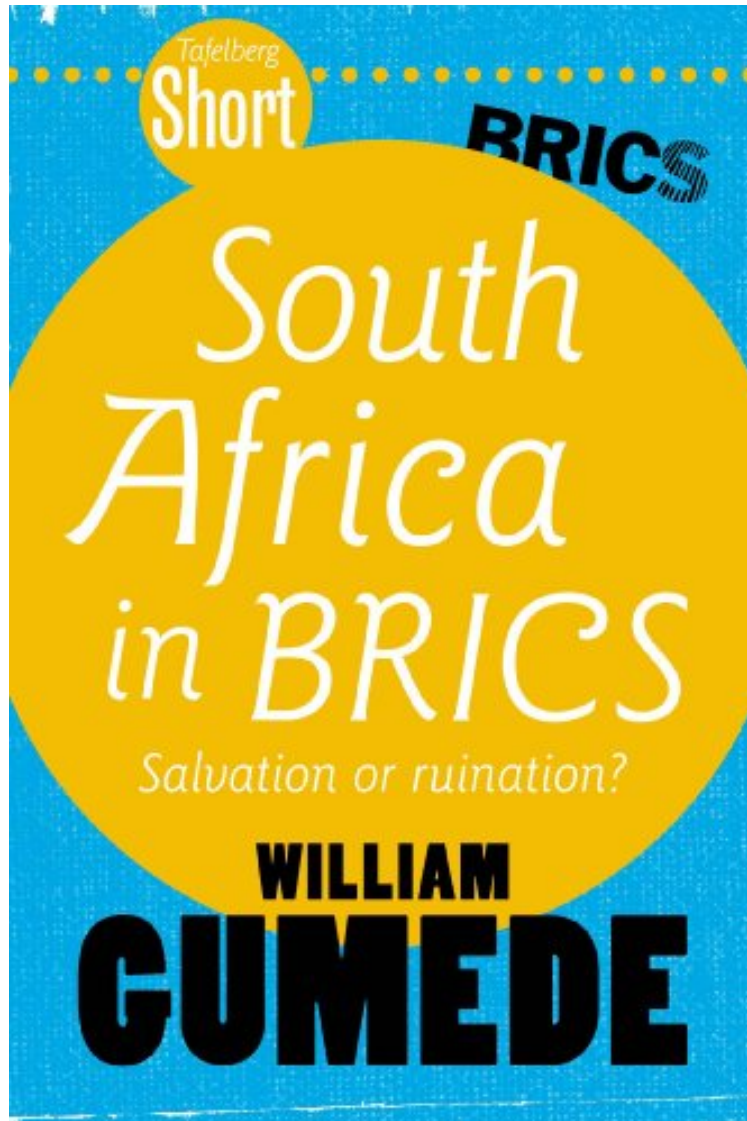


(Free download) Tafelberg Short: South Africa in BRICS: Salvation or ruination? (Tafelberg Short/Tafelberg Kort)

## **Tafelberg Short: South Africa in BRICS: Salvation or ruination? (Tafelberg Short/Tafelberg Kort)**

*William Gumede*

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**William Gumede : Tafelberg Short: South Africa in BRICS: Salvation or ruination? (Tafelberg Short/Tafelberg Kort)** before purchasing it in order to gage whether or not it would be worth my time, and all praised Tafelberg Short: South Africa in BRICS: Salvation or ruination? (Tafelberg Short/Tafelberg Kort):

0 of 0 people found the following review helpful. Some perceive the UN as having been used by the Western powers for their own interests in places like Iraq Afghanistan and LibyaBy Ian MannSouth Africasquo;s membership of the

emerging market grouping known as the BRICS (Brazil, Russia, India, China and South Africa,) is part of the ANC government's strategy. This strategy has important implications for South African businesses and is the subject of this short book by political commentator and author, William Gumede. If a leader is someone others wish to follow, then it is fair to say that the Western countries leadership in politics and economics is being eroded. The US's powerful economy has slowed and Europe is dangerously in debt. Institutions such as the World Bank and IMF have failed in developing countries and have failed to resolve the global and the Eurozone crises. Some perceive the UN as having been used by the Western powers for their own interests in places like Iraq, Afghanistan and Libya. The International Criminal Court is accused of targeting African and developing countries' criminals and of ignoring those of the developed world. At the same time, the economies of the emerging countries have been growing. According to a World Bank report, emerging markets will account for more than half of all global growth by 2025, and 70% by 2060. This prognosis is easier to digest when considering that currently 96 of the Fortune 500 companies come from the emerging economies. A Chinese tycoon now owns the former Swedish carmaker Volvo. The Indian group Tata bought Jaguar-Land Rover from Ford. "Although emerging powers are fast growing in influence, they do not yet have the collective institutions, ideas, or economic power to replace the old industrial powers," says Gumede. The BRICS is an attempt to do just that. The BRICS is not the first intercontinental grouping of which South Africa has been a participant. We were in a formal political and trade alliance with Brazil and India, called IBSA (India, Brazil, South Africa) now expanded to the BRICS. Continentally, we are active in SADC. The economic heft of the BRICS group is impressive. The BRICS make up 40% of the world's population. They account for 18% of the world's GDP, 40% of global currency reserves, and since 2001, 30% of global economic growth. The BRICS are all developing countries with enormous untapped markets and splendid growth potential. However, BRICS membership poses special issues. The DA's parliamentary leader, Mazibuko, holds that Brazil, India, and Russia are benefitting far more from investment opportunities and trade with the rest of the world than Africa than we are. This grouping itself is not without serious problems. The members have dangerous inequalities in their populations, coupled with non-accountable, weak, or non-existent democratic institutions. In Brazil, for example, more than a million people took part in protests over high transport fees, government corruption, and the costs of the 2014 Soccer World Cup. Within the BRICS, each country has, understandably, different economic and political needs and agendas. Among South Africa's intentions in joining the BRICS is the intention to secure new markets for South African products, and new investors into the country. China needs Africa's raw materials to keep on growing at high levels in order to keep the millions of impoverished Chinese from destabilizing the country. Within the BRICS there is significant imbalance. China's foreign exchange reserves are three times larger than the combined reserves of the four other BRICS countries. This clearly gives China more muscle in the group and allows China's agenda to be overweight. The cheap Chinese currency is already hurting South African manufacturers. The upside of such an alliance lies in it being an alliance. While in the one hand it could be seen as enabling unfair trade, on the other hand it does provide a forum for discussion of this imbalance. While South Africa is by far the weakest member of the group, we are the only representative of the African continent and its largest economy and its regional power. As such, we are not an insignificant partner in this alliance. According to Pravin Gordon a cost-benefit analysis of this alliance, and the prevailing balance of payments seems to suggest possible dangers "unless we take all necessary steps to mitigate them now". In addition to our cautious participation in BRICS, we will need to continue to engage with other emerging markets such as Turkey. We also need to avoid the mistake of shifting our focus away from the industrial powers in the West. The BRICS will not replace our traditional trading partners any time soon, just as China will not replace the United States as the world's greatest economy any time soon. It is worth noting that the United States' 2009 GDP was \$ 15 trillion and their per capita income \$41, 000. China's GDP at the same time was \$ 5 trillion and their per capita income of less than \$4, 000 per year. Alliances are good things when they do not enable our alliance partners to take advantage of us and when they provide us with advantage. The jury is still out on the BRICS as Gumede makes clear.

Readability Light --- Serious Insights High ---- Low Practical High ----+ Low

Ian Mann of Gateways consults internationally on leadership and strategy. 0 of 0 people found the following review helpful. Disconcertingly sharp analysis of the pros and (many) cons. By JB Davies. South African author and political commentator William Gumede doesn't mince his words in this incisive look at what the South African economy (and nation) stand to gain -- or lose -- through the country's membership of BRICS. Negotiating BRICS is not for the faint-hearted. Does South Africa have the guts and the wherewithal to exploit its membership strategically, or will this be just another lost opportunity to improve the lot of South Africans? Although Gumede explains both the pros and the cons, it would seem to this reader that in the end the prognosis is not rosy. It might be the ruination of the country -- a dwarf, trying to hold its own among giant economies after all, and with a government not known for its strategic savvy. This a sobering but well balanced look at an important topic. I hope to read more from Gumede.

The economic landscape of the world is changing dramatically. The power structure that favoured developed countries is falling away under the effects of the global financial crisis of 2008, the slowdown in the US economy and the debt crisis in Europe. At the same time developing countries are gaining economic ground. South Africa is among the

developing countries taking a more prominent role on the global stage. With China, Brazil, Russia and India it is part of the BRICS alliance, created to give the leading developing countries a stronger position when it comes to taking global action. But BRICS has its downsides, and South Africa faces many potential pitfalls as well as potential benefits. Will the richer countries in the alliance use their power to control BRICS initiatives? Can the member countries work together effectively when they are also in competition? What can South Africa gain from it? Renowned commentator and analyst William Gumede gives an incisive and thorough breakdown of what BRICS could mean for South Africa and Africa in general.