



SEMINAR DISCUSSION

SOUTH AFRICA IN BRICS: SALVATION OR RUINATION?

DATE: Monday 28 April

TIME: 4.00-6.00pm

VENUE: Please note room change: Committee Room 5, House of Commons,
London SW1A 0AA

Speaker: **William Gumede**, author of *South Africa in BRICS: Salvation or Ruination?* and Associate Professor and Convener in Political Economy, University of the Witwatersrand (Johannesburg)

As South Africans prepare to go to the polls for the 2014 presidential elections, what does the future hold for one of Africa's leading economies?

Developing economies are increasingly regarded as potential global growth engines which could power the world economy. Alongside China, Brazil, Russia and India, South Africa belatedly became part of the BRICS alliance, forged to provide leading developing countries with a greater voice with respect to global action.

Yet, might the differences between members in this disparate bloc far outweigh the similarities that bind them, compounding competition and tension within the group? Might the keenness of once eager investors have been cooled by the groups' more modest economic performance? This is illustrated by China's immense economic restructuring which has led to contractions in its growth rates, which formerly boasted double digits. This is in addition to the turbulent currency crisis which fuelled further rises in already relatively high inflation and interest rates experienced across many emerging markets, earlier this year. As the US economy experiences a fragile recovery this has reduced the need to stimulate the economy and keep interest rates low. As such, the US Federal Reserve has begun to ease its injections of liquidity into the wider banking system. How might the BRICS in general and South Africa in particular, insulate their own markets from the turbulence generated by the fall in monetary stimulus which has considerably reduced investment inflows into developing economies?

More importantly, beyond political advantage, might the real gains of such an alliance for an economy like South Africa now seem far more limited than otherwise envisaged? Furthermore, with the advent of a so-called second generation of emerging economic giants which include Mexico, Indonesia, Nigeria and Turkey (the MINTs), might South Africa have sneaked into the wrong club?

This event is free and open to all. If you would like to attend, please RSVP by email to events@fpc.org.uk