



Synopsis

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India-Brazil-South Africa in a Multipolar World Synopsis

Focus on the emergence of the IBSA Trilateral Dialogue Forum amid the resurgence of **Russia** and the rise of China.

This edition of **Synopsis** focuses on one of South Africa's highest foreign policy agenda items: The India-Brazil-South Africa Trilateral Dialogue Forum, more generally known as IBSA. IBSA is also a major policy dialogue initiative of the Centre for Policy Studies (CPS) which has undertaken, with the support of the Ford Foundation, a project to develop an IBSA Civil Society Forum on Peace and Security. The aim is to address issues of regional and human security within the IBSA framework. The focus of discourse would essentially be two-fold, revolving around two thematic issue areas: 1) South-South cooperation on human and regional security concerns as they relate to IBSA; and 2) Possible trilateral (and/or complementary bilateral) areas of collaboration in military and defense management and conflict prevention management and resolution (CPMR), factoring in such human security dimensions as South Africa's exploration of 'developmental peacekeeping.'

This initiative is complemented by support from Germany's Frederick Ebert Stiftung (FES) for selected CPS information dissemination on IBSA such this special Synopsis edition. The interest here is to critically locate IBSA within a wider multipolar context defined by the emergence of China and Russia as major state actors in the post-Cold War, post-9/11 world. The contributions that follow, therefore, reflect this multipolar dimension accompanied by reviews of IBSA's economic cooperation and trade dimensions.

The first two articles by **Chris Landsberg** and **Francis Kornegay** provide overviews of IBSA within a fluid geopolitical environment of transition in the international system along with a retrospective on IBSA's origins in the fashioning of South Africa's post-apartheid foreign policy evolution.

Landsberg starts by tracing IBSA's origins in the South-South cooperation and solidarity proclivities of the pre-liberation African National Congress (ANC). Post-apartheid, this ANC policy trend began finding expression in notions of the need for a 'G8 of the South' to counter-balance the G8 hegemony of the global North. Having crystallized in the 2003 launching of IBSA, Landsberg explores the grouping's achievements and challenges.

Kornegay explores some of the range of policy themes and issues that a trilateral civil society peace and security forum on IBSA might interrogate. He then turns his attention to what he conceptualizes as the 'transitional geopolitics' of change in international relations. This transition provides the contextual backdrop for critically assessing IBSA's role and potential as a southern rimland 'Gondwanan' pillar in what Kornegay foresees as an emerging post-Western order driven by an escalating geopolitics of energy challenging American primacy.



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This leads into a review of IBSA by the head of the University of South Africa (UNISA) Centre for Latin America programme, **Zelia Roelofse-Campbell**, editor of Unisa Latin American Report. As with Landsberg, Roelofse-Campbell – originally from Brazil – emphasizes IBSA's main objective to speak with one voice in multilateral fora with the aim of advancing the South's developmental agenda. This is backed up by IBSA's trust fund which focuses on modest assistance to Guinea-Bissau, Haiti and Laos. Yet, Landsberg stresses the need for India, Brazil and South Africa to carry their respective continents and sub-regions with them politically which may require more than modest trust fund aid. Nevertheless, Roelofse-Campbell's survey of IBSA's various cooperation initiatives highlights what she depicts as a definitive upbeat spirit regarding IBSA.

More problematic, however, may be IBSA's potential as a countervailing force to global hegemony. This is the take-off point for the critiques of Sanusha Naidu, research specialist in the Democracy and Governance programme of the Human Sciences Research Council and **Dr. Mills Soko**, research associate of the South African Institute of International Affairs (SAIIA), and founding director of Mthente Research and Consulting Services. Both Naidu and Soko approach IBSA's prospects in terms of broader geopolitical-economic considerations that may limit as well as facilitate the trilateral agenda. Naidu's article attempts to interrogate the constraints confronting IBSA in the current trajectory of the global system. She argues that the test of IBSA's efficacy will be whether it offers the South a platform to augment its voice and circumvent the dominance of the North in multilateral institutions and agencies.

Within this context, China's 'peaceful rise' presents a competitive factor in the geopolitics of the South that India, Brazil and South Africa must contend with, within their respective regions. In assessing IBSA's counter-hegemonic potential, Soko considers what each country brings to the trilateral table based on their respective regional power backgrounds and aspirations: India's historical quest for global power status, recently augmented by its 'Look East' policy toward east and southeast Asia; Brazil's dominance in Latin America as a function of its geography, population and economic size and recent overcoming of its reticence to involve itself in the affairs of other regional states; post-apartheid South Africa's bid for 'natural' continental leadership under the presidency of Thabo Mbeki.

Soko, however, identifies several factors that could limit their individual and combined potential to act as a countervailing force to global hegemony: their continued dependency on US and EU markets, important differences in their foreign policies, the continued importance they place on their bilateral relationships with the Global Hegemon USA, and last but not least, internal domestic socio-economic and structural problems of underdevelopment, poverty and inequality – issues that revisit the contradiction identified by Landsberg: progressive governments with cautious if not outright conservative economic policies. Finally, should IBSA expand to incorporate China and Russia and/or merge IBSA with BRIC (Brazil-Russia-India-China) which has recently become 'BRICS' including South Africa? The skepticism Soko raises in this regard illuminates the fluidity of multipolarity among the world's emerging states which simultaneously have common and divergent interests and trajectories in the changing global system. The connecting thread running throughout the commentaries of Soko and Naidu with Landsberg and Kornegay is the extent to which each country's regional dynamics are set to have an important bearing on IBSA's overall potential as a platform for the South.



The cutting edge of this platform is in the economic and trade realm. This is where IBSA has been most visible since its inception, evolving as it has out of a growing alignment of southern 'emerging market' powers to challenge the terms of the global trading system: first a 'G5' that included Nigeria and Egypt as well as India, Brazil and South Africa, before settling into the G3 trilateralism of IBSA. From there, IBSA positioned itself as something of a vanguard within the G20 in the rolling trade negotiations of the embattled Doha 'development round.'

Nagesh Kumar, director-general of the New Delhi-based Research and Information Systems (RIS) for Developing Countries explores this economic dimension from the standpoint of IBSA's potential to inspire South-South sectoral cooperation across a range of sectors: transportation, small and medium enterprise promotion, agriculture and food process, e-governance and IT for development, gems and jewellery, tourism and energy.

Particularly germane to energy/resource-driven geopolitics, is Kumar's suggestion of interregional cooperative synergies that might be developed in the energy field by joint IBSA development of ethanol, where Brazil has been in the lead, and other energy alternatives based on South Africa's synthetic fuels industry (not to mention Eskom's cutting edge though contentious development of a new generation 'peeble bed' nuclear reactor). Any prospect that IBSA may be able to promote an international politics of universal responsibility grounded in conservation ethics will largely hinge on such practical outcomes from cooperation in the energy sector as suggested by Kumar.

Bipul Chatterjee and **Swati Dhoot**, respectively the deputy executive director and Assistant Programme Officer of the CUTS Centre for International Trade, Economics & Environment in Jaipur, expand on Kumar's look at sectoral cooperation by focusing on the interregional trade potential that could emerge out of IBSA trilateralism on the foundations of already existing bilateral trade relationships either underway or being explored by the three countries: India-Brazil, India-South Africa and South Africa-Brazil as well as more ambitious Free Trade Area (FTA) initiatives : SACU-Mercosur, India-SACU and Mercosur-India. Realizing these potentialities, including even a trilateral trade regime will, however, depend considerably on the extent to which the business communities of the three countries come to the table, a point Chatterjee and Dhoot stress as part of their recommended way forward. All in all, the forgoing contributions to this special edition of Synopsis should prove sufficiently thought-provoking to provide ample food for thought about what has been a neglected but emerging trend for scrutiny in international relations: South-South cooperation.

Finally, senior CPS researcher specialising in peace and security, **Jabulani Dada** diverges from the geopolitical and economic themes to begin what is hoped will be an ongoing conversation on the human security challenges that each IBSA country must confront separately and collectively and the potential for civil society engagement within the respective countries and trilaterally. Each of the three countries has their own human security challenges which, in some instances intersect with wider regional security concerns whereas the civil society dimension raises issues of how deep the trilateral relationship can evolve beyond the government-to-government level. All in all, this and the other forgoing commentaries, it is hoped, will contribute to an ongoing discourse on IBSA as a strategically important priority in South Africa's global South relations.

IBSA's Political Origins, Significance and Challenges

By Chris Landsberg (Director: Centre for Policy Studies)

Introduction

On 6 June 2003 the Foreign Ministers of Brazil, Celso Amorim, of South Africa, Nkosazana Dlamini Zuma, and of India, Yashwant Sinha, inaugurated the India-Brazil-South Africa (IBSA) Trilateral Forum. The agenda of the meeting was clear: to put in place a forum that would advance South-South co-operation and solidarity. From the word go, these countries articulated an ambitious international agenda, especially discussing the promotion of the rule of International Law, strengthening the United Nations (UN), UN the Security Council reform and prioritising the exercise of diplomacy as a means of maintaining international peace and security.

The IBSA government's of IBSA agreed on the need to reform the UN, in particular the Security Council. They have been clear from the onset about the necessity of its expansion, while enhancing the effectiveness of the General Assembly and the Economic and Social Council. With this move, the three countries embarked on a new, trilateral form of political, diplomatic and economic engagement. They put on the agenda the idea of a new type of co-operative, South-South engagement; one that would articulate a new progressive agenda globally and in terms of their trilateral relationship.

Some make the case for IBSA to become a countervailing force to challenge the North. This article advances the idea of IBSA playing the role of "voice", or modest but critical voice of and for the South, without pretending that it is fully representative of the global South. It will argue that IBSA is well-placed to advance a progressive political and economic agenda globally, not in the least transforming their own economic models to become more progressive. At the very least, IBSA could give real meaning and substance to the idea of South-South co-operation.

Political Origins

It is often said that in diplomacy and foreign affairs, South Africa has learnt to punch above its weight. This has certainly been the case with regards to South-South strategic relations. Post-apartheid South Africa has been a pace-setter on South-South diplomacy. IBSA is widely recognised, even by India and Brazil, as the brainchild and strategic idea of South Africa. The idea can be located within the notion of "an agenda of the South", the realization that there is need for the developing world to articulate a coherent agenda around the challenges of global hegemony, unilateralism and multilateralism, development, and global peace and security.

As early as 1994, before the African National Congress (ANC) officially assumed power, the liberation movement committed itself to overhauling the countries foreign policy. It stated, amongst other things, that an ANC-led government would locate itself squarely in Africa and the South. As such it would pursue a strategic posture of helping to address growing tensions between North and South.



Specifically on South-South issues, the ANC recognised the importance of peace in the Middle East, and in particular between the PLO and the Israeli government. It stressed the need to work with inter-state institutions of significance, such as the Arab League and the Organisation of Islamic Conference. It identified the Asia/OCEANIA region as “as one of the powerhouses of the world”, and that a democratic South Africa would vigorously seek to extend economic relations with this region. The ANC encouraged a democratic South Africa to seek political, economic and developmental links with Latin America and the Caribbean. So even before the end of political apartheid, the basis was laid for strategic relations between India, Brazil and South Africa.

A strong boost was given to the eventual idea when foreign policy activist, deputy president Thabo Mbeki started to openly punt the idea of the need for a “G8 of the South” or G-South”, as a potential counterweight to the powerful and dominant G8; as a powerful South bloc to engage the G8. The aim: extract commitments from the industrialised North on issues of trade, debt eradication, global social policy, aid, and global power relations. The idea of a G-South was key in the eventual establishment of IBSA.

By 1998, for Director-General of Foreign Affairs, Jackie Selebi pushed for Bi-national Commissions with Brazil and India, as well as other strategic countries like Nigeria, Algeria, Egypt, and China. At this stage, president Mbeki, and some of his political strategists openly touted the idea of a G8 of the South in order to develop a co-ordinated approach to globalisation, and to ensure that the developing South played a more active and meaningful role in global institutions.

Speaking at the opening of the South Summit in April 2000 in Havana, Mbeki – then chair of the NAM – campaigned for “the challenge to reinforce the interaction and exchanges amongst ourselves as the countries of the South, to strengthen South-South co-operation.” IBSA is clearly one such expression.

Strategic Significance

What sets IBSA apart from many other initiatives such as the Asia-Africa Sub-regional Organisations Conference (AASROC); the China-Africa Forum; the G20+ at the WTO; as well prospective Free Trade and Development Agreements with China, India and Mercosur? IBSA is a trilateral forum bringing together three like-minded states sharing strong historical ties. They are among the most pivotal democracies in the “South”. Brazil occupies a dominant position in South America, India in South Asia. South Africa is politically and economically pivotal in Africa. At present, all three countries are governed by leftist, politically progressive, governments. This provides another opportunity for IBSA to make a strong contribution to advance the interest of the South.

The fact that the IBSA countries have so much in common lays a strong foundation for them to speak with greater levels of unanimity and a common voice on key global matters. IBSA’s real strategic importance lies, therefore, in its ability to come up with well-thought through, co-ordinated, common, shared and collective stances and outlooks on key global, regional, and national questions. However, to date, IBSA has yet to fully take advantage of this potential. There is no disputing that the South needs a strong voice in order to advance what president Mbeki calls “an agenda of the South”. IBSA is well-placed to give substance and meaning to a coherent agenda of the South, but it should also do so on the basis of reassuring, not alienating other countries from the “South”.



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IBSA's Achievements and Challenges

Achievements

IBSA's potential is great. Its challenges are equally as great. In terms of achievements, IBSA has already expressed itself on important issues such as "new threats to security" – this includes terrorism, in all its forms and manifestations, drugs and drug-related crimes, trans-national organized crime, illegal weapons traffic, threats to public health, in particular HIV/AIDS, natural disasters, and the maritime transit of toxic chemicals and radioactive waste . IBSA ministers are of the view that these security threats should be "handled with effective, co-ordinated and solidarity international co-operation" .

Significantly, ministers from the three countries encourage the exchange of experiences in combating poverty, hunger and disease in their three countries. They recognize the importance of international efforts to combat hunger and encourage the idea of exploring a trilateral food assistance programme. Also in line with the notion of human security, IBSA in 2003 already recognised the importance of environmental issues and sustainable development; these are critical issues for the South. Ministers committed their governments to support and live by the provisions of the Rio Conference and its Agenda 21, the Millennium Summit and the Monterrey and Johannesburg Summits, and the Program for the Implementation of Agenda 21. Agenda 21 identifies the major causes of continuing deterioration of the global environment as unsustainable patterns of consumption and production and call for the necessary action as contained in the Johannesburg Programme of Implementation. The IBSA ministers are clearly concerned about atmospheric warming due to the emission of greenhouse gases. They undertook to pursue an agenda of encouraging adherence to the goals in the Kyoto Protocol, and urging countries that have not signed or ratified the Protocol to do so.

Again inspired by South Africa's policy position, IBSA Foreign Ministers expressed their concern that large parts of the world have not benefited from globalisation. They agreed that globalisation must become a positive force for change for all peoples, and must benefit the largest number of countries. They undertook to pursue policies, programmes and initiatives in different international forums, to make the diverse processes of globalisation inclusive, integrative, humane, and equitable.

The Ministers were very critical of the idea that major trading partners are still moved by protectionist concerns in their countries' less competitive sectors. They stressed the need to fully carry out the Doha Development Programme and emphasized how important it is that the results of the current round of trade negotiations provide especially for the reversal of protectionist policies and trade-distorting practices, by improving the rules of the multilateral trade system.

The Foreign Ministers noted with concern the increased economic vulnerability of developing countries to fluctuations in global prices of commodities. They affirmed the importance of a predictable, rule-based, and transparent international trading system; one enabling developing countries to maximise their development, through gains from enhanced exports of goods and services reflecting their competitive advantage.

Major Challenges

There is a real problem in that, while IBSA can boast clear positions on a host of strategic issues, these have to date taken the form more of declarations, statements



and pronouncements rather than strategies, tactics and plans of action. To be sure, some of the positions and declarations have the makings of clear and preferred policy approaches by IBSA states. But IBSA has to go beyond the idea of being a new, trilateral experiment and turn itself into a coherent, political forum.

IBSA states should co-ordinate and co-operate more effectively. That it is an informal forum is its strength. This should make it much easier for the three to co-ordinate policies and develop clear strategies and tactics on global issues. They could do so under the banner of “a progressive agenda for politics and development.” They could co-ordinate, direct and manage joint progressive policy positions and collective programmes of action on matters such as the reducing trade barriers; debt elimination of debt for least developed countries; ensuring new and more stable sources of finance for sustainable development, while stressing that social justice inform the design of the international finance system; tackling the challenges of sustainable energy security and climate and improving health care access, including affordable drugs and treatment in poor countries. Here, it should be noted that, to varying degrees, the three countries have been labelled politically progressive, but economically conservative. A real challenge faced by IBSA is thus to also advance economic progressive alternatives globally.

A major problem faced by the IBSA states, notably South Africa, is a geo-political one: IBSA states run the risk of being challenged by countries in their respective regions for parading as spokespersons of the South. They thus need to take “smaller” countries in their respective regions with them. While the three would like to play the roles of “voice of reason” in giving expression to the South, they will have to think long and hard about reconciling their sub-regional strategies. In South Africa’s case continental African strategy must be in synergy with its trilateralist IBSA strategy. While the three are challenged with building consensus amongst themselves, there is also need of reassuring countries within their sub-regions about the fact that IBSA does not mean that they are “moving away” from their sub-regions.

Another challenge is that to date, IBSA has focussed mainly on the state-to-state dimension with little emphasis on the civil society dimension. IBSA governments should emphasise and promote people-to-people interactions and NGOs and civil society actors should also engage the IBSA idea more actively. At present, the IBSA states are not very explicit about a role for civil society.

In short, IBSA presents a unique, innovative forum in tri-lateral diplomacy. It has given South-South co-operation a “big” push forward. But given that India, Brazil and South Africa are such pivotal democracies from the “South”, IBSA should use their strategic and political like-mindedness to articulate a much bolder progressive vision with the main goal of giving a voice to the South globally.

Notes:

ⁱ See “Brasilia Declaration”, in *South Letter*, Issue 39, 2003, pp. 22-23.

ⁱⁱ See “Brasilia Declaration”, Brasilia, Brazil, 6 June 2003.

ⁱⁱⁱ *Ibid.*

^{iv} *Ibid.*

^v *Ibid.*

^{vi} South African Department of Foreign Affairs Heads of Mission Conference, *op. cit.*

Sectoral Cooperation within IBSA: Some Explorations in South-South Cooperation

By Nagesh Kumar (Director-General: Research and Information System (RIS) for Developing Countries, New Delhi)

Formation of India, Brazil and South Africa (IBSA) Trilateral Commission to strengthen the economic partnership is to be seen as a major development in the area of South-South Cooperation. Besides shared political and economic history and development experiences, there are significant synergies between these countries as they have developed substantial capabilities in different sectors over the years. But these synergies are yet to be fully utilized for their collective benefit and development of the South in general. IBSA countries can reinforce the economic strength of each other by synergising their complementarities in areas of industry, services, trade and technology which in turn could create a market of 1.2 billion people 1.2 trillion dollars of GDP and foreign trade of nearly 400 billion dollars. IBSA partnership is also of immense strategic value for multilateral negotiations and shaping their respective roles in the global governance.

Much can be achieved by taking steps towards trade and investment facilitation and liberalization to exploit the synergies for mutual benefit. Given the geographical distance, strengthening transport links is also important issue for exploiting the full potential of trade and investments. Some steps are being taken in that direction in the official process. However, a much bigger potential that remains to be exploited is in sectoral cooperation and sharing the expertise and experiences. In a number of sectors, IBSA countries have developed complementary strengths expertise that can be shared for mutual benefit. An RIS study on the potential of IBSA economic partnership has come up with a number of promising areas of sectoral cooperation and sharing of expertise. This article summarizes some of the areas of promising cooperation between IBSA countries.

The **transportation sector** is one such sector presenting immense opportunity of learning from each other. For example, India's expertise in automation of railways can be extended to South Africa and Brazil. Similarly, India and South Africa can also learn from the Brazilian experiences in introduction of private capital in improving railway efficiency. It would be advisable to form a commercial venture among three leading logistics operators from these three countries. Say for example, formation of any commercial venture among Container Corporation of India (CONCOR from India), Transnet Ltd. (from South Africa), and Companhia Vale do Rio Doce (CVRD from Brazil) could be of great boost to closer transport integration among the three countries. While CONCOR and Transnet are public sector companies, CVRD is Brazil's largest logistics company in the private sector. Similarly, Air India can learn from the great successes of South African Airways and Varig Airways. Here apart from code sharing to connect Delhi Johannesburg and Rio, joining together to



promote trade and tourism and to exchange technical experiences will certainly pave the way in sustaining closer integration in near future. India, with its renowned maritime training institutes, can offer modern maritime training to seafarers of South Africa and Brazil. Similarly, South Africa's experiences of port management can also be extended to Indian port authority. Shipping lines in all the three countries can forge a network to exchange experiences in implementing ISPS code.

Small and medium enterprise (SME) promotion is another area for learning from each other. SMEs not only contribute a substantial proportion of industrial output, employment and exports, but they are breeding grounds for entrepreneurship. All the three countries have very rich experience and exchange of these experiences in promotion of SMEs and micro enterprises development is likely to have profound development implications. India could also learn from the Black Economic Empowerment program being implemented by South Africa. The cooperation might take the form of bringing together the small-scale industry promotion agencies and SME Associations of IBSA to establish liaison with each other and learning from each other's experience and technology sharing.

Agriculture and food processing is yet another sector of potential cooperation. IBSA countries could conduct joint research on products of common interest and share their genetic resources in plant breeding programmes. Brazil is known for its capabilities in the food processing industry. Brazil has been able to develop a wide variety of value added products from root crops like cassava and other horticultural crops. Both India and South Africa may share these capabilities. Cassava is cultivated in on a large scale in some of the South Indian states. Yet we have not been able to develop and market value added products from Cassava. Cassava is also cultivated on a large scale in some of the African Countries. It has been observed that their success in terms of productivity per hectare is low as compared to India and Brazil and they could also benefit from developing value added products. Hence, cooperation between IBSA in horticulture and root crops could be beneficial to all the three. In addition, IBSA countries may share their expertise, capability and experiences in complying with SPS measures applicable to processed foods in the developed country markets.

Potential of cooperation exists in the area of **E-Governance and IT for development**. This is a case of cooperation among equals. Focus needs to be on exchanging experiences and learning from each other in using IT for development and e-governance. India has made a number of applications in e-governance and for rural development. These could be shared with Brazil and South Africa. There could be similar experiences of new applications in Brazil and South Africa that could be useful for India. Creation of a forum of different stakeholders in IT, like private sector, civil society organizations and government for sharing experiences/expertise in the field of e-governance, harnessing ICT for development, and strengthening capabilities in Free or Open Source Software. They could also work towards an e-South framework agreement to pool together their capabilities to address the common challenges.

Gems and jewellery represents yet another sector of tremendous synergy. South Africa is a major producer of rough diamonds and gold; India has a dominant position in processing of diamonds; and Brazil has abundant supply and processing capabilities for coloured stones. The bulk of trade between India and South Africa is in gold, gems and jewellery. However, this trade is today routed through Europe and which in turn leads to a situation wherein neither South Africa nor India plays a significant role in the value chain. Therefore, there appears to be immense potential for cooperation which may enable them to capture a significant position in gold, jems and jewellery value chain.

Cooperation in **tourism sector** has immense possibilities for intra-IBSA as well as third



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country tourism. Mutual promotion of each other as a tourist destination could be one aspect of cooperation. For instance, Goa, a well-known Indian beach resort with large Portuguese population could be of substantial interest to Brazilians. Initiatives to train tourist guides in the languages of three countries, relaxing visa regulations for travel within IBSA are needed to promote tourism besides improving the airline connectivity. Second area of cooperation could be in sharing of resources, investments and expertise in the form of investments by hotels and restaurant chains of one IBSA country in the others. Indian hotel chains have, for instance, invested in the tourism sector of South Africa. Finally, they could cooperate for tourist traffic from rest of the world. Here possibilities of launch of IBSA Packages combining select locations of India-Brazil-and South Africa should be explored. Combining, for instance, Goa, Cape Town and Rio in a single package could be a dream vacation for western tourists seeking variety in a compact package. An Association of Tour Operators of IBSA could be formed to explore such possibilities.

Energy offers yet another area of fruitful cooperation especially in non-conventional sources of energy. About 62 per cent of energy requirements of Brazil is met by renewable sources of which ethanol from sugarcane accounts for as much as 10 per cent. This expertise could be valuable for both India and South Africa given that both cultivate sugarcane. In April 2002 India and Brazil signed a memorandum of understanding for technology sharing in blending of petrol and diesel with ethanol. Given the fact that India is the largest producer of sugarcane in the world and is facing booming oil import bill, the returns from India-Brazil cooperation in this field cannot be over emphasized. At the same time, India's capabilities in the field of solar photovoltaic and biofuels that could be of considerable interest for Brazil given the vastness of country and its settlement pattern and possibly South Africa. South Africa has a highly developed synthetic fuels industry, which takes advantage of the country's abundant coal resources with coal liquefaction technology. With the oil prices ruling at around US\$ 60 p.b., this technology may be commercially viable and could be explored by Indian companies.

To sum up therefore, IBSA has an immense potential of cooperation for mutual advantage of the partner countries. This cooperation could involve exploiting their synergies and complimentary capabilities for mutual benefit. We have summarized here some possibilities that exist in select sectors that enjoy high importance in their economies such as transportation, agriculture and food processing, tourism, IT, energy, among others. IBSA cooperation in these areas could be a trail-blazer in promoting South-South Cooperation and in providing an alternative model of international economic partnerships based on equality and mutuality of benefits in an era of globalization dominated by selective and asymmetric economic linkages!



IBSA: Toward a 'Gondwanan' strategic vision

By Francis A. Kornegay (Senior Policy Researcher, CPS)

Introduction

Approaching regional and human security themes within the framework of the India-Brazil-South Africa (IBSA) Trilateral Dialogue Forum opens up a broad space for rethinking security beyond traditional state-centric 'national security' as these issues relate to India, Brazil and South Africa within their regional settings. This extends to the intersection between a more expansive scope of security concerns involving 'non-traditional threats' and what has been billed as the new "global geopolitics of rich and poor" along the North-South axis of global struggle to redress imbalances of power and resources between developing and developed countries. ¹On the other hand, these 'new geopolitics,' at the Global Apartheid level, mirrored socio-economic class, racial, ethnic and cultural contradictions within each IBSA country driving domestic policy debates about a 'developmental' versus a 'democratic state' accompanied by major 'war on poverty' initiatives .

With respect to possible areas of trilateral collaboration in conflict prevention-management-resolution, such issues narrow to more focused (but still multifaceted) concerns of peacekeeping and post-conflict reconstruction and development interacting with the politics and diplomacy of post-conflict reconciliation. Here again, human security considerations come into play and are particularly germane to specific crises in search of resolution such as in the case of Haiti's post-electoral stabilization where both Brazil and South Africa share a vested interest. Brazil heads up the United Nations (UN) peacekeeping mission in Haiti while South Africa hosts deposed former Haitian President Bertrand Aristide. Moreover, Pretoria coordinates its Haitian diplomacy with the Caribbean Economic Community (Caricom) within the framework of its Caribbean-focused African diaspora policy. Thus do situations such as Haiti open up areas of bilateral as well as trilateral cooperation between the IBSA countries.

Both South Africa and India are and have been involved in African peacekeeping and conflict resolution initiatives even as India has strong energy security interests in the continent's resources and, beyond that, considers the east African littoral integral to its Indian Ocean geo-strategy. The fact is, India along with South Africa and Brazil, can be viewed as jointly comprising a global South neo-Gondwanan 'geostrategic realm' underpinning potential naval and maritime cooperation in both the South Atlantic and the Indian Oceans. These and other issues and areas of engagement represent fertile ground for conceptual and policy discourses as they have been barely addressed if at all. IBSA provides a fitting point-of-departure for stimulating such a dialogue.

Background: Themes and issues

Unpacking South-South cooperation within the IBSA framework on regional and human security and exploring or interrogating areas of collaboration in conflict resolution and post-conflict recovery are suggestive of a variety of themes that lend themselves to a civil society peace and security discourse. Exploring such issues, however, begs questions on what role civil



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society actors can play within the respective IBSA countries on regional and human security concerns as they pertain to India, Brazil and South Africa either individually, bilaterally or within the trilateral context.

Officials of all three countries are at pains to stress how essential it is that various sectors of civil society – ranging from universities and think tanks to business communities and the private sector – drive IBSA interaction and collaboration. This raises a range of questions and issues surrounding government-civil society relations on political and policy issues in the foreign policy, peace and security realm and on a broad menu of contentious globalization issues of which North-South trade equity has to be uppermost on any global human security agenda.

A sampling of a few these issues raised elsewhere include: the growing fragility of “the social contract of the nation state,” post-1989; the inadequacy of conventional international relations and security studies as “conceptual infrastructures” of western “liberal hegemony”; the post-9/11 tendency for northern preoccupations with terrorism to divert resources and attention away from more chronic and serious issues, including poverty; the trend toward the privatization of state security and military functions; the cross-border flow of poor populations triggering reactionary invocations of inviolable state frontiers (that, together with inequities in the world economy underlines the ‘global apartheid’ metaphor); the implications for global governance and ecological sustainability of conflicting North-South perspectives on environmental security.

All of these issues, and more, are caught up in a much larger global matrix of what might be termed transitional geopolitics. This is a trend in contemporary international relations wherein the role of IBSA, within a rapidly changing international order, generates increasing interests and expectations. The fluidity of this global geopolitical context as it relates to IBSA regional (and human) security concerns will preoccupy the remainder of this article.

IBSA and the rise of the ‘un-West’

Perhaps a fitting point of reference for arriving at an understanding of IBSA’s geopolitical potential is an observation recently made by Coral Bell, a visiting fellow at the Strategic and Defense Studies Centre at the Australian National University. Commenting on the current confrontation between the U.S. and Iran, Bell contends that this crisis, especially in the wake of 9/11 and the Anglo-American invasion of Iraq, represents what has been a “revolutionary redistribution of power internationally” that has been underway for the past 50 years. Further, it has gathered force since the onset of the Bush administration with its unilateralist approach to foreign and national security strategy. “The only aspect of this redistribution that most people have noticed is the rise of China, and maybe that of India. But it is working also in other countries of Asia, surprisingly fast as well in Latin America, and even in a few countries in Africa, despite the many disasters of that continent.” (italics added) Moreover, this redistribution in “economic and diplomatic terms” is seen as reverberating throughout the international system for the rest of this century. In the process, it will reshape national, transnational and regional identities as the emergence of the global ‘New South’ is increasingly accompanied by cross-border and interregional population flows that are already challenging the socio-racial and cultural demography of North.

Where Bell may be off the mark is on the assertion that a “massively important result” will be “the transformation of the unipolar society of states (which has been



with us since 1992), back into the more historically familiar shape of a multipolar system." Multipolarity is no doubt making a comeback. But it is multipolarity with a difference; not a return to the old Eurocentric Westphalian balance of power system that defined the great power rivalries that brought on World War's I and II. Rather, what seems to be emerging is what Russian Foreign Minister Sergei Lavrov alluded to as a "democratic multipolarity" wherein a "new, more flexible and mobile structure of international relations is being formed" around what he conceives as multiple "fulcrum points" (MFPs) – "as many fulcrum points as possible in order to guarantee stability."

IBSA is, therefore, indicative of the new post-Western order that is trying to be born; one reflecting an interdependent multipolar global system taking shape dialectically in close interaction with an emerging new 'world energy order.' Here, the rise of China as an energy hungry economic power figures significantly. Yet, China's rise is accompanied by the emergence of India and a whole host of other 'third world' Afro-Asian-Latin American state actors – Brazil, Mexico, Indonesia, Iran, Nigeria, South Africa – anchored in supranational regional and subregional economic communities (RECs), interregional cooperation associations and groupings (i.e. G20, G77+China, G90) and "strategic triangular" alignments such as IBSA (or Russia-China-India, the LNG pipeline-focused India-Pakistan-Iran). Also included are new collective security initiatives to counter-balance the North Atlantic Treaty Organization (NATO) expansion. This is chiefly reflected in an equally expanding Shanghai Cooperation Organization (SCO). The Sino-Russian led SCO recently inducted India and Iran into full membership along with Mongolia and Pakistan while denying the U.S. observer status.

The energy security underpinnings of this new multipolarity, apart from reflecting the rapid economic rise of China and India, is more fundamentally a function of Russia's resurgence as the pivotal Eurasian energy-hegemon consolidating a whip-hand over the European Union (EU) and east Asia while forging what amounts to a Eurasian-Mediterranean energy axis with Algeria (to outflank north Africa as an alternative EU energy source). The emergence of Iran as a Persian Gulf energy-hegemon alongside Russia foreshadows the prospect of an Asian energy system independent of and curtailing U.S. control of Middle Eastern and Central Asian oil and natural gas resources and pipeline routes. Russian strategy: to draw a post-Cold War triumphalist 'free world' into an energy security supply-demand 'balance of power' reinforced by Iran's pivotal role in South Asian energy security. All of which places in perspective current U.S. policy toward Russia and Iran. Taken together with Venezuela's "Bolivarian" bid for an independent energy security alignment in the Caribbean and Latin America, interacting with Brazil's South American Community of Nations (SACN) initiative, the post-Western multipolar shape of things to come becomes quite clear.

IBSA and the Gondwanan Pillar of an Emerging Post-Western Order

The IBSA countries, individually, in and of themselves or in combination, cannot constitute a counter-hegemonic alternative to American global power apart from the new complexity of multiple "fulcrum points" currently emerging on the scene and intimately connected in with new geopolitical-economic reconfigurings of energy security. If the three countries, while forging ever closer trilateral cooperation among themselves, can bring some semblance of multilateral order to their respective regional neighbourhoods within the framework of an interregional trading system spanning the South Atlantic and Indian Oceans, their 'G3' alignment could further the "revolutionary redistribution of power" that Bell foresees; in a word, the geopolitical and geoeconomic re-unification of Gondwanaland. However, the individual regional challenges confronting Brazil and especially South Africa and India are not to be underestimated in consolidating such a southern transoceanic-transcontinental axis.



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Brazil must navigate a diplomacy of geopolitical cohesion between itself and other moderately social democratic democracies, mainly situated in the 'southern cone' with more 'left' populist governments emerging in the Andean sub-region led by Venezuela's Hugo Chavez. Whether this is to be achieved by Chavez taking Venezuela into Mercosur, thereby transforming Mercosur from purely trade integration toward a more developmental integrationist path remains to be seen. South Africa, on the other hand, must navigate greater synergy between the African Union and the New Partnership for Africa's Development (NEPAD) in a continental environment giving primacy to peacekeeping and post-conflict reconstruction. However, complicating Pretoria's agenda is a Sino-Russian energy-driven geopolitical encroachment into the continent that visibly exacerbates fault-lines between northern and sub-Saharan Africa to the detriment of the latter.

Whether South African leadership can overcome this newly polarizing continental divide is unclear. New Delhi, meanwhile, does not hide its great power aspirations nor hegemonic role in a South Asia where regional cooperation via the South Asian Association for Regional Cooperation (SAARC) has been slow to gain momentum. Nevertheless, a South Asian Free Trade Area (SAFTA) initiative has been launched along with a recently established preferential trade agreement with Mauritius, a member of the Southern African Development Community (SADC) and SADC free trade area. Further complicating India's regional circumstances are the conflict in Sri Lanka and the escalating civil unrest in Nepal that threatens to exacerbate something that significantly distinguishes India's security environment from South Africa's and Brazil's: jihadist and Maoist insurgencies in and around India's eastern provinces accompanied by fluid population movements and infiltrations from Bangladesh in addition to its Kashmir confrontation with Pakistan. Moreover, these challenges reflect an intimate intersection between human and regional security dynamics in the subcontinent.

Apart from their respective regional security challenges, the India-Brazil-South Africa triumvirate occupies a not insignificant political and moral high ground in international politics. IBSA emerges at a cross-roads in world history when there is a leadership vacuum in terms of global legitimacy and where an escalating geopolitics of energy and resource scarcity represents the other side of the coin of global environmental deterioration threatening a powerful ecological backlash. To redress this predicament, IBSA's role could be to facilitate a taming of energy geopolitics in favour of an international relations of universal responsibility and conservation ethics as the normative cornerstone of global governance.

Notes:

- ¹ Simon Dalby, *Geopolitical Change and Contemporary Security Studies: Contextualizing the Human Security Agenda*. Institute of International Relations, The University of British Columbia. Working Paper No. 30, April 2000, p. 17. Here, he builds on "the suggestion that globalization splits the world more irrevocably into haves and have-nots" in arguing that, "in the context of globalization and a global geopolitics of rich and poor, the necessity of rethinking politics, and specifically the role of states in providing security, is unavoidable."
- ² See for example: "From the top down or bottom up?" by Karima Brown and Vukani Mde, *Business Day, Johannesburg Geopolitics of the World System*, Thursday March 2, 2006, p. 15 or, programmatically, India's recently launched village poverty initiative under "The Employment Guarantee Act," and Brazil's successor to Fome Zero (zero hunger) with Bolsa Familia. It's no accident that China, which shares similar characteristics of socio-economic polarization with the IBSA countries, has recently launched its "New Socialist Countryside" programme.
- ³ "Delhi all ears in the Indian Ocean," by Sudha Ramachandran, *Asia Times Online*, 2006/03/03. Discusses India's plans to set up a high-tech monitoring station in northern Madagascar: "The proposed monitoring station on Madagascar is part of a larger Indian strategy to secure SLOCs in the Indian Ocean" (referring to 'sea lanes of communication').
- ⁴ The 'geostrategic realm' concept was offered up by Saul Bernard Cohen in *Geopolitics of the World System* (Rowman & Littlefield Publishers Inc., 2003). For the notion of a neo-Gondwanan geo-strategic configuration comprising the IBSA powers, see: "Gondwanaland Revisited: Toward a South African Strategic Concept," by Francis Kornegay in: *SA Yearbook for International Affairs*, 2000/01. Johannesburg, SAILA, pp. 72-81.
- ⁵ Dalby, *op.cit.*, pp. 13-19.
- ⁶ "The rise of the un-West," by C. Bell, *Asia Times Online*, March 22, 2006 (www.atimes.com)
- ⁷ *Ibid.*
- ⁸ *Ibid.*
- ⁹ See: Foreign Minister Lavrov's article, "Russia in Global Politics" published in *The Moskovskije Novosti* (Moscow News), March 3, 2006 and a condensed version of Lavrov's report to presented at an international conference entitled "Democracy, International Governance and the World Order," in November 2004 appearing in *Russia in Global Affairs*, No. 1, January-March 2005.
- ¹⁰ John Gray, "The Global Delusion," *The New York Review of Books*, April 27, 2006.



Some insights into the IBSA Dialogue Forum

By Zélia Roelofse-Campbell (Head, Unisa Centre for Latin American and editor, Unisa Latin American Report)

The India, Brazil, South Africa Dialogue Forum (IBSA) held its third Ministerial Meeting at the end of March in Rio de Janeiro. This trilateral strategic partnership is one of the most important initiatives involving three regional powers which are also three great democracies (with India being the largest democracy in the world today), as well as three developing countries engaged in getting a better deal for the developing world at multilateral forums. In addition, India, Brazil and South Africa are committed to reform in the United Nations and its Security Council.

IBSA was launched at a meeting of foreign ministers of these three countries in Brasília in June 2003. The ministers were: Mr Celso Amorim of Brazil; Mrs Nkosazana Dlamini-Zuma of South Africa; and Mr Yashwant Sinha of India. In the resulting Brasília Declaration (2003) the ministers agreed that it is important that the three 'vibrant democracies' from three developing regions of the world, which are at the same time world actors, examine important themes of the international agenda as well as those of mutual interest. It was agreed to create the first Joint Trilateral Commission which in turn should recommend that the members' respective heads of state and government hold a trilateral summit meeting. This will take place in Brasília in September 2006. The trilateral commission allows the three countries to have extensive consultations on important issues.

The main objective of IBSA is to speak with one voice at multilateral organisations. In a world of asymmetric economic power relations, developing countries had often felt marginalised, especially in the difficult World Trade Organization discussions. At Cancún, it became clear to the now IBSA countries that, should developing countries wish to achieve anything, they had to unite and co-ordinate their positions at the WTO. Thus the G20 was born, having as its nucleus the three IBSA countries, plus China, Argentina, Mexico and Egypt. Furthermore, the three countries emphasised their commitment to the Millennium Development Goals.

The IBSA countries then also formed the nucleus around the NAMA 11 group, formed also at the WTO. NAMA stands for Non Agricultural Market Access, and the NAMA 11 countries oppose developed state demands for drastic industrial tariff cuts by developing countries, on the grounds that such a step would be anti-developmental.

Although trade liberalisation and trade relations are included in the group's objectives, political aspirations are also at the core of the initiative. They affirm their resolve to uphold the Rule of International Law and agree on the need for reform of the United Nations. And reform of the UN means also reform of the Security Council (SC), which should include developing countries among its permanent members. Brazil and India specifically support each other's candidacy, as members of the G4 (with the further inclusion of Germany and Japan). India and Brazil were keen on South Africa joining the group, but the country had to abide by African Union guidelines, preventing it from fielding its candidacy on its own.

Another important aspect of the group is their resolve to co-operate in issues relating to development. At the same time, there will be co-operation in sectors such as transport, defence, space and technology. In the three years since it was founded, there have been



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several concrete plans for co-operation in these areas as well as in agriculture and trade. In addition to the annual foreign ministers' forums, several trilateral sectoral ministerial meetings have taken place, involving ministries concerned with defence and security, science and technology, health and transport. Furthermore, IBSA is committed to social and economic development, poverty alleviation, social delivery, employment creation, etc.

These latter resulted in the creation of an IBSA Trust Fund. At the second ministerial meeting in Cape Town in March last year, it was agreed to increase the IBSA fund from a total capital of \$300 000 (\$100 000 donated by each country) to \$3 million (\$1 million each). The IBSA fund exists to help least developed countries and its first development projects are underway in Guinea-Bissau, in Haiti and in Laos (all very poor countries in the three IBSA regions). All three IBSA countries see the fund as being of great symbolic importance and, at the recent third ministerial meeting, they committed themselves to donate at least US\$ 1 million each annually to the fund.

As part of the IBSA initiative, the three countries are also seeking to promote trilateral scientific and technological research and development (R&D). The major areas that were initially identified are biotechnology, information technology, and energy. This is in parallel with the development of bilateral R&D co-operation between South Africa and Brazil. In 2003, a South African scientific and technological delegation visited Brazilian R&D institutions, and, the following year, an equivalent Brazilian delegation visited SA's R&D centres. Although not a defence alliance, IBSA is also seeking to develop defence, defence technology and defence industry co-operation between the three countries.

IBSA has attracted a great deal of interest from many different quarters, and much has been written, said and speculated about it. However, one should be clear from the outset on what IBSA is and what it is not. It is not a formal organisation; it has no headquarters or secretariat; it is not a bloc, nor an alliance. It is, rather, an alignment of like-minded countries in similar stages of development, a mechanism which allows the governments of the three countries to co-ordinate their positions on important issues. And also to determine those areas in which co-ordination is not possible.

In the words of Brazilian Foreign Minister Celso Amorim at the recent Ministerial Meeting in Rio, "IBSA has been marked, since its origin, by pragmatism. Even the political and diplomatic deliberations on the most diverse themes, - be they pertaining to the Doha Round, to the promotion of peace and security, or combatting hunger and poverty - are directed to the attainment of concrete progress". It is not an ideological alignment. Brazil is, after all, a treaty ally of the USA, while in recent years India has become a major strategic partner of America. As they are among the largest and most strategically positioned developing countries, the co-ordination of the three IBSA countries will make a greater impact in discussions with economically more powerful interlocutors. They also provide a platform and induce a climate whereby three culturally so different countries can get to know each other and, in the process, develop an atmosphere of mutual trust. This is not a minor objective. Trade and concrete co-operation can only flourish if the three nations understand each other better. This greater understanding will in time filter through to society as a whole, leading to more and wider co-operation on many levels. The business communities of the three countries have already created their own forums in order to better understand each other and foster commerce. There is also a resolve to improve transport links between the three countries, and this will result in more and more people travelling as tourists, researchers, or traders. In fact, for the first time, a trilateral air transport agreement was signed in August last year.



At the recent ministerial Meeting, trade was at the forefront. A greater commitment was apparent to work even harder in order to make a free trade area between Mercosur, SACU and India a reality. To this effect, it will be necessary to get a Trilateral Preferential Trade Area off the ground as soon as possible, by identifying product lists from all three countries. Since IBSA's creation, Brazil has increased its trade with India by 106% and with South Africa by 86%. The aim is to multiply total trade among the parties to reach US\$ 15 billion in a few years time (from the current US\$ 4 billion currently).

Again, sectoral and technological co-operation was emphasised. For example, the IBSA Working Group on the Information Society reached agreement on the content of the IBSA Framework for Co-operation on Information Society, which established the basis for co-operation between the three countries in the areas of information society and communication technologies. Furthermore, a Joint Action Programme prescribes specific initiatives for co-operation under the Framework for 2006 and 2007.

The member states have all been encouraged by the fact that the initiative has not fizzled out but, rather, seems to be broadening and deepening as more and more South African, Brazilian and Indian leaders and officials meet to have unofficial IBSA meetings on the side of international conferences and meetings of international agencies.

There is an upbeat spirit regarding the IBSA initiative. This is because it has shown that South-South co-operation can really work and lead to great benefits for the developing world.

Pretoria, 4 April 2006 © Zélia Roelofse-Campbell roeloz@unisa.ac.za Tel: -27 12 4296674

IBSA: A Pragmatic voice of the South or a Vending Machine of Competing and Diffused Interests

By Sanusha Naidu (Research specialist in the Democracy and Governance Programme at Human Sciences Research Council)

The formation of IBSA three years ago was interpreted by mainstream media commentators and scholars of international relations as a momentous process in the face of mounting pressures to develop an alternative option to globalization and economic development. IBSA's emergence was seen as a breath of fresh air in redefining the political and economic arrangements that sprung from the Bretton Woods institutions which came to dominate the global system during the Cold War even after its demise. The impetus behind IBSA was simply to equalize the political and economic landscape of the international system by restructuring relations between the rich countries of the North and the seemingly poor countries of the South by developing a cohesive voice on the following priorities around global governance:

- Reform of global multilateral institutions, most notably the UN Security Council with the view of securing a greater voice and decision-making power in international processes and organizations for the South.
- The prescription of alternative economic perspectives at economic fora, especially in terms of the Doha Round of trade negotiations linked to the G20 agricultural coalition, that focus on social democratic views and the importance of state interventions to secure social outcomes and poverty reduction, amongst other things.
- Strengthen South-South economic co-operation. And the



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- Consolidation of multilateralism, the promotion of the rules-based system, and greater equity among states at the international level.

In short IBSA's inception was to increase the leverage of the South at the bargaining table by redressing the marginalization of poor nations, reducing poverty, and offering a policy space for effective and efficient engagement between the North and the South as equal partners in global governance issues. In some quarters IBSA is seen as the South's answer to the G8 and a countervailing force to the hegemony of this rich club of industrialised countries.

But IBSA's arrival on the global stage is not without its challenges. In so far as IBSA proponents would highlight that it represented the first veritable sign in demonstrating the model for expanding economic co-operation in the South and hence South-South co-operation, detractors are not so confident that much can be achieved in this context. For some critics IBSA remains nothing more than a "...talk shop with the offer of exotic travel" because since its inception three years ago there has been little concrete output recorded against its promises. Moreover there is doubt as to whether IBSA does, indeed, represent a single homogenous voice of the South because of the competing and diffuse interests that underlie this bloc. Yet, in spite of its weaknesses, the official word is that IBSA is here to stay; it is possibly the best shot the South has in redefining power relations and reducing the political and economic inequalities between the North and South.

Against this set of considerations, this article attempts to interrogate the constraints that face IBSA in the current trajectory of the global system. The core argument posited is to test whether IBSA offers the South a platform to augment its voice and circumvent the dominance of the North in multilateral institutions. As a corollary, it will also assess how IBSA's eminence could be undermined by competing interests in the South, including within IBSA as well as the rise of alternate power blocs serving as a countervailing force to the tri-lateral arrangement. The article will finally conclude by taking stock of what the future holds for IBSA in achieving its promises.

The Geo-politics of the South

The South is made up of a diverse set of countries. With some more equal than others, the South epitomizes a vast bandwidth of countries whose political, economic, social and cultural vestiges transcend an expansive set of boundaries. In its entirety the South is as diverse as its people and juxtaposed by a competing set of contradictory dichotomies between and amongst states of this bloc: failed economies versus emerging markets; marginalized communities versus capitalist elites integrated into the global networks of social capital; widening income inequalities versus diffused ideological dispositions and notwithstanding the cultural milieu of religious rivalry versus competing hegemons. It is against this backdrop that IBSA's formation must be understood.

Even though the IBSA countries may be considered dominant within their respective neighbourhoods, from the perspective of the South as a whole, IBSA remains arrested by the competing influences of other countries which hold significant sway in this bloc. China's 'peaceful rise' has created a swathe of competing interests in the South. From Africa to Latin America, China has been making strategic inroads with its political and economic hand of friendship as well as its image "as an all weather friend". While China's foreign policy expansion has raised warning bells in the North over its sphere of geo-political interests, it has also unfolded important considerations for IBSA. For the following reasons China's presence in their regional spaces holds important implications for India, Brazil and South Africa.

First, China's global footprint has become attractive to countries with little or no political and economic leverage. China's respect for sovereignty and its presence



on the global stage as an emerging pole to counterweight the dominance of the North may steer certain countries to support China as the voice representing the South and obscure Sao Paulo, Delhi, and Pretoria's efforts to bring peace, stability, good governance to their regions. Second, with cheap Chinese products entering the regional markets of the IBSA neighbourhoods, IBSA corporates face competition within their own backyard and abroad. Third, China's attractiveness to global foreign direct investment places an added burden on IBSA, especially in the context of technology transfer and the setting up of production plants.

Finally, consideration must be given to how China perceives its role in the UN Security Council. It is clear that Beijing sees its position in the Security Council as being the voice representing the developing world and the South. If so, what implications will this have for the candidacy of the IBSA countries to secure a seat in the reformed Security Council structure? Moreover, with China increasing its visibility in the South through diplomatic gerrymandering it would be interesting to see whether Beijing's support to the IBSA candidacy would be mere rhetoric or genuine commitment?

If China's presence in the South raises competing issues for the IBSA tri-lateral agreement, then Russia's position further complicates matters. Moscow's strategic global interest waivers between reasserting its influence across the Central Asian republics and maintaining a foot in the door of groupings like the G8 and the IFIs. With Russia assuming the Presidency of the G8 in June of this year, signs are already beginning to show that the good run Africa had in the last several years of keeping itself on the agenda of this group has probably had its last curtain call with the Blair Commission. Clearly Kremlin's interests in turning the attention to the Central Asian states and the mounting pressures it faces from militants challenging the Putin government's interference in the domestic politics of these Republics will once again shift the tide back to the war on terrorism in its absolute form. If so, IBSA countries face a mounting challenge in making sure that the plight of their regions receives the requisite attention at the G8. Nowhere is this better illustrated than in the case of South Africa advancing the NEPAD agenda.

Besides China and Russia, there are other contours of geopolitics at play in the South that will test IBSA: the India-Pakistan-US triangle, the Brazil-Argentina dynamic and the South Africa-Africa polemic. In addition there is also the loose coalition of Brazil, India, China and Russia (BRIC). How IBSA relates to BRIC and the overlap in issues, notwithstanding the lines of complementarity and divisions around geo-political and economic strategic interests will undoubtedly raise questions around whether IBSA's prospects will pale in comparison to BRIC's strategic influence. Certainly the inclusion of China and Russia casts the net much wider in developing a countervailing force to the global hegemony of the North.

Not a Bed of Roses.....

While the South demonstrates a matrix of competing interests, IBSA's own levels of homogeneity are just as vague. The leaders of this tri-lateral agreement are quick to highlight that the cultural congruence between the partners is what makes India Brazil and South Africa likely allies of the South. Clearly cultural dynamism does play its part, but in a global setting that has increasingly moved to economic diplomatic relations, trade is the architectural foundation of such groupings. The commercial intent between the three partners is evident in the following statistic: South Africa's trade with India (about R14,5bn last year) and Brazil (more than R8bn) has grown substantially over the past decade while Brazil-India trade was US\$1.3bn in 2004, having increased five-fold over the past 10 years.

The trade component of IBSA is surely what fuels the tri-lateral agreement. But herein is the rub. All three countries seek to reorient the global economic architecture by brokering an economic agreement within the WTO that reduces the protectionist agricultural measures of the North. The key question here is who will benefit most from such a feat? Mills argues "that if all the protectionist agricultural measures in Europe and the US were dismantled, the big agro-producers including Brazil (and Australia) would probably benefit more than Africa".



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In fact it is very likely that given that some African countries are dependent on subsidized imports and preferential market access in the North, the impact of an overall reduction in protectionist measures and a reversal of the preferential market access regarding some products could have a dire impact on such countries. A case in point is the sugar industry.

With Brazil and Australia successfully lodging a dispute with the WTO over the EU's subsidized sugar exports and the preferential access it allowed to the ACP sugar producers to its market, the WTO ruled that this was unfair trading practice. The ruling has raised concern amongst the ACP sugar producers that the impact this has for their preferential access to the EU's sugar market would translate into lost revenue. Moreover for countries like Mozambique this could mean closure of sugar production houses and loss of jobs. The same also applies to Brazil's successful 'cotton appeal' against the US.

Apart from the agricultural anomalies that tend to have a more favourable outcome for Brazil's self interest, there is also the issue of the stalled security council reform. It seems that from their respective regions, all three partners have found it difficult to forge consensus around their candidacy. This highlights the fact that within their respective regions these three countries encounter resistance from others and are probably perceived as trying to impose their will. Surely this begs the question as to whether IBSA can legitimately claim to be voice of the South.

Finally, the issue of self interest also extends to how each will compete with the other for a healthy chunk of foreign direct investment. India will be concerned about South Africa becoming an industry for call centres. South African corporates are nervous about Indian and Brazilian investors augmenting their investment footprint into the African market.

Conclusion: Where to from now?

IBSA has set itself targets that seem ambitious even by its own standards. If it is to succeed, it could also set out a concrete timetable of achievable milestones. IBSA could do with an injection of reality as to whether it will better serve its objectives if it becomes BRICSA. The inclusion of China and/or Russia will bring some residual issues to the table. In the long-term it does make pragmatic political, economic and security sense to have, at least China, included within its ranks.

Notes:

¹ See Greg Mills 'Talk Shop with Offer of exotic travel', *Business Day*, 28 March 2006.

² Mills, *op cit*.

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