

Should the BRICS Admit Egypt?

Written by Siphamandla Zondi

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SIPHAMANDLA ZONDI, JUL 28 2013

After five summits, the most recent in Durban in March 2013, the BRICS should be considering how to deepen their role, their agenda for the world and members, or how to expand further by including, in one form or the other, states significant for enhancing both its power currency and its political legitimacy, especially across the global south.

A number of countries are knocking on its doors for membership, association or engagement. Indonesia and Turkey have been mentioned as being strong candidates for full membership, while Egypt and Nigeria have openly expressed interest. This blog considers the case of Egypt on the basis of what the BRICS looks most likely to become in the changing and complex web of diplomatic clubs that influence global diplomacy one way or the other. It contends that the most willing candidates may trump one with all the qualities of a BRICS state, but willingness to join.

One must begin by briefly discussing where the BRICS bloc is now and where it is heading as a diplomatic club. It is now a well-known fact that BRICS countries contribute some 50% of the world's economic growth, a three-fold increase since 1997. Their share of global output is 18% and is set to increase to about 26% by 2025. They occupy 30% of the world's territory and are home to 45% of the world population.[1] About 11% of the global tally of foreign direct investment in 2012 (US\$ 465 billion) came from BRICS economies. They also account for 17% of world trade. Their combined share of foreign reserves amount to US\$4 trillion.[2] It is for this reason that they are considered close to eclipsing the economic power of the G7 (Canada, France, Japan, Germany, Italy, UK and USA) combined.[3]

With this economic power comes political clout, although this is less developed than the former. Two of the five member states – China and Russia – are veto-wielding permanent members of the United Nations' Security Council, a major mark of global power. This means that these two states can act on behalf of the BRICS to block Council decisions that run against the grain of the BRICS consensus on major international security matters. There is no reason to doubt that the decisions of these members to avoid a Libya-like Council resolution on Syria, for instance, is not out of shared concern within the BRICS that the Council was being used to further the west's ends. It is very possible that China and Russia are emboldened by political support from the other member states in taking quite risky moves to force the international community to seek political and peaceful solutions to the Syrian crisis. After all, in New Delhi in 2012 when these states used their vetoes against western-initiated resolutions, the BRICS had agreed to push for "broad national dialogues that reflect the legitimate aspirations of all sections of Syrian society and respect Syrian independence, territorial integrity and sovereignty." [4] The language is similar to that used by the two states when they vetoed resolutions. The third state, South Africa – a non-permanent member in 2012, said similar things when it decided to join Pakistan in abstaining.

This means also that BRICS countries have found a convergence of values around norms of peaceful resolution of global conflicts, multilateral decision-making, reform of global governance institutions, a focus on development over security, and so forth. They share an irritation with the willingness of the west to force its solutions to problems on the international community, what Walter Mignolo calls a global power matrix that has not changed since slavery. It is thus able now to harmonise the diplomatic and negotiating positions it takes in international negotiations as witnessed by the role of BASIC (Brazil, South Africa, India and China) during the Climate Change Conference in 2010.

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They have taken much more harmonised positions in the UN General Assembly and at the G20 also. This ability to focus on what they agree on is also helping to minimise differences, sometimes major, among them, such as between China and Russia. This is enhancing their value for negotiations and diplomacy in a period when informal decision-making power has already shifted from the G7 to the G20 in which the BRICS play a prominent role alongside other emerging powers.[5] They are evolving an internal consensus about intra-BRICS investment, trade, economic development, cooperation and assistance. This is a key element of the future: a BRICS that has a distinct role in global economics, while providing economic dividends for its members internally.

BRICS is becoming a major actor in the area of development finance, although this remains just potential until the decision to establish a BRICS-led Development Bank is carried out. This will give the BRICS platform an instrument by which it could offer additional options to growing economies, enabling them to depend less on the western-dominated IMF and the World Bank. The second part of the two-pronged strategy is to continue to push for the reform of the Bretton Woods Institutions (BWIs), which they seem to accept will only happen slowly and over a long period of time. They are careful not to call this initiative an alternative to the BWIs, for they know that this would raise unrealistic expectations from both needy countries and drivers of the BWIs. They do not want to be saddled with the responsibility of fixing the problems of global capitalism that they have had very little to do with.

These three reasons are strong enough to attract interest from Egypt before the recent military coup. It is a major African economy with influence in the Middle East. Its political troubles, especially the military coup may be the biggest constraint on its BRICS engagement, although under Morsi the engagement had begun, thanks to South Africa's invitation of Egypt to be part of a few states selected for an engagement with BRICS leaders in Durban. Egypt needs a platform with global political clout in order to find alternatives to an IMF hanging rope and a possible Libya style regime change. The recently ousted President Morsi had started to make this point, at least.[6] The country's foreign currency reserves have plummeted since the revolution in 2011. Tourism and foreign investments have declined dramatically, and the country has failed to get out of the revolutionary mode despite elections, especially now, with the military coup that ended Morsi's tenuous and controversial presidency. Now, unemployment is growing, food prices are rising, and Egypt is suffering from fuel and gas shortages.

Loans from Gulf States and interest-free fuel from Libya have proved insufficient to arrest the economic meltdown. New pledges following the coup have done little to give Egypt a sense of long-term stability. It is clear that it will need to build strong relations with the growing regions of the south. Morsi seemed to have come around to understanding this, although his government had not come up with a coherent and clear lobbying strategy for this beyond Morsi's occasional statements on the BRICS.

In search of alternatives, Egypt has become attracted to the BRICS and other emerging powers, some of the few countries that the inward-looking Morsi visited towards the end of his first year in office. After sitting on the side-lines of the Non-Aligned Movement and G77 diplomacy in 2011-2, Egypt under Morsi was beginning to discover its Nasserian ideals of a new global order, south-south cooperation, multilateralism, and Afro-Asian solidarity, all while contending with many cross-winds against this in the domestic political environment including his own political movement, the Muslim Brotherhood.[7] This was Morsi's message to China in August 2012, India and South Africa in March 2013, at the BRICS Outreach meetings in the same month, and in Brazil and Russia in April 2013. He told the media in all these countries that his country was bidding for BRICS membership because it was enthusiastic about the new order it represented. However, voices outside the Morsi and post-Morsi government suggest that Egypt will, as a matter of course, seek to expand its global diplomacy. Hungry for trade and investment opportunities, this will take place mostly in the south.

Some progressive Egyptian thinkers argue now that Europe and North America are reluctant to invest in Egypt until the post-revolution dust settles, Egypt needs to look east and south for alternative sources of trade and investment. They trumpet the country's standing both in Africa and in the Middle East as a key reason why it should join the BRICS.[8] These can be seen as a way to bait the BRICS and emerging powers in the hope for investments, trade and development finance. Now that Egypt is suspended from the AU, the Arab response to its economic needs is significant but inadequate, and since the Euro-American zone has had its resources diminish during the global economic crisis, the urge for Egypt to look east and south will increase.

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The BRICS do need one or two members to complete the representation of regions on the periphery of the western-centric global order. The Middle East/Central Asia is one such region. Although an African state actually, Egypt might be considered for its political credentials as a regional power with influence stretching into the Middle East. But the current internal turmoil and the commitment of its government to religious politics should worry the BRICS countries. Still, they should not hesitate to consider Egypt for support when the BRICS-led Development Bank is established. Should its economy experience serious currency troubles, it might benefit from the BRICS currency fund established in Durban.

Many still remember the role Egypt under Gamal Abdel Nasser played alongside Indonesia at the first two Afro-Asia Solidarity Conferences in Bogor in 1954, Bandung in 1955, Cairo in 1957 and Belgrade in 1961, leading to the birth of the Non-Aligned Movement. There is a sense in which time has come for Egypt to regain its stature within the re-emerging global south.[9] But the BRICS are likely to wait until Egypt's internal situation calms down before they talk about possible admission. Indonesia and Turkey are more likely to leapfrog Egypt as its crisis lingers on and as the post-Morsi leadership return this country's posture back to Mubarak's pro-west and soft-on-Israel orientation, to the annoyance of the BRICS countries.[10]

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[1] Narayanaswami, K. 'BRIC Economies & Foreign Policy: An Analytical Study'. Available at <http://blogs.law.harvard.edu/karthik/files/2013/01/BRIC-Economies-and-American-Foreign-Policy-E1897-KNarayanaswami.pdf> (accessed on 1 June 2013).

[2] The World Bank Group. 2012. Databank 2012.

[3] PricewaterhouseCoopers, 2011. 'The World in 2050'. January.

[4] The Fourth BRICS Summit: New Delhi Declaration, 29 March 2012. Available at <http://www.brics.utoronto.ca/docs/120329-delhi-declaration.html> (accessed on 3 June 2013).

[5] Kornegay, F.A. 2013. 'Long-term visioning for BRICS – and IBSA?'. Available at <http://www.safpi.org/worldview/francis-kornegay-jr-long-term-visioning-brics-and-ibsa> (accessed on 15 June 2013).

[6] 'Egypt in BRICS bid, obstacles linger on'. Available at http://news.xinhuanet.com/english/world/2013-05/10/c_124689491.htm (accessed on 2 June 2013).

[7] Grimm, J. and Roll, S. 'Egyptian Foreign Policy under Mohamed Morsi: Domestic Considerations and Economic Constraints'. Available at http://www.swp-berlin.org/en/publications/swp-comments-en/swp-aktuelle-details/article/egypt_morsis_foreign_policy.html (accessed on 3 June 2013).

[8] 'Egypt aims for BRICS membership to rescue ailing economy'. Available at http://www.china.org.cn/world/Off_the_Wire/2013-03/26/content_28356403.htm (accessed on 2 June 2013).

[9] Amin, S. 2011. *Maldevelopment: Anatomy of a Global Failure*, 2nd ed. Dakar: Pambazuka Press, pp. 297-9.

[10] Mohamed ElBaradei, the former head of the International Atomic Energy Agency, a darling of the west, and an advocate of neoliberal political thinking is now a vice-president responsible for foreign affairs.

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