

Address by Sebastian Sperling, Friedrich-Ebert-Stiftung South Africa to the conference themed

"South African foreign policy at 30: strengths, challenges, lessons and way forward",

organized by the

Centre for African Diplomacy and Leadership and the

South African Research Chair in African Diplomacy and Foreign Policy

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(PROTOCOL)

Thank you to **The Centre for African Diplomacy and Leadership** and to the **South African Research Chair in African Diplomacy and Foreign Policy** for your invitation and this opportunity. It is an honor. Two disclaimers though:

Firstly, you invited me to speak as a partner; yet I just would like to stress the fact that as Friedrich-Ebert-Stiftung we did not have any part in bringing together this fantastic event and this impressive line-up of scholars. Your invitation speaks to the friendship between our organizations, which we value highly. But I just do not want to adorn ourselves with borrowed plumes.

Secondly, all of the distinguished academics and practitioners speaking today and tomorrow – without exception - are far better placed than me to speak about the topic that you sent to me in advance, namely:

"Three Decades of South African Foreign Policy: Reflections on successes, challenges and way forward in a dynamic 21st century."

I speak neither as a scholar nor as an expert on South African foreign policy. When inviting me I assume you knew that I would only be able to speak as a practitioner of international

relations; of international relations below the level of government to be precise. I speak as a male, white and therefore very privileged European living in South Africa.

I speak as director of a German political foundation in South Africa; an organization that clearly sees itself on the left, progressive side of the political spectrum; I speak as a social democrat. I tackle the question from that positionality and perspective. Which for me means: dodging the first part of the question; the one on the balance sheet of South Africa's foreign policy.

During the conference speakers with far more authority than me will look at its "successes and challenges". I am looking forward to the conference proceedings as well as the edited book on "South African Foreign Policy at 30: achievements, lessons and recommendations for the future" – it will be an important contribution to future policy development. Another contribution of that nature, if you allow me to also highlight this, is the fourth volume of the "South African Foreign Policy Review" that our good friends from the Institute for Global Dialogue published last year, and I see its authors are also going to enrich this conference.

Just two observations on South Africa's foreign policy.

Firstly: Given South Africa's crucial role on the continent and its weight in many global fora, there is a lot of international interest in South Africa's foreign policy. To me as a European, it sometimes even seems that there is more appetite for learning about and discussing South Africa's foreign policy <u>outside</u> of South Africa, than there is within South Africa itself. Outside of such a room full of experts and beyond the editorials of some national newspapers, there seems to be very little public debate around foreign policy; at least compared to other policy areas. We had expected the contestation around South Africa's positioning towards Israel and the war in Gaza to play a prominent role in recent elections. There is very little evidence to suggest it actually did, at least not to the extent some had anticipated. Foreign policy wasn't prominent in most parties' election manifestos. Foreign policy also didn't seem to have played a major role in the coalition negotiations that led to the Government of National Unity. The ANC quickly drew some red lines; and the coalition partners neither really contested those nor did they contest for positions relevant for South Africa's international relations.

That is not only a South African phenomenon though. In most countries, foreign policy and international relations don't rank high on the public agenda. Even though they should, clearly,

given that "the international" impacts on just about every other policy area; and increasingly so.

Therefore, one cannot commend the Chair and the Centre enough for organizing today's conference and for their invaluable contribution to the public debate, resituating foreign policy as a public policy that requires and deserves public scrutiny. For the same reason, as FES we strive to continuously engage those who are not typically in the room when foreign policy is being discussed: young people, trade unions, feminists, social movements. Foreign policy and international relations are too important to be left to governments and to the IR expert community.

My second observation: that there is so much international interest in South Africa's foreign policy is not just because of South Africa's strategic role and weight on the continent and in global fora. It is also due to its guiding principles and values, it is due to the exemplary, high standards that South Africa sets for itself. For us "lefties" globally, for me as a social democrat, the principles of South Africa's foreign policy represent the essence of progressive internationalism, namely:

- the centrality of human rights in international relations;
- the promotion of democracy;
- justice and respect for international law;
- peaceful resolution of conflict through internationally agreed, non-violent mechanisms;
- centrality of the historically marginalized Global South and Africa in particular;
- multilateralism, non-alignment and the avoidance of global block confrontations;
- economic development through greater international and regional cooperation.

For progressives, there is very little room for disagreement with these principles. The contestation that we have seen in recent years, domestically and internationally, is rather on the application of these principles; when principles meet with a highly complex reality.

It is against this background that I would like – after having dodged the first part of the question – to make a few remarks on the second part of the question: the "way forward in a dynamic 21st century". Again, speaking as a European social democrat.

To know our way forward is to firstly know where we are. What seems evident: we are in the midst of rapid and radical shifts, globally. We are probably not even yet able to grasp just how fundamental those shifts are. We are speaking of a polycrisis; of various massive crises that are mutually reinforcing each other; with a sum that is larger than its parts. We are speaking of...

- a climate catastrophe in full swing with already devastating effects;
- a revolution of technology, digitalization and artificial intelligence; and with it:
- a concentration of wealth and power, both corporate and individual, and obscene levels of global inequality; the 8 richest human beings own more than 50% of the world population combined.
- attacks on democracy and a rise of authoritarianism, right-wing populism and violent extremism;
- a return and deepening of economic nationalism, as big power competitions escalates;
- and entangled in this massive geopolitical shifts and conflicts; the unipolar moment is long gone and the new multipolar one is just taking shape; and in particular we see an acute risk of a new global block confrontation between the US and China.

There is a sense of us being overwhelmed by the polycrisis, a sense of loss of control and agency.

In the wake of it, on national levels, within democratic societies – not only, but also in South Africa – democracy is on the backfoot and citizens loose trust in its institutions because political freedom does not go hand in hand with socio-economic freedom for all; because states do not find responses to high levels of unemployment and inequality, of unequal opportunities, the deterioration of public goods and services and unequal access to those; and also because states' capacities have been eroded by neoliberal policies and austerity, imposed by the international system but also by a neoliberal Zeitgeist that even captured the political left.

On the global level, it seems that not only are our existing institutions not up to the challenges; but in some cases, they even worsen and perpetuate them, if we look at the global debt crisis for example. We lament a global order skewed in favor of the North and institutions that do no guarantee democratic decision making nor an equal application of international norms.

It is against these injustices that the Global South emerged as a geopolitical fact and factor. What holds this set of countries with otherwise extremely divers interests and trajectories together is a shared frustration with the current global order.

If we take the above-mentioned crises as our current reality and a fairer global order as the overarching objective – what is a way forward then?

Firstly, we should look at who and where our allies are. There are obviously allies for a fairer global order within the Global North, being just as divers as the Global South. Here I am not talking about development cooperation and partnerships. Countries of the global North – some more than others, and not yet enough – are grappling with their historic responsibility for climate change as well as for the continuous effects of colonialism. There is a lot of shared interests particularly between the democracies of the Global North and Global South. For instance, Europe is as concerned about a US-China block confrontation as South Africa is. We have seen many joint initiatives between countries of the North and the South to reform global institutions and give more say to the Global South, like the recent incorporation of the AU to the G20.

Yet we should also look at alliances below the level of government. Organizing workers across borders is a necessity in a globalized economy. Progressive movements and parties worldwide need not only international solidarity of their peers to fight their national battles against authoritarianism and the rise of the right; they also need to raise their eyes beyond their national borders, overcome the trade-mark sectarianism of the left and build and reclaim an internationalist vision and global agenda. It is against this background that as a German, I am very glad that despite all recent differences on questions of Covid responses, Ukraine or Gaza, the ANC and the German Social Democratic Party have committed to reviving and deepening their historic party cooperation; to just name one example.

After all, in a volatile and complex, multipolar world, the way forward is not about allencompassing marriages (we don't have to agree on everything!), but about different and changing, strategic, case-by-case, issue-based alliances. That is a truth that is sinking in also in European strategic thinking; particularly also preparing for possible outcomes of the upcoming US elections. Now in a multipolar world, the arenas for such alliance-building are also ever more varied. From regional economic communities, AU, EU to global clubs such as G20, G7, G77 or BRICS. All those global clubs have their merits and strengths yet also limitations. Their main limitation: none of them is truly global and inclusive enough. Therefore, President Ramaphosa made it very clear in his programmatic speech ahead of last year's BRICS summit: BRICS, as other clubs, are primarily a means to an end. The end, ultimately, is a more functional, more just and fair global order and UN system. Of course, we know about the UN's flaws and shortcomings. (1) The Security Council is largely incapable of dealing with today's pressing conflicts like the horrific wars in Ukraine, Gaza or Sudan; its set-up is completely outdated and anachronistic. (2) The Bretton Woods institutions are ideologically stuck and need a fundamental governance reform and paradigm shift to work for the Global South. (3) States break international norms, laws and UN resolutions; we continue to see a lot of double standards in their application.

Yet despite all these obvious flaws and needs for reform, this system is still humanities' best shot at building global institutions and at a global order that is no longer based on the rule of the strongest, but based on human rights and international norms and laws. Sounds like kumbaya-idealism. But we should be – and South Africa has repeatedly proven to be, for instance with its ICJ case – realistic enough to realize that the only worthwhile way forward is not to give up on it, but to continue pushing for the system to live up to its promise.

End of next week, the UN Summit of the Future – co-organized by Namibia and Germany – will kick off in New York. I guess we all hope that its outcomes will be more far-reaching and concrete as what has so far transpired. One important step would be to finally give African countries permanent seats on the Security Council.

It is important to note that this agenda has huge popular support. The latest Global Census data – a survey of public perception on global governance issues in 15 countries published by our colleagues of FES New York – shows that 85% of Kenyans and 73% of South Africans are in favor of such a Security Council reform, but also a majority of respondents from countries with permanent seats like US, UK and France.

The Census also shows that 91% of South Africans support the SDGs, even if they are not as optimistic that they'll actually be met, as also highlighted in the recent South African Civil Society report on the 2030 Agenda.

What is interesting about the Census is the question about what people believe to be main causes of conflict. In rich countries like Japan, South Korea, US and UK, respondents primarily see the potential of conflict between democratic and undemocratic countries. Respondents from developing and middle-income countries like Tunisia, Turkey and South Africa, on the other hand, see more potential for conflict along economic lines, between rich and poor countries.

I guess this shows, once again, that particularly in countries of the North, in this current moment of geopolitical tension, war and rearmament, of militarized great power competition, we need to make sure to not lose sight of what's a priority to the vast majority of humanity: to keep our planet habitable and to urgently address development, poverty and gross global inequality.

It is for this reason that I would like to focus on one issue that is particularly relevant for the future of international relations and multilateralism: **money.**

We need about 200 billion US dollars to reach the UN's Sustainable Development Goals by 2030. We need several trillion US dollars for energy transitions and sustainable development in emerging market economies. States across the world and particularly in the Global South urgently need resources to build public infrastructure and to provide public services for inclusive development. Yet instead they are struggling with debt.

When it comes to a just transition, an important element is for the North to accept its historic responsibility for climate change and carry its weight in terms of climate financing.

But I would like to highlight two other money-related issues that are critical to building a fairer global order:

Firstly, taxation.

Taxes are one of the most important sources for financing public goods and services; apart from being a tool for redistribution of course.

Multinational companies are still able to avoid taxes on a large scale. The global corporate minimum tax of 15% that South Africa, Germany and others spearheaded is an important symbolic step, but too low and too little to create sufficient revenue and prevent a race to the bottom.

The wealthy are equally able to evade taxation. While labour is thoroughly taxed everywhere, wealth and financial assets mostly are not. I've talked about the extreme concentration of wealth in the hands of very few individuals. The trend is continuing. And the idea that financial wealth has something to do with personal achievement persists, even though 60 per cent of global wealth is the result of inheritances and endowments to a narrowly defined group of people. Since 2020, the five richest men in the world have doubled their wealth once again, while five billion people have become poorer in the same period. At the same time, only 4% of global tax revenue comes from wealth-related taxes.

In April this year, Finance Minister Enoch Godongwana in a series of Op-eds supported the initiative of his Brazilian counterpart Fernando Haddad to introduce a global billionaire's tax of 2%. It would be more than just symbolic; it could potentially generate substantial revenue. The op-ed was also signed by ministers from Spain and Germany; in the case of Germany by the Minister for Cooperation, Svenja Schulze, a Social Democrat. In preparation of the G20-Summit, the German government then unfortunately pushed the breaks on this initiative, giving in on pressure of the Social Democrat's coalition partner, the Liberals, who hold the Treasury. An episode that shows: (1) there are very concrete proposals on the table for more global tax justice. (2) There are alliances between North and South. (3) And sometimes those alliances can only be below the level of government at the moment, as progressive parties have to fight for national majorities for such global reforms.

Obviously, tax justice goes beyond a billionaire's tax. Another important element: moving towards a functional United Nations Convention on International Tax Cooperation. At the end of last year, the UN General Assembly voted in favor of its set-up. It was a historic success of the G77 and of international civil society, which had been campaigning for it for a long time; among them also trade unions like Public Services International (PSI). The vote was the most clear-cut North-South vote we had seen in recent years.

The Global South - 125 countries! - voted in favor; the Global North (with the exception of Norways abstention) voted unanimously against the initiative, largely because they want to keep tax cooperation under the auspices of the OECD.

The Independent Commission for the Reform of International Corporate Taxation, made up of high-ranking economists from the North and the South, had warned the North of a 'dangerous signal' that blocking the resolution would send, saying that it might appear that — I quote: "those who most loudly tout the benefits of a rules-based international order don't actually believe in one."

Again, an example of the fact that on some issues, allies in the North are not necessarily in government.

It was more than 600 NGOS from across the globe which at the last Financing for Development conference in Addis had called for the creation of a UN tax institution. After the vote on the tax convention, the Global South is now in a significantly better negotiating position for the next International Conference on Financing for Development, scheduled for mid-2025 in Madrid.

A second and related theme at that crucial conference, of course: debt.

The fundamental reform of the international financial architecture is long overdue. The rules of international banking, the regulations and conditionalities around loans as well as the dominance of ratings agencies contribute to chronic indebtedness and economic dependency.

Last year, the US and other G7 countries sought to block formulations on debt and financial architecture reform in the SDG Summit statement. In the IMF and the World Bank, the G7 countries hold more than 40 per cent of the voting rights and still determine their policies.

Interestingly, IMF director Kristalina Georgieva has been calling for rapid debt relief for critically indebted countries. Yet IMF practice still looks different: A study of 179 debt sustainability analyses between 2020 and 2022 shows that, although the IMF points to high debt risks in 86 countries, the IMF invoked debt relief as a preventive measure in just four cases.

540 CSOs from around the world – including South Africa – sent a letter to the IMF Executive board calling for a reform, particularly a review of surcharge policies. AIDC is part of a global coalition to end austerity and to explore alternative solutions to the public debt crisis. The Institute for Economic Justice has done extensive work on that as well. IEJ joined a global coalition of CSOs to develop a response to the World Bank's 'Evolution Roadmap', calling for an alternative that "prioritizes people, participation, and the planet over profit and economic growth".

It is obvious that we need debt relief and a meaningful overhaul of the Bretton Woods institutions and the international financial architecture, of the governing structures as well as their underlying ideology and paradigms.

I selected those issues of financing for climate and development, of global tax regimes and a fairer debt management and a reform of the financial architecture for various reasons.

Firstly, I sense that within the IR community, there is already sufficient emphasis on other important issues, including the hard peace and security agenda. In line with South African foreign policy principles, and with a feminist lens that teaches us to center human beings, the socio-economic dimension needs emphasis in these times of militarized big-power competition and polarization.

Secondly, because these issues allow us to get practical; to break down the lofty calls for a "fair rules-based global order" into concrete initiatives, helping us to move beyond lamenting the unjust status quo and to look forward. These issues also emerged from a series of roundtable meetings on the future of multilateralism that we as FES had the honor of hosting over the past two years; some of you participated. And they emerged from a study Sithembile Mbete did for this reflection group on how South African actors' engage the multilateral system.

Thirdly, the examples I mentioned show that particularly in this current geopolitical moment we have to be flexible and strategic about building alliances on concrete initiatives; and to building progressive internationalism that is not just nostalgic window-dressing. The tax convention is a good example of the power of the Global South to shape the agenda and push initiative even against resistance of the Global North, particularly using its numbers in the UN General Assembly. Yet on other issues we see a lot of potential for alliances between

countries of the North and the South. And on many issues, we see international solidarity, cooperation and joint campaigns on the level of civil society, social movements, trade unions and political parties; more than on the government level. It is our mission and mandate as FES to facilitate that necessary dialog and alliance building and to bring perspectives and interests of the Global South into policy discussions in Europe.

Lastly, I raise these issues because the reform of the international financial architecture, including issues of debt and taxation, will hopefully continue to be on the agenda of the G20. Yes, the G20 is one of "those clubs" – but a specifically relevant one, because compared to G7 and BRICS it allows for more of the necessary North-South dialog and has proven to be a forum where important global reform initiatives can be advanced. In its current presidency of the G20, Lula's Brazil put a strong emphasis on development, and South Africa is expected to continue that focus in the coming year. Once more, South Africa will be at the center of global attention, when it takes over the G20 presidency from Brazil and hosts the G20 summit as well as all the "Labour 20" and the "Think Tank 20" summits that some of you are already involved in and that we are determined to support.

The principles of South African foreign policy will continue to be on high demand globally. Their application will remain difficult and not without contradictions and dilemmas, for South Africa as much as for all progressives worldwide sharing those principles. We cannot just stop at lamenting those contradictions and being outraged. Instead, we are all tasked to keep pushing for those principles, to stand up against the rise of right-wing authoritarianism, imperialism, polarization and militarization, to not be defeatist in the face of existential threats and to rather look for concrete ways of addressing them and for building the necessary alliances.

Thank you.