



RECOMMENDATIONS

- Collaboration development efforts should be IBSA's (India–Brazil–South Africa) core priority. Galvanising development orientation ahead of such issues as global economic governance — better covered by groupings like BRIC (Brazil–Russia–India–China) — will avoid clouding its priorities.
- IBSA should focus on improving coherence between inter-governmental working groups and non-government forums with regular exchanges throughout the year between annual IBSA summits.
- The development fund needs to be expanded. This should become IBSA's flagship and its interface with the developing world. Emerging donor functions, currently carried out bilaterally, can be incorporated into an enlarged IBSA development fund.
- Efforts should be directed to trade facilitation, not overarching trade agreements. Better connectivity, removal of double taxation, visa exemption and homogenous business practices are more urgent than an IBSA-wide free trade agreement.
- IBSA and BRIC can and should co-exist. Each performs a different function and has an important global role. Open dialogue should exist — especially when it comes to systemic reforms and a collective position, including Africa.

IBSA Six Years On: Co-operation in a New Global Order

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EXECUTIVE SUMMARY

Six years after its launch, officials can no longer claim that the India–Brazil–South Africa (IBSA) Forum is still in its infancy. It is time to evaluate results and missed opportunities to provide a balanced assessment.

In the wake of an international financial crisis and a changing global architecture, its original *raison d'être* — multilateral system reforms, stronger coalitions of the South and development co-operation — is more pertinent than ever. Critics question its achievements and the merits of a coalition of emerging powers that excludes notables like China. But others insist it has facilitated dialogue and exchange at a level and frequency previously unimaginable.

Certainly, IBSA is a recognised and powerful coalition that enjoys a strong consensus among members. Efforts to improve co-operation for development has become a core niche that could ultimately become the driving force behind IBSA and reconfigure its role in the developing world, Africa in particular. This distinguishes it from other emerging coalitions, making it an example of development co-operation in a new global order.

INTRODUCTION

IBSA was launched in Brasilia in June 2003. Hailed as an alliance of like-minded democracies from the developing South, member countries wanted a loose arrangement without a fixed secretariat but with an ambitious agenda focused on global governance and inter-sectoral co-operation.

Now, after six years, and about to hold its fourth summit, IBSA is no longer in its 'infancy'. With the global economy at a precipice and emerging powers playing an increasing part in agenda setting, its role

can be more relevant than ever.

Officials from all three countries insist it has achieved much in a short time: encouraging active dialogue among members, promoting co-operation in key ministries and adding its collective weight in multilateral forums.

But critics argue that progress has been slow and that results fall far short of initial lofty ambitions. One observer describes IBSA as little more than a 'gathering of friends'.

Some suggest that members themselves differ on their perceptions of its role. India and Brazil are emerging economic powers that wield enormous influence unilaterally, while South Africa benefits from being part of a heavyweight collective that bolsters its global influence. For Brazil, IBSA forms part of a southern development strategy that cuts across government ministries. India maintains a low profile, using IBSA to drive its multilateral agenda and generate credibility on its nuclear aspirations.

The rise of Brazil-Russia-India-China (BRIC) as a coalition of emerging powers in the face of divergent interests and interpretations around IBSA also brings to the fore a number of questions vis-a-vis IBSA and emerging power coalitions in general.

Given global developments and the divergent views on IBSA, it is important to evaluate progress in the global arena and its future as a forum for dialogue and action.

TAKING STOCK SIX YEARS ON

IBSA has significantly improved relations among India, Brazil and South Africa. It is a platform for dialogue and exchange between ministries and non-government entities. More importantly, it has created a common culture of constructive co-operation.

Its greatest achievement to date is in political co-ordination, something that previously was, at best, impulsive. One Brazilian academic describes Brazil's South-South agenda in previous decades as non-committal. The country 'talked-the-talk' but never really 'signed up or paid the price'. Today it is arguably the most active partner, with development projects across Africa and Latin

America and a driving force for multilateral decision-making. Co-ordination is most evident at the United Nations, where there is a 96% vote convergence among IBSA countries and the reform of global institutions, especially the Security Council, has always been a priority. While strategies for achieving permanent seats for IBSA members vary, demands for reform and representation do not.

Economic realities hamper market convergence. Trade among the three countries has increased impressively from \$3.9 billion in 2003 to just over \$10 billion in 2008. But compared to trade between China and Brazil — \$43 billion in 2008 — it is still small.

Bureaucrats working on IBSA concede that market integration is a pipe dream. Insurmountable regional constraints pre-date the alliance. A trilateral agreement would have to include other regional partners, the Southern African Customs Union and the Common Market of the South (Mercosur) in particular, which would ensure an endless negotiating battle. A more realistic goal might be an arrangement that simply declares existing agreements between the regional blocs to fall under an IBSA umbrella. But this would be more symbolic than coherent trade integration.²

Facilitating trade through improved connectivity and harmonised policies would be a more pertinent and achievable target.

IBSA has 17 government-to-government working groups that exchange knowledge and experience regularly — a practical approach to trilateral development co-operation. And there are seven people-to-people forums which meet at annual summits to encourage non-government relations.

The working groups have had mixed results. Science and technology seem to be leading the way with joint initiatives including a research trip to Antarctica. They also share technology on biofuels, a cross-cutting issue that affects other important working groups, for example on climate change and energy.

In revenue services, Brazil has established a special unit, based on the South African model, to deal specifically with large taxpayers, while South

Africa and India explore the IT technology that has helped Brazil improve revenue collection and efficiency.

The business forums have yielded impressive results. Where there was little or no formal dialogue before, business has now become an active and visible gathering on the sidelines at IBSA summits. The small business forum is creating a database of all small and medium businesses in all three countries.

But outside of government and even within certain ministries, criticism of IBSA and its working groups is unanimous: these groups have proved more complicated than expected. Results have been slow in coming and there is a need for greater coherence and focus.

DEVELOPMENT FUND SUCCESS

The IBSA development fund has become an unexpected success story. By applying a simple, effective approach to developmental assistance, it has delivered positive results relatively quickly.

With a small annual contribution of \$1 million a member, the fund is administered by the United Nations Development Programme and targets small localised projects in some of the most impoverished parts of the world.

Three projects have been completed: a waste management project in Haiti, small-scale agricultural development in Guinea Bissau and a health care clinic in Cape Verde. Four more are nearing completion: an HIV/Aids testing and counselling centre in Burundi, a sports centre in Palestine (to be completed by March 2010), a school in Gaza, and an unspecified project in Laos.

The development fund liaises with local government and partners with local operators — important to avoid any impression of a new wave of imperialism.

These projects could be the green shoots of a new core priority, driving the three countries toward greater development co-operation in their own regions. The development fund is an effective instrument that demonstrates IBSA's true potential.

REALISING DEVELOPMENT PRIORITIES

IBSA has always maintained a strong focus on development. Shortly after its creation it characterised itself as a forum for 'economic development and social equity'.³ This description covered the many challenges facing each country while expressing a broader intention to improve development and integration in Africa, Asia and Latin America.

Brazil has been a particularly strong proponent of development, embracing co-operation as a foreign policy priority. As an 'emerging provider' (not just an emerging power), it is eager to share knowledge with less developed countries. Paulo Sotero, director of the Brazil Institute at the Woodrow Wilson Center in Washington, describes this as a 'spirit of genuine solidarity ... a social and political — rather than economic — motivation in Brazilian international co-operation initiatives'.⁴

Brazilians have started calling this innovative blend of social assistance and technical support 'social technology'. Africa is clearly a priority for Brazil, which sees South Africa as an essential partner and IBSA as a potential forum to boost existing activities. Of its 318 technical co-operation projects abroad, 125 are in 19 African countries.

Building on existing linkages, Brazilian officials indicate that IBSA could be an effective vehicle to promote Brazil's development agenda. And India, Brazil and South Africa could collapse certain existing bilateral programmes (such as those mentioned above) and combine with the development fund to form a larger IBSA co-operation initiative with third party countries. Thus the fund could be augmented and its overall impact enhanced.

IBSA AND EMERGING GROUPINGS

The rise of BRIC as a formal grouping after its first summit in June 2009 is widely misunderstood. BRIC is little more than a collection of emerging economic powers, a term coined by Jim O'Neil of Goldman Sachs. While it is expected to dwarf the G7 economically within 20–30 years, the reality is

that these countries have little in common.

The June summit yielded little consensus and most observers — including O’Neil himself — doubt BRIC will become an active grouping. It may however prompt certain broad-level economic reforms and push for a restructuring of the global financial architecture. It is, after all, a prominent grouping that has captured world attention.⁵

But its role is very different from that of IBSA. Certainly factions in Brazil see BRIC much as South Africa views IBSA — a forum to bolster its power and influence on the global stage. This appeals to interests outside government (especially business) and prompts some to question whether BRIC will or has replaced IBSA in the minds of the Brazilians and Indians and, if so, where does this leave South Africa?

But BRIC satisfies only a small part of the international vision of India and Brazil. IBSA operates in a different dimension — one with a stronger development focus that may be more politically palatable. Africa features prominently in the foreign policy agenda of both countries for commercial and sentimental reasons. So IBSA and South Africa are needed.

CONCLUSION

Six years on, IBSA has a mixed record. Critics believe outcomes have been slow and real tangibles scarce. But this view is based on commercial expectations and the organisation’s role in global agenda-setting. The reality is that IBSA has improved constructive relations between India, Brazil and South Africa while raising the profile of South–South dialogue. Co-operation development is clearly an area of moderate success

that can and should be exploited.

Development as a priority cuts across various IBSA working groups and is the rationale behind discussions in non-government fora. The development fund in particular has become a conduit for co-operation between IBSA members and recipient countries in the developing world. This could extend to improved technical co-operation and the transfer of social technology to underdeveloped countries, mostly in Africa.

Development co-operation distinguishes IBSA from other emerging configurations like BRIC. In the wake of international financial turmoil and a much talked about ‘shift’ to a multi-polar world order from West to East, the hype around groupings of emerging powers is to be expected. But BRIC is founded on economic imperatives, not on a move to development and political co-operation, like IBSA. That is why IBSA and BRIC can and should co-exist.

ENDNOTES

- 1 Dr Lyal White is a research associate at the South African Institute of International Affairs.
- 2 A preferential trade agreement exists between the Southern African Customs Union and the Common Market of the South (Mercosur).
- 3 This was reiterated in a statement by Brazilian Foreign Minister Celso Amorim at an IBSA gathering in August 2005.
- 4 See Sotero P, ‘Brazil as an emerging donor: Huge potential and growing pains’, *Development Outreach*, World Bank Institute, 2009, <www1.worldbank.org/devoutreach/articleid526.html>.
- 5 The BRIC countries did release a joint statement in anticipation of the G20 summit in Pittsburg in September 2009.

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