

KEYNOTE ADDRESS

BRICS NETWORK UNIVERSITY

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OPPORTUNITIES AND CHALLENGES IN USHERING A NEW GLOBAL ORDER: ROLE OF THE BRICS NETWORK UNIVERSITY

I wish to thank the Department of Higher Education and Training and the organisers of the BRICS Network University Conference for the invitation to take part in this most enlightening exchange on the academic tasks that our countries face.

It is indeed an honour to interact with academic leaders of the BRICS community as you strive to strengthen co-operation in areas of common interest. Ultimately, whatever the details of the thematic engagements outlined in the programme, the primary responsibility of the Network University, in my view, is continually to refine the philosophical meaning of the BRICS partnership, and to help give it life in actual practice. As the intellectual interactions intensify, the role of BRICS – as a critical association in the global community – will evolve and become even more patent.

It is primarily on these issues that I will dedicate my input this evening.

I will do so proceeding from the understanding that much rests on the intellectual community to inject more reason into the sentiment of BRICS association. The Network University therefore has a critical responsibility to act as the ideational locomotive to the social agency of an alliance that has an important role to play in defining the global agenda and balance of forces.

In reflecting on these issues, I will start off by succumbing to the temptation to state the obvious: and this is that the tenth BRICS Summit that South Africa has the honour to host later this month, speaks to the reality that the BRICS notion is more than a sentimental fad of the imagination of an asset manager. It is a living reality in the global family of nations.

Attached to this BRICS notion are the natural dictates of geography, the distinguished position that each of our countries occupies in our regions, the historical solidarity across the miles in the struggle against colonialism and apartheid, and the need to search for alternatives to the dominant global ideological and policy discourse.

What, then, is the global context within which the BRICS Network University operates; how do we characterise the current conjuncture? Four macro-trends stand out in this regard.

The first macro-trend is reflected in the shifting sands of polarity. On the one hand, we live in a global community with one dominant social system. What islands of a different socio-economic system may prevail in parts of the globe, are wired in multifaceted relations of mutual economic dependence with advanced economies of the North, which in turn, also enjoy unassailable military dominance. In this context, it can be argued that current global reality is characterised by primary unipolarity.

However, the global power structure is in constant flux, with the balance shifting from the North. This dynamic may appear glacial in its pace; but some estimate that by 2050 four of the five BRICS countries – China, India, Brazil and Russia – will be among the top 6 largest economies on a global scale. (National Development Plan, 2011 and background documents on Scenario Planning, 2007/08, The Presidency, SA). Combined with current regional blocs and other alliances of various levels of autonomy, these developments bring out in bold relief an emergent polycentricity, the secondary multipolarity that characterises the current global order.

The second macro-trend is the pace at which technological advancement is unfolding. From genetics to bio- and nano-technologies, today we are entering the phase in which digital technology and machine learning will be more comprehensively embedded in most human activities, a fusion of the physical, the digital and the biological spheres. As we know, great progress can be harvested from these discoveries for the benefit of humanity as a whole. However, this depends on forms of social organisation and the manner in which national and global income is created, appropriated and distributed. The issue of the social ethics that accompany these technologies necessarily has to engage our mind. This is even more pertinent given the possibility of what some refer to as the fifth domain of warfare (in addition to land, air, sea and space), which, in the current era of careless abandon, can break out presaging a global conflagration.

We referred earlier to the mutual dependence across regions and social systems; and this underlines the third critical attribute of the world in which the BRICS community operates. Advances in technology have made possible the dispersal of production sites across the world; and there is no possibility of unscrambling a global economy that operates as unit in real time, to quote Manuel Castells. Sites of elements of the production chain may shift; but the dynamics of economic coupling, decoupling and recoupling will not change. These dynamics are simply a logical corollary of the level of global technological development.

This brings us to the last attribute of the current global system. Such has been the rapacious licence of poorly regulated markets that the role of money as a means of exchange has been superseded by money as finance capital, begetting money. We are all familiar with the current levels of financialisation, such that the value of trade in financial products today exceeds that of trade in goods and services. Already, by the late 1990s, while the global volume of trade in goods and services was about US\$2.5-billion per day, foreign exchange trade was at US\$1.5-trillion per day. And it is largely because of this rapacious conduct of poorly-regulated finance capital that the world economy went into recession a decade ago and continues to this day to face the danger of secular stagnation.

The BRICS Network University, in my view, has a responsibility to study these phenomena, extract the implications they have for our countries – individually and collectively – and posit relevant courses of action that would redound to our peoples' benefit. This we should do, proceeding from the understanding that, these technical manifestations of global society contain within them major implications for the world's political economy and for geo-politics – occasioned both by the objective conditions which we can do little about, and by how various societal leaders across the globe respond to these objective conditions.

One of the consequences of these responses, in large parts of the world, is what has become the defining character of the current global political economy: that is, the iniquitous distribution of

income, assets and opportunity. This is clearly reflected in the observation by Oxfam in its January 2017 report that “...just eight men own the same wealth as the poorest half of the world... The very design of our economies and the principles of our economics have taken us to this extreme, unsustainable and unjust point”.

Indeed, the trickle-up effect in terms of income is playing out unashamedly in most economies. The International Labour Organisation, in its 2013 Global Wage Report captures this succinctly:

“During much of the past century, [it says], a stable labour income share was accepted as a ... ‘stylized fact’ of economic growth. As industrialised countries became more prosperous, the total incomes both of workers and of capital owners grew at almost exactly the same rate, and the division of national income between labour and capital therefore remained constant over a long period of time, with only minor fluctuations... [R]ecent decades have seen a downward trend for the labour share in a majority of countries for which data are available”.

In 25 advanced economies, real income for households in the lower part of the income distribution was in 2014 actually lower than in 2005, affecting about 500-million people. (Anu Madgavkar, Project Syndicate, September 7, 2016). If life expectancy were to be used as the ultimate measure of the human condition, the trend among blue-collar white workers in the United States tells a harrowing story. While in 1970, they trailed higher income men of the same age by five years of life, the gap has now widened to about fifteen years. (FT, 2016/10/10, Edward Luce).

The fact of the matter is that attempts, in the recent period, at lifting the minimum wage have not reversed the broader trend towards growing inequality.

Many young people and women are able to take advantage of the advances in technology and the opportunities presented by the global economy. But the majority of these, across both the developed and developing countries, are being left behind. Many are not in employment, education or training (the NEETS as they are called in the United Kingdom). These are the so-called *hittistes* in Tunisia, the *shabab atileen* of Egypt, the *freeters* of Japan and the *mileuristas* of Spain, representing a “...failure ...of young people to find a place in society...[and] of society... to harness the energy, intelligence, and enthusiasm of the next generation”. (Peter Coy of Bloomberg Businessweek, 2011/02/02).

What is the moral of this quasi-treatise on inequality, you may ask!

It should be expected that when societies are faced with such stark realities, the victims will naturally demand their pound of flesh from the tables of privilege. It is the response of leaders to such social anomie that is of relevance to the global order and the way geo-politics is playing out today. While Left political insurgencies within the establishment have had their impact, the fact of the matter is that, in many countries of the North, it is the jingoists who have carried the day. Some prominent leaders within the private sector (in companies such as EL Rothschild, Unilever and McKinsey & Company) have expressed alarm at the declining legitimacy of the current system of the capitalist market. Indeed, in the words of Financial Times journalist, Martin Wolf: “If the natural tendency of our economies is towards ever-rising rent extraction and inequality, with all its dire social and political results, we need to respond in a thoughtful and determined way”. (FT

2018/06/27). However, as the Russians are wont to say, Vashka the Cat continues eating: the majority within the Western political and business elite remain inured to this general crisis.

Because they are incapable of addressing the fundamental question about the distribution of income, some political leaders have taken protectionism and an aggressive mercantilism to unprecedented heights. Economic sanctions are invoked as a tool of industrial policy, to prevent targeted countries from pursuing innovation-driven strategies, and even to manage commodity trade and prices. Chauvinism is presented as the solution to uncontrolled migration. Militarism in geo-politics becomes the stock-in-trade. The security-industrial complex – an evolution of the military-industrial complex, now combined with the intelligence community – confounds issues pertaining to the threat of terrorism; it forages everywhere in search of tensions to justify regional conflicts; and it corrals policy-makers into submitting to its gluttony for resources.

In brief, the global political and economic system is in poly-crisis. The dearth of strategic leadership creates the very real possibility that humanity can stumble into a meltdown. To paraphrase Bertolt Brecht, the bitch that bore the beast of war is in heat again. (The Resistible Rise of Arturo Ui, 1941).

The fundamental question is whether the BRICS community is capable of positing an alternative, and what role the BRICS Network University can play in that regard!

It is gratifying that, as is in the nature of institutions of higher learning, the Network University intends to go beyond research and teaching on energy, computer sciences, climate change and similar issues. Against the backdrop of discredited establishment social sciences on a global scale, matters of the political economy and the variety of issues raised by Civil BRICS do hopefully feature prominently in the education curriculum. The concerns identified by the BRICS Civil Society Forum include such matters as inclusive economic growth, reduction of inequality and labour relations.

In addition, within the context of the BRICS Strategy for Economic Partnership, there are many current challenges that require intellectual application. For instance, should it not be a matter of concern that the indicators of the combined relevance of BRICS countries to one another, have in recent years not been impressive – thus impacting on how collectively our countries can become less dependent on cyclical trends and political whims in other parts of the world? According to some estimates, intra-BRICS trade declined between 2013 and 2017, and the proportion of that trade has in fact levelled off. (Jeremy Stevens, Standard Bank Research, 2018/06/26).

Given the large infrastructure projects under way, including the ‘one belt one road’ initiative, what opportunities attach to such projects for the BRICS partners? This applies critically to the manufacturing of supplies, especially for BRICS partners such as South Africa which are endeavouring to industrialise and expand job opportunities.

How do we share experiences, align strategies and, where applicable, implement joint programmes to deal with the challenge of corruption? Indeed, our seriousness in dealing with this matter will be measured by concrete action to implement the programme of the BRICS Anti-Corruption Working Group. In this regard, it is appropriate to refer to the Joint Declaration from last year’s summit:

“Keenly aware of the negative impact of corruption on sustainable development, we support the efforts to enhance BRICS anti-corruption cooperation.... We further acknowledge that illegal flow of the proceeds of corruption impairs economic development and financial stability... We acknowledge

that corruption including illicit money and financial flows, and ill-gotten wealth stashed in foreign jurisdictions is a global challenge which may impact negatively on economic growth and sustainable development.” (BRICS 2017 Summit Declaration)

Contained in the postulations that I have made, is yet another assumption: and this is that the BRICS Network University intends to pursue transdisciplinarity in knowledge generation and dissemination. This will help ensure integration of the various strands of knowledge and lend an organising philosophy to our educational endeavours.

It is not a matter of arrogance to assert that the lived experience of our nations comprises a large body of knowledge that can stand humanity in good stead. This pertains, variously and collectively, to:

- historical civilisations and the philosophies underpinning them including the management of international relations
- efforts at industrialisation and the extrication of hundreds of millions from abject poverty
- successful programmes to deal with inequality
- efforts to construct more humane societies founded on principles other than the rapacious licence of unregulated markets
- pursuit of social cohesion in vast societies with a multiplicity of diversities
- sustenance of institutions of legitimate governance even under conditions of extreme stress.

The central message I wish to communicate this evening is that the Network University should be at the centre of mastery of natural sciences and theorisation of social relations, so BRICS can occupy its deserved place in global discourse on the improvement of the human condition. This, we should do in pursuit of the BRICS self-interest and in defence of global multilateralism. In other words, the appeal for activism and leadership does not amount to a clarion call for BRICS autarky. Rather, we need to locate ourselves at the core of the global efforts to redefine the organising philosophy towards a just and equitable world order.

Only in this way will the impulse towards global multipolarity, human advancement and social solidarity become a material force. Like all of you, I am of the firm conviction that, among all the BRICS institutions, the Network University has the potential to take pride of place, and it should claim it; rather than waiting for it to be delivered from on high.

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