

## The BRICS Perspective For African Development

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On behalf of His Excellency, Ambassador Kingsley Mamabolo, Permanent Representative of South Africa to the United Nations, I would like to thank you and the conference organizers, including Mr. Lawrence Freeman, for inviting us to this Conference, and for allowing us to share some thoughts with the audience on the topic “BRICS Nations Revive Dr. Martin Luther King’s Dream: Economic Justice Is an Inalienable Right.”

Martin Luther King actively supported the struggle of the South African people against apartheid. In 1963, the UN Special Committee against Apartheid was established, and one of the first letters the committee received was from Martin Luther King. Together with the winner of the Nobel Peace Prize in 1960, the ANC leader Chief Albert J. Lutuli, Martin Luther King made an “Appeal for Action against Apartheid” on Human Rights Day, 10 December 1962.

In his speech held in London in 1964, Martin Luther King repeated his call for economic sanctions against South Africa, and said, “We can join in the one form of non-violent action that could bring freedom and justice to South Africa—the action which African leaders have appealed for—in a massive movement for economic sanctions.” These are the sanctions that, *inter alia*, forced the apartheid government to release Nelson Mandela from prison. After his release, Mandela came to this church to say thank you to the people of Harlem and all those American people who supported the struggle of the South African people.

### The BRICS Bank

On BRICS, I agree, this is just the beginning of a new international economic order; it will be a gradual, but steady process. I also agree that not everybody would agree on the importance of the BRICS bank, but the creation of the BRICS bank is significant for the future international order for three reasons.

First, it demonstrates the viability and dynamics of the BRICS despite all the skepticism and criticism in recent years. Some of the criticisms are legitimate, as BRICS nations have experienced slower growth lately; even China’s economic growth appears to be slowing down due to a variety of reasons. Critics of the BRICS bank also point to different views among the members as evidence of serious problems of the bank. But this misses the point. There always will be different opinions and views among the BRICS countries, just like there are differences among G7 members. What is important, however, is whether

member states share a major common goal that can unite them despite differences. The answer is: development. Unlike G7 member states, BRICS members are largely still developing countries, and this situation means that for a long time these countries will focus on how to improve the living standards of their citizens. Also, other developing countries are desperately in need of funding for infrastructure projects.

Second, the BRICS bank demonstrates China’s global leadership. Given China’s huge size and quick development, there is little doubt that the world truly needs China’s leadership. What China needs to be careful about is to maintain a balance between its own influence on the bank and other members’ impact. Thus it is a good sign that, although Shanghai has been chosen as the headquarters of the new bank, the first president will be Indian, the first chairman of the board of governors will be Russian, the first chairman of the board of directors will be Brazilian, and the first regional center of the bank will be in South Africa.

Third, the BRICS bank is significant because it is a direct challenge to the global order led by the West. Many view the new BRICS bank as a response to the



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failed reforms at the IMF and World Bank, as developing countries like China and India cannot increase their influence within those institutions. However, it should be kept in mind that the BRICS bank is not currently challenging the international liberal economic order.

China and India are perhaps the two greatest beneficiaries of an open, liberal economic order; and thus the BRICS bank should try to push the IMF and World Bank to be more open and transparent. Ultimately, the competition between the BRICS bank, and the IMF and World Bank should be about efficiency rather than a struggle between liberal vs. alternative economic philosophies. In this sense, there is a strong complementary relationship between the BRICS bank, the IMF and the World Bank. That said, the West, the IMF and the World Bank, should not view the BRICS bank as a threat to their domination of the global economic order.

To be sure, the new BRICS development bank is unlikely to replace the IMF and World Bank in the near future, as the latter will still remain powerful players in the global economic order. The most likely relationship between the two is a complementary relationship rather than a conflicting one. That said, in the long run the competition between the two will intensify, and the final outcome will depend on the balance of power between the two blocs, the developing world and the developed world. What is for sure is that we are in for some interesting times.

## **Infrastructure Development**

On the Programme for Infrastructure Development (PIDA): Because the infrastructure deficit in Africa penalizes growth and development of the continent, in July 2010, African leaders launched a new programme for infrastructure development in Africa. Led by the African Union, New Partnership for Africa's Development (NEPAD), and African Development Bank (ADB), the initiative has a budget of several billion dollars. The overall goal of PIDA is to promote socio-economic development and poverty reduction in Africa through improved access to integrated regional and continental infrastructure networks and services.

President Jacob Zuma was unanimously elected as the PIDA's president because of the successful organization of the World Cup, which inspired the whole continent. Speaking at the launch of the programme, Mr. Zuma said that "Africa's time has come, and without infrastructure, our dreams will never be realized. We cannot trade on the continent because of the lack of

communication. The infrastructure that we want to create will provide new opportunities for our continent." The Programme for Infrastructure Development in Africa will bring together and merge various continental infrastructure initiatives, such as the NEPAD Short Term Action Plan, the NEPAD Medium-to-Long-Term Strategic Framework (MLTSF), and the AU [African Union] Infrastructure Master Plans initiatives into one coherent program for the entire continent.

The objective of the PIDA is to establish a framework strategy for infrastructure development at the regional and continental level covering all the four key sectors of transport, energy, trans-boundary water, and ICT. PIDA will be the AU/NEPAD key planning/programming document, guiding the continental infrastructure development agenda, policies, and investment priorities in the key sectors for 2011-2030.

The ADB will be responsible for implementing PIDA through its department of regional integration. The Bank's role as Executing Agency covers the responsibility for contractual, financial, technical, and administrative management of the programme including responsibility for procurement procedures, in conformity with its existing regulations, budget management and disbursements. The PIDA is supposed to be managed by the regional economic communities. They will work closely with the respective member states, specialized agencies of the AU, and sectoral organizations. The PIDA budget, estimated at EU7.8 million, is financed by the European Union, Islamic Development Bank, the African Fund for Water, and the New Partnership for Africa's Development.

## **The Grand Inga Hydropower Project**

On the Grand Inga hydropower project: The Cabinet approved, in August 2014, the ratification of the treaty on the Grand Inga hydropower project between South Africa and the Democratic Republic of Congo (DRC), paving the way for the next phase of what could eventually become the largest hydroelectric project in the world, with the potential to power half the continent. The Grand Inga project will seek to harness the power potential of the Congo River, sub-Saharan Africa's greatest waterway. Once all seven of its planned phases are complete, it is expected to generate a massive 40,000 megawatts (MW) of renewable power.

Subsequent phases, adding up to an eventual total capacity of 40,000 MW, will allow countries in southern Africa, northeast Africa, and parts of west Africa to

benefit from production at the site. The project has the potential to supply clean and affordable imported hydroelectric power to meet the needs of the DRC, South Africa, and surrounding countries, and holds the potential to fast-track SADC [Southern African Development Community] development, alleviate energy poverty, stimulate economic growth, and facilitate infrastructure development. This represents one of the most ambitious projects ever undertaken on the African continent, and one which will long be a resounding symbol of the rise of Africa and her people.

In conclusion, on nuclear energy: South Africa has signed many treaties on nuclear energy and has two nuclear reactors generating 5% of its electricity. South Africa's first commercial nuclear power reactor began operating in 1984. The government's commitment to the future of nuclear energy is strong, with firm plans for further 9,600 MW in the next decade.

I thank you for your attention.