

Chapter 5

An Investigation into the Impact of the Economic Ties Between South Africa and Russia as BRICS Countries

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Abstract

It is a known fact that the BRICS started as a political agreement that brought together selected emerging economies to address their challenges. BRIC became BRICS in 2010 as South Africa joined the organisation. Of importance to the newly enlarged BRICS was the focus to economic development and diplomacy that the partnership embraced as opposed to the political approach that the founders had initially. The economic approach to BRICS saw the organisation prioritising developmental projects, Foreign direct investment (FDI) as well as sustainable job opportunities among member countries. The formation of the BRICS Business Council and the collaboration with the department of trade and industry allowing the bread and butter issues to be addressed at the grassroot level through service delivery, skills transfer, international trade and cooperation. BRICS used to follow the winner takes all approach as the organisation promoted a top down way of dealing with problems rather than the current bottom up approach. Before the financial turmoil, South Africa had a challenge vis-à-vis addressing poverty, unemployment and violent crimes (also known as the triple challenge). The civil society and other human rights groups came up with the idea to involve the community at the grassroot level in solving whatever difficulties. The paper is based on a study on the impact of economic ties between the BRICS countries with focus on South Africa and Russia. It is hoped that some of the recommendations applicable to the studied countries could shed light on what is needed for policy interventions going forward.

Keywords: BRICS, Russia, South Africa, Multilateralism, Economic Growth

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Introduction and Context

The BRIC Forum was founded in Yekaterinburg, Russia in June 2009 as a platform to share views on how to respond to the challenges and opportunities presented by globalisation. South Africa then was not happy with the fact that it was not invited in the BRIC deliberations given its political clout in the global governance processes and the fact that it is a vocal champion of the interests of developing countries. South Africa has since sought to gain recognition as part of the BRIC formation [1].

Finally, in March 2012, South Africa appeared to join BRIC, which thus became BRICS. At that time, Brazil, Russia, India, China and South Africa met in India to discuss the formation of a development bank to pool resources. At that point, the BRIC countries were responsible for about 18% of the world's Gross Domestic Product and were home to 40% of the earth's population [2].

Brazil, Russia, India, and China, according to Jim O'Neill, the head of global economic research for Goldman Sachs, by 2050 the combined economies of these four countries would overtake the current richest countries of the world. The countries hold 40% of the world's population and make up 25% of the world's land mass. Brazil for instance is the world's 5th most populated country and has the 9th largest GDP in the world, while Russia has the 7th biggest GDP. India is the second most populated nation in the world with the 4th biggest GDP, while China of course is the most populated country in the world and is second in GDP only to the United States [17].

Addressing BRICS Business Breakfast in India in March 2012 President Zuma said, "Our participation in BRICS is designed to help us achieve inclusive growth, sustainable development and a prosperous South Africa". This will add value to the country's economic growth initiatives. For instance, the New Growth Path framework is designed to assist in developing the country's economy in relation to inclusive growth and create jobs. Six jobs drivers are identified as: (i) infrastructure development, (ii) agriculture, (iii) mining and beneficiation, (iv) manufacturing, (v) the green economy and (vi) tourism.

Presidential visit in South Africa

For the first time in the history of South Africa, a Russian President, Vladimir Putin, came to visit South Africa. President Putin arrived on the 5th September 2006 in Cape Town and stayed until 7th September 2006. Central to his visit was the desire to strengthen cooperation and establish investment links.

Russia has played a significant role in the liberation of South Africa. She supported the liberation movement (African National Congress and *Umkhonto WeSizwe*) during the long period of exile from the 1960s to the 1990s. Russia is vast and diverse nation that after several decades of communism continues to evolve politically and economically. She is with the world's largest resource of raw materials,

oil and gas revenues which heavily support Russia's economy. Recently, within the big cities, a consumer economy has been established. This, along with an improvement in the country's financial position has raised business and investor confidence in Russia's economic prospects [3].

The study investigates the impact of the international diplomatic and economic ties that exist between South Africa and Russia. The idea is to get an insight on the consequences of the established relationship between the two countries in the context of global economic climate.

In the context of global economic climate countries find it difficult to maintain their diplomatic relations and the citizens are sometimes not informed about the nature, value and impact of those diplomatic ties. The impact of Russia-South Africa economic relationship has been made a private matter for the bureaucrats and business owners. This paper seeks to bridge that gap.

The historical links between South Africa and the Russian Federation are strong. Direct contact between the former USSR and the ANC were established on a regular basis during 1963. In the era of the USSR, the latter was one of the key supporters of the struggle for liberation in South Africa. With the dissolution of the USSR, South Africa became the first African state to recognise the independence of the Russian Federation. Moreover, full diplomatic relations were established between South Africa and Russian Federation on 28 February 1992.

Moscow was a leading supporter of the long battle against white minority rule, which ended in 1994. Many of South African's leaders, including Mbeki, received military training in Russia. Both states have evolved along parallel lines since the end of apartheid and the fall of Communism, as democracies struggling with Africa forge closer ties.

Russian President Vladimir Putin and his South African counterpart, former president Thabo Mbeki, signed on the 5th September 2006 a treat on friendship and cooperation and agreed to boost bilateral relations. The visit to South Africa for the Russian leader was his first sub-Saharan visit as head of state. Several ministers and a delegation of top Russian businessmen were accompanying President Putin on his two-day visit.

According to the signed business and political treaty, Russia and South Africa are allowed to maintain bilateral dialogue at a high political level, and to hold regular consultations at various levels. The sides regard each other as friendly states and will develop partnership relations on the basis of common national interest, ideals of freedom, democracy, equality, commonly accepted principles and norms of international law, and in accordance with the goals and principles of the UN Charter.

The sides confirmed their obligations on the most important multilateral disarmament and non-proliferation agreements, and reasserted their readiness to strengthen the US's peacekeeping potential. The sides will support mutual efforts aimed at developing cooperation with leading regional organisations, including the

commonwealth of independent State the Southern African Development Community.

“With Russia's now buoyant economy and its desire for minerals and raw materials and Africa's need for foreign investment, politicians and analysts alike see the timing as appropriate”. Russia, as the Group of Eight industrialised nations' was current chair nation, highlighted African development in 2006. Both South Africa and Russia also emphasised the need to maximize bilateral trade possibilities.

It is often said that South Africa is, first and foremost, part of the African continent and that developments in Africa should hence form the context within which South Africa should locate itself. This country's long isolation from participation in international policy-making organs in general and Africa ones in particular have left many individuals largely uninformed of development on this continent. This section offers thumbnail sketch of developments in Africa over the past 30 years or more.

Ever since the independence of the former African colonies gained momentum, S&T has figured prominently on the development list of priorities at least as far as political declarations were concerned. In August 1979, The United Nations World Conference on Science and Technology for Development was held in Vienna to map out the place and direction of S&T in developing countries. African members, however, did not fully accept the outcome of this conference [5].

Development of Africa was also very central to the discussions between President Mbeki and President Putin. Development is a concept that different meanings for different people, its meaning being informed by contextual issues such as past and present experiences, circumstances, values perceptions and beliefs. It is an economic indicator such as income, expenditure, consumer partners, savings, investment, production, foreign trade, imports and exports.

Development is a social indicator, such as health, nutrition patterns, education, employment, conditions of services, housing, social security, welfare services, recreation, freedom, clothing, transport, communications and professional structure. On other hand, it is institutional indicators such a political attitudes and behaviour, economic relations (e.g. patterns of the land tenure), organisational change, production patterns (e.g. industrialisation), social structures, and patterns of distribution.

Those less attuned to the contextual reality of the so-called world generally conceptualise development as change, growth, advancement, progress or improvement as its development always relates to something good or something better than people's current reality. People-centred development incorporates aspects of both the modernisation and dependency theories. Korten, an advocate of people-centred development, defines it as a process by which the members of a society increase their personal and institutional capacities to mobilize and manage resources to produce sustainable and justly distributed improvements in their quality of life consistent with their aspirations.

President Putin, at a joint press conference with the former President Thabo

Mbeki in Cape Town stated that one Russian company intends to invest more than \$1 billion in South Africa's economy. Putin also indicated another company was ready to help South Africa to develop electricity and build an aluminium plant. Although South African companies, such as fruit producers and brewer SAB/Miller, which produces several popular brands of beer at a plant in central Russia, have made inroads into the Russian market, the Kremlin believes trade could be significantly increased from the 2005 figure of \$171 million.

Russia and South Africa agreed to develop cooperation in the energy and transportation sectors, the defence and aerospace industry, the fishing industry, healthcare, culture, sports and tourism. Speaking about cooperation in the energy sector, President Putin suggested that Russia "will supply South Africa with nuclear fuel". An agreement was signed on supplying Russian nuclear power plant until 2010 [6].

Three other documents were signed in the presence of the two presidents after their talks in Cape Town. The head of the Russian Space Agency and the South African minister of science and technology signed an intergovernmental agreement on cooperation in civilian space. President Mbeki told the press conference that a South African micro-satellite would be launched.

Officials from the Russian and South African health minister signed a bilateral agreement on cooperation in healthcare and the medical sciences. The Russian justice minister and the South African defence minister signed an intergovernmental agreement on the protection of intellectual property rights in military-technical cooperation. Furthermore, the group of businessmen accompanying Putin included Viktor Vekselberg, the head of the Renova Group and one of Russia's richest men, Alexander Nichiporuk, the president of diamond giant Alrosa, as well as Igor Makarov, the head of the Russia's largest independent natural gas producer, Novatek.

Materials and Methods

This study uses mixed methods namely a survey and interviews in establishing what is going on between South Africa and Russia in the BRICS. Twenty people participated in the survey and the interviews altogether. They were selected purposively as the study is designed predominantly as a qualitative research. The survey was just another mean of getting some additional information whereas the profound interviews were in depth and open-ended in many instances. They were semi structured, and allowed dichotomous, biographical, and other types of questions to be asked to participants. Questionnaires were administered to a selected citizen of South Africa to determine their views about the effects of diplomatic ties between South Africa and Russia as BRICS member countries. Both men and women took part in the survey and the interviews. All participants were conversant in English. Prior to the main study, a pilot study was conducted to allow the rewording of questions.

Literature Review

South Africa, Russia And Diplomatic Ties

Diplomacy is the art or practice of conducting international relations, as in negotiating alliances, treaties, and agreements [7]. Diplomacy is presented as one of the “ lesser tools of foreign policy” a medium for Diplomacy is the art or practice of conducting international relations, as in negotiating alliances, treaties, and agreements [7]. Diplomacy is presented as one of the “ lesser tools of foreign policy” a medium for communicating the use of the other tools, it is also presented as an instrument in its own right. International diplomacy is an important political activity or expertise employed in managing international relations. It is crucial that country's representatives learn to deal with the people of other countries in a sensitive and effective way in order to maximise chances for friendship, harmony, peace, stability and investment.

In the 1960s, after the apartheid government banned the ANC and PAC, the leadership of these liberation organisations or their representatives embarked on a diplomatic relation. They made ties within Africa, in Eastern Europe and with Asia. Friends of Africa were engaged in supporting and accommodating others. Oliver Tambo, former president of the ANC, was mandated to establish underground political and military machinery outside South Africa for many cadres who were running away from torture, imprisonment and execution by the security forces to go to exile and forge new relationships to support the struggle for liberation.

Tanzania, Zambia, Botswana, Swaziland, Nigeria, Lesotho, Angola, Algeria, Egypt, Zimbabwe and many other Africa countries played a significant role in harbouring the South African freedom fighters. Tambo's work of diplomacy was not limited in the African continent: he continued to engage with many countries in Europe, Eastern Europe, Asia as well as United States of America. In turn, the ANC had established an office in London, Stockholm, Ireland and other places. Russia in particular shouldered a huge part of the responsibility due to the fact that she had many communist organisations in Africa including the South African Communist Party.

Generally, international diplomacy is important for the following reasons: (i) bilateral trade, peace and stability, investment, social security, and research and development. Sometimes,

domestic politics and international relations are often somehow entangled. Sometimes, this can be a complicated puzzle, especially in relation to what theoretical approaches need to be followed. It is fruitless to debate whether domestic politics really determine international relations or not. The answer to that question is clearly "Both, sometimes." The more interesting questions are “When?” and “How” [8].

Foundation of Cultural ties with Russia

Russia is the largest country in the world, which has a rich cultural identity

that has been shaped and moulded by its distinguished history and vast geography. She covers an area of about 17,075,400 square kilometers. Russia has a population of 143 million people, with 160 ethnic groups speaking some 100 languages.

The Russian culture is defined by three dimensions, namely: collectivism, egalitarianism and Dusha. Throughout its notable history, Russia has assumed a strong communal spirit (collectivism) that is still reflected in Russian business practices today. Russia's severe climatic conditions have also meant that co-operation and collaboration, rather than competition, has been vital for the survival. This sense of togetherness is one of the traits that distinguish Russians from many Westerners [9]. An important aspect of Russian culture is Russian collectivism, egalitarianism and status consciousness.

Russian collectivism dates back to the peasant farmers, who lived in agricultural villages known as 'mirs' or 'obshchina' and worked together in an organised and self-managed community. Egalitarianism is an important concept related to the village milieu, the social philosophy that supports the removal of inequity, and promotes an equal distribution of benefits. In Russian business terms, this equates to important strategies of equality, reciprocity and mutual advantage. Russians are very status conscious and believed in co-equals. A "deal" is often thought of from the perspective of equally shared benefits [9]. This will perhaps lead to a fair deal in the context of BRICS, when Russians stick to their culture and tolerate that of others.

The famous and enigmatic Russian 'dusha' or 'soul' remains central to everyday Russian behaviour, and as a result when building successful business relationships with Russians one would find that mutual liking and emotion will be emphasised. However, in order to conduct business successfully in Russia, there are a number of important issues to take into consideration. These are:

- The Russians attitude to time means that a few minutes delay on their part is of little importance. However, they will expect you to be punctual.
- Faxes and emails are the best way to communicate in Russia, as the post can often be unreliable. It is customary before making a trip to Russia to inform the prospective company of your intended business proposals and objectives.
- Paperwork and putting pen to paper is an essential part of all working practices in Russia. In general, they have little faith in unsigned documents.
- The hierarchical structure in Russian business practices means that the decision makers higher up have authority over their subordinates. However, the nature of collective goods often encourages a flexible and democratic work ethos.
- Showing respect for seniority and recognising the hierarchical structure is vital for establishing and maintaining strong business relationships [9].

For those organisations wishing to develop a successful penetration strategy

for the Russian business market or employees tasked with working in Russia, an understanding of Russian social and business culture is key to your success. Personal and informal contact is a central part in doing business in Russia. Physical contact during business meetings, for example, a simple hand on the arm or even embracing is a positive sign. In times of COVID-19, the protocols have changed as Russians are among those who considered the pandemic in China to be a threat.

There is word for ‘privacy’ in Russia; therefore, the notion of social space is much closer in Russia. In situations of conflict one should try to avoid taking an official stance and remember that Russians are ‘people orientated’ and will respond to a more personal approach. Presentations should be straightforward and comprehensible. Although many principal concerns are discussed in an informal environment final negotiation are conducted in the office. Generally, when beginning a meeting, the head of the organisation will open the discussion and introductions should then be made in order of importance [3].

Russian Culture in the Global Economy

The Federation of Russia has returned to its position as a major international player in the diplomatic, cultural and business world. While recent financial crises are in everyone’s memory, the economy of the country is growing and is benefiting from some foreign investments. More and more western companies are opening offices in the country and Russian investors have, in return, begun to invest abroad [3].

However, the cultural identity of Russia is far from being either deciphered or absolute. If its relation to the west and its expansion to the East influenced imperial Russia, the USSR was in turn greatly influenced by the tsarist culture. Naturally, today’s Russia is the outcome of various layers of the true “Rus” identity. Each foreign businessperson in Russia faces, at some point, misunderstandings and pitfalls. Businesspersons planning ahead a trip to Russia with a tight schedule may come back home with feeling that while much talking took place, very little was accomplished [9].

South Africa: History at A Glance

South Africa has a rich history. As a country she knew three centuries of colonialism and four decades of apartheid. The country was a British colony and today she is a member of the Commonwealth like many other SADC countries. The Dutch came to Cape Town and they remained just as other whites. The ties and interactions with local communities led to the birth of one of the languages of the country – the Afrikaans. All the African languages are official languages of the Republic just like the (British) English is in South Africa.

In the past, the country had a Bantustan and white minority rule. Politicians who opposed that were arrested and jailed including Nelson Rohlhlahla Mandela

(who was incarcerated in Robben Island for 27 years for political reasons. Mandela sought to liberate both white and blacks and advocated for a South Africa which belongs to all who live in it black and white.

To fight the Apartheid system the blacks organised in liberation movements and political parties were created. The African National Congress (ANC) became the first political party to be created in Sub-Saharan Africa in 1910 – a party which also gave Africa one of the prominent and first Nobel Peace Prize Laureate, Inkhosi Albert Luthuli.

There were contacts between Africa and Asia since those days. In fact, it's the Chinese who produced the first map ever of Africa. A map which was far from being similar to the one we know today but nevertheless a map which situated what we know as Cape Town and the other parts of the Southern African region of Africa – albeit imperfectly.

Politicians from South Africa were helped by other freedom fighters like Mwalimu Julius Nyerere of Tanzania, Kenneth Kaunda of Zambia, Samora Machel of Mozambique and Sam Nujoma of Namibia to name but a few. Africa was on top of the game of helping their brothers and sisters of South Africa. In fact, not only did the Mkhondo we Sizwe (a military organisation of the ANC) had camps in countries such as Tanzania and Zambia, they also receive support in strategy and materials. This was perceived and inspired by the spirit of Nkwameh Nkrumah who taught others that Ghana will be free only when all other countries are free. It was the spirit of Ubuntu in action. Our leaders understood they needed to support each other's, and they did all they could with the support of the international community to fight and win over apartheid.

Oliva Thambo was in Zambia with Thabo Mbeki while Mandela and Cery Ramaphosa and many others were in South Africa, either in jail or free. Ultimately, they led the country in negotiations and in 1990 Nelson Mandela was free again. In 1994 the old dispensation of apartheid led by Frederick Declerc came to an end. In the first democratic elections Nelson Rohlhlahla Mandela became the first president of South Africa democratically elected. It was the beginning of a new dispensation, and after only one term he stepped down, Thabo Mbeki was elected, then Jacob Zuma, and then came the time of the current president Ceryl Ramaphosa.

Russia: History at A Glance

The history of Russia begins with that of the Eastern Slavs and the Finno-Ugric peoples. The state of Garðaríki ("the realm of towns"), which was centred in Novgorod and included the entire areas inhabited by Ilmen Slavs, Veps and Votes, was established by the Varangian chieftain Rurik in 862 (the traditional beginning of Russian history). Kievan Rus', the first united East Slavic state, was founded by Rurik's successor Oleg of Novgorod in 882.

The state adopted Christianity from the Byzantine Empire in 988, beginning

the synthesis of Byzantine and Slavic cultures that defined Russian culture for the next millennium. Kievan Rus' ultimately disintegrated as a state because of the Mongol invasion of Rus' in 1237–1240. During that time a number of regional magnates, in particular Novgorod and Pskov, fought to inherit the cultural and political legacy of Kievan Rus'.

After the 13th century, Moscow came to dominate the former cultural center. By the 18th century, the Tsardom of Russia had become the huge Russian Empire, stretching from the Polish–Lithuanian Commonwealth eastward to the Pacific Ocean. Expansion in the western direction sharpened Russia's awareness of its separation from much of the rest of Europe and shattered the isolation in which the initial stages of expansion had occurred.

Successive regimes of the 19th century responded to such pressures with a combination of half-hearted reform and repression. Russian serfdom was abolished in 1861, but its abolition was achieved on terms unfavourable to the peasants and served to increase revolutionary pressures. Between the abolition of serfdom and the beginning of World War I in 1914, the Stolypin reforms, the constitution of 1906 and State Duma introduced notable changes to the economy and politics of Russia, but the tsars were still not willing to relinquish autocratic rule or share their power.

The Russian Revolution in 1917 was triggered by a combination of economic breakdown, war weariness, and discontent with the autocratic system of government, and it first brought a coalition of liberals and moderate socialists to power, but their failed policies led to seizure of power by the Communist Bolsheviks on 25 October. Between 1922 and 1991, the history of Russia is essentially the history of the Soviet Union, effectively an ideologically based state which was roughly coterminous with the Russian Empire before the Treaty of Brest-Litovsk.

The approach to the building of socialism, however, varied over different periods in Soviet history, from the mixed economy and diverse society and culture of the 1920s to the command economy and repressions of the Joseph Stalin era to the "era of stagnation" in the 1980s. From its first years, government in the Soviet Union was based on the one-party rule of the Communists, as the Bolsheviks called themselves, beginning in March 1918. However, by the late 1980s, with the weaknesses of its economic and political structures becoming acute, the Communist leaders embarked on major reforms, which led to the fall of the Soviet Union.

The history of the Russian Federation officially starts in January 1992. The Russian Federation was recognized as the legal successor to the Soviet Union on the international stage. However, Russia has lost its superpower status as it faced serious challenges in its efforts to forge a new post-Soviet political and economic system. Scrapping the socialist central planning and state ownership of property of the Soviet era, Russia attempted to build an economy based on market capitalism, with often painful results. Even today Russia shares many continuities of political culture and social structure with its tsarist and Soviet past.

The Struggle of Proletariat in Russia

The proletariat struggle is a class conflict between the rich and the poor class in Russia. This conflict represents a process whereby change comes about through the opposition of social classes as they pursue what they see to be their (different and opposed) collective interests in society. Capitalist class appropriates these goods for its private profit. Fundamentally, there are considered to be two great classes in Capitalist society (the Bourgeoisie and the Proletariat). Capitalist society, where technological development (machinery etc.) has allowed a bourgeois class to exploit factory forms of production for their private gain.

The main relations of production in this epoch are between employers and employees (those who own and use capital and those who exchange their labour power for a wage). An employer does not own his / her employee in this society and various political freedoms and equalities are able to develop. A member of the working class is falsely conscious of their true class position when they fail to see themselves as a member of an exploited, oppressed, class).

The concept of alienation is used to refer to the way in which Capitalist society degrades both the Bourgeoisie and the Proletariat. The Proletariat are alienated from society because although they are responsible for producing goods co-operatively (for the potential benefit of society as a whole), the fruits of their labour are appropriated by the Bourgeoisie (in the form of profit) for their private use.

The seizure of political power by the proletariat on a world scale, the precondition for and the first stage in the revolutionary transformation of capitalist society, means in the first place the total destruction of the apparatus of the bourgeois state. Since it is through its state that the bourgeoisie maintains its domination over society, its privileges, its exploitation of other classes and of the working class in particular, this organ is necessarily adapted to this function and cannot be used by the working class which has no privileges or exploitation to defend.

Global Economic Climate

Global economy refers to the expansion of economies beyond national borders, in particular, the expansion of production by transnational corporations to many countries around the world. The global economy includes the globalization of production, markets, finance, communications, and the labour force. This has led to competition at the international level. This has affected companies in the United States of America hence US is a superpower of the world's economy.

Many of American companies have moved to China because of cheap labour and more profit. As a result, people living in America are losing jobs and prices are going up. Today, the global economic crisis experienced generally by the countries of the world, and specifically in Europe can be characterised by:

- Transition to polycivilizations being sociocultural globalization basis;

- Weakening of the role of the USA as the key financial centre (the stock exchanges of London and Frankfurt jointly generate more revenue than NYSE, NASDAQ). Not so long ago the national financial institutes of the USA (primarily investment banks) solely formed institutional patterns all over the world;
- Emergence of new regional centres of forces (e.g., Iraq) military suppression of which is impossible without a serious damage to the USA themselves.

There are four major weaknesses that continue to conspire against robust economic recovery in developed economies. These weaknesses are creating a vicious cycle, namely: (i) deleveraging by banks, firms and households continues to restrain normal credit flows and consumer and investment demand; (ii) unemployment remains high, a condition that is both cause and effect in preventing economic recovery; (iii) fiscal austerity responses to rising public debts deter economic growth and make a return to debt sustainability all the more difficult; and (iv) bank exposures to sovereign debt perpetuate fragility in the financial sector, which in turn spurs continued deleveraging [10].

According to Dutta [18] the formation of BRIC by the four fastest growing economies of the world has created a storm in international politics and strategic relationships. However, a big question remains on the viability of this alternative and how far it can challenge the existing Unipolar world order controlled and dominated by US. BRIC is an acronym that refers to the economies of Brazil, Russia, India, and China, which are seen as major developing economies in the world.

The South African government adopted a minerals beneficiation strategy in 2011, and the implementation plans are being finalised for key value chains, including steel, energy, jewellery and platinum group metals. In addition, according to the Presidency, Russia has expressed interest in co-operating with South Africa in the construction of nuclear power plants. South Africa's Integrated Resource Plan indicates that nuclear power should form an important part of the country's energy mix by 2030, with the first plant to come online as early as 2023.

Many people around the world have asked a critical question about the future of BRICS. They need to know whether BRICS will pose a real challenge to the existing world order, both in terms of political hegemony and economic supremacy. It is something that the people of the world need to examine and determine. But With an excellent bilateral and multilateral relationship between the BRIC nations, it is strongly believed that the West has a challenger with respect to important economic and political issues.

Diskin, I. 2010. Role of BRIC in forming a new economic order and efficient global management mechanisms creation evolution of the priority tasks of the member states: Report for the second joint round-table discussion of the economic and social. Development Council of Brazil and the Public Chamber of the Russian Federation.

This research aims to study the diplomatic and economic relationship

between South Africa and Russian based on the development in order to join the BRIC regarding the visit of Russia president in South Africa few years ago. A quantitative approach shall be employed in this study. Questionnaires will be distributed amongst the South Africa citizens to find out about their views regarding the impact of the diplomatic ties between South Africa and Russia in their lives.

Black & Champion [11]; Education.com [12]; Sibanda, 2009 [13]; [14] Thomas, 2003; [12] Free dictionary, 2012) informed the methodology of this study.

Results and Discussion

Relationship between South Africa and Russia

78% of the respondents are South African citizens while 22% are immigrants. Regarding the relationship that exist between South Africa and Russia 90% indicated that there are aware about it whereas 10% indicated that they are not. It is the immigrants are not aware.

Russia has had relationship with South African citizens before 1994. 70% of the respondents attributed that relationship to political support whilst 30% is divided equally among military support, sports and recreation and investment.

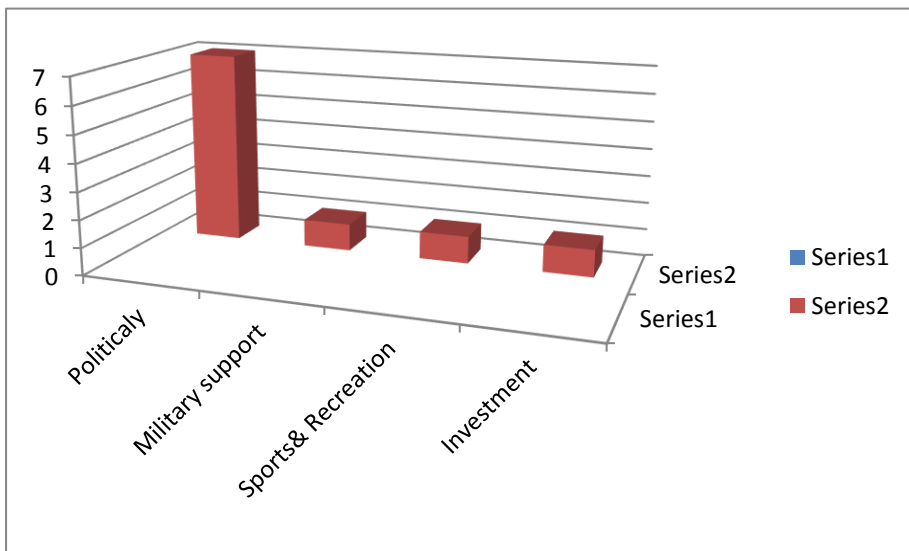


Figure 1. Past Relationship Between Russia and South Africa

Protection of the South African Economy

Since South Africa has joined the BRIC (Brasil, Russia, India and China), the respondents provided their views about whether the South African economy will be insulated global economic meltdown. The results show that 60% indicated they

strongly agree; 20% agree; 10% disagree; and 10% strongly disagree that South African economy will be protected. See figure 1 below.

The following reasons were provided to support South Africa’s joining of BRIC to protect its economy from global economic meltdown:

- “The possibilities are many for emerging economies in order to join the group (BRIC) and this shall contribute value to the country’s economy.”
- “Merging with other countries is always a good idea as we get resources from them that will help our economy grow.”
- “BRICS is a trading block of new emerging economies.”
- “This is a way of developing our economy.”

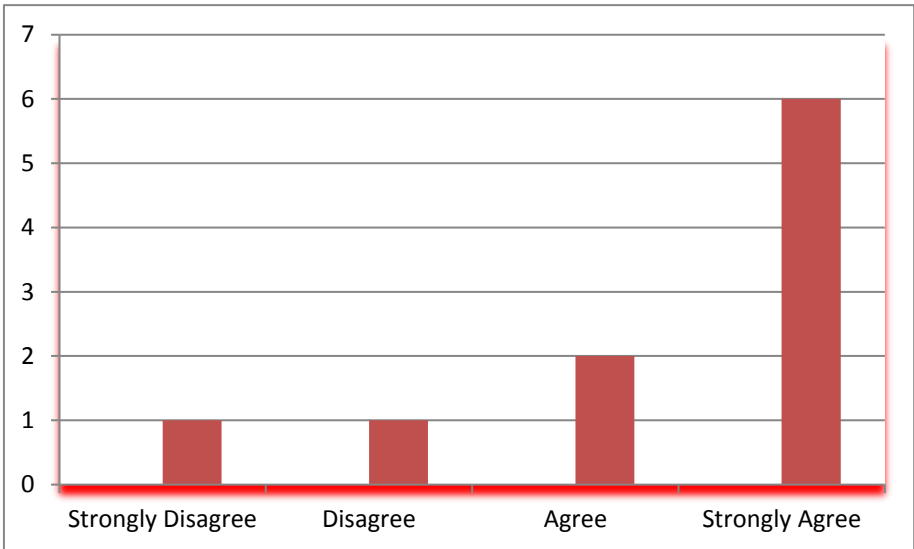


Figure 2. Protection of South African Economy

There were those respondents who indicated that South African economy is not going to be protected form economic meltdown. They supplied the following reasons:

Participant # 1 was as positive as the survey result above:

“He was of the view that the BRICS will help South Africa with infrastructure development through financing of capital-intensive projects. The BRICS bank in China is there for that. If it was not for the Corona virus, I am sure the organisation was going to deliver to its promises by now”.

Informing Citizens about Economic and Diplomatic Relations

In many cases, economic and diplomatic relations between two or more countries are only known to the elites, private businesses and bureaucrats: the ordinary citizens are left in the dark. Therefore, a question was posed as to whether the ordinary citizens are informed about the economic benefits, they can generate out of the economic relationship established by South Africa and Russia. According to 60% of the respondents said citizens are informed about the benefits that can be generated. 40% said the ordinary citizens are not informed.

Participant # 9 corroborated the sentiment of those who were negative as they feared for South Africa to some extent:

“South Africa is not that strong economically; it can be easily swallowed if the economy does not recover. I see that some countries in the BRICS do not relate well, India and China seem to have border conflicts and unresolved issues over competition. How will South Africa be assisted with all that? We should rather turn to African solutions. Sorry, I have to be pessimistic about it”.

On whether the South African government is doing enough to inform the ordinary citizens about the value of the economic relations the country enters with other countries 40% of the respondents indicated that they strongly agree; 20% agree; 30% strongly disagree; and 10% disagree.

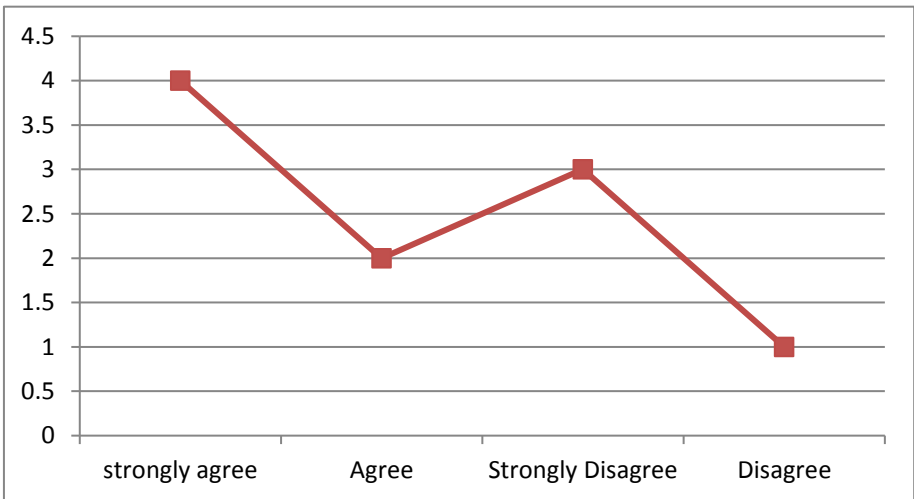


Figure 3. Informing the Citizens about Economic Benefits for Citizens

According to Participant # 7, many people in South Africa do not know about the BRICS still, let alone about Russia. Only those who are socialists or were in the struggle were trained in Russia. The others their open to the capitalist business. More awareness is needed.

The General Impact of South Africa-Russia Economic Relations

On the general impact of the economic relationship between Russia and South Africa to the ordinary citizens of the country, the respondents expressed concurring views, namely:

- “Russia-South Africa agreement will help to shape the future of the country’s economy.”
- “The relationship is solely based on commercial diplomacy rather than being fundamentally driven by political and social relations.”
- “It will put the greater impact on development in several ways.”
- “According to my understanding this can affect bilaterally all citizens to ensure the power of the country.”
- “This relationship should help the ordinary people to get jobs to eradicate poverty.”
- “It is because also the new development of the country can make proudly the image of the country.”

On how South Africa can use the economic and diplomatic relations with Russia to protect the South African citizens from the global economic meltdown, the respondents said:

- “Trades must be used a new system of economy in order to promote the new vision of the global economic instead of losing focus to benefit only the few elites.”
- “If trade is on the ascendancy business booms ... the growth and expansion of the economy.”
- “I mean this part consists of protecting all the South African citizens. In another level of life and create another awareness.”
- “This is the way of developing the country economically.”

Participants #2, #3, #4, #5, #6, #10 all agreed on trade as the stimulus of good relations. They view that as a way of bringing the two countries together. Trade and cooperation, not only on commodities but on other products, exchange of information and expertise is another area where the anonymous participants agree upon. This agrees with the findings of Isheloke [15]. Other researches have proven that FDI contribute to economic growth [16].

With the theory of international diplomacy in mind, it is important to note that the challenges and opportunities for effective international diplomacy was somewhat figured out in the context of creating a proper bilateral relationship in order to boost up the global economy. The study indicated that though the people are aware of the existing relationship between South Africa and Russia it is difficult to pinpoint

opportunities the ordinary South Africans.

However, one should remember this about Russia. The Federation of Russia has returned to its position as a major international player in the diplomatic, cultural and business world. While recent financial crises are in everyone's memory, the economy of the country is growing and is benefiting from some foreign investments. More and more western companies are opening offices in the country and Russian investors have, in return, begun to invest abroad [3]. Therefore, South Africa should build on that possibility and ensure that her citizens are benefitting.

Most importantly, one can generate some optimism from the responses given in relation to the nature and impact of the relationship. South Africa was not happy with the fact that it was not invited in the BRIC deliberations given its political clout in the global governance processes and the fact that it is a vocal champion of the interests of developing countries. South Africa has since sought to gain recognition as part of the BRIC formation [1]. Everyone is hoping that the relationship South Africa has with the BRIC countries should really be used to protect the country from the global economic meltdown and should be used to promote trade for all the citizens, not just the elites, bureaucrats and private businesses.

The fact that the majority of respondents said that past relationship between South African and Russia was largely political with little investment and culture is an indication for a need for more investment in the current era. Two important elements from the Russian culture can be borrowed to promote sustainable and unified development. These are: egalitarianism and collectivism. Peasants worked together in the farms in an organised and self-managed community. Egalitarianism is an important concept related to the village milieu, the social philosophy that supports the removal of inequity, and promotes an equal distribution of benefits [9].

Russia has now a buoyant economy and desires more minerals and raw materials from elsewhere. Africa's need for foreign investment, as politicians and analysts alike see it, augurs well with the timing. Russia stands a chance to benefit and expand its acquisition of minerals from South Africa. There could be mutual agreement that will see South Africa benefit from power as some respondents have suggested on the general impact of the Russia-South Africa agreement.

Two important statements about how can South Africa use this relationship to protect the citizens from global economic meltdown, have been made by the respondents, "It will put the greater impact on development in several ways"; "This relationship should help the ordinary people to get jobs to eradicate poverty." This brings about an important dimension to development as advocated by Korten - the people-centred development. The idea is to ensure that "the members of a society increase their personal and institutional capacities to mobilize and manage resources to produce sustainable and justly distributed improvements in their quality of life consistent with their aspirations" [19]. The main disagreement with came from Participants # 8:

“BRICS is not winning on anything as far as the grassroots are concerned. The people do not see themselves in what the partnership does. I think they are after our raw materials. It is another form of colonialism or if you want it is called neo-colonialism. Look at the multinational’s corporations in Africa, they behave as if they rule this continent. They want the lion’s share. They are like the ones who make the law. This is not acceptable. Maybe it is time we think again about this BRICS before it is too late”.

Conclusion and Recommendations

Both Russia and South Africa have an important role to play in world political, cultural and economic development. Cultural exchange, not political and economic exchanges will significantly enhance their place in the current world affairs. Russia has had its fair share in helping South Africans get rid of apartheid. The future shines brightly for both because there are now focused on economic development of the country with some strategic areas of interest being spelt out in the research.

The formation of BRIC and later BRICS after South Africa joined the member states (Brazil, Russia, India and China) poses a real challenge to the existing world order, both in terms of political hegemony and economic supremacy. Whether the future will tilt the balance of power in the developed nations in favour the emerging economies remains to be seen. Developing the economy of South Africa based on joining BRICS it is a key success in the future the country and it will create another angle of a new consideration in the world.

The study indicated that South Africans are positive about the relationship though they are not exactly sure how it can benefit the ordinary citizens. They have indicated that the relationship should be used to protect the country’s economy form the global financial crisis or meltdown. Issues such as poverty alleviation, power or energy, cultural exchange and social unity based on the principle of egalitarianism and collectivism can be borrowed from Russia that this relationship needs to cultivate have been raised by the respondents.

Though this study is not comprehensive in terms of economic and political development, but it has highlighted important issues about promoting international diplomacy and keeping citizens informed about the relationship the country establishes with other countries. This is a legacy of Oliver Tambo, former President of the ANC left which. Should be promoted, deepened and sustained so that the ordinary citizens can benefit to address social challenges. In addition, the government should raise an awareness about the possible avenue the ordinary citizens can exploit to benefit from the bilateral and diplomatic ties forged even in the Africa continent.

South Africa is a successfully progressing country in terms of relations with the outside well along that it could make one of the major economic players. In order for that to happen South Africa needs:

- Utilise and invest more in the relationship established with Russia.

As South Africa is poised to be a stronger nation in Africa the relationship it has with other emerging economies in the BRIC block could harness:

- To ensure sustainable development of the continent in order to advance the two important Russian philosophies in business (egalitarianism and collectivism).

After 1994 South Africa established some wonderful relationships opening itself up to many potential investors in the global arena. There is a need to:

- Strengthen its international diplomacy and advance the bilateral relationships it has with many countries so that many opportunities could be open for the ordinary citizens to exploit.

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