificant domestic market and is admittedly the smallest BRICs member. South Africa also brings about its unique social challenges, which include amongst other things lower life expectancy and high levels of unemployment (Cronje, 2010: 2).

Whilst, the country competes aggressively well with its BRICS counterparts on aggregates such as income per capita and cell phone penetration (Cronje, 2010: 2) many analysts still argue against its inclusion into the group. Some researchers and leaders within the South African leading political party state that whether or not South Africa should be part of BRICS is an irrelevant question (Gumede, 2013). Many authors have attempted to articulate the possible reasons for South Africa's inclusion into the bloc. Some analysts argue that political interests as opposed to strict economic reasons (Dubbelman, 2011:2) motivated the inclusion of South Africa into BRICS whilst others blame it on the country's historical relations with the other four BRICs countries (Fakir, 2010: 1). Others advance the argument that 'it's not size that matters', claiming that the BRICS grouping is not just a mere geopolitical, trade and economic bloc but rather a strategic and tactic alliance based on each country focusing on securing common interests as well as those of individual member states (Gumede, 2013). O'Neill refuses to acknowledge the 'S' in the BRICS and passionately asserts, "*It is wrong. South Africa does not belong in BRICS and has somewhat weakened the group's power*" (Naidoo, 2012: 1). Other economist and analysts believe that Nigeria, Africa's most prolifically populated country, is a better choice for an African partner to BRIC (O'Neill, 2011; CRMCA, 2011: 3). The South African Minister of economic development Nkoane-Mashabane argues that it is due to the country's strategic importance and not its size that the country was admitted into this group emphasizing that South Africa will serve to bring the African agenda to the BRICS table (Dubbelman, 2011: 3). Some analysts argue that South Africa is the largest investor in Africa and highlight its importance as a financial intermediary to Africa (Gumede, 2013). Dubbelman (2011) argues that the 'S' in BRICS should ultimately stand for Southern African Democratic Countries (SADC). Beyond what commonly understood concerning the BRICS alliance

as a trade alliance, this article aims to arrange the available information in an attempt to clearly discern the motivations for the formation of this grouping and to establish South Africa's place in it. In an attempt to bring to the fore the not so obvious realities about this bloc, the authors investigated whether South Africa's membership is legitimate as a BRICS member through Casual Layered Analysis.

Research Questions

Trade blocs integrate countries in order to enhance their economic strengths within the global economy. The most apparent motivation for the formation of such trade blocs is mainly for member countries of the same to bloc to increase their competitiveness and economic welfare (Wang, 2010). The economic welfare of member countries in turn depends largely on productivity and income distribution amongst individual nations (Balassa, 1961). The economic case for integration is embedded on the fact that enhanced and free trade is a positive sums game in which all-participating countries benefit (Hill, 2011). Politically, integration amongst individual nations offers a sense of international cohesiveness and understanding, which reduces the chances of conflict to the benefit of its member states. The BRICS economic case raises questions regarding its conceptual basis, objectives and futures. The BRICS economies are hard to contrast, as they are culturally, economically and politically diverse. The degree of diversity coupled with marked differences in per capita income and equality of income distribution complicates basic neoliberal assumptions concerning this grouping. This thesis aims to address the following questions:

- What is the motivation behind the integration of the BRICs economies?
- Should South Africa be a BRICs member?

Research Methodology

This article, based on extensive review of literature, encompasses in-depth study through consulting various academic, business and public sources in order to unveil the discourse that exists in relation to this area of study. BRICS continues to draw academic, media and business interest. The world is flooded by a plethora of views from all ends on what ought to be the 'reality, direction and future' of the BRICS economies. The synthesis of the massive wealth of information and perceptions conducted through the application of Causal Layered Analysis (CLA), a futures theory and methodology made popular Sohail Inayatullah. As a method of research, it provides depth and is preferred for this study as it combines all the three dimensions of research, the predictive, interpretive and critical elements (Inayatullah, 2004). It gives room for the conception of futures alternatives. The research method chosen for this

thesis is employed to view the BRICS phenomena through multiple levels and to challenge the status quo of the body of information available and unveil hidden meanings, ideologies, structures, myths and metaphors.

The shifting world order has caught the interest of many researchers in business and academia. As an extension to the current body of information that is available within the academic space, this thesis is a comprehensive study of the BRICS emerging economies, their objectives and futures. Critical questions remain unanswered concerning the inclusion of South Africa into BRICS. Given the diversity of the BRICS member states, what common interests motivated these economies to club together? It is only once the motivations for the formation of BRICS have been discovered can conclusions be made about whether or not South Africa qualifies as a strategic fit into this grouping. What are the benefits derived by member countries from this federation? What is South Africa hoping to gain out of its membership within BRICS? Did South Africa need to become a BRICS member in order to increase economic cooperation with the bloc's member states? Is BRICS an economic, trade and/or a geopolitical federation?

This article seeks to advance our understanding and examine the dynamics and implications of the emergence of these new powerhouses and South Africa's role in it. It attempts to investigate the futures of the BRICS's bloc using the CLA that will enable for the articulation of different patterns or scenarios of futures to emerge whilst also offering recommendations that can be undertaken to attain the desired futures. Global policy makers are amongst the parties that are to benefit from this study in that the outcomes of this study will challenge them to consider certain issues about the realities and futures of BRICS. The outcomes of this study will also benefit the global business environment will also gain as the outcomes of this study might influence crucial business strategies on trade in domestic and foreign markets.

CLA was made popular by Professor Sohail Inayatullah as an alternative and a well-organized future-orientated theory and methodology to longer lasting change. As opposed to finding localised solutions to problems, CLA questions the variables and the extent to which they limit efficiency through a concept widely known as double loop learning (Inayatullah, 1994). Argyis (1977: 15) describes double loop learning as the ability to uncover errors and unpleasant "theories of action", resulting from faulty practises and procedures allowing for the development of longer lasting change. At its most basic level CLA acknowledges that there are many ways of knowing, paradigms, practices and methodologies used to solicit knowledge and creates a platform to integrate different perceptions and assumptions (Slaughter, 2004). It is a future orientated theory that endeavours to integrate the empiricist, interpretative, action ad critical modes of learning (Inayatullah, 2004). CLA has far reaching benefits as it allows for the questioning of underlying variables across different levels thereby allowing for the development longer lasting solutions.

As a method, CLA allows for the categorizing of different narratives about the future opening up space for the creation of alternative and inclusive futures at different levels of consciousness (Inayatullah, 2004). The primary objective

of this method is not to predict the future (Inayatullah, 1994), but rather to champion a cognitive change taking into consideration the different perspectives captured at the different levels of CLA. CLA moves up, down and across different levels of knowing creating a platform to verify solutions at different levels. It has the ability to transcend language and cultural barriers allowing people from different backgrounds to come together (Slaughter, 2004). The world today is a dynamic space and the rate of change required to survive is enormous. Failure to change may easily lead to a situation described by Inayatullah (2013) as the 'use future theory'. Inayatullah describes the 'use future theory' as a state where in humans faithfully follow on a path that leads to destruction and that fails to make the kind of positive change needed for positive development. According to Inayatullah, the 'use future theory' is exacerbated by tradition, culture and ignorance. CLA allows us the opportunity to question such phenomenon by analysing the way we do things thereby allowing us to create the future we want to live in by doing something today.

The future is an asset, a resource that can be used to our advantage (Inayatullah, 2013). CLA acknowledges that the change we want to see in the world concerning multiple societal problems in heterogeneous and cannot be reliant on the actions of a single stakeholder thus require collaboration between multiple stakeholders. This therefore creates a challenge to go beyond conventional framing of issues, integrating multiple stakeholders, synthesis and analysis of discourses. It allows for the input of many perspectives studied through multiple levels thereby allowing for well thought mapping of the scenarios outlining different outcomes.

Applying Causal Layered Analysis

The BRICS nations are enormously diverse in terms of cultural, economic, and political and governance systems (Gumede, 2013) so much that their alignment seems like an impossible task. They also vary on measures such as per capita income, equality of income distribution and macro-economic performance. With high levels of poverty and inequality which present economic instability the BRICS economies are all compelled to produce the necessary level of economic growth in order to avoid domestic catastrophic consequences (O'Neil, 2011; Gumede, 2013).

The immense diversity amongst the BRICS nations and the absence of mechanisms that bind its members in agreements, BRICS represents a hard to manage alliance. The BRICS alliance is very unusual with benefits derived also varying amongst member states. One cannot conclusively define the BRICS alliance as a trade, economic or geopolitical alliance and its definition should not be done using exclusive western models.

Whether or not South Africa deserves its spot in the BRICS alliance is a matter of debate and is explored further in this study. South Africa is a small sized economy, population presenting minute economic growth. Should the narrow argument, which places importance on the size of this economy, its

small population and its slow economic progress be used to disregard the presence of the 'S' in this alliance? In an attempt to study South Africa's fit into the BRICS, we first open up with exploring the purpose of this trading bloc through ascertaining motivations for the formation of this alliance.

What is the Motivation for the Formation of BRICS?

Level 1: The Litany

"...so I arrived at the point of creating an economic grouping and realised that, by taking the initial capitals of the names of these four nations, I could make an acronym that was particularly apposite, for these four BRICs, with a total population of around 2.8 billion, might indeed be the new 'bricks' from which the modern economy would be built." O'Neill (2013)

It is common to come across perceptions or misconceptions about the birth of the BRICS alliance that attribute its existence to the now retired Goldman Sachs economist, Jim O'Neill. In his 2002 paper, O'Neil coined the 'catchy' acronym, BRICs, using the initials of member's states, Brazil, India, China and Russia. O'Neill narrates in his 2013 published book titled 'the growth map' factors that led him to create this acronym as the willingness of these countries to fully embrace globalisation. Globalisation, which is often rejected by many nations due to perceptions that view it as Americanisation, was providing benefits for these nations who chose to embrace it as an economic concept, divorcing all associated political and cultural perceptions (O'Neill; 2013).

In 2006, the 'so called' BRICs nations pronounced intentions to jointly cooperate in partnership and form what is now termed 'the BRICS alliance or BRICS emerging economies or BRICS bloc'. This pronouncement presented a strange concept given the diversity of these nations. Amongst the issues of diversity was the fact that two of these countries follow democratic governance (India and Brazil) and the other two are non-democracies (China and Russia).

O'Neill presented a neoliberal study outlining the ascendance of the BRICs nations and the associated changing dynamics in global economics wherein the old traditional powers, i.e. the G7, were increasingly being displaced by the emerging economies. O'Neill's astounding works are believed to have fuelled this partnership, however, there is little evidence that demonstrates the extent of influence that O'Neill's work had on the actual formation of partnership between these nations. It is this author's view that O'Neill's work clearly brought insight to the changing global environment; however, it is not the reason for the existence of this grouping. In fact by his own admission, O'Neill asserts in his 2013 book titled 'The growth map', that he was also taken aback by the 2006 pronouncement of the formation of the BRICs alliance stating that besides favourable demographics (markets) and economic growth prospects, these nations have very little to offer each other.

Level 2: Social or Structural Analysis

“...the original four members of the BRICS group recognized the size and dynamism of their economies and the potential to influence the structure of global governance and began to convene meetings...” O’Neill (2013)

The birth of the ‘BRICS’ alliance, partly informed by the member states appetite to influence global governance, still remains an odd grouping. From the perspective of an economic liberal its formation could be attributed to the attractive benefits associated with international trade. As a matter of fact, it is common for countries to club together for national economic interest aimed at enhancing competitiveness against the outside world (Wang, 2010: 171). Economic integration, as it is known, between countries entails a cognitive process of abolishing discrimination between economic units belonging to different member states (Balassa, 1961: 176). Economic integration encompasses both the social and economic aspects of development modelled to embrace the principles of globalization which view international trade and investment as a positive sums game in which all participating states benefit (Hill, 2011:264). In the case of BRICS, the economic benefit derived by member states extends beyond enhancing interstate trade, but also creates a platform for member states to share innovation ideas for development, sustainable technologies and knowledge sharing of new development strategies (Gumede, 2013). The justification of this alliance from an economic point of view is somewhat inconclusive especially pertaining to the latter inclusion of South Africa, which from an economic point of view, does not measure to its alliance partners. The South African GDP is only one sixteenth of the Chinese economy.

In international geopolitics, the rise of these emerging powers is shifting the global distribution of power thereby forcing the traditional powers of the West to come into terms with the reality of sharing power on issues of international political concerns (Vlad et. al., 2011). According to Naidoo (2012) the BRICS alliance

“...is not formal economic or trading bloc like the European Union. It is more like a political talk shop or club that is trying to build greater clout on the global negotiation stage”.

Politics influence integration as it enhances perceptions of dependability on each other thereby greatly reducing the possibilities of conflict whilst also increasing their political weight on world affairs (Vlad *et al.*, 2011). Carmody (2013) argues that a nation’s extent of political influence depends largely on economic power. This may mean that we are yet to see a whole lot more political presence and influence from some BRICS nations (i.e. China and India) on global concerns as they progress along their growth pathways. That is if these nations can be able to adopt a unique political standing or agreement given the vast amount of political diversity between them. The BRICS

economies differ with regards to their adopted political structures with China and Russia (although declared democratic) subscribing to an authoritarian rule whilst the other three partners are democratic nations. These states also differ immensely with respect to cultural and linguistic principles.

Currently, the BRICS alliance serves as an institutional platform that renders opportunity to its member states to collectively express views and areas of common concern, through their annual meetings and potentially through permanent institutions such as the BRICS development bank currently under discussion. This is in light of the changing dynamics with some traditional ‘global’ institutions particularly the IMF and World Bank being forced to evolve if they are to remain relevant as they are increasingly losing influence in parts of the global ‘south’ to the rising developing nations such as the BRICS (Carmody, 2013). Albeit the differences between member states, there are also notable commonalities between these nations, such as the projected positive future growth over the next few decades (except for South Africa), which increase their relevance and power in international affairs and large populations.

The BRICS nations offer an alternative to the western norm for developing economies, particularly African states, offering a choice of developmental partners and thus allowing these developing nations to partake and play a greater role in their development processes (Carmody, 2013). Such investments largely from the Chinese government (because of their larger financial pocket) and their foreign investment policy which is less prescriptive about the type of economic policies it expects the host nations to adopt are embraced by the developing economies.

Level 3: Worldviews/Discourse

“...if economic size is the sine qua non of state power, then the BRICS are a likely set of new major powers...” Armijo (2007)

The BRICS alliance is not an obvious alliance due to the apparent differences as noted before. From an economic liberal point of view which categorically views globalization by employing assumptions concerning global economy, the BRICS economies share a few economic strategic factors that justify, though not conclusively, this alliance. The strength of the BRICS economies is derived from their large and strong domestic demand as a result of the large populations. In markets that are globalized, liberal and competitive, these BRICS economies, also commonly labelled “engines of growth”, present markets that are an attraction to many global conglomerates who are seeking to heighten their economic wellbeing (Wilson and Purushothaman, 2003). These factors are in synergy with the Goldman Sachs study which was largely informed by the sizes of these economies as leverages for enormous economic progress. However, Armijo (2007) argues, due to varying private investor behavior, the argument that claims the potency for larger sized economies over

property rights or human rights is non-conclusive. Adding to this O'Neill (2013) also fails to understand the rationale for this club as demographics alone do not warrant an alliance. He categorically mentions that besides the fact that these nations have large populations and are likely to be dominant influences in the future; China being their only common interest, the other BRICS have nothing to offer each other. The G7 on the other hand have more shared characteristics than the BRICS economies including the fact that the G7 are all developed democratic economies (O'Neill, 2013). Although O'Neill acknowledges the dissimilarities and nonsensical clubbing of the BRICS nations; he greatly supports their coalition as a means to demonstrate the ridiculous stunts of the traditional G7 countries that refuse to acknowledge the obvious change in world economics and power dynamics. The alliance of the BRICS economies is thus a great way to demonstrate to the west that 'life goes on'.

The BRICS alliance whose prosperity is supposedly based on neoclassical assumptions can also be explained by recognizing that interstate and investment trade occurs within an 'international political economy' (Armijo, 2007). Even though international trade is viewed as a mutually beneficial activity for all parties involved, individual countries consider their own interest by asking questions such as "what is in it for me (country)?" For example, India, Russia and Brazil benefit as a result of linkages to the booming Chinese economy but not from each other; South Africa, being the least industrialized state, only benefits from its large resource base and its location in respect of the 'untapped large market' of the African continent (Carmody, 2013). China benefits from its strategic alliance with its four partners on resource economies and markets.

In international politics, sovereign states do not just happily yield to the dominance (i.e. trade and political dominance) by others and in order to drive global interstate trade peace must be established between the participating countries. For example, China is Africa's dominant trading partner albeit South Africa's geopolitical influence over most parts of Africa. Peace relies mainly on the country's perceived benefits of trading with another state. "It is international peace that permits and enables trade, not the reverse" (Armijo, 2007). This phenomenon has led to the plethora of representation of possible futures concerning the implications of the changing world order for all, a phenomenon we explore at the next level, the myth.

Level 4: Myth or Metaphor

"...the US, not only pursuing its counterterrorism objectives... seeks to hedge against the rise of China...." Curtis (2008)

The traditional power countries of the West have taken an interest in the concept of the BRICS and this could be attributed to a 'fear of the unknown' (Armijo, 2007). The rise of BRICS with China and Russia, as nations who are or moving towards authoritarian non-democratic systems, creates a little

uncertainty about what their ascendance will mean to the whole interstate system (Armijo, 2007). The emergence of these economies (BRICS) has resulted in perceptions of China as the ‘new colonialist’. India, also a member state of the BRICS alliance, has also notably made claims that the rise of China is a threat given the size of its nuclear base (Curtis, 2008). The India – China tensions date back as far as 1962, since the Sino-Indian border war, and their alignment within the BRICS alliance is seen as a positive stride towards ensuring peace and cooperation between these Asian giants (Curtis, 2008). Curtis (2008) narrates that the US, made uncomfortable by the seemingly growing relations between India and China, has lured India by extending civil nuclear cooperation to India playing into the mistrustful relations that underscore the India – China coalition. China on the other hand is deliberately trying to increase trade relations with India to confuse the ties between India and the US. China and India, the two major parties in the BRICS alliance, with their resource challenges given their large demographics are competing for energy, water and land (border issues) and according to Curtis (2008), these commodities may lead to the next world war.

The US and the Europe have been closely monitoring the developments around the BRICS alliance due partly to fears sparked also by the uncertainty of what these non-traditional emerging powers will exercise their rising significance over world issues (Armijo, 2007). There is a belief that the rise of these ‘new colonial masters’ – the BRICS – will be responsible for the next world war. It is the discomfort with the rise of a non-western nation, challenging the US as the ultimate powerhouse with its anti-liberal values that has led to theories concerning the outbreak of war. Thus the rise of China and the re-emergence of Russia is spiralling worry and concern over prospects of a war as both these nations pose a military threat as a result of their status as ‘nuclear’ states with large armies (Armijo, 2007).

Adding to this controversy, Brazil, previously with insignificant military might, has been purchasing military weapons at an alarming rate justifying such acquisitions as necessary for national defence (Empire, 2010). According to the 2006 statistics, the US had the most world defence spending at 45,7% followed by Britain at 5,1%, the remaining G5 countries each accounting for 2%, China, Russia, and India at 4,3%, 3,0% and 2,1% respectively (Armijo, 2007). According to this author, the danger of an interstate wars occurs when the ‘former hegemon is declining and a new one is rising’.

Does South Africa Fit the BRICS Agenda?

Level 1: The Litany

“The addition of South Africa to the BRICs alliance only adds confusion”
O’Neill (2013)

There are two schools of thought regarding the inclusion of South Africa into the BRICS alliance. One opposes and the other supports the notion of South Africa's inclusion into BRICS. The most dominant perceptions surrounding this issue opposes the inclusion of South Africa into this bloc whilst South Africans seem to be caught up in defensive stunts justifying their position in this prestigious club amongst the world's giant 'emerging economies'. Perhaps it is important to depart taking into consideration the views of O'Neill, whom we acknowledge as the creator of the BRICS acronym.

O'Neill states on various platforms that South Africa is too small with an insignificant GDP which is incomparable to the other BRICS members. In a recent Mail and Guardian article, O'Neill is reportedly still critical of South Africa's position in this bloc stating that its presence has weakened this group (Naidoo, 2012). He continues to ignore the existence of the 'S' in the acronym emphasizing that Nigeria, as the most populous country within the African economy is a better fit for an African partner into this grouping (O'Neill, 2013). Nigeria is amongst the growth markets that make up the N-11 growth markets grouping of economies acknowledged as the next major developing economies after the four BRICs nations. He states that South Africa, already losing a lot of its investment to Nigeria who are shining brighter and drawing a lot of investor favour (Naidoo, 2012), has no place in this grouping, neither now or in the near future. O'Neill (2011 cited in Carmody, 2013) also highlights other states such as Indonesia, Turkey and Saudi Arabia that he perceives as a better fit for the BRICS agenda than South Africa.

There are many authors who support the assertions of O'Neill within the international space. Sandrey (2003) declares that given the measures used to assess nation's membership against, South Africa does not belong within this grouping. The criterion used emphasizes trade and GDP growth and South Africa does not measure up on both accounts. In South Africa, there seems to be a plethora of conflicting views with regards to this prestigious membership. O'Neill (2012 cited in Naidoo, 2012) states that

"...factionalism in the ruling party, the ANC, and government ministries is undermining the country's ability to sort out its problems..."

The South African and African National Congress (ANC) president, Jacob Zuma, interprets South Africa as the leading African economy, asserting that it deserves to be part of the BRICS group of leading emerging economies (Gumede, 2013). This may come as no surprise as he was reportedly the brains behind this inclusion through heavy lobbying stunts aimed at China coupled with state visits to the other three member states. By the end of 2010, due to the encouragement of China, the BRICs economies thus invited South Africa to join this grouping (Dubbelman, 2011). The ANC general secretary, Gwede Mantashe, in support of the president states: "western investors have to realize that South Africa does not need their money since it can turn increasingly to fellow BRICS partners" (Gumede, 2013). Such views are often backed up by

perceptions that, for BRICS to genuinely become a global alliance of strategic developing countries it must have an African state within the club. The South African influential sectors including the major opposition party oppose the idea that South Africa needed to forge partnerships with the east stating that this country's future is through meaningful engagements with industrial countries such as the Western Europe, North America and Japan, which are currently South Africa's largest export countries (Gumede, 2013). The ANC aligned trade unions, civil society and activists support this notion emphasizing that South Africa needs to diversify its trading partners with a focus of expanding trade with Africa and other emerging markets such as Brazil, India, South Korea and Turkey (Gumede, 2013).

Level 2: Social or Structural Analysis

"..this is why South Africa should not be inn this grouping..." O'Neill (2012)

South Africa does not measure up (O'Neill, 2010). Countries such as Indonesia, Nigeria, Turkey, Saudi Arabia are somewhat considered better fits for the BRICS grouping taking into consideration their demographics and economic performances. South Africa continues to draw negative perceptions concerning its economic performance considered the greatest flaw and not deserving as a member of this bloc. Challenged by the burden of high unemployment, low productivity and thus slow economic growth; South Africa nonetheless demonstrates openness of its economy that is actually higher than the other BRICS member states (Sandrey, 2013).

South Africa justifies its membership into this bloc as the gateway into Africa. It capitalizes on its location and development advantages in comparison to the other African states that are affirmed by major multinational conglomerates who view it as 'stepping stone' into Africa setting up corporations in Johannesburg, the economic hub of South Africa, whilst spreading operations into the rest of the African markets (Carmody, 2013). Because of South Africa's immense trade with the rest of Africa, it is also viewed by its BRICS partners as the catalyst for African development (Sandrey, 2013). Makwiramiti (2011) states that South Africa's membership into BRICS and its foreign trade policy create an opportunity for African states to benefit from international trade with the BRICS nations, investment and infrastructure projects that will directly influence job creation and poverty eradication in Africa. He asserts that the BRICS investment propensity and Africa's (including South Africa) resource base leads to mutual benefits for all parties involved including trade, investments, industrialization, accelerating employment creation and value addition in exports for the African states. The BRICS nations present a lucrative market for African states for its natural resources, tourism sites and opportunities for cooperation in agriculture, infrastructure and business development (Makwiramiti, 2011).

O'Neill (cited in Naidoo, 2012) challenges the view that South Africa is a gateway into Africa, highlighting that South Africa is fast losing its continent leadership status and is losing out on investments to other African economies such as Nigeria. Africa, a continent largely considered underdeveloped and poor is now increasingly viewed as the land of promise, potential and opportunity drawing its importance to its large resource base (Sandrey, 2013). In an attempt to substantiate its place within the BRICS alliance, South Africa in addition to the geographical location advantages, cites its 'soft power' might as the state that has favour both amongst the developed and developing nations; one that through its act of a 'middle man' state can manipulate and coordinate regional relations to navigate globalization and world peace (Hentz, 2008; 490 cited in Carmody, 2013).

Owing to its large regional political influence, owing to its SADC membership, South Africa is considered a catalyst for African development. Amongst the major challenges dwarfing South Africa's progress are poor governance, corruption, poor healthcare system, and slow economic growth.

Level 3: World View / Discourse

"...the BRICS is not a formal economic or trading bloc like the European Union..." Naidoo (2012)

The view that South Africa's inclusion into BRICS takes for granted the existence of the BRICS alliance as influenced purely by Western neoliberal reforms. When viewed solemnly and narrowly from the perspective of size, then South Africa is a minnow. According to Gumede (2013), the question of whether or not South Africa as a result of its smaller population and sluggish population when compared to other BRICS members, is wrong and irrelevant. As highlighted before, the unusual nature of this alliance challenges against a definite categorization of this alliance as either an economic, geopolitical or trade alliance. Gumede (2013) asserts that the BRICS grouping is a strategic and tactical alliance based on each country focusing on securing individual country interests by mobilizing in alliance in global forums. The BRICS seek to take a stand on issues of global development politics (Mozaran *et al.*, 2012).

The BRICS alliance offers its members the geopolitical support needed to allow them as developing countries to have a fairer say in global affairs especially pertaining to global institutions such as the World Bank and the IMF which demonstrate little transformation in spite of the changing world events (REF). Policymakers in South Africa view the BRICS grouping primarily as a geopolitical alliance with a growing significance in the world particularly pertaining to global trade, political and as a grouping that is very instrumental in partnering with Africa as it emerges from the western colonial bondages (Gumede, 2013). Evident in its ability to marshal political backing from the developing countries in the Eurozone bail out, South Africa demonstrates its 'soft power' abilities. It is considered a major economic and political power on the African continent accounting for over a third of SSA's economy and

politically evidence through the election of a South African, Nkosikazi Dlamini-Zuma, to lead the African Union in 2012. South Africa's geopolitical power over Africa leverages heavily on its partnership with China which has economic supremacy as the leading trading and source of FDI in Africa (Carmody, 2013).

Factors that ignore the 'GDP' exclusion of South Africa championed by O'Neill and other renowned economist are irrelevant as a primary consideration for BRICS membership if its objectives are not purely based on the principles of O'Neill's study. Unlike the other BRICS nations, South Africa is not so much a competitor of China within the African market but rather a 'junior or minor partner'.

Level 4: Myth/Metaphor

"...a friendship of convenience." Makwiramiti, (2011)

It is alleged that South Africa is in the BRICS alliance for reasons that befit the Chinese agenda (Naidoo, 2012). To counterbalance the Ibsa alliance which China is not part of and to gain favour in the African market, China saw South Africa as a partner to be reckoned with and thus vouched for its inclusion into BRICS. China views Africa as a crucial market and therefore strives to understand its future needs in order to increase its future needs through partnering with South Africa and leveraging from its continental influence as an Africa's largest economy (Fin24, 2010).

According to Gumede (2013), the BRICS alliance is not a charity alliance, every country is in it to advance its own economic, trade and geopolitical agenda. Whilst O'Neill highlights the imbalance in power amongst the BRICS nations as a result of the varying sizes of their pockets, other researchers emphasize that in the case of China-South Africa, both countries stand to benefit (Fin24, 2010). China views Africa as an important source of its commodities and a destination for large volumes of its exports; South Africa gains associational powers that legitimates its global power as an investable country and has already witnessed positive strides in the strength of its currency which has improved since it joined BRICS. Political influence is acknowledged to be driven by economic power. If this concept is applied to the BRICS concept, then all the other BRICS member states are in this alliance to carry out the Chinese agenda as none of them have the wealth that compares to China. The challenge for the BRICS member states is to cleverly negotiate their economic interests within this grouping whilst standing together increasing the geopolitical influence.

Conclusive Remarks: Motivations for BRICS Alliance Formation

It is the view of the author's that using the neoliberal economic justification modelled along the lines of O'Neill's (2011) study to explain the

existence of BRICS is flawed. BRICS, evidently in the diverse background of member states, presents a phenomenon that challenges for the deconstruction of mental frameworks, which will embrace that BRICS has a persona and a life of its own which is different from the norm, for example the G7 and Ibsa. It is also the author's conclusive view that the BRICS alliance, far from common perceptions, represents more geopolitical characteristics of a grouping pursuing primarily political ideologies. Trade and economic cooperation, although significant in size, are a positive consequence to their global political plight.

Does South Africa belong to the BRICS?

In this article, the researchers highlighted the two schools of thought that surround the inclusion of South Africa in the BRICS alliance. The first still opposes this action raising concerns regarding South Africa's economic size and its current and future economic growth patterns which paint a less glamorous future state relative to its partner states. This argument also adds that given its projected economic standing relative to other African emerging economies such as Nigeria, it is more likely to lose its political influence which it currently relishes on and flaunts to justify its legitimacy in this grouping owing to its economic leadership position in the continent. O'Neill not only ignores the 'S' in the BRICS acronym, evident in his recent 2013 book published three years after the invitation for South Africa to join this alliance, he publicly vouches for Nigeria as an African partner. Nigeria is amongst the next eleven growth markets after BRICS that are making aggressive strides in improving its economic wellbeing in terms of their economic growth. As the most populous state in Africa presenting a growing base of untapped market, O'Neill classifies Nigeria's inclusion superior *versa vi* South Africa's. To demonstrate his argument O'Neill highlight that South Africa is already losing a lot of its investments to Nigeria, which is increasingly attracting investor favour. Other researchers support O'Neill assertions stating that if the measures that are used to assess countries performances and growth prospects are accepted as legitimate yardsticks, then South Africa is in over its head. As the main tool for assessing nations' progress we explored the GDP as a tool. In the case of BRICS, economic wellbeing is measured using GDP and Human Development Index (HDI), which is adapted in the GES tool used in Goldman Sachs BRICS reports. Those who oppose the inclusion of South Africa amongst the BRICS alliance do so relying largely on the usefulness of the neoliberal economic constructs that define a country's net worth. Amidst its flaws, the GDP is accepted as a measure that mirrors the progress of economies which becomes socially evident on measures such as the HDI. Given these measures these researchers allege that South Africa needs to know its place in the world; it needs to align itself with peer nations of the same magnitude.

The other factors dwarfing South Africa's dream to succeeding and maximising its growth potential are poor governance, corruption and an inefficient education system South Africa is torn up with some in key influential structures expressing discomfort with this inclusion stating that the

country's economy is better off with a diverse basket of trading partners and that it should focus on increasing its trade within Africa than committing itself to a 'close relationship' within the BRICS economies. The second the school of thought supports South Africa's inclusion in BRICS accusing scholars of the former as arrogant in defining this grouping by narrowly looking at it as an trade bloc in which legitimacy of membership confirmed by economic size and economic growth rates. These scholars asserts that the BRICS alliance represent to a larger extent a political alliance driven by their appetite to influence world economic, trade and political decisions. National South African leadership through the ruling president, Jacob Zuma, reportedly states that South Africa deserves its spot in BRICS. His views are often supported by perceptions that BRICS is a global alliance, basing the case for South Africa's inclusion as supportive of this and addressing the question of an African partner. This view is however undermined by researchers whom view other non-African states such as Turkey or Indonesia deemed a better fit to the BRICS dream.

The richness of Africa and its role in fuelling global economic growth is highlighted in this study. The emotional state of those in support of South Africa's marriage with the east is reflected in the words of Gwede Mantashe "the western investors have to realise that South Africa does not need their money since it can turn increasingly to its fellow BRICS partners". In an attempt to justify its own membership, South Africa raises its location advantages. Given its location within the African continent and its fair infrastructural capital, South Africa provides an entry point for foreign conglomerates that seek to serve the expanding African market.

South Africa boasts its 'soft powers' that enables it to garner support from the developing world and its ability to fulfil the role of a middle man between the developed and developing nations in bargaining issues of global interest. Also, since the fall of the apartheid system, South Africa's foreign policy was crafted with an emphasis of securing peace and prosperity for African state hence South Africa's inclination to play 'big brother' within this continent. Some researchers allege that the invitation of South Africa into this bloc was made solemnly to advance China's motivations. This view closely ties with the mental frameworks that view the rise of China as a threat and undermine the view that the BRICS alliance is a grouping with a purpose of its own. This view associates the existence of BRICS with China's supremacy as the biggest BRICS member and thus the most influential.

Conclusive Remarks: Does SA Belong in the BRICS Alliance?

When viewed solemnly and narrowly from the size perspective, South Africa has no place in BRICS. Whether or not it belongs within this grouping is influenced by the framework adopted to assess its membership in the BRICS alliance. If viewed as an economic trading bloc, the interpretation that South Africa does not belong amongst the BRICS economies is justified. However,

given the arguments brought forward in the preceding question regarding the motivation for the formation of BRICS, it is the author's view that it is erroneous given the evidence presented above to view this alliance as purely as a 'trade bloc'. Its scope moves beyond liberating trade between member states and represents more political motives that seek to give these nations a bigger voice in global issues.

In light of the aforementioned statements, it is the author's conclusion that questioning South Africa's legitimacy in BRICS is an irrelevant deed. South Africa is a BRICS member. This is undisputed truth. However, South Africa must guard against naivety interprets its membership as a success. By its membership, South Africa has not won a golden lottery ticket to economic growth and prosperity. Like any other BRICS members, it still needs to create tour de force structural and systemic leaps in order to construct its own ideal future state ideal state. Gumede (2013) believes that if South Africa leaves its 'head in the clouds' and is disillusioned with its BRICS membership it will risk becoming completely de-industrialised. South Africa's leadership has to explore value maximising strategies, driving a hard bargain for its real economic gains and protecting its economic interests. Being the most open to trade in this alliance means that entry of goods from other BRICS is relatively easy whilst South African companies still battle to be competitive in the BRICS markets because of high tariffs (Gumede, 2013). Being submissive to such terms presents an example of how South Africa could end up de-industrialising, collecting bread crumbs to fuel its economy and thus becoming a net importer by a large margin. Whilst not suggesting preferential trading terms, South Africa must protect its strategic industries by pushing a hard bargain for balanced trade terms between member states.

It is also the author's view that this inclusion opens up a window for Africa to bargain between the old traditional and new power houses for its economic prosperity. If South Africa plays its cards well, it may create a platform for African member states to better negotiate development aid terms from the BRICS countries (Gumede, 2013). The BRICS membership offers states the opportunity to share on institutional and industrial competitiveness. In the next sections we present recommendations.

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