Conduit for Economic Growth and Development? Exploring South Africa and Brazil's BRICS Membership.

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Abstract

For decades, the most used mainstream model for economic growth and development was that used and promoted by the global north. However, this model has not seen the same results in the developing global south as it has in the developed global north. BRICS emerged as an organisation that presented an alternative means to the global north's approach to economic growth and development. This article examines whether BRICS membership has fostered the economic growth and development of South Africa and Brazil. This article examines the five years before and after Brazil and South Africa joined BRICS. Key findings of the study are that economic growth and development gains have been minimal. The study concludes that Brazil and South Africa have achieved political gains from their BRICS membership, which is considered to offset the absence of tangible economic growth and development gains.

Key Words: BRICs, BRICS, Economic Growth, Economic Development, Brazil, South Africa.

Introduction

Economist Jim O'Neill termed the emerging economies of Brazil, Russia, India and China as BRICs. These emerging economies were marked by certain characteristics that included being the fastest growing economies of outstanding size, with China being the second-largest economy in the world and India the fourth largest (O'Neill 2001). These emerging economies were projected to have economic growth rates that in some instances were set to outpace the economic growth rates of countries in the developed global north. With these rapid economic growth rates, the emerging economies were able to demand representation and a stronger political presence in the international governance structure. Brazil had a growth rate of over 5%, which put them in the emerging economies category (O'Neill 2001). Brazil was grouped with other emerging economies including Russia, India and China because of its growth rates in the early 2000s, and because of its projected growth into the decade. The same is not true of South Africa. While South Africa's economy was projected to grow, it was not projected to experience the same growth rates as its fellow BRICS members. To position itself with the other BRICs members, South Africa lobbied for entry into BRICS by branding itself as the 'gateway into Africa' (EDGE 2012). South Africa envisaged a number of benefits from an economic growth and development perspective through foreign direct investment, access to new markets, technological transfer, and a boom in trade and tourism (Harrison 2014).

Although some literature on Brazil's membership focused on whether it deserved to be part of the BRICS (Sotero P. and Armijo, L. 2007), other authors highlighted key areas such as expanded trade access and the need for deep insight into economic development, especially from China (Stuenkel 2014) as positives emanating from joining the BRICS. Thus, the objective of this article is to examine whether South Africa and Brazil have made any economic growth and development gains from their BRICS membership. This is done by answering the research question: In what manner does BRICS membership contribute to Brazil and South Africa's economic growth and development?

The article uses triangulation research design. A definition of the triangulation method is the mixing of viewpoints to highlight a topic. Qualitative and quantitative data are used in the same period, giving them equal weight (Olsen 2004; Delport and Fouché 2011). In this article, six economic indicators are used to measure both the economic growth and the development of Brazil and South Africa. GDP is the market value of all goods and services produced within a country in a given period (Dang and Sui Pheng 2015). The second economic indicator used in this study is the unemployment rate. Kingdon and Knight (2004) state that unemployment is a serious matter because it affects economic welfare, production, erosion of human capital and social instability. When people have lost their means of earning wages their spending on goods and services decreases, directly impacting the economy.

Inflation is the third economic indicator that is used to measure economic growth. The generic definition of inflation is that of a measure of continuous and rapid price level increase in an economy over time (Hellerstein 1997; Oner 2010). Brazil and South Africa are countries that have struggled with high inflation and unemployment rates. It is important to use these two economic indicators to examine whether BRICS is able to contribute towards curbing the high inflation and unemployment rates in Brazil and South Africa. GDP tracking is important in examining the amounts of goods countries are able to produce in a 12-month period. Using the three indicators together illustrates the amount of goods produced, whether there are enough people employed to produce these goods, and lastly, whether these goods are purchased by the country's population. This gives a snapshot of a country's economic capabilities over a certain period.

The three development indicators used include the Gini coefficient, which measures welfare inequality of entire populations, which, in this article are the populations of South Africa and Brazil. The second indicator, health, is measured using the under-five mortality rate (U5MR). The definition of the U5MR is the probability of a child dying before it reaches the age of five (WHO 2013). The third and last indicator used in measuring development is education. McGrath (2010) states that a correlation exists between education and development. That is the reason for using the literacy rates of both South Africa and Brazil to measure development. While examining a country's economic health, development indicators illustrate whether the economic health of a country translates into the well-being of its population. Understanding both the economic and developmental well-being of a country is crucial especially for the political and economic partnerships that a country enters into.

The article is structured in the following way: the next section focuses on the theoretical framework which entails a discussion on neoliberalism and structural realism. The work then explores the economic growth and development literature within the BRICS context. It assesses the economic growth and development of Brazil and South Africa are assessed in relation to their BRICS membership. Later, the study findings are discussed, and an analysis is made of the extent of the contribution that BRICS membership has had on South Africa and Brazil's economic growth and development.

Theoretical Framework

Since the study falls within the political economy field, neoliberalism and structural realism are crucial in achieving the aim of the study, which is geared towards understanding whether the membership of BRICS is a conduit of economic growth and development.

Structural realism

Structural realism is a theory that has its roots in one of the more influential theories in the study of international relations, Classical realism. This theory contends that states are in constant pursuit of power whether, militarily, economically or politically, for the sake of their national interests (Donnelly 2009, 31). To further highlight this point, Keohane (1983) states that Realism is necessary when conducting a coherent analysis of world politics. This is because Realism focuses on power, interests and rationality, and these three characteristics are important when trying to understand state actions (Keohane 1983, 159).

However, realism is unable to account for change, especially in the global political economy and the changes that occur in the domestic structures of a state (Keohane 1983, 159). These changes, he argues, affect how a state operates and interacts with other states, and this is beyond what realism can provide. Realism further assumes that states are constantly seeking opportunities to take advantage of each other. This behaviour perpetuates the notion that states have little reason to trust each other (Mearsheimer 1994, 10). Mearsheimer further argues that frequent cooperation does occur among states even though that is counterintuitive to the constant competition (1994). This cooperation will occur when a state pursues its national interests and its need to cooperate with other states to achieve them, despite being in a constant state of mistrust and competition.

While competition among states is one of the assumptions of structural realism, cooperation through alliance building can occur in this environment. Thus, when a state is allying, it is constantly worried about how it will share profits and gains with its allies (Mearsheimer 1994, 13). Gains can be distributed in one of two ways, the first being absolute gains. This is where a state maximises its gains and cares little about the gains of other states. The second way is through relative gains. Relative gains ensure that a state not only focuses on its gains but also on those of its allies, ensuring cooperation (Mearsheimer 1994, 13).

South Africa and Brazil are considered powerful countries on their continents and by their sub-regions. To ensure survival, pursuing security may entail allying with other countries in the form of a trade and economic cooperation such as BRICS. To ensure the sustainability of the cooperation, there must be an incentive for a state to participate, and that incentive can come in the form of relative gains. However, state cooperation is limited by the states' need to guarantee their survival and security within an anarchic international system, and the same is true of BRICS (Mowle 2003, 561).

Neoliberalism

Although structural realism is crucial to the study as explained above, it does not adequately explain the rationale behind economic cooperation between the BRICS member states. While it explains the need for an alliance on issues where BRICS members converge, because of the mistrust and constant competition between states, it does not adequately explain economic cooperation. The second theory used is neoliberalism. Liberalism derives its roots from the work of Adam Smith. Smith believed that the economic market should be left to its own forces, which would either allow it to thrive or let it fail (Ver Eecke 2013). Neoliberalism has evolved from the liberal theory. This evolution into neoliberalism rose to prominence because of the new economic growth and development means ushered in through the Washington Consensus and the Bretton Woods system. This pushed underdeveloped and developing countries into using the developmental model of the global north (Adino and Nebere 2016).

Neoliberalism is a theory of political economic practices (Harvey 2005; Thorsen and Lie 2007). These practices stand for the advancement and well-being of a state's population to achieve freedom through entrepreneurship, a free market, and trade. The state is seen as an entity to create and preserve the institutional framework that allows the practices mentioned above, but to achieve a comparative advantage and market freedom, the state must respond with minimal intervention (Harvey 2005; Shultz 2010). The creation and maintenance of this institutional framework is of utmost importance. The state must ensure that internal institutional arrangements are constantly improved to compete on the global level and to ensure economic growth and development through cooperation.

The state and the market are connected in four ways, firstly, both sectors are dominant vehicles to distribute goods and services. This is done by either decentralizing both production and distribution when the market has power, or centralizing production as in planned economies (Shultz 2010). Next, public power is essential in creating a 'free market' that enforces the rules of the market. Thirdly, the state has the authority to regulate and address market failures and monopoles, (Shultz 2010, 9). This is necessary because an unregulated market creates problems that the state then has to correct. Lastly, public infrastructure investment, by the state to ensure that market profitability falls under the state's domain (Shultz 2010). The neoliberal belief is in comparative advantage, market freedom and a minimalist state (Shultz 2010). The role of the state is to ‘create and preserve an institutional framework appropriate to such practices’ (Harvey 2005, 2).

BRICS members cooperate economically through multiple channels including trade, FDI, and entrepreneurship. The market economy is a key factor in the BRICS cooperation. Brazil and South Africa are developing economies that enact neoliberal policies for economic growth and development, while BRICS members such as China have market economies that have the characteristics of command and neoliberal economies.

BRICS and Economic growth and development: an exploration of literature

The original BRICs which consisted of Brazil, Russia, India and China was set up for the benefit of solving the challenges that were unique to the emerging markets of the south. Thus, the methods they used were appropriate to their needs rather than the methods used by the developed countries of the north (Gauteng Provincial Treasury 2013). Some of these challenges included competing with the developed north in the international market while still having underdeveloped or developing economies, dealing with conditional aid and loans and foreign direct investments, all of which further strained their economies.

What South Africa had to offer, which was highlighted during the period when President Jacob Zuma lobbied for a position in BRICS, was that South Africa is the gateway into Africa (Besada and Tok 2014; Carmody 2013; Besada, Tok and Winters 2013). While South Africa’s economy was smaller than its fellow BRICS members, it remained an important regional influence (Carmody 2013). This influence would be a catalyst in assisting fellow BRICS members to have further access to South Africa’s regional partners. This argument was promoted by China in explaining South Africa’s inclusion. China further stated that the inclusion of South Africa would promote development among BRICS members and foster ‘further cooperation among emerging market economies’ (Besada, Tok and Winters, 2013, 4).

Economic Growth and Development

To assess the manner in which the BRICS memberships contributes to Brazil’s and South Africa’s economic growth, it is pertinent to examine the literature and the major concepts. The concept of economic growth is a country’s ability to create wealth for itself (Haller 2012; Dang and Sui Pheng 2015; Jones 2016). Development, as Rodrik (2007) states, is for the betterment of the population.

People are able to pull themselves out of poverty through education and quality employment and ensure that they live healthy lives through the economic policies designed to stimulate economic growth. The literature on economic growth and development explains these two phenomena differently for developing countries and developed western countries. Bosupeng (2017) argues that export-led growth economies such as BRICS members India and China, rely heavily on their exports to drive growth in certain sectors of their economies. However, this is vastly different from South Africa, which has to find a balance in the prudent use of its resources and economic development (Bosupeng 2017). BRICS has grown globally both politically and economically since its formation. The evidence of such growth is the fact that the BRICS share in global GDP has risen from 11% in the 1990s to 30% by 2014, and it is still on the rise (Mminele 2016). As a collective, BRICS members have made strides in economic growth and development. Examining this from the perspective of Brazil and South Africa is important, because they are regional leaders in their regions and have relatively smaller economies compared to the other BRICS members.

Before Brazil achieved the economic growth that catapulted it into BRICS, it had gone through periods of growth and economic stagnation that were attributed to political instability. This instability included periods of military dictatorship (Filho 2010). There were two periods of dictatorship, the first from 1930 to 1945 (Lisboa and Latif 2013, 1), and the next from 1964 to 1984. The latter period turned out to be related more to Brazil's economic growth and development (de Almeida, Gutierrez and Marques 2013, 102). During the 1960s, under the military dictatorship in charge of the Brazilian government, the economy achieved a growth rate of around 5.9%. At that time, Brazil was one of the fastest-growing economies in the world and experienced one of the most prosperous times economically (Barbosa 1998, 2).

Import Substitution Industrialization (ISI) was an economic policy that was enacted during this period, and was practised throughout much of Latin America as a strategy to stimulate economic growth (Lisboa and Latif 2013). The premise behind ISI was to strengthen the sectors that produce goods and products that Brazil primarily imports, thus weakening its reliance on other countries while promoting economic development domestically (Cardoso 2009). The rollout of the programme was gradual; it started in the non-durable consumer sector and eventually grew, by the 1970s, to feature durable goods and substitute imports for raw materials and capital goods. This feature included direct state intervention through state-owned enterprises in sectors such as steel, power, telecommunications, oil, and petrochemicals (Barbosa 1998).

While the economy did grow during this period, the growth was not conducive to promoting development, because the Brazilian financial sector was unsuited to long-term industrial development (Filho 2010). Brazilian banks were unable to provide long-term financing for the rapidly growing industrial development because previously, such investments in manufacturing and industrial development were financed by foreign direct investments, foreign loans, state-owned banks, state subsidies, and private firms' own resources (Filho 2010, 10). That combination, including the fact that Brazil's political climate caused creditworthiness uncertainty to foreign investors, made this economic growth unsustainable.

Finally, in 1985, thanks to hyperinflation and massive economic stagnation that escalated political tensions, democratic mobilization by Brazilians led to the restoration of democratic rule. The next phase that Brazil faced was stabilizing its economy, which included the curbing of hyperinflation (Lisboa and Latif 2013). A massive structural change had to occur in order to stabilize the political climate and economic crisis. This included drafting a new constitution that would be inclusive of the multiple actors previously neglected by the military regime, and the inclusion of social policies that would alleviate some of the hardships that Brazilians faced because of the financial crisis. This included economic reforms made by introducing the neoliberal approach to economic development (Lisboa and Latif 2013). Because of the changes made to its policies, Brazil was able to maintain the growth of its economy and its expected future growth and was able to compete on the same level as China and India, both of which were experiencing incredible growth rates. All these factors contributed to the economic growth and development of Brazil in both a negative and positive manner.

Unlike Brazil, which has had bouts of democracy and dictatorship, South Africa only attained its first period of true democracy in 1994. Before that, South Africa was ruled by the apartheid regime of the National Party, and before that, it was a British colony (Siko 2014). Being part of the Southern African Customs Union, helped to ensure that South Africa would be a dominant country in the region both economically and politically (Hanlon 1986). Even though South Africa's economy showed some growth during the apartheid period, it did not last because of the liberation movement mounted against the apartheid government. The apartheid government had largely depended on mining exports, which, by 1994 made up a significant amount of the country's exports (Bhorat, Hirsch, Kanbur and Ncube 2014). While such can help in boosting economic growth during boom times, external factors can destabilize a raw material exporting country, as was the case in Brazil with the oil crisis during the 1970s. South Africa attained its democracy almost a decade after Brazil and because of this, had a late start in formulating policies that would stimulate sustainable growth and development.

The opportunity to enact policies that would stimulate the economy came to South Africa when it held its first democratic elections. Sanctions imposed on South Africa and multiple internal political factors harmed the economy and resulted in the new democratic government inheriting a country in an economic crisis (Bhorat et al., 2014). The year 1994 marked South Africa's re-entry into the global market. By formulating economic neoliberal policies that focused on trade liberalization and foreign investment into sectors, the government hoped to stimulate economic growth and development (Bhorat et al., 2014).

To attract foreign direct investment, policy changes were implemented to show foreign investors that South Africa was on the road to economic and political stability. The ruling ANC government took strategic measures to bring about economic stability that would foster economic growth and development. To retore growth and stability, one of the measures taken by the newly democratically elected government was to attract investors back to South African (Evans, 1991, 717). One of the first policies enacted under the new government was the Reconstruction and Development Programme (RDP). The objectives of the RDP policy were to create a more equal society through reconstruction and development as well as strengthening democracy and growing the economy (White Paper on Reconstruction and Development 1994).

The RDP policy was meant to redress the social, economic and development issues that had discriminated against the country's blacks during apartheid. The policy included access to quality education, housing, economic equality and other societal needs previously denied under the apartheid system (White Paper on Reconstruction and Development 1994). However, this policy was not aggressive enough to foster economic growth as it focused heavily on developmental factors, and the economy had to have a balance between economic growth and development. The Growth, Employment and Redistribution policy (GEAR) was implemented to address this problem. GEAR was a policy based on neoliberal approaches to economic growth and development (SA Department of Finance 1996).

As policies such as GEAR and RDP were implemented, South Africa began to steadily grow its economy and become one of the biggest economies on the continent. During this period, South Africa was able to grow the economy at a steady pace of around 3% a year and was even able to achieve a 5% GDP growth rate before the 2008 global crisis (Bhorat et al., 2014). These neoliberal economic policies put South Africa and Brazil on the path to curbing their economic problems and reaching sustainable economic growth. However, the 2008 global crisis that affected every country globally, proved once again that developing countries fall prey to the policies and consequences created by developed western countries.

The financial crisis of 2008 exposed many flaws in the neoliberal economic method and in the process, the financial crisis allowed BRICS to gain both economic and political power. BRICS countries showed that they were a major force during the global economic recovery (Radulescu, Panait and Voica 2014). This went a long way to BRICS demanding a bigger voice, one that would have an impact on the global political-economic system. While the BRICS economic growth was strong, there were still some issues to address. First, Radulescu, Panait and Voica (2014) argue that BRICS have unbalanced economic structures. Another driver of fast economic growth was the 'massive entry of factors at very low prices' (Radulescu, Panait and Voica, 2014). This is especially true of China and India. Even with factors such as these for economic growth, BRICS have demonstrated that they can exert economic global influence when using their methods concerning economic growth.

By using their methods, which diverge from those of the global north, to accelerate economic growth, BRICS were able to have the impact of lifting millions of people out of absolute poverty and improving their quality of life. This upward move from poverty has allowed millions of people to live better lives and given them the chance to continue developing their families, communities and country. While this is a tremendous achievement, BRICS economic growth rates have high levels of consumption (Santana et al 2014). Furthermore, Santana et al (2014) argues that the rapid growth and consumption by BRICS has the potential impact to create a scarcity of resources, especially because some BRICS members are exporters of nonrenewable resources. This is why the goals set out by the BRICS Development Bank are important, as these goals were set up not only to contribute to BRICS, but also to contribute to the developing economies of the global south. These development goals include contributing to expansion in education, healthcare, food security and basic standards of living (Singh 2014).

Brazil's membership in BRICS:

The findings are presented in two different sections, the first presents the findings from Brazil, the second presents the findings from South Africa. This first section presents the economic growth and development data on Brazil collected using the six indicators as measurement. The objective of this article is to examine how the BRICS membership has contributed to Brazil and South Africa's economic growth and development. BRICS outlined certain issues on which they had consensus at their inaugural summit in Yekaterinburg Russia, on 16 June 2009. The following year at the Brasilia Summit, their vision going forward, and the role BRICS would play was outlined. During their second summit, BRICs called for a strengthening of macroeconomic cooperation to secure a strong, sustainable and balanced economic growth (Brasilia Declaration 2010). South

Africa joined BRICs in 2010 and made its official debut at the Sanya Summit in 2011 that took place on Hainan Island, China. There, BRICS stated in their declaration the continued need for political dialogue and economic cooperation (Sanya Declaration 2011).

Figure 1 below illustrates Brazil's economic growth from 2004-2014. It shows Brazil's economic growth as measured by GDP, inflation and unemployment rates. Figure 2 illustrates Brazil's development as measured by the Gini coefficient, the literacy rate and the under-five mortality rate. This objective is achieved by answering the question of how membership in BRICS contributes to Brazil's economic growth and development.

Figure 1: Brazil's Economic Growth 2004-2014

Source: Own calculations on data from World Bank databank

When examining the data for Brazil's economic growth and development before 2009, it is clear that the increase in economic growth and development was unsteady during that period. As stated by Lisboa and Latif (2013), this increase was attributed to the liberal economic policy changes that Brazil enacted to curb financial problems that stemmed from the country's transition to a democracy (2013). Brazil was experiencing economic instability and hyperinflation, which affected its economic growth and development. Stabilizing the economy was essential to address the issues created by policies that were enacted by the military dictatorship (Filho 2010). New economic policies enacted started contributing to Brazil's economic growth and development, however, that growth was not stable, especially during the latter part of the 2000s. Brazil experienced fluctuating GDP growth before 2009, when there was a slight decline in 2008 and then once again in 2009.

Brazil went from experiencing a 5.91% growth in its GDP to negative growth at -0.12%. This difference in GDP from 2008-2009 shows how the financial crisis heavily affected the Brazilian economy. The financial crisis also impacted the data collected on Brazil's economic growth and development.

In 2010, Brazil's economy experienced a growth rate of 7.54% in its GDP. The growth rate of 2010 was not sustainable because from 2011-2014. Brazil's GDP fluctuated until its economy experienced less than 1% growth in 2014. The inflation rate sat at 7.75% in 2004 and held steady with slight fluctuations for a decade, ending in 2014 with the inflation rate sitting at 7.84%. Brazil's economy had been experiencing a steady decline in unemployment from the period 2004-2008. During 2009, a slight spike occurred, but in the following years Brazil continued to experience a decline in its unemployment rate, which had gone down to 4.85% by the year 2014. As Kitov and Kitov (2011) explained, to achieve stable economic growth, the inflation rate must reflect GDP growth and a decrease in unemployment. Together, these three indicators illustrate Brazil's economic growth after joining BRICS.

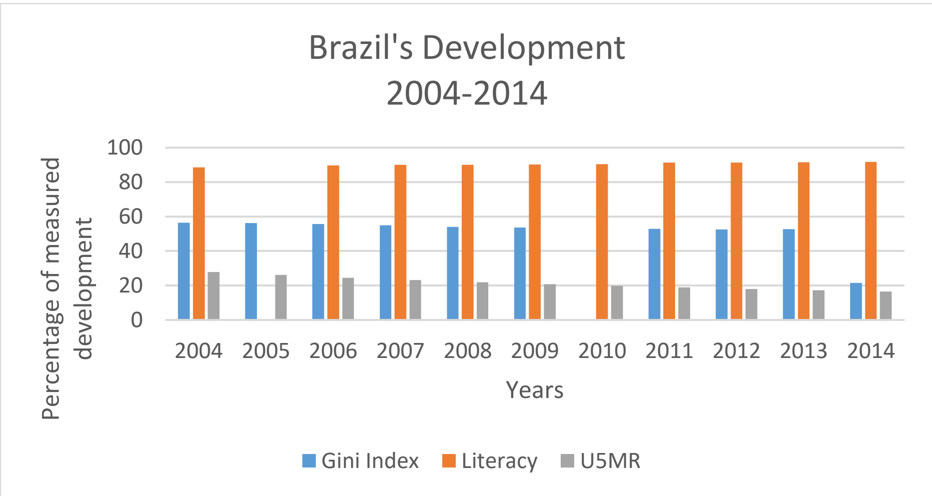

Figure 2: Brazil's Development 2004-2014
Source: Own calculations on data from World Bank databank

Figure 2 above, illustrates Brazil's development from 2004-2014. Elliott (2013) stated that development indicates improvements in welfare, health and education. The Gini coefficient of Brazil started at around 56.5% in 2004 and steadily declined over the following years. Even during the financial crisis, there was still a steady fluctuation, which continued on right through to 2014 when the Gini coefficient settled at 51.5. As for the U5M, Brazil experienced a steady decline in its under-five mortality rate starting in 2004 where it stood at 27.8 children for every 1 000 live births. This steady decline continued throughout the decade and by 2014, it was at 16.4 children for every 1 000 live births. Brazil's literacy has steadily increased since 2004, when it was 88.61%. This steady increase continued throughout the decade as illiteracy increased by less than 1%, and by 2014 the literacy rate was 91.72%. Dang and Sui Peng (2014) stated that development entails quality of life and a continuation in its improvement.

The data on economic growth and development collected on Brazil shows that while there had been an increase in both economic growth and development before 2009, there were fluctuations after Brazil joined BRICS. In examining the fluctuations, it is evident that during the five years after joining BRICS, the effects of joining did not contribute to Brazil's economic growth and development. If there is no significant economic contribution to joining BRICS, then the contribution BRICS makes to Brazil is simply a political one. BRICS have positioned themselves as an alternative to the traditional developmental model of the global north (Sanya Declaration 2011; Goa Declaration 2016). The political contribution that BRICS has had on Brazil's economic growth is in line with the goals set out in their summit declarations. The goals stated that BRICS was working on strengthening its impact as a path for political dialogue that will lead to strong, sustainable and balanced economic growth and development (Brasilia 2010; Sanya 2011). The data supports the BRICS goal of having a political impact on their members; however, for Brazil, it has yet to translate into sustainable and balanced economic growth and development.

Brazil has taken a realist stance by focusing on its political power to further its national interests and goals on the international level. The structural realism characteristic further notes that a state's actions are driven by the need to thrive in the international system (Donnelly 2000). While Brazil is a fairly large country with a sizeable economy and is a regional leader, realism asserts that a state always ensures that it finds ways to foster its survival in the international system (Mearsheimer 1994; 2006), thus, by forming an alliance with BRICS, Brazil ensured its growth and survival.

According to structural realism, the reasoning behind joining an alliance is that a state can protect itself politically and economically within the international system (Keohane 1983). This is the case when examining the contribution that BRICS membership has made to Brazil's economic growth and development, as the evidence shows that during the five-year period after joining BRICS there were no economic growth contributions. However, BRICS did foster Brazil's political engagement. Oliver Stuenkel (2014) argues that Brazil's membership to the BRICS development bank is a strategy to get more voting power in the World Bank for emerging powers, failing which it can invest more in the BRICS development bank or engage with both (2014). Furthermore, Stuenkel (2014) adds that:

> Brazil has a lot to gain from being a BRICS member. Aside from learning more about China, the BRICS South America Summit is proof of Brazil's convocatory power and regional leadership ambition, a role it will have to adapt in the long-term… Finally, Brazil's BRICS membership will not negatively affect Brasília's ties to the United States or any other international actor. Quite to the contrary, decision-makers in Washington, DC are likely to take Brazil more seriously because of it, as some in the United States believe Xi Jinping attempts to turn BRICS into a platform from which to advance China's global agenda.

This perception was reinforced by Sergei Vasiliev in 2015. When speaking to the Carnegie Moscow Center, Vasiliev noted that membership to the BRICS had come at a good time for Brazil, as the 20 years of domestic economic and political stability paved the way for it to dramatically elevate its international standing. He further noted that the BRICS format was conducive for the elites in Brazil in their long-term goal of moving out of the shadow of the United States of America without confrontation. Thus, the pursuit of political gain has been central to Brazil's BRICS membership, and even with low returns on economic growth and development, the country perceives its membership to the BRICS as crucial to its global position.

The following section answers the question of the impact of BRICS membership on South Africa.

South Africa's BRICS membership:

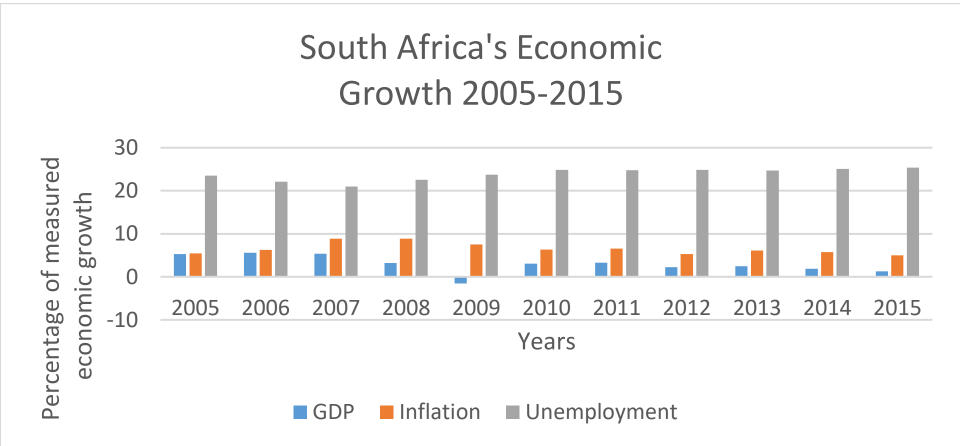

Figure 3: South Africa's Economic Growth 2005-2015
Source: Own calculations on data from World Bank databank

South Africa experienced a steady growth rate in GDP from 2005 until 2009. The South African economy grew at a consecutive pace of around 5% until 2008. The year the financial crisis occurred, GDP growth slowed to just over 3% and by 2009, South Africa was also experiencing negative growth at -1.53%. The following year, GDP growth picked up to 3.04%, which continued into 2011, the year South Africa joins BRICS. After that, South Africa's GDP slightly decreased, but held steady until 2015 where it sat at 1.24%. The unemployment rates followed a different pattern. Firstly, on examining the data of South Africa's unemployment rates starting from 2005, the percentage rate was quite high at 23.5%. The rates kept fluctuating up and down until 2009, when there was a steady increase in South Africa's unemployment. That increase continued until 2015, when the unemployment rate sat at 25.35%. In other words, 25.35% of the population was unemployed. Starting in 2005, South Africa's inflation rate saw a rise that culminated at 7.51% in 2009. However, there was a steady decline from 2010-2015, when inflation was at 4.99%.

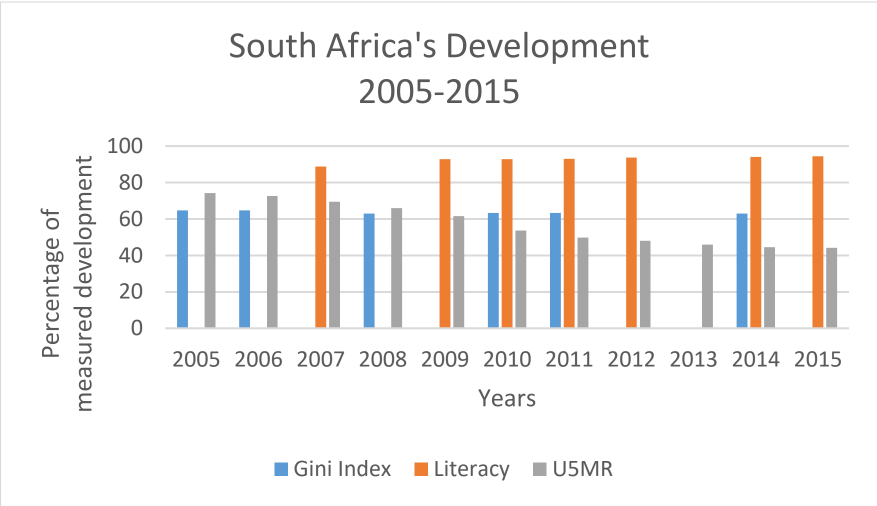

Figure 4: South Africa's Development 2005-2015
Source: Own calculations on data from World Bank databank

South Africa's Gini coefficient experienced a steady decline that continued until 2014, where it stood at 63%. Unfortunately, from 2005 to 2013, some of South Africa's annual Gini coefficient data was unavailable from the World Bank Databank. South Africa experienced a sharp decline in its under-5 mortality rates, starting in 2005 where it was 74.3 children for every 1 000 live births. By the end of the decade in 2015, the U5MR had declined to 44.1 children for every 1 000 live births. South Africa's literacy rate had increased at a faster rate pace, and by 2015 it stood at 94.36 of people 15 years and above. However, when examining the available data using development indicators, there seem to be missing years from the World Bank Databank. This became more evident with the development indicators, while the economic growth indicators were usually complete.

South Africa's economic growth and development have lagged since it joined BRICS. From the data collected, it appears that BRICS does not advance South Africa's economic growth and development, but that South Africa's membership fosters the country's political interests. South Africa is acting in a structural realist manner by engaging in frequent cooperation through being a member of BRICS, even though there does not appear to be tangible economic impact as a result of this cooperation. This is what Mearsheimer (1994) alluded to by noting that states will engage in frequent cooperation even if it is counterintuitive to constant competition. In this instance, BRICS membership for South Africa has ensured the state's survival and resulted in some relative gains in the form of political protection within the international system.

In an article published by Africa Portal online, the author states that South Africa's membership in BRICS has consolidated its position among the rising powers, and in turn has boosted its standing in the international system (Brosig, 2018). Furthermore, South Africa began its two-year tenure on the Security Council in 2019, and this allows it to have a major platform on global issues. Thus, South Africa has raised its voice in demanding reform in global institutions such as the UN Security Council, to accommodate the legitimate interests of developing and countries (Brosig 2018).

Therefore, BRICS membership has mainly fostered political gains for South Africa and not necessarily economic growth and development. The country's political gains can be explored from a structural realist perspective where it can be argued that by joining and staying in a group such as BRICS when there is minimal economic impact, South Africa (according to Mearsheimer1994, 2006), is maximising its survival in the international system by using strategies such as joining international organisations. Indeed, it has been the argument of realists that states join international organisations to achieve their interests, and if those interests are not met, they quickly withdraw their membership, as was the case with the League of Nations in the 1930s. Furthermore, the South African Government News Agency (*SA News)* noted on 25 July 2018 that:

> Although it could not be expected that South Africa's BRICS inclusion would have automatically improved the country's economic performance overnight, nor would it immediately address the country's economic challenges which are mainly structural, South Africa's BRICS membership has certainly changed the country's position in global politics.

The pursuit of political goals is crucial to the BRICS countries, as was stated in the BRICS goals in their Summit Declarations. BRICS stated that the strengthening of political dialogue between members and other G20 and developing countries was a goal they were pursuing (Brasilia 2010, Sanya 2011). In these declarations, BRICS wanted to use the strengthening of political dialogue to spill over into the strengthening of sustainable economic growth and development of their members and the G20 and developing countries.

In a 2011 speech made by then-President Jacob Zuma in Sanya, he stated that there was a need for reform, especially in the United Nations Security Council, and that it was critical for strengthening cooperation for BRICS members to serve on the Security Council either as permanent members like China and Russia, or as non-permanent members (South African Government News Agency, April 2011). He further stated that on a political level, South Africa's BRICS partners had an appreciation of its unique value system, and the independent outlook that South Africa has concerning international issues. Furthermore, President Zuma stated that there was a need to reform the Security Council and other institutions to promote a 'just economic world order' (South African Government News Agency, April 2011). In the view of the article's author, South Africa's BRICS membership is one of the most important foreign policy legacies of the Zuma presidency (Brosig, 2018). This further assists in illustrating the political contribution that BRICS provides to South Africa.
The inclusion of South Africa in the BRICS was politically motivated, as argued by SA News 2018:

> South Africa's inclusion in BRICS was not a favour extended to Pretoria by the four countries who were initially part of the group. The invitation to South Africa was a show of confidence in Africa's largest economy and the realisation of the importance of South Africa not only in Africa, but on the global stage. It was a strategic move by the BRIC bloc, a move that was not only going to benefit South Africa but would ensure BRIC nations have a footprint in Africa as a whole, considering the influence of South Africa on the continent.

Although BRICS was initially seen as an economic grouping of emerging economies, the aspiration to use it as a conduit to foster gains in global politics was central to all the five countries. For example, as shown above South Africa was a regional leader and therefore had clout on the continent of Africa. A case in point is that South Africa has been a champion of South-to-South cooperation in Africa as shown by Diko and Sempijja (2021).

Conclusion

When Jim O'Neill first coined the term 'BRICs', it was to highlight the economic achievements from Brazil, Russia, India and China. O'Neill projected the continuing economic achievements of those countries during that decade, and that their growth would outpace those of the global north (2001). The financial crisis in 2008 affected the global financial system in a way that O'Neill could not have predicted when he first coined the term 'BRICs', or the impact it would have on those countries. During the latter part of that decade, Brazil's economy experienced fluctuations that were not only directly tied to the financial crisis, but also to the political instabilities it experienced. In addition, the years after Brazil joined BRICS also continued to show fluctuations in its economic growth and development. This led to the findings that BRICS has not necessarily fostered the economic growth and development of Brazil and South Africa, as the data shows that despite both countries' membership in BRICS, economic contributions have been minimal.

BRICS members have to ensure that it is their top priority to achieve the goals set out during their summits. In the Brasilia Declaration (2010), the Sanya Declaration (2011), and the Goa Declaration (2016), the goal of increasing and strengthening political dialogue that would translate into sustainable economic growth and development for BRICS members, is listed as a priority goal. However, from the data collected, it is evident that this goal has yet to be achieved in the case of South Africa and Brazil. While there is ongoing political dialogue, the economic benefits of this dialogue have not yet been significant.

Examining whether BRICS fosters economic growth and development for Brazil and South Africa is important for many reasons, as it is one of the major goals stated in their Summit Declarations. From the data examined from the Brasilia Declaration of 2010 to the Goa Declaration of 2016, it is evident that this goal has yet to be met. An analysis of whether BRICS as a group fosters economic growth and development is important for this reason. In addition, if BRICS does not necessarily foster economic growth and development from the indicators and timeline used, things need to change in order to achieve Summit Declaration goals. As Brazil and South Africa are the two smaller economies in BRICS, it is necessary to analyse the political and economic benefits that BRICS fosters. The only way that BRICS will have a significant contribution to the economic growth and development of its members, and especially Brazil and South Africa, is to ensure that they find a way to appropriately fill the immense gap between political dialogue and economic growth. If this problem is not adequately addressed, BRICS will struggle to grow and become an economic growth and development alternative to the global north. This could lead to BRICS continuing to use their own bilateral and multilateral channels to foster their economic growth and development, which could make BRICS redundant.

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