

South Views

No. 58, 12 April 2013

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The First BRICS towards a South Bank?

A member of the South Commission (1987-1990) reflects on the moves by the recent Summit of the BRICS to establish a BRICS development bank – an idea that the Commission had promoted.

By Devaki Jain

For those of us who participated in the South Commission and in the preparation of its report and recommendations, the announcement of the setting up of the BRICS bank, at the BRICS summit in Durban, is a moment not only to celebrate but to reflect (BRICS comprises Brazil, Russia, India, China and South Africa). Further, its *raison d'être* being to claim some autonomy from the traditional Bretton Woods Institutions is heartening. This was in fact the reasoning behind the South Commission's recommendation, in chapter four of the report, "A challenge to the South", which was released in 1990.

In "Challenge to the South" the idea of a South Bank was also derived from the same analysis and towards the same purpose – a form of liberation as well as a form of sharing of wealth and opportunity within the South family. Therefore one could argue that it was more inclusive, as seen in pg. 165 of the Report: "Finance has proved to be the critical missing link in the entire range of south south activities. Schemes of cooperation whether in trade, production and investment education or science and technology need adequate financial resources to be viable"

"...We have selected several areas in which cooperation in financial matters or financing of cooperation in economic matters is greatly needed ...In the longer run we envisage new institutions. Notably a south bank which would initially finance trade and ultimately provide development finance"

Lest we forget the leader of the South Commission, Dr. Julius Nyerere could anticipate, as far back as in 1987, the dangers that lay in store for the countries in the Southern continents if they did not form their own economic clubs and mobilize their own resources to design their own political economy destiny. He would often refer to the EU as a model of self-strengthening, as well as the OECD secretariat in Paris, to argue that we need similar consolidation of our economies apart from regular key intelligence to enable us to keep going as was provided by OECD secretariat to the EU governments.

Nations such as the members of the BRICS group have woken up to the idea of bonding across our continents, after the economies of the North went into crises and really ran a tsunami over the Southern countries too, who had become more engaged with them than each other. The meltdown of 2008 and the later financial crisis in the "advanced" countries have woken up the BRICS.

It does not surprise me to read that South Africa had mobilized all the nations of South Africa and all the many economic commissions within the continent to attend the BRICS conference. For all its internal troubles and fractured states, the African continent aspires and seems to have succeeded in that aspiration to unite itself as a continent and not as a summation of individual nations. Whether we recall the famous appeal by a former President of South Africa, Thabo Mbeki in his poetic speech – I am an African – or the structural power of the African Union, Africa wants to put forward her continental identity.

As we have known over the several decades from being colonized states, to being so-called liberated countries, the Western media reports us to each other in the most negative terms. South Africa in Indian media is seen as 'dangerous to walk in the streets, crime everywhere, and rape every three seconds

crumbling with severe unemployment. 'The Rainbow nation is only a dream'. Similarly one can read South African newspapers depicting India as corrupt, full of violent rapes, entrenched casteism, you name it.

When I visited South Africa earlier this month, after a break of ten years and spent more than ten days in three cities, and read the newspapers I realized how much of the news we receive is misleading.

The Finance Minister is a confident leader and holds much strength, the parliament and its committees are functioning vigorously, inter African meetings are galore. The one I attended was convened by the inter-parliamentary union of Africa in a hall in Johannesburg , meant for their meetings which I believe takes place four times a year.

The newspapers were so similar to India's newspapers, full of political and economic news, unlike many other countries' papers which basically are glossies. There are announcements of programmes and new laws by the various Premiers of provinces, which is similar to our Chief Ministers of states, of what they are doing. There is constant debate of the National Development Plan, columns with debating controversies. Where they beat us Indians, the most news hungry people in the world in my opinion, was that every lamp post had a poster, a double foolscap size rectangle stuck on flat matting , tied to the pole, with very bold large capital letters giving the latest, almost previous hour , political news as you drive, whether in Johannesburg or Pretoria.

In preparation for the BRICS Summit there were campaigns and mobile exhibitions and arrangements to hold discussions not only all over South Africa but all over the continent on the meaning of BRICS and how to bring South Africa as a strong leader supported by the continent.

A decade or so ago when my husband the late LC Jain presented his credentials to the then President Nelson Mandela he entitled his acceptance speech as "Africa - the CONTINENT OF HOPE". As can be expected the President loved the idea of the faith expressed in the speech, and wanted a copy of the argument on which LC Jain had built his speech!

We read every day how the continent of Africa is the most endowed in all that the rest of the world wants, namely energy, natural resources, oil. This matches with our understanding or description of what colonization was all about. So this continent of hope is also extremely vulnerable at this time, as she suffers from lack of financial strength as well as stable governments, while the world wants to harvest her resources.

But Julius Nyerere otherwise called Mwalimu, Teacher, was acutely aware of this, of the vulnerability of the African continent and was appealing to all the South countries especially China and India to be the leaders of real emancipation namely economic emancipation – an extension of what Gandhi ji called economic freedom for the more vulnerable countries. Thus while BRICS is the first brick in memory of Mwalimu Julius Nyerere, its vision needs to match the purpose he had in mind - to build an equitable and non-exploitative economic south.

Author: Devaki Jain was a member of the South Commission (1987-1990). The South Centre was initially formed to follow up on the report of the South Commission.

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