



Summary Report of Conference Proceedings

Emerging Power or Fading Star? South Africa's Role on the Continent and Beyond

12-14 July 2016, Cape Town

South Africa in 2006. The country's GDP growth rate stood at 5.6 percent, the highest rate ever recorded since it held its first democratic elections in 1994. President Thabo Mbeki's 'African Renaissance' project which sought to promote peace, stability and development across the continent was in its prime. In July, the Democratic Republic of Congo (DRC) held its first multiparty elections in 41 years after Pretoria helped broker a peace deal in 2002. In September, the India, Brazil and South Africa (IBSA) Dialogue Forum met for the first time in Brasilia. A month later South Africa was elected non-permanent member to the United Nations Security Council (2007-2008) with 186 out of 192 votes. Given its economic prowess, regional influence and international aspirations, South Africa cemented its role in the world as an 'emerging power'. Fast forward 10 years. The once largest African economy now ranks third after Nigeria and Egypt. Standard and Poor's latest sovereign risk rating put South Africa one notch above sub-investment grade or so called 'junk status'. Although South Africa under the Zuma administration has gained access to the Brazil, Russia, India and China (BRIC) Forum in 2010, its foreign policy appears to lack any coherent strategy. Instead, the country is consumed by its domestic politics characterised by corruption scandals, institutional erosion and increasing public unrest. Europe and the US, which continue to be key trading partners, are increasingly questioning South Africa's commitment to human rights and good governance at home and abroad. In short, South Africa's star appears to be fading.

Both pictures are of course incomplete and deliberately polarised. Nonetheless, as the international terrain has started to change so have South Africa and the perceptions of the country as an emerging power. Against this background and informed by the discussions at an international conference on 'Emerging Power or Fading Star? South Africa's Role on the Continent and Beyond', 12-14 July in Cape Town, this summary report¹ sheds light on some of the shades of grey that define South Africa's role and place in the world today.

Discourse on Emerging Powers – Conceptual Questions and South Africa's Role

The role of emerging powers like China, India, Brazil, and South Africa in international relations has received increased attention over the last decade. This dynamic group of countries is regarded as a distinct feature of a new global landscape. Emerging powers played a crucial role in creating new, innovative forums such as the Group of 20 (G20) - consisting of traditional powers like the US and new powers - and the BRICS (Brazil, Russia, India, China and South Africa) forum. However, country

¹ Given the expertise of the conference participants and the intense discussions over the two days the present summary report cannot cover all aspects which were discussed during the conference. The conference program provides more information on additional aspects which were part of the conference agenda.

characteristics, national interests and perceptions of emerging powers are not homogenous at all. Like other attempts at country classification, the term *emerging power* is controversial and competing with related terms such as rising power, emerging market economy, middle-income country, medium-sized power or regional power.

Since the end of Apartheid the international community has perceived South Africa to be among the most influential countries in Sub-Saharan Africa. The country plays an important economic role on the continent, remains a driving political force in the African Union (AU) and a major supporter of peacekeeping missions across the region. As such South Africa has received recognition as an important emerging power and gained access to key international platforms including the UN Security Council, the G20 and the BRICS forum, and is one of nine strategic partners of the European Union (EU).

Given the increase in ‘club governance’ at the global level (i.e., BRICS, G20, etc.) the question arises if similar approaches could add value to regional governance on the African continent. Initiatives such as the New Partnership for Africa’s Development (NEPAD), which was initiated by Thabo Mbeki together with a small group of other African heads of states, point into this direction. However, since its adoption by the Organisation of African Unity in 2001, NEPAD has lost momentum as the economic and political terrain on the African continent has started to shift.

Shifting Political and Economic Sands

Following decades of slow growth, the African continent experienced a period of rapid economic expansion after the turn of the century. From 2001-2010, six of the ten world’s fastest growing economies in terms of GDP were in Africa.² Although improved governance, changing demographics and a newly found enthusiasm for technology are important factors to consider, the high levels of economic growth in most African countries were linked to an increasing global demand for natural resources. Above all, it was China’s hunger for energy resources such as oil and other raw materials to fuel its industrialisation that led to the commodity boom. The country’s sudden rise as a global economic actor and rapid political and commercial expansion on the continent soon called into question the privileged relationships that the West has historically enjoyed in Africa. Between 2005 and 2014, China’s foreign direct investment stock exploded from less than USD 2bn to USD 32.3bn.³ However, the old geopolitical map was not challenged by China alone. Other emerging powers of the South such as India and Brazil also joined into what has been described as a “new scramble” for investments and raw material in Africa. Collectively, the BRIC (Brazil, Russia, India, China) states have without a doubt reframed Africa’s position in global affairs and helped shift the international perception from “hopeless continent” to “Africa rising”; a narrative that has emphasised the long-term commercial potential the continent has to offer. However questions need to be raised about whether this latest wave of investment has in any way shifted Africa’s position in the global economy away from simply being a provider of primary goods.

As Africa was touted to be “rising”, the expectation was that South Africa would float at the very top. This has not been fulfilled however. Instead, fast growing African economies like Ethiopia have begun to

² http://www.economist.com/blogs/dailychart/2011/01/daily_chart

³ Freemantle S. 2016: BRICS-Africa: the hype is gone, but much remains, Standard Bank Research.

take the limelight away from South Africa, and Nigeria and Egypt are now the two largest economies in Africa. Yet the country remains the continent's most sophisticated economy in terms of for example the capacity of its financial sector. Between 2005 and 2014 South African investment in Africa has increased from USD 1.4 billion to about USD 20 billion.⁴ However, this is hardly the result of a concerted and strategic effort between government and corporate South Africa. In recent years, political and policy uncertainty in key economic sectors and a low growth environment has led the private sector to hold off on large investments at home and to continue to focus on growth opportunities elsewhere in the continent.

In addition, South Africa's increasing political alignment with China since 2010 has alienated sections of the private sector, as government appears to lack a clear strategy that would balance political with economic interests. China is after all the country's fiercest competitor in, for example, the manufacturing sector.

Although there are signs of improvement under the current leadership of Finance Minister Pravin Gordhan who seeks to avoid a downgrade of the country's sovereign debt to junk status, business confidence and trust in government has probably dropped to its lowest under the Zuma administration. The country's economy is projected to grow less than 1 percent in 2016 and threatens to fall victim to the middle income trap of having relatively high wages and no other competitive edge to offer.

Meanwhile the low growth in all five member states has taken away the initial hype created around the BRICS and the resulting commodity price down-turn put a damper on Africa's growth prospects. Nonetheless, trade relations between China, India and Africa are set to remain firmly in place. The economic landscape on the continent is expected to become increasingly differentiated.

As countries like Ethiopia and Ruanda continue to catch up, South Africa will have to be less complacent, address its domestic economic challenges, realign its foreign policy with economic interests and improve government-business relations in order not to fall behind any further in the long run. The international community's belief that South Africa can speak on behalf of the continent in global fora and the country's aspiration to become a permanent member of the UN Security Council have been and will continue to be contested in its own region.

A Lack of Foreign Policy Direction

Although gaining access to the BRIC forum in 2010 was a great achievement for South Africa and underlined the country's status as an emerging power in international relations, foreign policy formulation and implementation under the current administration of Jacob Zuma has been described as 'laissez-faire'. Given its increasing political alignment to China in particular, despite continually strong economic ties to the United States and Europe, and controversial policy decisions such as threatening to pull out of the International Criminal Court (ICC) have many observers left wondering about the moral and strategic compass that guided the country's foreign policy under Mandela and Mbeki respectively.

⁴ Freemantle S. 2016.

Under Mandela South African foreign policy was seen to be guided by a value-driven approach. Even before he became the country's first democratically elected president, Mandela set out the principles of South Africa's new foreign policy in an article published by the journal 'Foreign Affairs' in late 1993. His widely cited article emphasizes that South Africa feels bound by a moral obligation to uphold human rights and to promote democracy and international law on a global scale. Mandela also committed South African foreign policy to reflect continental interests. Although Mandela continued to enjoy good relations with isolated regimes such as in Cuba and Libya, the country exhibited a desire to be accepted back into the international community after decades of being a pariah state, and developed a reputation for being a bridge builder between the global North and South.

President Mbeki, who already started to run state affairs under Mandela, sharpened the strategic focus of the country's foreign policy. During his terms in office the emphasis on Africa in the country's international relations grew noticeably. Guided by the notion of an 'African Renaissance', the Mbeki administration was a central driver in the transformation of the Organisation for African Unity (OAU) into the African Union (AU), the development of NEPAD and the African Peer Review Mechanism. Concerns were however raised over for example Pretoria's quiet diplomacy approach in Zimbabwe and its decision in the United Nations Security Council to vote against a draft resolution on Myanmar. Both events were seen as a move away from Mandela's emphasis on human rights. Foreign policy making was centralised in the Union Buildings and formulated by Mbeki and a small group of advisors, including the Minister of Foreign Affairs.

Under the Zuma administration a clear centre of foreign policy making is lacking. Although pursuit of the country's "national interest" and an "African Agenda" has become an oft-repeated slogan, both terms remain vaguely defined. Instead, interested parties in and outside of government have stepped into the vacuum and begun to use South Africa's international relations, in particular on the African continent, to pursue private interests. This includes reports in relation to, for example, Equatorial Guinea, Angola, the Central African Republic and the Democratic Republic of Congo.

The ruling party itself has also become a more visible actor in foreign policy formulation, however, with concerning outcomes. The ANC's 2015 discussion document on international relations revealed a worldview caught-up in Cold War type politics that aligns South Africa with both China and Russia against "US-led Western imperialism".

Doubts also loom over the country's peace and security efforts. Not only has South Africa raised eyebrows due to, for example, the country's hasty exit out of the Central African Republic after 14 South African soldiers died there in 2013, but its entire, long standing approach to conflict resolution is being increasingly questioned. Conflict resolution and reconciliation has been a central pillar of South Africa's foreign policy approach to the African continent. The country's commitment and contribution to peace and security has been driven by the notion that only a stable and developing continent can guarantee prosperity at home in the long run.

However, renewed tensions in, for example, Zimbabwe, the Democratic Republic of Congo and Burundi - in all of which South Africa has pushed for a negotiated settlement that encouraged each country to

transition in a largely peaceful way to a democratic dispensation - are raising serious questions about this approach to conflict resolution, and prompting calls for more sustained interventions.

In the end, although it appears difficult to identify many positive attributes of South Africa's current foreign policy, it is important to acknowledge the difficult and volatile global political and economic environment the Zuma administration has been facing. For example, decisions such as the one made in the Omar al-Bashir debacle involve difficult trade-offs; in this case between human rights and South Africa's relations with large parts of the continent.

Conclusions

In brief, the conference provided three main insights:

First, South Africa's role as an emerging power is impeded by the country's increasingly inconsistent foreign policy. Amongst other things, the country is struggling to balance conflicting interests and motivations, including tensions that arise between its nominal commitment to human rights and other 'national interests'. The current state of its foreign affairs is characteristic of a wider political and economic malaise the country finds itself in. However, while South Africa's light may be dwindling, it is expected to brighten again after Zuma's exit from presidency.

Second, South Africa's role as an emerging power on the African continent is challenged. The country is still confronted with its legacy as a pariah state. Some countries on the continent suspect that South Africa has an interest in a hegemonial role. However, given its limited resources and capacity constraints, the country does not have the potential to perform such a role. In addition, Nigeria, Ethiopia, Egypt, Kenya, and other countries do not support South Africa as representing the continent in global fora. Instead, states like Nigeria have their own ambitions to claim such position.

Third, from a global perspective emerging powers are crucial for the provision of global and regional public goods. Regional powers need to lead on issues and push processes which are of global interest. Countries organised in, for example, the G7 and the G20 need to rely on South Africa to 'represent' the wider continent - even though South Africa may not be accepted in this role by other African states - in order to provide efficient and effective leadership.