South Africa's foreign economic strategies in a changing global system

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Abstract

South Africa's foreign policy has evolved through various presidents, from Nelson Mandela to Jacob Zuma. One characteristic lacuna through the various administrations has been the weak linkage between foreign economic strategies and domestic economic objectives. There is a gap between what is expressed in rhetoric and the actual execution of foreign policy. Further, since the dawn of democracy there has also been a gradual shift from a foreign policy that exhibited strong normative expressions, inclined to the West, to a more pragmatic foreign policy that is aligned with the new rising powers. Yet, beyond the tilt, there seems to be a lack of clarity of ideas that inform the various decisions and activities associated with foreign policy activities. This paper takes a closer look at these changes in South Africa's foreign policy, with particular focus on foreign economic strategies as played out in the country's role in multilateral economic processes such as the World Trade Organisation, the G20 and the BRICS, which comprises Brazil, Russia, India, China and South Africa.

Keywords: South Africa, foreign policy, foreign economic strategies, multilateralism, global economic governance

Introduction

South Africa's foreign policy has gone through various changes in emphasis since the first democratically elected government in 1994 showed an inclination towards a normative thrust. This article reviews South Africa's foreign economic strategies and casts a spotlight on three areas of engagement that, arguably, have come to form the core pillars of Pretoria's foreign economic strategies: multilateral trade negotiations, the G20 and the BRICS (Brazil, Russia, India, China and South Africa).

These dimensions merit close attention, in line with the elements of foreign policy that place a premium on economic dimensions. A key observation is that, since the early years of democracy when South Africa's foreign policy was driven by a strongly normative agenda and was broadly supportive of liberal internationalism, a number of developments have occasioned a shift towards intensifying diplomatic and commercial relations with non-Western countries.

Also of note is the fact that, in the first decade or so of democracy, there was a considerable alignment between South Africa's domestic political and institutional changes, at the normative level, and foreign policy. The normative fluency of South Africa's foreign policy, although admirable, was not sufficiently tempered by domestic economic interests – a lacuna that still marks the country's foreign policy. Hence, while at the level of rhetoric there is much reference to domestic economic policy, there is little evidence of this in the course of execution of foreign policy.
The article is structured around five sections. The first discusses multilateralism in South Africa's foreign policy. This looks at factors that informed South Africa's embrace of multilateralism at the onset of democracy, as well as some of the key pillars that underpin South Africa's foreign policy.

Second, the article looks at the shift from the initial principles to an emphasis on an Africanist identity under Thabo Mbeki's presidency. The analysis offers a critique of Mbeki's obsession with Africanist idealism and argues that this hindered the evolution of a well-honed economic diplomacy strategy. The section concludes by examining outlines of shifts after the departure of Mbeki and the advent of Jacob Zuma's presidency.

Third, the article hones in on some of the elements of foreign economic strategies, beginning with South Africa's positions in the Doha Round of the World Trade Organization (WTO). In the beginning, South Africa's posture on this front exhibited the idealism that generally framed South Africa's foreign policy, which later shifted to strategic engagement informed by the core objectives of the National Industrial Policy Framework (NIPF).

Yet again, this policy framework has not fully overcome the lacuna of clearly defined developmental gains that South Africa's external engagement should deliver for the country. This is largely on account of intractable political economy interests of major economic powers that shape the WTO negotiations. Discussion also reflects on the shift from South Africa's identity as a middle power, content with a bridge-building role, to an emerging power that gradually, but forcefully, asserts its interests.

Fourth, the article critically examines South Africa's role in the G20. Much of South Africa's engagement in this domain is bifurcated: on the one hand it amplifies the broad concerns about financial governance, growth and sustainable development. More uniquely, it is active in shaping the development agenda with like-minded countries. At this level, interests are not cast in binary shape along developed–developing country interests. Again, there is lacking an agenda informed by domestic economic interests that could powerfully justify South Africa's resource commitments in this endeavour.

Finally, there is a sketch of South Africa's involvement in the BRICS, underlining the potential of this mechanism in delivering developmental outcomes for South Africa and the continent. The authors contend that mere participation in the BRICS would not deliver such outcomes, but that these need to be defined domestically and championed strategically.

**Multilateralism in South Africa's foreign policy**

South Africa's foreign policy has evolved quite significantly since the country became a democracy in 1994. The early developments saw the country showing greater inclination towards an idealistic thrust, with various policy documents giving greater premium to issues related to human rights and peace building. While these are still components of South Africa's foreign policy, their position in the hierarchy of significance is cameo at best.

In the early days of democracy, the South African government hoisted multilateralism as an important value in international relations. Given its small size economically in comparison to influential countries in global affairs, South Africa is aware of its limited capacity to effect change on its own, and therefore prefers collaborative approaches. South Africa's commitment to multilateralism cannot
be grasped apart from the internationalist character of the struggle of the African National Congress (ANC) for liberation.

Internationalism was one of the four pillars of the ANC's struggle for national liberation, alongside mass mobilisation, the underground movement and the armed struggle. Working across a range of countries in the developed and the developing world to animate anti-apartheid opposition lent the ANC a global outlook. The normative qualities of its struggle – pivoted around issues related to emancipation, human rights and democracy – would thus naturally draw the ANC to actively champion multilateralism.

An important dimension that is often overlooked is the fact that the history of multilateralism is synonymous with great power politics. It is a paradigm that is particularly coterminous with the writ of US dominance in world affairs since the end of the Second World War. The post-1945 era saw the US underwriting a raft of institutions designed to secure financial and monetary stability, guarantee reconstruction and development, especially for Europe, and anchor a loose international trading arrangement that was to encourage freer trade internationally.

The relationship between the emergent hegemon, the US, and the rest of the world exhibited what John Ruggie characterised as ‘embedded liberalism’, a doctrine that pushed for liberal opening of trade abroad while firming up institutions that guaranteed social stability at home. Multilateralism may have implied symmetry of recognition in international affairs, but it did not, in any shape or form, codify equal recognition of the interests of all countries.

Multilateralism played an instrumental role as a tool for hegemonic incorporation, especially marking the period during which the Cold War prevailed, to draw Europe and South Korea tightly under the US sphere of influence, and later to facilitate the incorporation of Japan into the liberal world economy.

Essentially, multilateralism initially emerged as an organising principle that broadened the space for cooperation among core economies in the aftermath of the Second World War, while leaving the basic coordinates of power intact. As Ruggie points out: ‘In its pure form, a multilateral world order would embody rules of conduct that are commonly applicable to all countries, as opposed to discriminating among them based on situational exigencies or particularistic preferences.’

Shaped by the calamities wrought by the war upon Europe, and mediated by the reality of the Cold War, a multilateralist perspective was never about equalising the playing field in the sense of a global egalitarian agenda or championing the principle of equity. It was also not so much concerned about the interests of peripheral states that were under colonial rule or even after they had gained independence.

In a different sense, and much later, multilateralism also offered reformist possibilities on the margins for developing countries, leaning on the principle of equality of sovereigns, to seek greater recognition and representation around the table in key international forums. Thus, multilateralism assumed an appearance as a progressive principle.

Adapted as a normative vision of South African foreign policy, multilateralism in international governance holds the promise of achieving a more balanced and fair global power structure, even if such an ideal is not always realisable immediately. For South Africa, the choice of multilateralism as a foreign policy pillar is also influenced by the manner in which the country managed its political
transition using deliberative processes to realise an agreed-upon floor of norms of non-racialism, non-sexism, and democracy – or what could be characterised as egalitarian values.

In the early phases of democracy, there was clearly a normative consistency between the domestic political framework, expressed in the liberal constitutional arrangement, and South Africa's idealistic objectives in the global system. At the moment of its democratic transition, South Africa gained an enormous amount of goodwill from the international community, and was patronised by the West as the engine of growth and progress for the rest of the African continent. This goodwill is captured in Jack Spence's observation:

When the ‘new’ South Africa emerged after four years of tortuous negotiation, local and international expectations of the external pretensions of the new government and the constructive and dynamic role it might play, both regionally and on a global stage were high.4

South Africa was regarded as a lever of progress that could lift the continent, and also serve as an enlightened and crucial voice that speaks on behalf of the developing world. Integrating into the global system was one of the major priorities of the South African government in the early 1990s, especially because the country was keen on defining itself away from the pariah image associated with the period of apartheid rule.

Key pillars of South Africa's foreign policy: 1994–1999
Under President Nelson Mandela's presidency, a universalistic and moral language undergirded South Africa's foreign policy. It could be characterised as broadly progressive in its expression of the following dimensions:5

- A commitment to tackling global issues like climate change, poverty, underdevelopment, major health challenges and promoting human rights. From 1994, South Africa has been actively engaged in and has made meaningful contributions towards various multilateral processes that seek to address these issues.6
- Conformity to international law and adherence to international legal obligations. South Africa has generally taken its international obligations seriously and has striven to achieve a rules-based framework that disciplines the interplay of power in international bargains. This commitment to human rights and multilateralism is reflected in various policy statements of the Department of International Relations and Co-operation.7

Foreign policy articulated a grand vision of a harmonious world, and this conception was powerfully influenced by what could be characterised as a ‘liberal–democratic–egalitarian framework’ that privileges human rights, peace building, equality and justice in the international order. Beyond framing a grand meta-narrative of a new world that was peaceful and equitable, South Africa's foreign policy during Mandela's time was noted for its lack of a coordinated vision8 – more appropriately, a coherent strategic approach.

Spence attributes the grand ambiguity of South Africa's foreign policy to the ‘play of the contingent and unforeseen’, arguing that there are few that can claim a ‘foolproof capacity for far-sightedness, careful reflection, and long-term planning’.9 It should be considered too that, at this incipient phase of political transition domestically, South Africa had a starry-eyed view of the world. The new government was also encountering an entirely new terrain, shaped by the forces of globalisation and advances in liberalisation across the developing world, compared with that existing during the Cold War and at the height of apartheid.
Simultaneously with its negotiated political settlement, South Africa's political elite was knocking on the door of the General Agreement on Trade and Tariffs (GATT), having been isolated from the system because of apartheid, and became a signatory to the Marrakesh Agreement in April 1994, and was also a founding member of the WTO, established in September 1995. This placed South Africa firmly on the tracks of liberal internationalism, a reality that would also shape its course of domestic economic reforms.

Other international trade agreements that followed immediately thereafter included those with the European Union – under the rubric of the Trade and Development Cooperation Agreement in 1996, and another with its own regional neighbours in Southern Africa in the form of the Southern African Development Community Protocol on Trade during the same year.

A spate of other bilateral trade and investment agreements mushroomed. This was presumably to demonstrate South Africa's commitment to liberal internationalism, while at the same time hoping to attract foreign direct investment as a catalyst for growth and economic restructuring. Habib and Selinyane suggest, for example, that South Africa needed to harness the forces of globalisation in order to draw resources for the country's own economic reconstruction.\(^\text{10}\)

Consolidating democracy and social stability at home, and advancing internationalism – or pursuing wide-ranging diplomatic relations abroad – summed up the new government's purpose for existence. It was only during Mbeki's era, spanning from 1999 to 2008, that there was much clarity of ideas and greater focus on foreign policy objectives. Mbeki centred his foreign policy on the notion of an African Renaissance, preoccupied with Africa's cultural, political and economic resurgence (see below).

Yet still there was a distinct lack of grounding of foreign policy goals within a domestic development strategy beyond mere rhetoric. This gap showed itself in South Africa's inability to define a precise economic diplomacy strategy that it could pursue for the benefit of domestic economic objectives. Positively asserted, the key question for South Africa with regard to economic diplomacy is this: how can foreign policy processes – or international engagements – be harnessed to augment economic power or generate positive economic outcomes for citizens?\(^\text{11}\)

**Shifts in South Africa's engagements: from idealism to realism?**

South Africa's foreign policy began experiencing a shift in the second decade following the advent of democracy in 1994. In the period beginning around 2002, especially midway through President Thabo Mbeki's first term of office, South Africa placed a strong emphasis on Africa's renewal or renaissance; South Africa's foreign policy displayed a new dimension, different from the moralising discourse on human rights that was characteristic of President Nelson Mandela's era (1994–1999). Yet active participation in global governance processes still occupied an important space in South Africa's foreign policy for reasons of prestige and recognition.

In Mbeki's era, the key impulse behind this idea of African Renaissance was the ANC's consciousness of history, especially the negative role played by the apartheid government in Southern Africa and the country's isolation from the rest of the African continent. In respect to the external world, Mbeki drew heavily on the African nationalist and pan-Africanist themes of seeking Africa's liberation from the psychological and material clutches of the Western world, without disengaging from the Western-driven processes of globalisation. He envisioned Africa's beneficial integration into the global economy by engaging Western countries to improve Africa's international trading opportunities, offer debt relief and increase aid flows. As such, there was a strong sense of an Africanist identity in South Africa's foreign policy that was at once idealistic and pragmatic. One glaring weakness in Mbeki's
idealism was that it overlooked human rights concerns, especially the rights of African people who suffered under tyrannical rule. For example, in an assessment of Southern African politics, in particular Zimbabwe's, towards the end of the 20th century, Stephan Chan makes the observation that, in Mbeki's dealings with Zimbabwean President Robert Mugabe, he always seemed to be deferring to the latter. Even Mbeki's credibility as a mediator in the tensions between Mugabe-led Zanu PF and the Movement for Democratic Change led by Morgan Tsvangirai came under intense scrutiny from observers.

To Mbeki's credit, under his leadership, South Africa's foreign policy on the international stage matured somewhat, with the country establishing a strong presence in global governance processes while also asserting its Africanist identity. This period was also characterised by a more pragmatic approach to international politics with human rights no longer the only factor dominating foreign policy discourse. This was expressed in Mbeki's lack of concern with the human rights issues in Zimbabwe.

Despite this development, there was, and always has been, a recognition among leaders and foreign policymakers of the moral capital, and thus soft power, inherent in a human rights posture, and thus an awareness of how it has enabled South Africa to play a prominent role on the international stage. Mbeki was able to utilise, among other tools, the human rights perspective in a strategic way to carve a space for South Africa's influence on the global stage, while at the same time pushing strongly Africa's developmental cause.

Under Mbeki, South Africa did not appear to proactively defend the rights of the African people and their claim to freedom from tyrannical rule, however. Mbeki's was a firmly state-centric mindset, concerned about the respect African governments should be afforded by Western powers. He would question the legitimacy or hypocrisy of the West, while ignoring the grim realities on his own continent. The notions of African people and African governments were, in his schema of thought, synonymous. This marked the fundamental point of difference in conceptual emphasis on normative dimensions of foreign policy between Mandela and Mbeki. While Mandela spoke out strongly against human rights excesses by Sani Abacha's government in Nigeria in 1995, Mbeki chose to be quiet on human rights abuses by Robert Mugabe's regime in Zimbabwe.

Ian Taylor and Paul Williams capture this dichotomy between Mandela's universalist brand of rights discourse and Mbeki's parochialism when they point out that:

The contradictions inherent in South Africa's efforts to champion both liberal values of human rights, democracy and the rule of law, and the idea of African solidarity were made dramatically clear in the two separate crises in Nigeria in 1995 and in Zimbabwe since 2000. In both these cases, Pretoria found itself torn between two different types of multilateralism: one infused by liberal values about what constitutes appropriate conduct within a state's borders, and another informed by ideas of sovereign autonomy, pan-African solidarity, and the virtues of private rather than public criticism.

Nonetheless, Mbeki's notion of an African Renaissance became a source of confidence for Africa's rise. That Mbeki was an African leader with confidence to assert clear ideas on the global stage was, arguably, in itself seen by many Africans as a ray of hope that Africa was indeed on the rise.

What was to be later characterised as the African Agenda in South Africa's foreign policy drew inspiration from an earlier vision of an African Renaissance championed by Mbeki, especially between 1999 and 2007. This idea took a more defined shape in the form of the New Economic
Partnership for Africa's Development (NEPAD) framework that was agreed upon by African leaders and adopted in October 2001 as the basis of forging cooperation with advanced industrial economies in the North. It promised good governance in return for a greater infusion of foreign direct investment into the African continent. In South Africa's thinking, it was important to build strong relations with Western countries, as they possessed material resources in the form of development assistance, investible capital and technology.

While NEPAD, forcefully promoted by Mbeki along with President Olusegun Obasanjo of Nigeria, helped to tilt the spotlight to the African continent, and burnished South Africa's image as a global actor, other African countries did not quite buy into this framework fully, seeing it as South Africa's pet project. There is no evidence that during this time NEPAD succeeded in extracting substantive commitments from Western countries. The global financial crisis that erupted two years after the G8 meeting at Gleneagles shifted that body's attention to crisis management. In addition, the formation of the G20 to address the crisis posed an existential crisis for the G8 as it began to take a secondary place in global financial cooperation. As a result, the expectations of attention to Africa – including aid and foreign direct investment – on the part of the developed world were not fulfilled. South Africa's foreign policy began its own drift with the demise of Mbeki in 2008; at the same time, opportunities for expanded international ties had begun to arise in the form of the interest in African resources on the part of emerging economies.

Shifts in South Africa's foreign policy
Foreign policy gravitated away from cajoling Western countries towards strengthening ties with new friends in Asia and Latin America. There had been an attempt in 2000 by the South African government to orient South Africa's global economic strategy towards diversifying trade and economic relations away from traditional partners in the US and the EU and towards the rest of Africa, Asia and Latin America. This was termed the ‘Butterfly Strategy’ but, as is often the case with grand government strategies, there was never a serious attempt at building capacities for execution. For example, the Department of Trade and Industry does not have fully fledged units that are sufficiently staffed to pursue commercial diplomacy in these new priority economies, that is, Brazil, Russia, India, and China and a host of other emerging economies. It also lacks a dedicated research capacity to inform South Africa's strategies on engaging with the new economic players.

Under President Zuma's administration, foreign policy tilted acutely towards countries such as China and Russia. These countries would be given more attention at a bilateral level, especially in diplomatic and commercial relations. Indeed, under Zuma's administration, Russia has become the new darling of South Africa's foreign policy; Zuma has visited Russia more than any other country abroad since he became president in 2009. Accordingly, the ANC has cemented party-to-party relations with both Vladimir Putin's United Russia, despite its right-leaning credentials, and the Communist Party of China, as a signal of where greater priority in diplomatic relations is gravitating.

The incandescent ideas that had informed Mbeki's presidency have dimmed under Zuma, with the centre of gravity of foreign-policy thinking shifting to the ANC party headquarters in Luthuli House, which has set out hostile outlines of foreign policy towards the West. In assessing foreign policy under Zuma, Le Pere contends that, ‘The Zuma era has thus been adaptive and continuous in terms of the normative charts which guided his predecessors, with the centre of gravity less concentrated in the Presidency than was the case during the Mbeki years.' As a result, politics and sentiment rather than technocratic rationale are increasingly apparent factors in policymaking.
As an example, the ANC's foreign policy discussion document on international relations made some strong remarks against the West. It lamented the dominance of smaller countries by the West. In this document, the ANC argued for ‘exclusive multilateralism’ pursued through the BRICS and other similarly structured club arrangements, with like-minded countries. The South African government views the BRICS forum – and indeed was attracted to it – as a forum that could potentially assume a counter-hegemonic character vis-à-vis the West.

In its policy document the ANC castigates the G20 as a ‘Western tool’, and an extension of the G8 (G7); it is deemed as ‘not yet [a] platform for fresh new thinking on global economic governance, nor should any approach be expected out of it in the absence of proactive strategic interventions by progressives’.

The contention here is that the tilt in South Africa's foreign policy away from the West has not been grounded in any strategic thinking, in particular with regard to South Africa's development interests. The drift in South Africa's foreign policy, especially the lack of coherence with domestic economic imperatives, has also been observed by the National Planning Commission (NPC), which offered the most strident critique; when it released its National Development Plan in 2012, the NPC dedicated a full chapter (7) on weaknesses in foreign policy. First, it called for foreign relations to be driven by the country's domestic economic, political and social demands, in order to work toward achieving South Africa's goals of eradicating poverty, lowering inequality and creating jobs. Second, it asserted that South Africa should aggressively expand trade and investment in the region, on the continent and globally. This would require better coordination across the different agencies dealing with economic issues, enhanced interaction with industry and improved technical capacity within the foreign ministry to drive economic diplomacy – all of which are currently lacking.

The NPC decries what it sees as South Africa's ‘relative decline in power and influence in world affairs’, further noting that ‘South Africa [has] lost a great deal of the moral authority – as a power source – that the country enjoyed in the period immediately after the 1994 elections’. The NPC went on to state that South Africa's foreign relations are becoming ineffective, with the country experiencing a drop in global competitiveness and moral standing. According to the NPC’s assessment, even on the African continent, South Africa's standing has declined, with the country having a weak grasp of Africa's geopolitical situation, and with ‘policy makers vacillating between leading and muddling through on issues of integration and cooperation’.

It is clear that the importance of domestic economic priorities underpinning foreign policy has now become more urgent than ever as the country is facing multiple economic challenges, including sustained low growth rates, stagnant and high unemployment rates, and numerous industries facing increased competition from abroad. In this context, discussion turns to South Africa and the WTO, G20 and the BRICS, and the role of South Africa in global financial governance reform.

South Africa in the WTO
As discussed in preceding sections, since attaining democracy, the South African government has viewed multilateralism as the best framework for limiting the dominance of large economies in international organisations. This view remains the centrepiece of South Africa's participation in global governance processes. South Africa's contribution in global affairs can be interpreted as that of a system stabiliser, while seeking to maximise gains for developing countries, with Africa as uppermost in its foreign policy rhetoric.
Although South Africa often claims to champion Africa's interests, these interests are not distinctively and coherently laid out, except for the enunciation of broad themes of economic development and poverty reduction, promotion of regional integration and facilitation of infrastructure development. Nonetheless, South Africa has demonstrated a genuine effort to positively contribute to stabilising a world at risk as well as consistently highlighting Africa's development plight in multilateral processes.28

South Africa has participated in multilateral trade negotiations since the closing days of the Uruguay Round, when it re-engaged with GATT in 1993 and became a founding member of the WTO from 1 September 1995. South Africa's distinct approach towards multilateral trade negotiations has been that of playing a bridge-building role, presenting itself as both a responsible international actor that seeks the best negotiated outcomes in the WTO negotiations as well as highlighting what it considers to be the core interests of developing countries in general, and of Africa in particular. The latter aspect has been particularly evident with respect to issues related to agriculture, special and differential treatment, less-than-full reciprocity and quota-free/duty-free market access for least-developed countries.

When South Africa became vocal about the need to launch a new round of multilateral trade negotiations in Qatar, Doha in November 2001, this was with the view that such a negotiating round would catalyse a developmental outcome. At this point South Africa betrayed a great deal of naivety about what could be possible in a multilateral process that was still heavily dominated by developed countries. On the other hand, there were not many options: in order for developing countries to raise their issues sharply, the WTO negotiating agenda had to be regarded as sufficiently broad to allow for reciprocal exchanges or trade-offs. In a general sense, however, the developmental benefits of multilateral trade liberalisation are usually vague or inconclusive.29 Hence, active support of the round with the belief that it would deliver on development may have been a leap of faith on the part of South Africa.

Such development idealism is laid out in the reflections of South Africa's key negotiator during the Doha Round. In his book, Mainstreaming Development in the WTO, Faizel Ismail envisioned development as the expansion of human freedoms – an idea he borrows from Amartya Sen – and translated this idea into four pillars in the context of the WTO:30

- tilting the balance into a level playing field with developing countries increasing their export opportunities in global markets through removing trade distortions in advanced markets;
- the provision of capacity to export;
- ensuring that the rules prevailing in the global trading system are made flexible enough to prevent developing countries from bearing unnecessary costs; and
- ensuring effective participation of developing countries in the negotiating processes so that they co-determine new rules that are fair.

Even in the best scenario of these pillars being fulfilled, the multilateral trading system would still fall far short of Sen's threshold of the substantive meaning of development as freedom. In any case, as Strange notes, international relations serve to codify asymmetries of power that are rooted in differential material capabilities and knowledge structures: control over production, finance, security and knowledge.31 This is a challenge far above the tools of the WTO, many would argue.

Apart from the meta-structural questions that make it difficult to conceive of the realisation of developmental outcomes in an interest-driven process such as the WTO negotiations, there are no clearly defined developmental indicators in these processes; negotiations are always about narrowly
defined political economy interests. Development is an inferred objective – a hope, for instance, that it could be generated on the back of a protected sector through employment gains, irrespective of economy-wide welfare implications.

The reason GATT had ‘success’ prior to the establishment of the WTO was precisely because of the ease with which the three dominant players – the US, the EU and Japan – could negotiate and align their political economy interests. With the WTO now made up of a large and diverse number of actors, reaching a consensus is much harder. Advanced industrial economies use their structural power advantage to defend their political economy interests, especially to delay liberalisation of agriculture, an area that is key for unlocking developmental benefits for many developing countries.

Nonetheless, the Doha Round was launched as a development round, with increased participation by developing countries, and predicated on the commitment to prioritise further liberalisation of agricultural trade. It is an agenda on which South Africa mobilised alliances both in the North (as part of the Cairns group of agriculture-producing countries led by Australia) and the South (with the G20+ led by South Africa, India and Brazil). South Africa was prominent in the negotiations, and able to articulate a set of ideas that were consensus-building rather than narrowly interest-based. South Africa's approach to multilateral trade negotiations has generally been to work closely with its partners in the Southern African Development Community, with like-minded partners in the developing world, and to have an open dialogue with significant economies such as the European Union and the US.

Mike Moore, the former WTO Director General, was effusive in his praise of South Africa in his book recounting his years in the WTO leading up to the launch of the Doha Round. He remarked that:

Developing countries like South Africa are in the forefront of countries defining the parameters of the WTO's future work programme – their ministers, ambassadors and officials are among the most effective and influential trade-policy practitioners in the world today.

Since the early phase of its participation in the multilateral processes, especially after the failure of the 1999 Seattle Ministerial to launch a new round of trade negotiations, South Africa defined its positions in very broad generalities. These included: pushing for market access, mainly targeting subsidies and tariff peaks in the countries of the developed North, particularly focusing on Europe; extracting concessions around special and differential treatment for developing countries, especially to formally recognise the principle of ‘less than full reciprocity’ in apportioning of liberalisation obligations; and pressing for policy space and flexibility to enable developing countries to take policy actions that may deviate from the convention for developmental purposes.

South Africa's positive contribution in the multilateral trade negotiations before and after the launch of the Doha Round has been widely acknowledged by developed and developing countries alike. In line with this, South Africa's role conception in the international system has since the mid-1990s been defined often as that of ‘middle power’, a bridge-builder between the developed North and the developing South, and a champion of Africa's interests. This has, for many years, acted to dilute its core economic interests, as its preoccupation has been with bridging a diversity of interests.

**Shift from middle power to emerging power?**

In explaining South Africa's positioning in global affairs, and in the WTO in particular, some commentators have argued that South Africa could be characterised as a middle power. In a strict definitional sense, the term middle power is applied to developed countries that do not possess a great-power status, but play a constructive role in major global policy issues. In addition, they are
ethically driven in their diplomatic approaches and champion a set of normative issues. Issues such as sustainable development and climate change, nuclear non-proliferation and trade liberalisation are examples of issues that tend to figure prominently in the positions of middle powers.37

Developed countries such as Canada, Sweden and Australia are representative of this group. In a loose definition, South Africa could very well be categorised as a middle power. The outside-in image of South Africa has, arguably, been that of a developed economy or, at least, an advanced developing country, as evident in the designation thrust upon it in its accession to the GATT and the framework within which it negotiated the Trade, Development and Cooperation Agreement with the European Union between 1996 and 1999. Crucially, though, it is the universalistic language of the country’s foreign policy, especially under Mandela, that earned it a special place in international affairs.

Spence has pointed out that: ‘it could be argued that South Africa qualifies as a middle power because of the “moral thrust” of its foreign policy, with its emphasis on Third World economic and social deprivation’.38 Trust and confidence of other countries are what set middle powers apart. Middle powers are generally regarded for their appeal as ‘good international citizens’ or multilateralists.39 South Africa was not one to show signs of acting unilaterally or threaten to block deliberations in negotiations. It has instead worked across a diverse range of alliances from the Cairns Group to the G20 Trade to the Africa Group. However, that has been changing gradually.

Since 2007, South Africa's external strategies, in particular its trade policy, have increasingly been subjected to the logic of domestic economic interests, in particular to conform to the NIPF. The evolution of national industrial policy in South Africa has been one of the best attempts to redefine the country's bilateral and multilateral trade approaches in ways that cohere with domestic developmental strategies, even though the latter have not always been compellingly laid out. For example, one of the objectives of South Africa's industrial policy framework is to focus trade policies, through a pragmatic and modulated tariff policy, towards supporting the country's industrial capacities, while also ensuring that South Africa defends its policy space in the WTO negotiations.40

This includes fashioning trade negotiating objectives in ways that defend sectors marked as priority for industrial policy purposes, while pushing hard for the advanced Northern countries to undertake far-reaching liberalisation in agriculture. Since the late 2000s, especially coinciding with Zuma's ascendance, South Africa's posture multilaterally has been undergoing a shift from a bridge-builder role towards a strategic trade policy thrust, where domestic economic development is seen as an important end, with international trade negotiations serving as instruments to achieve such ends. Membership of BRICS has also played a pivotal role in redefining South Africa's foreign policy identity; some would say it has cemented South Africa's image as an emerging power.

Spence contrasts middle powers and emerging powers. He argues that: ‘In contrast with middle powers, emerging powers have wider aspirations and expectations. They seek an effective and constructive regional role, and possibly in some instances, a global one.’41 He sets out the following as criteria for an emerging power:

- It must be reasonably secure with a stable domestic base. Social stability as an important internal security measure is a defining marker.
- It should have a sizeable economic capability and resources to deliver both militarily and in respect of internal economic security – ‘guns and butter’. Here a stable institutional ensemble that underpins the economy is necessary.
- It should demonstrate the rule of law and good governance. Political stability places a country at a favourable position in how it is viewed by outsiders.
• It should have a non-threatening regional environment where it can play a pivotal role.

On the African continent, South Africa is a shoulder above its peers in terms of these criteria. South Africa is a regional leader, and the only African country that is heavily involved in processes of global economic governance. In comparison with other emerging powers, however, such as Brazil, India and China, as well as the re-emerging Russia, South Africa suffers weaknesses in certain respects. Quite evidently, South Africa does not possess economic weight on a similar scale as the other BRICS nations. Apart from its diplomatic weight in key multilateral institutions, there are, however dimensions in which South Africa performs better than other BRICS, especially with respect to macro-economic fundamentals, the quality of its financial institutions and business sophistication levels, and on various other scores of competitiveness. Boasting a population of nearly 200 million, Brazil is the world's seventh largest economy in the world, with a GDP of over $2.244 trillion.

Russia is in eighth position, with a nominal GDP of $2.057 trillion. India is the 10th largest, with a nominal GDP of $2.048 trillion, and China is second with a nominal GDP of $10.36 trillion. South Africa is the world's 33rd largest economy, with a nominal GDP of $341.2 billion.

Despite its new recognition by some as an emerging power, South Africa has remained an active champion of multilateralism and Africa's development aspirations. In the realm of multilateral trade negotiations, it has opposed moves by the developed North to 'bastardise' the developmental mandate of the Doha Round. What is clear though is that, in light of its enhanced global ambitions and geopolitical alignments, South Africa should no longer be classified as a middle-power country that offers a bridge-building platform to reconcile a diversity of interests. It is has become a pragmatic and realist actor in international relations, with clear focused goals to diversify trade relations and maximise economic benefits for the domestic economy. This objective does not seem to be pursued in a coordinated and coherent fashion, however, as the NPC has noted in its critique.

Increasingly, South Africa situates itself in opposition to the advanced industrial North (the EU and the US), a position likely to be reinforced by the country's close relationship with the BRICS countries (see below). South Africa's current default position with regards to developments in the multilateral trading systems has been to block any new initiatives that seek to broaden the Doha Round mandate until the core agenda issues have been resolved.

Further, global trade negotiations are becoming a lot more complex, with alliance structures waning and waxing. Some 'over the horizon' issues have brought complexity and posed new challenges for the WTO. These include calls for plurilateral agreements under the WTO in areas such as services, government procurement, information technology goods and environmental-friendly goods; new issues such as the implications of 'currency wars' for WTO agreements; and the rise of 'mega-regional' trade arrangements such as the Transpacific Partnership and the Transatlantic Trade and Investment Partnership.

In the negotiations on the post-Bali work programme, for example, South Africa has insisted on the prioritisation of issues in the Bali Package where there were no legally binding outcomes, emphasising the importance of 'Southern coalitions’ such as the Africa Group, NAMA 11, the G20 and the G90 in ensuring a Doha outcome that has relevance for the developmental mandate of the round. These are coalitions in which South Africa has participated actively, 'demanding greater policy space for industrial development'.

It is also becoming obvious that a BRICS position on the above-mentioned issues has not coalesced, especially as there are growing indications that China is interested in joining the Trade in Services
Agreement negotiations and there are nascent discussions in China and India on the potential impact of the mega-regional trade arrangements on their economies, as well as on the kind of strategies they should employ in their response.\textsuperscript{23}

**South Africa and the G20**

South Africa was one of the only seven developing countries to participate in the inaugural meeting of the G20 Finance Ministers. It is also one of the nine non-OECD countries that are part of the G20 Heads of Government meetings. The others are Brazil, Russia, India, China, Indonesia, Saudi Arabia, Argentina and Turkey. As a developing country member of the G20 and a co-chair with France and South Korea of the Development Working Group, South Africa has played some role in shaping this development framework. In the build-up towards the G20 Leaders Summit, the South African government's perspective on the G20 pivoted on four pillars, with sketchy details:\textsuperscript{46}

- stabilisation of global finance;
- countering global recession;
- deploying resources to support demand and sustain investment in the developing world; and
- laying the foundations for sustained recovery.

Since South Africa is on the margins on issues related to financial regulation and macro-economic coordination, it has been placing a premium on aspects affecting Africa's development and infrastructure development. According to President Zuma (speaking ahead of the G20 Korea Summit):\textsuperscript{47}

> South Africa participates in the G20 summit within the context of contributing to and strengthening the multilateral system to ensure fair and effective responses to the challenges confronting world trade today. South Africa is part of the G20, as it is systematically important for the country, with national economic interests to promote.

Apart from presenting itself as a *system stabiliser* and one of the champions of the reform of international Financial institutions, outside of the Development Working Group, South Africa has no distinct set of measurable objectives articulated within the G20. It is also difficult to speculate how influential South Africa could be within the G20, given its relatively small size. It is possible that, in light of its strong alignment with the BRICS, it will ride on this group's positions. One area that emerged as a BRICS issue, even though less pressing for South Africa, was that of International Monetary Fund (IMF) quota reform. There is little in the IMF reform to benefit South Africa given that quota contributions and representations depend on the size of a country's GDP.

There are a number of areas where South Africa has managed to punch above its weight in the G20, for instance on the strength of the country's technical expertise in the finance ministry. One of these is the financial inclusion agenda. This was an area that was initially championed by the US, but South Africa was seen as a country that could take it beyond rhetoric given its experience domestically on this issue. On financial inclusion, South Africa has an interest in participating in a peer-learning exercise and to showcase its own best practices in encouraging the banks to broaden their offerings to include the socially marginalised and SMMEs. Issues related to development are some of the issues that South Africa has championed and identified as its priorities at several G20 summits.

Broadly, there are six areas that South Africa has advanced in the G20 agenda since the Cannes Summit hosted by France in 2011.\textsuperscript{48} The first regards the stability of the Eurozone. The second concerns invigorating growth, creating jobs and addressing social challenges. The third has had to do with the imperative of addressing commodity price volatility and promoting agriculture.
With regard to the third area, for the G20, in particular, this is mostly aimed at curbing speculation that could induce price volatility. Improving regulation and supervision of the trade in commodities for derivative markets and increasing market transparency are some of the key aspects of the G20 agenda around which South Africa expresses positions. One of the areas that South Africa is pushing strongly is that of increasing support for investment in agriculture, as well as championing a multilateral development bank action plan on water, food and agriculture.

Fourth, South Africa has pushed for improved IMF surveillance and governance in order to detect crises as they emerge, as well as to resource the IMF to be more effective in performing its systemic support role. In addition, South Africa is contesting a third chair on the IMF Executive Board for Sub-Saharan Africa, as it considers Africa to be significantly under-represented on this board.49

Fifth, South Africa has highlighted the need to address challenges of development, especially the importance of the Seoul Development Consensus for Shared Growth and its nine-pillar Multi-year Action Plan on Development, which comprises: infrastructure; private investment and job creation; human resource development; trade; financial inclusion; resilient growth; food security; domestic resource mobilisation; and knowledge sharing.

South Africa is also co-chair of the Development Working Group, set up to implement the Seoul Action Plan in 2010, a position that affords it the opportunity to influence the content and direction of the development agenda in the G20, as well as advance African development concerns. Some of the work of the working group has found its way into the joint mandate of various international organisations in addition to the G20 – the World Bank, the UN Conference on Trade and Development, and the Food and Agriculture Organization. Some of this work may be introduced into the Post-2015 Millennium Development Goals process.

Finally, in seeking to rectify financial exclusion, South Africa has also articulated the need to support innovative finance, reducing the cost of remittance transfer, domestic resource mobilisation (reform of tax institutions), and the speedy delivery of overseas development assistance commitments. On the latter set of issues, it has also pushed for the Financial Stability Board to undertake an assessment of the implementation and impact of the regulatory standards on emerging markets and developing countries.

South Africa has expressed a concern that the Basel III proposals could have unintended consequences of slowing down growth for developing countries.50 Some Western observers have also made a similar observation that tough global bank reforms that are proposed by Basel III ‘will be disproportionately difficult to implement in developing countries, and will damage their growth’.51 Basel III provisions impose liquidity and capital requirements that are best suited to developed rather than developing countries, which generally still rely heavily on debt finance to expand commercial activities.

As such, Pretoria asserts the need for special and differential treatment for low-income and developing countries in order to exempt them from such provisions. Such a position bears a similarity to South Africa’s standpoint on the WTO negotiations, as discussed previously. South Africa too would want to have more policy space rather than be constrained by regulatory fetters that are applicable to developed countries. It is noteworthy that, even though South Africa has taken a defensive posture on Basel III, it has nonetheless been implementing its provisions since January 2013, with some flexibility (‘transitional arrangements’) built into its implementation time-lines until 2019.52
South Africa's participation in the G20 has clearly helped to sustain the country's international profile as a global actor and a voice to be reckoned with in the developing world. Many of South Africa's positions in the G20 revolve around multilateral coordination and pursuing an African Agenda. What is apparent, in the context of the G20, is that South Africa has not evolved a clear sense of its own interests linked to its domestic development framework, which is in any case weakly defined. In the absence of articulated interests, the value of South Africa's participation and effectiveness in the G20 for its own benefit will always come under question.

**South Africa's turn in the BRICS**

The realignment of economic power and shifting geopolitics has become a key theme emanating from South African foreign policy engagements and pronouncements, and smoothed the way for South Africa's inclusion in the BRICS in December 2010. This realignment serves as the basis from which the country justifies its increasing attention away from the traditional powers in the North towards its Southern compatriots. In addition, over the past two decades the economic rise of China has seen a strong ‘look East’ policy take hold over much of Africa.

South Africa played host to the BRICS Summit on the 26–27 March 2013 in Durban. Such an opportunity was welcomed enthusiastically by both government officials and the business community in the country as signifying recognition of the country as a key player in global affairs, and especially associated with countries whose influence in the global economy is seen as on the rise. South Africa frames its BRICS approach in terms of strengthening relations with ‘like-minded’ countries, as well as creating possibilities to expand trade and investment opportunities.

South Africa also sees this formation as an extension of ‘South–South’ solidarity. This is despite the fact that Russia does not self-identify as part of the South nor does it regard itself as an emerging power. Crucially, the BRICS countries are the most vocal on the reform of the international financial institutions, in particular to recalibrate quota shares and representation in the IMF. As we have noted previously, there would be limited benefits for South Africa in this area of reform. Yet there is value in championing reform in critical areas of global governance in alliance with countries whose global influence is seen as on the rise.

There are a number of other areas where the BRICS countries are not in alignment, such as the liberalisation of services, the call for plurilaterals in the WTO, and the nature of the reform of the United Nations. BRICS has also overshadowed other formations, such as IBSA (consisting of India, Brazil and South Africa), which was Mbeki's brainchild and which can now be appropriately characterised as in the doldrums. This formation had much better credibility in promoting issues of equity, fairness and even reform of the United Nations Security Council, since it was made up of democracies that were not members of the United Nations Security Permanent 5. Even at a bilateral level, South Africa seems to have elevated relations with China and Russia above those with Brazil and India (and other like-minded countries), in ways that are not always comprehensible.

In regard to China, South Africa's diversification of its foreign relations is understandable, especially from a commercial point of view. No country today can afford to ignore China's economic weight and the imperative of deepening trade and investment links with this behemoth. The concern is that South Africa would appear to have compromised the independence of its foreign policy in exchange for greater recognition by China. However, one of the dangers in integrating deeply with major powers is that the smaller country could have its foreign policy goals reformatted to serve the interests of the great power. With respect to Russia, South Africa would seem to have very little in common with Moscow. There is the matter of the highly secretive nature of a rumoured agreement on the transfer of nuclear technology between South Africa and the Russians, which has raised disquiet in South Africa...
over concerns that procurement procedures could be flouted to give the Russians an advantage vis-à-vis other potential contenders. In short, the danger for South Africa in cultivating closeness with China and Russia is that its foreign policy could well be subsumed under the geopolitical and commercial interests of these two countries. Yet they do not have a shared intellectual outlook or normative agenda beyond scepticism towards the West. South Africa needs to fashion a relationship with these countries based on a clear view of its economic interests, and how these could be leveraged to advance its own position in various global processes. At the moment this remains vague, especially as South Africa does not seem to have a domestic security and economic framework that informs its foreign policy goals.

The emphasis on party-to-party relations between the ruling ANC and the ruling parties of China and Russia does not bode well for pursuit of pragmatic relations that are not mediated by narrow party interests or the personal interests of President Zuma. There is a sense that the motivation of Zuma's administration in choosing diplomatic friends is less to do with South Africa's collective interests, or even ideology, and more to do with enhancing the welfare of the ruling party. As noted earlier, the sealing of party-to-party relations between the ANC and United Russia in October 2013, as well as between the ANC and the Chinese Communist Party, does not seem grounded in any sense of normative convergence.

In our view, the BRICS mechanism within which South Africa participates holds great potential to open new avenues of diplomatic relations for South Africa, and in such a manner that could sustain the country's position as a recognised global actor amongst middle-income countries. At a practical level, the infrastructure-driven initiative of the BRICS New Development Bank could help South Africa redefine its relations with its African neighbours on the basis of a more substantive development agenda that promotes infrastructure development, regional integration and structural transformation of Africa's economies. Success, however, hinges on clearly defined strategies by the South African government to leverage BRICS participation for developmental ends.

Conclusion
South Africa sees global economic relations not just from the standpoint of normative considerations, as was the case during its early participation in global processes. Ideology, in particular the anti-Western rhetoric, and commercial calculations now play a significant role in its choice of groupings and bilateral relations. Although South Africa still maintains political and economic relations with the West, these are no longer as cosy as they were in the days of Gleneagles or when South Africa had just passed its major test in managing a difficult political transition in the early 1990s.
What is clear though is that South Africa lacks clearly defined transformative ideas about the global system apart from broad generalities on reforming global institutions. Its foreign policy thinking is increasingly influenced by major emerging or re-emerging powers such as China and Russia. Its trade relations with China have grown enormously, and the country heeds Chinese influence, as evident in the debacle over the refusal by South African authorities to grant a visa to the Dalai Lama, twice.
With Russia, South Africa is deepening its commercial relations, especially in the area of nuclear technology.

While there are positive developments in South Africa's foreign policy choices, for example, championing the establishment of the BRICS New Development Bank and defining its engagement at the WTO through its industrial policy framework, there remain ambiguities about the precise development contributions of the country's diplomatic engagements. There is thus no coherent foreign economic strategy that is defined by a well-articulated domestic economic agenda. Effectiveness in
foreign policy articulation rests on the quality of institutions and development strategies that guide government's action domestically and externally. Along with ambiguous development strategies, a lack of fluent economic diplomacy in South Africa's foreign policy is a crucial gap that limits South Africa's ability to maximise benefits in a changing global system.

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**Notes**


30. Ismail F, Mainstreaming Development in the WTO: Developing Countries in the WTO. Cuts International: Jaipur.


36. Middle powers have been defined as good multilateralists or international citizens that that have the national will to act in a responsible fashion. See Cooper AF (ed.) Niche Diplomacy. London: Macmillan, 1997, p. 6; or they are viewed as actors that tend to be ‘involved in a wide range of diplomatic matters, usually extending beyond their regional boundaries’, Nossal KR & R Stubbs, ‘Mahathir's Malaysia: An emerging middle power?’ in Cooper AF (ed.) Niche Diplomacy. London: Macmillan, 1997, p. 149; See also van der Westhuizen J, ‘South Africa's emergence as a middle power’, Third World Quarterly, 19.3, 1998, pp. 435–55. He argues that ‘The middle-power concept is a useful analytic tool with which to gauge South Africa's international behaviour.’ This completely ignores self-interest in strategic environment at both regional and international levels.


