

# India, Brazil and South Africa Dialogue Forum: A Bridge between Three Continents

## Challenges, achievements and policy options

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The India, Brazil and South Africa (IBSA) Dialogue Forum is a trilateral development initiative to promote South-South cooperation and exchange. The forum was launched with the adoption of the Brasília Declaration in June 2003. Each of the three countries has ambitions to play a leading role in regional and global affairs. The role of the Group of Twenty (G20) in responding to the global financial crisis reflects growing acceptance of IBSA's emerging position by the world's established powers. An analysis of IBSA as a rising global power bloc is therefore critical to understanding the new dimensions of South-South relations, particularly in a post-Cold War world. This policy note addresses IBSA's framework, principles, achievements and challenges in Africa's development perspective.

### A brief history of IBSA

The India, Brazil, South Africa Dialogue Forum was established following negotiations among India (Atal Bihari Vajpayee), Brazil (Luiz Inácio Lula da Silva) and South Africa (Thabo Mbeki) during the 2003 Group of Eight (G8) summit in Evian, France. The official announcement of the dialogue forum was made on 6 June 2003, with the signing of Brasília Declaration by the ministers of foreign affairs of the three countries. The declaration focused on issues of common concern such as the reform of the UN, threats to security, social equity and inclusion, and racial discrimination and gender equality. India, Brazil and South Africa aim to promote mutually beneficial interests under a South-South cooperation framework.

### Structures of IBSA

IBSA has an open and flexible structure without a branch or permanent executive secretariat or a formal document promulgating its organisational structure. The highest consultations take place among senior officials (focal point), ministers (trilateral joint commission) and heads of state and/or government (summit). Further down the scale, there are interactions between academics, business leaders and civil society. To date, there have been meetings of seven trilateral joint commissions and several of the 16 joint working groups. The most recent summit took

place in Brasília on 15 April 2010. During this session, there were also meetings of the IBSA academic forum; the IBSA parliamentary forum; the IBSA women's forum; and the IBSA editors' forum. In addition, the 15th IBSA focal points meeting took place, as did meetings involving IBSA focal points and the United Nations Development Programme (UNDP) and meetings among IBSA small business CEOs. Finally, there was a round table on local governance as well as an exhibit on the IBSA Fund.

IBSA aims to advance South-South cooperation in the spirit of the 1955 Bandung Conference of the Non-Aligned Movement and the Buenos Aires Plan of Action, endorsed by the UN General Assembly in 1978, which encourages South-South cooperation among developing countries. IBSA's main goal is the development of strategies to equalise the political and economic architecture of the international system by creating a consolidated platform in the South. Members share a moderately coherent policy approach to UN activities, and support the international system as a means of resolving the challenges of a globalising world, with a particular focus on the UN's role in maintaining international security and stability and promoting sustainable development.<sup>1</sup>

1. For example, IBSA holds common views on Iraq as expressed in New Delhi Declaration (2008). In this document, the group stressed the need to maintain Iraq's unity and integrity and called for the transfer of full

Other common elements are:

- Implementation of the Millennium Development Goals, and actively developing joint positions for achieving national goals in the international arena;
- Reforming the UN Security Council (UNSC). IBSA, in aiming for permanent seats to enable regional representation, argues that the UNSC does not reflect the realities of modern international politics. In support of South Africa's views, Brazil and India also want to increase the number of permanent and non-permanent seats so as to give representation to the developing nations of Asia, Africa and Latin America;
- IBSA seeks increased access for products from developing countries to global markets while increasing its market competitiveness. It also seeks the cancellation of developing country debt.

### Objectives of IBSA

The main objectives are:

- promotion of the South-South dialogue;
- cooperation and elaboration of joint positions on significant matters of international relations;
- development of investment and trade among the three countries;
- trilateral exchange of information, technology and expertise;
- joint support and development of the member country competitiveness; and
- cooperation in agriculture, global climate change, culture, defence, education, energy, healthcare, information technology, science and technology, social development, trade and investment, tourism and transport.

IBSA does not seek to create geopolitical divisions, but to reform existing institutions such as the UN. "This is a group to spread goodwill and the message of peace – we are not against anyone," stated Brazilian Foreign Minister Celso Amorim after the first ministerial meeting of the IBSA dialogue forum.

### Underlying principles of IBSA-Africa relations

IBSA's role as a global trading bloc should be noted. It accounted for 60% of global economic output, positive evidence of the importance of this type of trade agreement or club. Blocs such as IBSA, BASIC (Brazil, Africa, South America, India and China) and BRIC (Brazil, Russia, India and China) enable significant trading gains. South Africa's exclusion from BRIC accentuated its "inferiority complex" and heightened the importance of IBSA for Africa. IBSA offers a vehicle for the growing economic importance of the South, a more solid framework for facilitating trade and economic development and gives Africa some voice and the chance of inclusion in the "emerging powers club."

IBSA competes for economic and political influence in Africa, competition that could pose a challenge to the fu-

ture of the trilateral partnership. Brazil's leaders have been emphasising the importance of Africa to the country's foreign policy. India's relations with Africa are historic, making it one of the most influential players in Africa. And since 1994, South Africa's continental investment portfolio has grown over 300 percent.

### Achievements

IBSA operates at government and civil society levels, and has managed to strengthen civil society dialogue and promote people-to-people links. Government, business, women's organisations, the media and academia participate. The creation of a common culture of constructive cooperation essential to African development – a unique achievement – is already evident. Through IBSA, academic partnerships between the countries have increased. The academic forums in Brazil (2006, 2010), South Africa (2007) and India (2008) provided opportunities for the discussion of several joint projects and for sustaining the IBSA process by developing an intellectual base in support of common perspectives.

IBSA's overall progress can be measured in terms of political achievements; working group successes; the IBSA Fund for Alleviation of Poverty and Hunger; and in other areas.

### Political achievements

The political results are evident in the number of joint positions expressed in heads of state and government declarations and in ministerial communiqués. Although the parties do not agree on everything, there is agreement on many things, thus creating a trilateral platform from which the interests and preconditions for achieving African development can be expressed and proposed for resolution.

IBSA's coordination success is mainly evident at the UN, with a 96% vote convergence rate. Particularly noteworthy was IBSA's role at the World Trade Organisation (WTO) ministerial meeting in Cancun (2003) in pressing for fundamental changes to the developed world's agricultural subsidy regimes. The WTO negotiations laid bare the diverse, sometimes controversial approaches adopted by members to trade, and highlighted how existing differences represent serious obstacles to finding common ground in the South. Nevertheless, it can be argued that IBSA's functional leadership in the WTO negotiations and the UN reform debate has served as a countervailing force in the current global order.

IBSA's trade indicators show great promise. Intra-IBSA trade has grown from \$3.9 billion in 2003 to just over \$10 billion in 2008. This trade is set to grow even more significantly, to \$25 billion, in 2015. Although South Africa has benefited from the growth, South Africa's role has been much smaller, given the country's comparatively small economy. Also, South Africa could be hurt by the influx of Indian goods, for example, or only be used as a regional access point.

To strengthen IBSA's joint positions and mutual interests, representatives have also met during forums such as

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sovereignty to the Iraqi people. IBSA's view is that the UN needs to play a vital role in this process. The group emphasised the urgency of Iraq's reconstruction under a democratically elected sovereign government.

the Human Rights Council, the World Intellectual Property Organisation (WIPO) and the Antarctic Treaty, thereby effectively putting Africa's issues on the contemporary world agenda. At the Copenhagen Summit on Climate Change (2009), IBSA, together with China, brokered an agreement with the US in trying to define a common position on emissions reductions and climate aid money. At its 2010 summit, it was agreed IBSA would collaborate more closely within BASIC towards building a common position at the upcoming Conference of the Parties meeting on climate change in Mexico (November/December 2010).

### Working Group Achievements

Sixteen working groups operate in areas from science and technology to human settlements to develop projects that demonstrate effective knowledge and/or facilitate the exchange of experience. The aim is to create greater opportunities for African involvement in multinational and multicultural environments, thereby enhancing knowledge and skills in concrete areas. Cooperation in science, technology and energy has made considerable progress, while cooperation in ocean research, space science<sup>2</sup> and Antarctica has also expanded. In the field of naval cooperation (IBSA-MAR), there has been one successful round of combined exercises and a second set of joint manoeuvres is to be hosted by South Africa towards the end of 2010. Experiences with tax collection systems have also been shared, with the Brazilian revenue service training its partners in information technology and South Africa providing information on how it deals with large taxpayers.

### IBSA Trust Fund

The IBSA Trust Fund demonstrates this grouping's true potential. Members contribute US \$ 1 million annually to finance poverty reduction projects in other developing countries. Three projects have been completed since the fund's creation in 2004.<sup>3</sup> UNDP manages the fund and projects are implemented using South-South cooperation mechanisms.

### Other initiatives

India's adoption of rural employment guarantee schemes that provide work to one person per family for 100 days annually signals progress in the country's quest for inclusive economic growth. IBSA sees this, and sharing ideas on human resources, equitable infrastructure development, short-term distress mitigation, grassroots institution-building, environmental strategies, and integration into

the knowledge economy as important elements of the partnership. The IBSA business forum has succeeded in developing a comprehensive dialogue between the business sectors. This has already resulted in a database of small and medium businesses in all three countries.

### Challenges

IBSA has huge potential, but achieving results for the common citizen is the real challenge. Other national issues could create obstacles to the further integration of IBSA, for instance India's involvement in border conflicts, Brazil's foreign policy initiatives primarily driven by the president's personality, and constraints on South Africa's policies deriving from its Southern Africa Development Community (SADC) and African Union (AU) relationships.

IBSA's WTO negotiations at Doha revealed divergent views. India's position on trade-related aspects of intellectual property rights (TRIPS) and non-tariff barriers separated it from Brazil and South Africa. New Delhi wanted protection for agricultural imports while Brasília advocated for liberalisation.

The role of trilateral collaboration in achieving regional representation for each of the parties can be questioned. Brazil's position is challenged by Venezuela's President Hugo Chavez, India faces permanent border conflicts and South Africa is challenged by Nigeria, Egypt and others.

Differences in economic scale and global integration among the partners results in differential trade benefits coupled with limited complementarities, because the three countries produce similar goods which compete for OECD market access.

Although IBSA members support UNSC reform, South Africa has to abide by AU guidelines and cannot field a candidate on its own. India and Brazil seek permanent UNSC seats and will support each other's candidature. Brazil is serving on the UNSC in 2010-11 and India plans to have a candidate in 2011-12. South Africa (with SADC and AU support) can propose a candidate for a non-permanent seat in 2011-12.

IBSA's future agenda is trilateral free trade agreements, although this currently seems unlikely. South Africa is a member of the Southern Africa Customs Union (SACU) and Brazil belongs to MERCOSUR (Southern Common Market).<sup>4</sup> Members of these regional trade blocs are forbidden from signing free trade agreements with countries outside their respective zones and from extending the bloc's benefits to other countries, a major obstacle to development cooperation within IBSA.

Brazil is proposing unification of MERCOSUR, SACU and India within a single commercial regime. Presumably, this would strengthen IBSA's role in the international arena. Creating such a union could be a complex, lengthy and costly process, requiring agreement among all stakeholders. However, the successful creation of a single market

2. Space technology includes an IBSA micro-satellite project. South Africa is promoting this agenda because it offers an opportunity to expand trilateral cooperation into advanced technological fields, thereby enhancing collective scientific and engineering capacity.

3. Completed projects are: agriculture and livestock development in Guinea-Bissau; solid waste collection as a tool to reduce violence in Carrefour Feuilles, Haiti; and infrastructure support on the island of Sao Nicolau, Cape Verde. Current projects are: an HIV/Aids testing and counselling centre in Burundi; sports complex in Ramallah, Palestine; and a school in Gaza.

4. SACU includes South Africa, Botswana, Lesotho, Swaziland and Namibia, with a population of 51 million. MERCOSUR comprises Argentina, Brazil, Paraguay, Uruguay and Venezuela, with a population of 250 million.

that could compete with Northern markets would reform international relations, particularly for the developing South. Ideally, the South would be in a position to dictate terms or at least talk on an equal footing. This process is unlikely to gain approval and support from the North.

The inclusion in IBSA of other emerging poles of power such as China prompts further discussion. China is IBSA's biggest trading partner and there has been some discussion of inviting China to join the IBSA club. Many have expressed the view that this could threaten the achievements to date: IBSA is recognised as an important and influential platform and a credible voice of the people of the South; China could flood IBSA markets with its goods; there are some concerns about the human rights, etc. All these issues would bring change to the original IBSA agenda, making an IBSA-China dialogue more likely.

The rise of BRIC as a power coalition raises a number of questions about IBSA's development. However, BRIC's role is very different from that of IBSA. The BRIC grouping has attracted considerable attention and it is accepted that it seeks to achieve certain **broad economic reforms** and the restructuring of the global financial architecture. Thus BRIC is primarily focused on economic priorities different from IBSA's **development, political cooperation** and **integration** agenda.

A shift in this relationship was evident in April 2010 when a joint BRIC/IBSA business forum, including business delegations from Brazil, the Russian Federation, India, China and South Africa, took place. Commercial interests and possible future business ties were on the agenda, signalling a preference for mutually beneficial dialogue rather than outright integration of the blocs.

There are still obstacles to the achievement of IBSA's intended goals. Apart from those already mentioned (the trade restrictions arising from membership in existing associations and South Africa's much smaller economy relative to the other two), internal processes have still to be standardised and visa regimes to be simplified. In addition, there are language barriers as well as challenges of geographical distance, etc.

## RECOMMENDATIONS

- IBSA is unique among South-South groupings in offering flexibility. It can adapt to a challenging and constantly changing environment. This flexibility, if retained and developed, could help to entrench Africa's future development possibilities.
- Debates about including China and/or other emerging powers in IBSA should not be overstressed. Changing the number of members could alter the initial agenda and intended goals. Fewer members make consensus easier.

- IBSA must consciously pursue policies that will address the internal and external snags, such as bureaucratic traps and lack of political will and funding, that have destroyed similar South-South forums.
- The emphasis should be on project implementation, thus attracting broader attention to African development priorities. Successful projects build critical mass, by encouraging increased cooperation and enabling the achievement of the most difficult objectives.
- People-to-people connectivity offers unique opportunities and should be a major priority. This will require facilitating air and shipping movements and addressing visa issues. Business exchanges are an essential part of strengthening relations. Decision-making must be kept as simple as possible so as to widen and improve integration opportunities for African businesses in the international community.
- Preferential trade agreements among IBSA members would facilitate trade, and improve possibilities for African participation. Governments should facilitate communication that will lead to further integration, and, thus, an enhanced environment for business interaction.
- During the last summit in Brazil, leaders stressed the importance of empowering women by increasing their participation in economic activities and addressing the negative impact of the international financial crisis on their situation.
- South Africa, representing Africa, must aim to reinforce and consolidate the importance of IBSA as a vital anchor for South-South cooperation. This will give the country a secure position in African dialogues.
- IBSA opens the opportunity for South Africa to create a positive discourse with BRIC and other emerging powers to strengthen the South-South approach, draw more attention to the African agenda and secure its position in the new global arena.

## SOURCES

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