IBSA: An International Actor and Partner for the EU?

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Susanne Gratius (Editor)
July 2008

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Emerging powers and south-south cooperation are beginning to alter the foundations of the international system and to challenge the traditional power structure within multilateral organizations. The recently-established dialogue forum between Brazil, India and South Africa (IBSA) is part of this trend towards the establishment of a new global order.

Since its creation in 2003, IBSA has been through a major political up-grade - from a Ministerial to a Presidential initiative - and has begun to hold annual summits. During its five year existence, moreover, a series of concrete results have been produced - the three countries have signed six trilateral agreements, created an IBSA development fund that raises around three million dollars per year and established fourteen separate working groups whose aim is to increase cooperation in various sectors.

The path and the goals of IBSA are clear - to increase levels of trade, investment and development of member states, as a way of obtaining a greater influence over, and presence in, the global system. Indeed, despite huge differences between the three countries involved (in terms of size, territory and economic and military capacities), they share a series of common interests, as they all seek a more prominent role in global politics. They are also strongly committed to political values such as democracy, human rights, peace and development. They confront specific challenges in common, such as the fight against social inequality and poverty, the problem of high crime rates in their largest cities and dealing with conflicts in the states that surround them.

Although IBSA is not yet recognised as a major international actor, this high-level forum reflects the fact that Brazil, India and South Africa have begun to assume a pro-active and increasingly collective bargaining role, in an international context. Thus Brazil, India and South Africa’s common stance on regional and international conflicts - especially those in the Middle East, Sudan and Afghanistan\(^1\) - provide evidence of southern approaches to global problems.

On 17 October 2007, IBSA held its second summit in Pretoria, South Africa. Apart from the presence of heads of state and members of the respective governments, the parallel meetings of businessmen, parliamentarians and academics demonstrated civil society’s increasing interest in the IBSA project. Concrete results included the creation of a women’s forum - to enhance gender equality within the IBSA bloc - the demand for reform of the United Nations - including the Security Council - the removal of market distortions in agriculture and the commitment to a trilateral free trade agreement.

In parallel with the South African summit, claim to remove, the EU Office of the German Friedrich-Ebert Foundation and FRIDE has launched the first ever meetings between IBSA and the EU, which took place in Madrid and Brussels. The two events brought together recognised experts from the three IBSA countries and EU officials, diplomats and academics.

This Working Paper summarises the results of the events held in Madrid and Brussels. The first chapter is focused on IBSA’s global and trilateral identity. Sarah Lea John de Sousa offers a general, empirical and realistic analysis of IBSA, a perspective which is then complemented by Alcides Costa Vaz’s more theoretical discussion of IBSA’s identity and its role in international relations.

The second chapter addresses the question of the regional and global status of India, Brazil and South Africa. Particular emphasis is placed upon the complicated question of their status in their respective regions. Varun Sahni discusses India’s prospects at the level of global power, whilst acknowledging its limited

\(^1\) See the three IBSA Summit Declarations.
Chapter 1: IBSA’s Global and Trilateral Identity

IBSA: An actor in a new global order?

Sarah-Lea John de Sousa

IBSA’s strengths and its limits

In June 2003, the Foreign Affairs Ministers of India, Brazil and South Africa formalised the ‘IBSA Dialogue Forum’ through the Brasilia Declaration,² which was aimed at increasing the three countries’ impact in the global arena as well as their trilateral cooperation. However, the Declaration has created neither an ideological consensus nor a straightforward alliance between these ‘Southern powers’ – as was previously the case with the Non-Aligned Movement (NAM).

Indeed, the IBSA initiative is unusual because of its general objective of influencing the international agenda without questioning the structure of the system. The foreign policy strategies of the three countries simply promote multilateralism and a cooperative focus in regard to the challenges of globalisation. Indeed, according to the objectives stressed in the Brasilia Declaration and the official communiqués from the summits, IBSA should primarily be characterised as a ‘community of values’.

Yet despite this common starting point, it would be wrong to assume that IBSA is an agreement between equals. For example - while the authorities in Brazil and South Africa do not possess either excessive

² IBSA trilateral, Brasilia Declaration, http://ibsa.nic.in/brasil_declaration.htm
military resources or nuclear arms, India is a
recognised nuclear state. The three economies also
differ as to the extent of their integration in the global
economy. Additionally - while India is a sixty-year-old
democracy, Brazil and South Africa completed their
transitions to democracy only two decades ago. Finally,
each country has a very different status in its
respective region.

On the other hand, Brazil, India and South Africa all
face similar domestic problems. Their societies suffer
from social and economic inequality, a lack of social
cohesion and a high level of violence and organised
crime, along with poverty and epidemics (in particular
HIV/AIDS).

IBSA Chronology (2003-2008):

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
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<tbody>
<tr>
<td>15 October 2008</td>
<td>Third IBSA Summit in New Delhi/India.</td>
</tr>
<tr>
<td>17 October 2007</td>
<td>Second IBSA Summit in Pretoria/South Africa.</td>
</tr>
<tr>
<td>13 September 2006</td>
<td>First IBSA Summit in Brasilia.</td>
</tr>
<tr>
<td>30 March 2006</td>
<td>Third meeting of the Trilateral Commission in Rio de Janeiro.</td>
</tr>
<tr>
<td>4-5 March 2004</td>
<td>First meeting of the Trilateral Commission in New Delhi.</td>
</tr>
<tr>
<td>6 June 2003 IBSA</td>
<td>‘Declaration of Brasilia’ follows the first ever Ministerial Meeting.</td>
</tr>
<tr>
<td>6 June 2003</td>
<td>Informal trilateral meeting at the G-8 Summit in Evian/France.</td>
</tr>
<tr>
<td>January 2003</td>
<td>South African President Thabo Mbeki launches the idea of IBSA.</td>
</tr>
</tbody>
</table>

The next IBSA summit is planned to take place in the
second half of 2008, in India. Although the initiative is
barely institutionalised – IBSA is neither a fixed
organisation nor a consolidated international actor –, its agenda is constantly developing and its impact is
increasing. Because of shared values and global aims,
then, IBSA seems to be a viable initiative in an
increasingly multi-polar international system.

**IBSA’s trilateral dimension**

The aim of trilateral cooperation is to consolidate the
IBSA forum as well as to provide benefits for each of
its members. A series of agreements in trade, transport, energy, development and health have already
been signed. The first two summits were held in
September 2006 in Brasilia and in October 2007 in
Pretoria. Present were Manmohan Singh, Luiz Inácio Lula da Silva and Thabo Mbeki.

Because Brazil, India and South Africa are emerging
powers with increasing participation in the global
economy, trade is a crucial issue for all three of them.
Indeed, the volume of trade between Brazil, India and
South Africa has increased significantly since the
creation of the IBSA forum - in particular trade
between Brazil and South Africa. After intensive
negotiations, the Common Market of the South
(MERCOSUR) and the South African Customs Union
(SACU) signed a preferential trade agreement in
2004. Although this covers only a small number of
goods, it is an important step towards a broader
agreement, which Brazil is negotiating bilaterally with
different countries of the region - in particular with
South Africa. The IBSA participants are also exploring
the possibility of promoting trilateral trade through
free trade agreements - between MERCOSUR, SACU
and India.

But although the volume of trilateral trade has risen, it
is unlikely that a free trade agreement will be signed in
a near future. The lack of complementarity between the
three economies is an important obstacle, especially
their different levels of integration in the global
economy. Gilberto Dupas stresses that due to their
similar production structures, the countries are in fact
competitors for access to the markets of the
industrialised countries.

3 Gilberto Dupas, ‘South Africa, Brazil and India: divergence,
convergence and alliance perspectives’, in Fabio Villares (ed.), India, Brazil and
South Africa – Perspectives and alliances, Sao Paulo, 2006, p.334.
therefore rely upon greater commitment and new agreements that define carefully the products and industries that may form part of new trade agreements.

On the other hand, there have been significant advances in the exchange of technological know-how and IT products, particularly in the aeronautics industry and transport. There has also been joint progress on social issues, a good example of which is the fight against HIV/AIDS. For whilst Brazil has adopted efficient policies for the prevention and the treatment of AIDS, India has not; yet on the other hand India has a powerful generic medicine industry. For its part, South Africa – which has a more serious problem with AIDS, due to the high number of sufferers – is also interested in generic medicines, and in learning policy lessons from Brazil.

Finally, the IBSA countries have participated in the development of alternative energy sources. They are all planning to develop nuclear energy sources, for civil use. Simultaneously, the IBSA forum has a privileged position in the global market for renewable energies, for India, Brazil and South Africa share optimal conditions for producing ethanol based on sugar cane and soya. Brazil in particular has vast experience of the plantation and production of sugar cane, and Brazilian know-how, technology and natural habitat make it the cheapest country in the world for the production of ethanol and bio-fuels, which can reduce dependency on oil. Thus during the summit in October 2007 in Pretoria, the importance of cooperation in the energy sector was stressed and a working group has been created that will study this area.

**IBSA - going global**

India, Brazil and South Africa not only play significant roles in their respective regions, but also have increasing international influence. At the G8 Summit in June 2007 in Heiligendamm (Germany), a political dialogue on global issues - called ‘the Heiligendamm process’ - was initiated between the IBSA countries, along with China, Mexico and the G8 member states. Furthermore - following the example of Mexico - the Organisation for Economic Cooperation and Development (OECD) is discussing the possibility of accepting China, Indonesia, Brazil, India and South Africa as full members. Although an enlargement of the G8 or the OECD is currently very unlikely, the emerging powers are increasingly prominent in international debates and negotiations.

Nevertheless, it is true that India, Brazil and South Africa should be distinguished from Mexico and China, given the important positions held by the latter two in international fora – Mexico is part of the OECD and China is a permanent member of the UN Security Council. The IBSA countries are not included in these crucial multilateral institutions, and thus remain obliged to define themselves simply as representatives of the south and in particular their respective regions - as peace-brokers and promoters of multilateralism.

The principal global objective of India, Brazil and South Africa is to develop their bargaining power through the application of soft balancing power, rather than by providing a counter-hegemonic project. This strategy might make it possible for IBSA to integrate into the international system without being opposed - as the recognised voice of a developing world that desires a higher level of participation and is ready to assume and share more responsibilities and costs at the global level. These emerging powers also project their global influence through institutions like the UN or the World Trade Organisation (WTO), where they participate in rule-making, defend their own interests and get social issues onto the international agenda.

Against this background, India, Brazil and South Africa can be said to have made a significant impact on behalf of the developing world. One example worth noting is their active and constructive participation in the WTO negotiations of recent years. After the Doha Round became paralysed in 2003, they demanded a greater voice in the negotiations and declared their opposition to the trade protectionism of the USA and the EU.

They also launched – along with China and Argentina - the Group of 20 (G-20), which is mostly made up of countries whose economies are based on agricultural
exports. The main objective of this group is to constrain American and European protectionism, which is restricting access to those markets. It is true that although this group had a huge impact on WTO meetings, and was able to prevent Washington and Brussels from taking decisions without consulting them, it did not have any further influence. Nevertheless, the G-20 has been a formative experience for IBSA and through that initiative, India and Brazil achieved their objective of becoming key partners in the WTO negotiations of the so-called G-6 (together with the USA, the EU, Australia and Japan).

Also in the context of the WTO, the emerging powers may be able to impose favourable conditions for the developing countries in the Trade-Related Aspects of Intellectual Property Rights (TRIPS). For example - after a long period of debate, supported by many Southern countries and the major Northern pharmaceutical companies, they were able to halt the creation of new patents for already-existing products, which would otherwise considerably increase the cost of medical treatments for HIV/AIDS. The governments now have the possibility of acquiring licences for the production of generic medicines for the national market. Since 2003, they are also allowed to export cheaper medicines to countries suffering humanitarian crises caused by epidemics like HIV/AIDS, malaria or tuberculosis.

In the field of international security, India, Brazil and South Africa play an active role in their respective regions and are crucial contributors to UN peace missions. The Brazilian military leadership in Haiti is a good example of the increasing commitment of the emerging powers to sharing responsibilities and costs in the promotion of international peace. Another example is South Africa’s active support for the African Union (AU) Mission in Darfur. South Africa is in fact an indispensable partner for the United Nations and the EU in this context because of its geographical proximity to, and its knowledge of, the region. We can see that the emerging powers are crucial to closer relations between North and South in the promotion of peace. The IBSA countries have even begun to work on their own projects and initiatives in developing and post-conflict countries and are passing from being net recipients of aid to being net donors.

The benefits, then, would appear to be mutual. This implies that there is still great potential for triangular cooperation to be explored, a process that will take advantage of the knowledge and resources of the North - particularly the EU - and the experience and proximity to conflict situations of the Southern powers.

Is IBSA an international actor?

Alcides Costa Vaz

The attributes of international actors

Normally, an international actor is defined as a centre of decision-making and action with the capacity to project its interests and to exercise influence in the international arena. This can happen either because it has mobilised its resources in an autonomous way or through its alliances, coalitions or networks with other actors, either at a bilateral or a multilateral level. This is also a question of identity. It makes a difference whether an actor is or is not willing to share its efforts, resources and power - even its own identity -, in order to constitute a new centre of decision-making and transnational collective action.

The attributes and prerogatives of international actors tend to vary. They have to do with the legal form of national sovereignty, along with the non-state entities that act in the name of a community of interests which they promote, defend and publicly represent, negotiating and assuming commitments along with other domestic or international actors. Thus an international actor possesses a political and legal identity – as well as a personality – that is internationally recognised, as well as the institutional capacity and resources to be able to exercise influence and ensure that its interests and objectives are recognised by its counterparts and by third parties.
**IBSA’s international identity**

Such conceptual elements help to explain the nature and make-up of IBSA and its potential to become a reference point in international politics and in the EU’s external relations. Originally, IBSA was conceived as a forum for policy dialogue and consultation between India, Brazil and South Africa - one that would cover global affairs and common economic and social challenges.

However, IBSA does not merely amount to a trilateral initiative. The fact that it also offers a space in which the three countries can express their concerns and coordinate their efforts in regard to global matters gives the forum a political dimension beyond trilateralism and raises the possibility that it might become a real centre of decision-making i.e., one that plays an important role on the international stage.

Consequently, one should distinguish between two dimensions of IBSA: on the one hand, its agenda of mutual cooperation - responding to domestic problems, interests and needs - and on the other, its influence on the international stage and its actions in regard to issues which touch more directly on the common interests and concerns of the three countries. In theory (according to the declarations of its political leaders), IBSA has both the desire and the potential to make itself an international reference point.

**How might IBSA become an international actor?**

An examination of the chances of IBSA becoming a truly international actor requires the consideration of two essential factors that haven’t yet been sufficiently explored: firstly, the strengthening of its influence on global politics and secondly, the perception by third parties that IBSA is becoming an international referent, with real influence.

Regarding the first aspect - the February 2004 Action Plan foresees multilateral coordination with emphasis on international trade negotiations within the WTO and the UN, as well as possible coordination on matters of international security. Nonetheless, IBSA still has not seriously considered the possibility of acting as an international interlocutor. In international affairs, then, IBSA has not yet played an important role, but has preferred to participate in the WTO under the umbrella of the G-20 or within the G-4 (Germany, Japan, Brazil and India) – the group of countries that are demanding permanent seats on the UN Security Council. Thus, despite the political importance which the leaders of the three member countries have assigned to it, the IBSA dimension in global politics is still secondary, and perhaps can even be described as subservient in comparison with other international coalitions.

To date, the role of IBSA in relation to other countries is reducible to humanitarian initiatives. A clear example is the IBSA Fund for Combating Hunger and Poverty, created in 2004 and administered by the UN Programme for Development. An agricultural project is also currently underway in Guinea Bissau and in Haiti - a refuse collection and processing initiative. All of these are humanitarian projects aimed at development assistance. They therefore have a highly limited political and regional impact.

**The gap between external expectations and internal realities**

With regard to the second aspect listed above, the perception that international actors have of IBSA and its international policy goals has centred much more on its identity, as well as the status and importance of its three member states, than on the content of the initiative itself. In this sense it should be stressed that India, Brazil and South Africa have all assumed a fairly positive leadership role in their respective spheres of influence.

In the eyes of third actors, then, the regional leadership of IBSA’s member states has become one of its most important characteristics. However, external interpretations of IBSA have in fact paid more attention to the political, strategic and economic aspects of its member states’ leadership capacities (and their limitations) in their respective spheres of influence, than to the conditions of that leadership. Moreover, the fact that Brazil, India and South Africa have differing internal conditions and prospects...
appears to reduce IBSA’s potential to become an important international player.

Thus one must focus on conditions on the ground. Although IBSA may provide an incentive for its member countries to play a more substantial role in their own regions, expectations seem to be higher - particularly in the case of Brazil and India - than is justified by their real potential for leadership. Given capacities and attributes do not necessarily lead to the exercise of leadership, but also factors such as legitimacy and the implementation of concrete policies.

Both the internal conditions of the three countries and their geographical contexts are too varied to allow even a minimal convergence of regional policies, which would instead require the participation of neighbouring countries, especially in regard to issues that have major regional or global impact. Consequently, although IBSA brings together three potentially major regional powers, and has incorporated important global issues in its agenda, the initiative still has a limited capacity for international influence.

The path towards institutionalization and becoming a major actor

An element which confirms this assessment is the incipient development of IBSA as a formal institution. At the political level, IBSA functions through presidential summits and annual foreign ministry meetings; at the technocratic level it operates through several working groups (with particular responsibility for science and technology, energy, health, defence, education and infrastructure). These institutional instruments reflect the two original dimensions of IBSA: high-level political dialogue and cooperation.

Since foreign ministries are responsible for the political agenda and the coordination and implementation of trilateral initiatives, IBSA does not include a formal institution that could function as an interlocutor with third parties or international organisations. While IBSA offers a space for dialogue, coordination and the development of common positions, the formulation of proposals and initiatives that strengthen south-south cooperation and represent the developing world in global affairs are still subject to each country’s national sovereignty. Granting a political capacity to IBSA, thereby enabling the forum to play a political role on its own, is an option that has not yet been considered. However, this situation is not carved in stone, especially given that the short history of IBSA has been determined by an endogenous rather than an exogenous impulse. To the extent that new activities external actors might arise in IBSA’s main areas of concern – political dialogue and cooperation –, it is feasible for new issues and institutional formulae to be incorporated. This would open the door to a political dialogue with external actors such as the EU, with which the three countries share certain global aspirations: to build a multi-polar order, to strengthen multilateralism and the mechanisms of global government and to achieve sustainable development and energy security. The possible opening of a political dialogue between the EU and IBSA on these topics would generate important interregional and international synergies.

There should, however, be two pre-conditions for this dialogue: first, persistent difficulties between the EU and the IBSA countries – especially with regard to trade negotiations – should not be allowed to affect their mutual interest in other global topics; second, the dialogue should not harbour over-high expectations regarding the regional leadership roles of Brazil, India and South Africa. In the end, any dialogue should consider the potential for a convergence of interests between the EU and IBSA and provide the opportunity to raise their respective international profiles, as well as contributing to the design and management of a more stable and predictable international order.
Chapter 2: Power and Status of Brazil, India and South Africa

India: A global power without regional ambitions?

Varun Sahni

India is a middle power that is becoming a great power. It is therefore - by definition - an emerging power. Yet it is a rather unusual emerging power: even as it seeks a place for itself at the global table, it appears to have forsaken its own region. The region in which India is situated is therefore not a launching pad, but more an anchor. Why has India turned its back on the region in which it is situated? The answer is that the relevant area is neither peaceful in itself nor coherent in its approach to foreign affairs.

The internal dimension: No regional peace

Power, in South Asia, is acutely concentrated. India’s population, GDP and military expenditure are three times larger than those of all its neighbours combined. Its military and paramilitary forces vastly outnumber those of its neighbours. So too do the weapon systems and platforms in its arsenal. However, despite being the clear regional authority in South Asia, India does not enjoy a leadership position within the zone. India’s depressingly low level of socio-economic development explains this seeming paradox: notwithstanding its far larger land area, population and GDP, India’s GDP per capita, its infant mortality rate, its life expectancy figures and its female adult illiteracy rate are similar to those of Bangladesh, Pakistan and Nepal, and significantly worse than those of Sri Lanka and the Maldives. Moreover, while none of its neighbours can

convincingly challenge India’s domination of South Asia, they are nevertheless unwilling to concede regional leadership to India. As the Indian economy grows and becomes a dynamic part of the global economy, however, close engagement with India will inevitably become a more attractive policy option for its neighbours.

The Indo-centric nature of South Asia is a fact of history and geography, a structural element that India cannot avoid and its neighbours cannot afford to ignore. The only way the other countries of South Asia have been able to contend with Indian power is by seeking extra-regional intervention, which India has resolutely opposed. The configuration of relative power in South Asia in the post-Cold War period has been characterized by Indian dominance, Pakistani defiance and the overt nuclearisation of the two countries, thereby leading to strategic parity between them. Although the two countries are officially at peace, Pakistan has openly pursued a low cost, moderately effective strategy of supporting insurgent and terrorist groups in their struggle against India.

It is important to emphasize that India’s conflict with Pakistan has its roots in ideology and identity rather than in an asymmetry of power. Indeed, among important sections of the Pakistani policy elite, the obsession of parity with India - a country eight times larger than their own - has an almost hallucinatory quality. While nuclearisation gives Pakistan strategic parity with India and thereby security in perpetuity, it does not diminish the power asymmetry that exists between the two countries. Moreover, having only very recently acquired an overt nuclear weapons capability, both countries are still learning the basics of nuclear deterrence, as the military mobilization crisis of 2001 and 2002 clearly showed.

A more secure Pakistan is a necessary (but not sufficient) prerequisite for durable peace in South Asia. There are three other factors standing in the way of regional peace. Firstly, throughout South Asia, there are clear signs that radical ideas are permeating
religious groups, often along the lines of intergenerational cleavages. For instance, the ‘Talibanisation’ of Bangladesh, however exaggerated, has become a pressing concern for India. Secondly, all the countries of South Asia face centrifugal and fissiparous tendencies, often as a result of years of misgovernment and maladministration. Usually, neighbouring countries have played a role in establishing and supporting these movements. A prime example is the Tamil Tigers (LTTE) group in Sri Lanka, which was first supported - and later combated - by India. Finally, many South Asian countries – perhaps because they lack democracy – still suffer from the violence of groups wishing to overthrow the state for ideological reasons. Indeed, what seems notable regarding these three security concerns is the extent to which, despite being supposedly internal, they invariably involve neighbouring countries. India’s central location in the region ensures that it cannot isolate itself from the spillover effects of the internal security challenges of its neighbours.

The external dimension: No regional cohesion

Why does South Asia not cohere as a region? A convincing explanation lies in the early postcolonial period. The partition of India introduced a zero-sum political logic to the way India and Pakistan - the two successor states to British India - viewed the external world. Thus since independence no external presence in the region was ever perceived by either state in similar terms.

Immediately after the victory of the Chinese Revolution, India tried to build strong ties with the Chinese Communist leadership, while Pakistan was drawn into the US alliance structure, with the aim of containing the Soviet Union and ‘Red China’. Later, as India’s relations with China deteriorated - leading to the border war of 1962 between the two Asian giants - Pakistan’s relations with China improved dramatically, culminating in the ‘all-weather friendship’ between Beijing and Islamabad. Indeed, Pakistan was one of the few countries with which China maintained close diplomatic and political relations even during the Cultural Revolution. After the Sino-Soviet rift, India moved to cement its relations with Moscow, over time becoming a close friend of the Soviet Union. Although the Indian leadership was greatly perturbed by the Soviet invasion of Afghanistan in 1979, India did not oppose the invasion publicly. Pakistan, meanwhile, became a frontline state, through which the US and other Western powers channeled the billions of dollars that were destined for the anti-Soviet mujahideen.

Finally - after the 9/11 attacks upon the US -, Pakistan once again opted to become a frontline state and partner of the US, this time against the Taliban regime and Al-Qaeda in Afghanistan. Ostensibly, both India and Pakistan have been on the same side of the ‘Global War on Terror’ since 2001. In reality, they are deeply suspicious of each other. Thus, a cohesive South Asian view has once again failed to evolve.

Another factor of importance is that it isn’t always easy to identify an ‘external presence’ in South Asia. China, in particular, poses a problem. Clearly, China is not a part of South Asia; the Himalayas have for five millennia defined the northern limits of the region. Nevertheless, China is a critical element in South Asian regional security. Any geo-strategic (as opposed to merely geographic) definition of South Asia must necessarily include China. After the 1962 border war, India deployed nearly half a million soldiers on its disputed northern border with China. Moreover, India has repeatedly expressed its concern about cooperation between China and Pakistan in the production of nuclear and non-nuclear missiles.

To summarize - India as the main regional power has not been able to pacify the area or render it coherent. India is now trying to find a new regional framework, by emphasizing sub-regional as well as super-regional (pan-Asian) cooperation. In this respect, India is moving in several directions at the same time. For example:

Bilateral accords. India is promoting the route of bilateral cooperation, the most significant example
being the India-Sri Lanka Free Trade Agreement. A fundamental basis of the accord is security - the Sri Lankan political establishment has come to realize that India’s involvement is the best guarantee that the Tamil Tigers will not be able to establish a breakaway state in northern Sri Lanka.

Sub-regional cooperation. India is now putting considerable diplomatic energy into sub-regional initiatives, such as the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) and the Mekong Ganga Cooperation (MGC). BIMSTEC is perhaps the most important because it involves Thailand and Myanmar, thereby giving India access to Southeast Asian developments and ASEAN dynamics. MGC is important because it potentially links India not only to peninsular Southeast Asia but also to the Yunnan province of China.

The extended neighbourhood. The notion of an ‘extended neighbourhood’ that includes Central Asia and Southeast Asia is another novel aspect of Indian policy. Afghanistan’s membership of SAARC is a sign that India’s neighbourhood is being extended beyond its traditional South Asian neighbours.

The continental scale. The most interesting game for India takes place at the pan-Asian scale. India is beginning to emerge as a major player in the continental context. Slowly but surely, the map of Asia is itself changing. For perhaps the first time in Asian history, a continent-wide security architecture – linked quite clearly to the rise of China – is arriving in the Asian Pacific. How will the rest of Asia – and India in particular – respond to Chinese growth? Will China succeed in convincing its neighbours that its rise is not the twenty-first century version of Wilhelmine Germany seeking its place in the sun?

Although some Asian scholars argue that Europe’s past isn’t necessarily Asia’s future, we should nevertheless take a clue from the historical processes that over time wrought a discrete region out of the European continent. Three moments in European history are particularly interesting in this regard: the Peace of Westphalia, the Congress of Vienna and the Conference on Security and Cooperation in Europe (CSCE) at Helsinki. What might these events mean for Asia?

East-Westphalia

The political logic of realism, with its power balances and security dilemmas, continues to drive inter-state politics in large parts of Asia. Two opposing axes of power in Asia may emerge due to the rise of China and American attempts to contain Chinese power. India will not be drawn into the containment of China, however. The principal reason is that India is too large to be a member of America’s security community. On the other hand, India will not be party to an Asian alliance against the West, because such an axis would inevitably be led by China. India is unlikely to swap American global hegemony for Chinese continental hegemony.

Nevertheless, nonalignment in 2015 would not be an easy option for India. One of the poles of the new bipolar order, China, is a neighbour with whom India shares a huge border (although it is, in places, contested). Also, India itself wishes to be a great power, which would make any avoidance of power politics very difficult. In short, there are compelling reasons why the existence of opposing axes in Asia would be bad news for India.

The concert of Asia

There is also the possibility that a few leading states in Asia might between them take responsibility for order and stability in the Asian Pacific. While this seems an eminently sensible idea, it has three serious problems. Firstly, a directoire either ‘freezes up’ the security architecture, thereby ceasing to reflect changes in capabilities and interests, or alternatively it becomes internally divided over the question of change versus stability. Secondly, a directoire constructed without the US would amount to an anti-US axis led by China, an outcome that is not in India’s interest. Thirdly, smaller states in the current period of world history are autonomous actors, much more so than they were in nineteenth century Europe. We should therefore question the notion that there can be a directoire in the Asian Pacific.
**Helsinki in Asia**

We can also conceive of a cooperative security arrangement in Asia. Obviously, there could be no Helsinki process on the Asian landmass without the involvement of China. India might play a very important role in nudging China in that direction. In the years to come, China might be well-disposed towards an Asian Helsinki process, particularly if the only other option is bipolarity and containment.

Constructing an ‘Asian Helsinki process’ would not be easy. However, it would be well worth the effort. It would reduce the size of the arsenals in Asia. It would enmesh American and Chinese, as well as Indian and Japanese, capabilities within a larger cooperative process in Asia. Over time it may also lead to the evolution of a new and authentic Asian identity, which could generate habits of cooperative behavior on the Asian continent.

**Brazil’s role as a middle power: dilemmas of global and regional recognition**

*Maria Regina Soares de Lima*

**The middle power model**

Brazil is traditionally perceived as a middle power. Middle powers are not characterised by the use of hard power but by their preference for ‘soft’, diplomatic instruments, and cooperation. A country is a middle power by definition alone, although this is also affected by the self-perception of the country’s elites and society. One of the major problems of middle powers like Brazil is that of combining both global recognition and regional representativeness.

The middle power model incorporates three levels:

1. The global level. A middle power provides two kinds of global goods: (a) peace and stability; (b) growth and development.
2. The regional level. A middle power provides two kinds of regional goods: (a) stabilisation of its neighbourhood (although not necessarily in all countries of the relevant region); (b) regional integration and development.
3. The level of perception, in particular the self-perception of the country’s elites.

Brazilian foreign policy follows the tendency of middle powers to practise a soft-balance strategy. This means that they do not rely on hard power but mainly on diplomatic and cooperative instruments, with the aim of creating a more equitable international system. In contrast to a global power, the best indicator of a middle power is its level of recognition at the regional and international levels, which more or less amounts to a definition in itself.

**Brazil’s increasing global recognition**

One important indicator of a middle power’s role in the global arena is its participation in UN missions. Brazil, together with India, has been sending troops for UN peace missions since the late 1940s. Although Brazil and its MERCOSUR partners Argentina and Uruguay still rank far behind India, all three countries increased their contributions to UN peace missions after the end of the Cold War.

While Uruguay is currently the 7th highest contributor to UN missions, Brazil improved its ranking from 45th to 15th between 2004 and 2007. The main reason for this recent rise is the country’s leadership position (its military command, that is) of the UN Stabilization Mission in Haiti (MINUSTAH). This increased Brazilian engagement proves that the country has gradually dropped its earlier principle of non-intervention in the domestic affairs of other countries.

Brazil is also an important promoter of growth and development. Under the Lula government in particular, Brazil has pursued an active policy within the ‘southern coalition’ of promoting global trade and development. The country is one of the key negotiators in the WTO.

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Doha Development round, and is also one of the leaders of the G-20 initiative to promote the interests of developing countries vis-à-vis the United States and the EU. In recent years, then, Brazil has increased both its participation in multilateral fora and its contribution to peace and development - factors we have defined as the two main collective goods provided by middle powers.

Brazil’s problematic regional leadership

Much more problematic and complex than its increasing global recognition, however, is Brazil’s role as a regional provider of collective goods. To begin with, Brazil has traditionally had a very low-profile in South American politics. Although this perception began to change in recent years - thanks to an active regional policy and especially since the Lula presidency - it is still seen as having a negative influence on the region.

Currently, Brazil has very strong geo-economic interests in South America. First, South America is the main market for Brazilian products with high added-value and a key area for Brazilian public and private investment. Second, consolidating democracy and political stability in its neighbourhood are not only important in terms of Brazilian values and ideology but also to its own economic interests in the region. Third, negative scenarios in South America would have direct consequences for its own citizens, given the large Brazilian communities in countries such as Bolivia and Paraguay.

These multiple interests and interdependencies contrast with Brazil’s rather mixed achievements as a provider of regional goods and in particular its role as South American paymaster. The end of the Cold War and the return to democracy radically altered Brazil’s behaviour in the region – shifting the country from rivalry and isolation to cooperation and integration. Today, Brazil has a very active role in providing political stability and a clear mediation role in South America. Although Brazil has been and still is an important promoter of South American integration (MERCOSUR and UNASUR), the country’s role as a regional paymaster and institution-builder has been lower than expected, when compared to its political will and capacity.

The main reason for Brazil’s relatively poor performance is domestic. Firstly, and in contrast with the broad consensus on the key role of investment, there is little domestic support for a more prominent role for Brazil in South America - particularly as a provider of regional symmetry and a paymaster for small countries. An important part of the national elite and the society at large is very reluctant to apply special policies towards less developed neighbouring countries in order to increase those countries’ levels of regional integration. Secondly, different positions can also be identified within the Lula government: between the ‘economic stabilisers’ on the one hand and the development-oriented bureaucracy on the other. Both factors have a negative impact on Brazil’s policy of promoting integration.

Regarding the actors that exist inside the country, a distinction should be made between the group that favours Brazil’s relations with Northern countries and big markets like China (its third largest export market) and the group that prefers a Southern-focused foreign policy, to include new alliances such as IBSA. There is no consensus between these two groups as regards the feasibility of Brazil ‘going global and regional’ at the same time. This is more than just a question of limited resources, then. Brazil’s weak position as a regional paymaster and promoter of integration can also be attributed to insufficient domestic support for Lula’s South American project.

Regional multi-polarity is the second important reason for Brazil’s relatively weak position in South America. Its main rival for the regional leadership role is the United States, which is the hegemonic continental power. Due to its membership of MERCOSUR, Brazil cannot compete with Washington’s bilateral free trade agreements. Venezuela’s oil diplomacy in the region is another challenge to Brazilian leadership. This regional multi-polarity, then - with more than one potential leading country -, limits Brazil’s ambitions, whilst its
low level of financial commitment increases the bargaining power of smaller countries. The best example to illustrate the latter is Uruguay’s threat to leave MERCOSUR and sign a bilateral free trade agreement with the United States.

For all these reasons, Brazil’s major participation on the global stage (G-20, IBSA) has not contributed to an increase in its regional influence. It should be stressed that there is no linear relationship between Brazil’s global activism and its regional importance. Given that public goods at the global and the regional levels are provided in accordance with different constituencies, commitments and obligations, Brazil’s material capability is not a guarantee for influence in South America. According to the middle power model, in fact, the Brazilian case underlines the perception that regional leadership depends less on resources than on a country’s capacity to produce collective public goods – peace, growth, development and integration –, as well as a recognition of its leadership by other countries.

The Brazilian elite’s self-perception

The behaviour of a middle power depends on the self-perception of the country’s elites and its society, but soft balancing also means seeking equilibrium between a country’s economic and its political relationships. Brazil has a highly diversified trade structure with four key partners: South America, the United States, the EU and China. It is also a country with some autonomy and internal political diversity, by way of an alternative to dependence on military structures. In the early 20th century, Brazil assumed a mediating role between the United States and the Southern Cone. Since the middle of the 20th century, it began to act as a bridge between the North and the South.

Today, Brazilian elites share a broad consensus that their country should play a more important international role, not through military capability but by economic and diplomatic means. Although there has traditionally been a consensus on the values and goals of Brazil’s foreign policy, national elites disagree as regards the best instruments and strategies for global engagement.

In addition, any consensus on foreign policy seems to have disappeared, in recent times. National elites are divided between two opposed visions of how Brazil should proceed in the global and regional arenas and two perceptions of Brazil’s role as a middle power in the region. Accordingly, there are two possible paths for the country’s ‘soft balance’ role:

1) ‘From the outside in’: this perception sees globalisation as the driving force behind a more prominent international role for Brazil. According to this vision, the country should change international conditions via wide-ranging participation in multilateral international institutions; this in order to turn expectations into real capabilities and credibility. A concrete example of this kind of soft balance approach was Brazil’s accession to the non-proliferation treaty in the 1990s. For Brazil’s relations with South America, this first option means shallow or limited integration, with a clear national interest-guided focus on trade, investment, infrastructure and energy. It also implies little political commitment.

2) ‘From the inside out’: this approach combines projection into the international arena with innovative foreign policy options, mainly in conjunction with new partners in the South – to include Brazil’s neighbours. Based on a critical vision of the results of neo-liberal reforms, this option defends an active industrial policy of state-coordination and the maintenance of a national project to deal with internal imbalances and social inequity. It seeks to develop a strong and autonomous foreign policy with highly diverse external relations, and cooperation in order to avoid a major concentration of power. This vision also defends an active regional policy, as a means to becoming a pole of regional power, thereby enhancing multi-polarity and addressing structural asymmetries, including compensatory measures for less developed countries.
Two main challenges for Brazil

These different visions and the lack of consensus over the means to achieve them, as well as over suitable external partners, constitute a serious obstacle to Brazil achieving a more prominent global position and a stronger role in South America. In the immediate future, Brazil will have to deal with two serious domestic and regional challenges:

Overcoming internal asymmetry as a prerequisite for regional engagement. Brazil should further aggregate internal capacity and promote domestic redistribution in terms of intra-state social welfare. Without major progress on internal balancing, a sector of the elite will continue to adhere to a zero-sum vision of the region. This would in turn beg the question as to why Brazil should contribute to developing its poor neighbours if it has huge problems within its own borders. The more internal asymmetry increases, the more this perception will harden. In contrast, the lower the level of internal imbalance, the lower will be national elite’s reluctance to see Brazil become a regional paymaster and provider of collective peace, integration and development in South America.

To reduce asymmetries between Brazil and the rest of South America. The Brazilian government perceives a huge imbalance between its own economic capacity and that of the other countries in the region. In order to reduce existing gaps, under the Lula government Brazil is engaged in creating a ‘cooperative leadership’, which will address structural asymmetries within South America. One concrete example has been the creation of the MERCOSUR structural convergence fund (FOCEM), which is mainly financed by Brazil. These initiatives have led part of the domestic elite to accuse Lula of being too soft on the region. This in turn raises the key question of how Brazil can increase its economic presence in South America and at the same time maintain its cooperative leadership style, in order to avoid being perceived as the ‘hegemonic power of the South’.

South Africa’s potential for regional leadership: catalyst for Africa’s renaissance?

Francis A. Kornegay

South Africa’s continental leadership

South Africa and its IBSA partners are regionally-based emerging powers within the ‘semi-periphery’ of a changing international system. Within this broader context, South Africa - since its transition to democracy in 1994 - has assumed the premier leadership role in Africa. This leadership has been reflected at several levels:

– the promotion of economic development, via institutional transformation in the inter-African system;
– enhancing regional cooperation and integration;
– championing effective political, economic and corporate governance under the New Partnership for Africa’s Development (NEPAD) and the African Peer Review Mechanism, in which South Africa played a leading role;
– carrying a heavy load of conflict resolution and post-conflict reconstruction.

These elements together constitute a ‘revisionist’ leadership agenda, aimed at transforming African governance from varying renditions of authoritarian neo-patrimonialism (whether civilian or military) toward a more open, participatory and democratic situation. Strong South African engagement in the rest of the continent has extended well beyond the involvement of government agencies but also includes the ruling African National Congress (ANC) and its alliance partners as well as a wide-range of civil society actors and South African companies.

Given the strength of its economy and its unique political geography, South Africa cannot escape from having to assume continent-wide leadership. Moreover, a transformative revisionist leadership role is in South Africa’s national security interest, for it must guarantee its own economic future and stability. For this reason, regional integration, via the Southern African Customs Union (SACU) – comprising Botswana, Namibia, Lesotho and Swaziland – and the Southern African Development Community (SADC) are at the very top of Tshwane-Pretoria’s foreign policy priorities.

Still the question of leadership potential remains valid. Capacity constraints place limits on the extent to which South Africa’s regional leadership can be exercised. These constraints reflect both the dictates of geography and the relative size of South Africa as a middle power as well as government-related internal limitations.

**South Africa’s regional policy in comparative perspective**

A first restriction is the dictates of geography and size. South Africa is at the smaller end of the middle powers, compared to its periphery, the African continent, and to the mega-states of India and Brazil, who join it in the IBSA alliance. Mega-state status confers ‘sovereign hegemony’, as a defining qualification for entrance into the ‘great power club’. ‘Sovereign hegemony’ refers to states of continental size, like the United States, China and Russia, as well as to India and Brazil, whose commitments to national sovereignty reflect their territorial scale and population, along with their size, socio-economic and technological development and their military and economic power, as well as their necessary ‘national consciousness’.

South Africa does not and cannot realistically aspire to great power status, like India and Brazil. Rather, its revisionist vocation is to propel the African continent from its marginalised peripheral position in the global order to great power status, in which Africa assumes one of the central poles of political, economic and security leadership in the world.7 Hence South Africa’s relationship with the rest of Africa cannot be compared to Germany’s post-Cold War relationship with the rest of Europe, and the dilemma: ‘A German Europe or a European Germany?’

South Africa’s dilemma is that of post-apartheid integration into the rest of Africa. What is envisioned – in economic and political terms – is to stimulate the continent’s ‘African Renaissance’. The final goal is to situate Africa’s ‘continental sovereignty’ (as opposed to mega-state ‘sovereign hegemony’) and autonomy within an emerging post-Western world order,8 mainly driven by the ascendency of Asia. Since Afro-Asian economic interdependence gains momentum through increasing Chinese and Indian economic engagement with Africa (which is driven by their energy needs), this ascendency could therefore give impetus to a renascent Africa.

Strengthening Africa’s autonomy within the international system is also the idea behind South Africa’s leadership role in the African Union (AU) - in particular its involvement in the AU’s Peace and Security Council (along with Nigeria, Senegal and Algeria). The implication here is that external powers should recognise Africa’s sovereignty vis-à-vis such controversial issues as whether or not Zimbabwe should be invited to summits with the EU, the signing of Economic Partnership Agreements with the EU, or such sensitive security concerns as the establishment of US-Africa Command (AFRICOM).9

Yet exercising such leadership does not mean that Tshwane-Pretoria possesses hegemonic dominance on the continent. Indeed, South Africa’s relatively small size in comparison with African mega-states - such as

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7 Francis A. Kornegay, *Regional Economic Communities as Building Blocs of AU/Nepad in the Quest for a Consolidated Continental Sovereignty: Towards a transnational democratic revolution*, unpublished CPS paper, pp.32-33.
8 Francis A. Kornegay, pp.6-8.
9 For the controversial EU-African debate on the EPA agreements where South Africa had a prominent role, see Financial Times, 10 December 2007, p. 6; and Francis A. Kornegay, India, NATO, AFRICOM: The dilemmas of strategic spatial interdependencies, *The Post-West Forum*, 14 October 2007 (http://postwesternforum.blogspot.com/).
Nigeria, Congo, Sudan, Egypt and Ethiopia - makes hegemony impossible, even in light of the merely precarious stability of some of these states. In fact, South Africa could be considered as the African ‘anti-hegemon’, due to its aversion to being perceived as a coercive or dominant force on the African continent.

Thus instead of a hegemonic sovereignty, South Africa prefers a consultative axis of power or even a straightforward concert between major African states. Clear examples of this behaviour are the NEPAD Steering Committee and, once again, the AU’s Peace and Security Council. South Africa’s leadership role has to be viewed in terms of its catalytic potential - as a revisionist power within the African context. South Africa’s main leadership challenge is thus to promote the consolidation of Africa’s political and economic resources and to enable the continent to be taken seriously on the global stage.

The political and institutional constraints

By taking on this challenge, South Africa is widely regarded as ‘punching well above its weight’. The main reasons for this perception are its limitations in terms of human resources and the institutional constraints it experiences, both at the governmental and non-governmental levels. For example:

- The South African strategic analysis and policy planning apparatuses, both outside and inside the government, are not nearly as extensive as they could or should be. The governmental Policy Coordination and Advisory Service (PCAS) has a rather limited scope, and is far from being a super-agency within the presidency. Similar conclusions could be drawn regarding the agencies responsible for foreign affairs, peace and security.
- The ruling ANC and its alliance partners have not yet inaugurated a long-awaited policy institute, and currently possess a rather meagre institutional capacity in that area.
- At the academic level, there are only a handful of ‘think tanks’ or research institutes devoted to Africa policy, foreign affairs and international relations. Largely donor-dependent, these non-governmental organisations are generally under-funded and operating below capacity. An additional constraint is their ambivalent relationship with the government - which falls between critical engagement and cooption.

There is also the human resources challenge of black intellectual empowerment. This is of major importance given the post-liberation agenda of South African foreign policy, which shifted from an avowedly pro-Western Eurocentric trajectory toward a global South, non-aligned, Afro-centric perspective.

Nevertheless, South Africa has inherited a number of institutional instruments and capacities that are standing it in good stead in Africa, such as the Development Bank of Southern Africa or the Department of Trade & Industry’s cross-border Spatial Development Initiatives, which promote a range of development projects. The list also includes the government’s capacity to deal with post-conflict situations - as in case of the Department of Public Service and Administration, which is helping to build-up government in Burundi or the Democratic Republic of Congo. A final example is that of tertiary education exchanges, which are offered by, for example, the University of South Africa, which is trying to develop leadership skills within the Government of South Sudan. In the latter case, the fact that South Africa chairs the AU’s committee on post-conflict recovery in Sudan further underlines Tshwane-Pretoria’s leadership role.

Conclusion

In spite of the ambivalence and resentment that many other African states harbour toward South Africa, the AU and other pan-African institutions largely depend on South Africa’s institutional capacities,
infrastructure and resources. Consequently, there is an inescapable interdependence between South Africa and the wider intra-African system.

In the same way – although it is based on a government plan that is still in development - South Africa is beginning to assume the role of donor country, on the continent. Moreover, South Africa initiated, along with Ghana, a Pan-African Infrastructural Development Fund, which is mainly going to rely on African capital and not on extra-regional donors.\textsuperscript{12} It is no coincidence that the Fund’s launch coincided with the Accra summit of the AU, which featured a discussion about ‘fast-tracking’ the continent to a ‘United States of Africa’, with Libya in the forefront, supported by Senegal. In this context, Tshwane-Pretoria’s infrastructural initiative reflects the non-hegemonic approach to regional leadership that has come to define South Africa’s revisionist role on the continent.

### Chapter 3: IBSA and the EU: Prospects for Cooperation and Dialogue

#### Brazil: A ‘strategic partner’ for the EU?

**Alfredo Valladão**

Until the 1990s, the EU would not have taken Brazil seriously. The famous (or infamous) dictum ‘Brazil is the land of the future...and it will remain so’ epitomized the European attitude towards South America’s largest country. Its policy at that time could be characterised as a mix between the recognition of Brazil’s great opportunities – particularly for European businesses – and skepticism about its capacity to get its act together.

**Brazil: too big and too small**

In fact, Brazil was too big to play the limited role of an aid recipient - where Europe could ‘do good’ by promoting development and good governance. Yet it was too far away from Europe’s strategic playgrounds and not important enough to be seen as a threat or even as a relevant partner. Somehow, Brazil didn’t ‘fit’. Even the European militant leftist movements of the late 1960s and 1970s were more willing to show solidarity with their Chilean, Argentinean or Bolivian brethren than with their Brazilian comrades.

At that time, the European attitude towards Brazil and Latin America as a whole was one of benign neglect. Nonetheless, since before World War II Brazil was considered an important market for European

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\textsuperscript{12} ‘Africa urged to embrace unity now,’ *Business Day*, July 3, 2007, p. 3. The Fund was launched by Foreign Ministers Nkosazana Dlamini-Zuma of South Africa and her Ghanaian counterpart, Nana Akufo Addo, with an initial commitment of $625 million USD and a USD goal of $1.2 billion.
companies, given that the Brazilian economy had one of the fastest growth rates – and the largest capital returns – of any in the 20th Century. For many decades, substantial amounts of European private direct investment have therefore been flowing into the country - some French, German or British companies can boast one hundred years of activity in Brazil.

This flourishing economic interest did have its limits, however. Since the Treaty of Rome, the biggest stumbling bloc in Brazil-EU relations has been the question of agriculture. The inception of the Common Agriculture Policy (CAP), which still constitutes the ‘noyau dur’ of the Community’s common policies, had a catastrophic economic impact in Brazil and the other Southern Cone countries, whose agricultural exports were their main trade outlet to Europe.

The extemporary closure of the European agriculture market was also one of the main (although not the sole) causes of the region’s huge economic crisis in the 1960s, which had such tragic social and political consequences. It is therefore no surprise that for the last forty years of the 20th Century the European-Brazilian relationship essentially followed a bilateral - country-to-country - approach.

Strengthing MERCOSUR: An EU priority
For three major reasons, however, this situation started to change at the beginning of the 1990s.

The first was that of the new dynamic created by the admission of Portugal and Spain to what was then known as the European Community (EC), in 1986. The two Iberian states were highly instrumental in convincing their European partners and, above all, the European Commission, to strengthen relations with Latin America. Former Commissioner Manuel Marin was the driving force in placing Latin America on the Commission’s radar.

The second reason was the launching of MERCOSUR in 1991. The Southern Cone Common Market had a flavor of a ‘Latin EC’. Its political and economic design of ‘deep integration’ – although without supranational institutions – was closely enough inspired by the European integration process as to make Brussels see it as a possible partner.

The third reason was the launching, at the 1994 Summit of the Americas in Miami, of the Free Trade Area of the Americas (FTAA) negotiations and the ratification by the US of the North American Free Trade Area (NAFTA), which incorporated the US, Canada and Mexico. Officially, the European Commission still insists that there is no possibility of competing with the US for Latin American markets. But it was in the same year – 1994 - that the EU adopted a new strategy - developing a ‘stronger partnership’ with Latin America, to include trade liberalization. Negotiations started over MERCOSUR in 1995, an FTA with Mexico was signed in 1997 and another with Chile in 2002. More recently, the Commission decided to push for trade agreements with the Andean Community and the Central American countries.

However, the new European interest in developing political and economic partnerships with Latin American countries was not tantamount to singling out Brazil for bilateral dialogue. In fact, Brazil was considered just one part of the MERCOSUR regional bloc – although, certainly, a possible leader of it. Thus the European Commission was always stressing that its main priority was to strengthen this regional integration process.

The negotiations were to be held – and an agreement had to be signed – with the whole bloc, not with Brazil alone. But MERCOSUR is an integration process based essentially on trade liberalization and creating some instruments for economic coordination. The emphasis that was put on a ‘bi-regional’ agreement placed the trade talks at the centre of the EU-MERCOSUR negotiations, while the political and cooperation ‘pillars’ of the Association Agreement did not present any meaningful obstacle to the drafting of a form of words (albeit one made up of generalistic - if necessary - platitudes).
Negotiation ‘fatigue’

On the European side, the full brunt of the negotiations had to be born by the Directorate-General Trade, which sometimes was not in tune with the Directorate-General Relex, and which had the Directorate-General Agriculture and the DG Enterprise & Industry breathing down its neck. On the side of the MERCOSUR member countries, which lacked overall institutional representation in matters of trade, the political transaction costs - of building common negotiating positions in order to talk as a bloc - were – and still are – extremely high and frequently paralyzing.

After the first four years of talks, in which the two parties settled for taking a ‘photograph’ of trade flows, and eight years of inconclusive negotiations, this particular framework looks more and more like a recipe for failure. The old ‘agriculture knot’ in the EU-Southern Cone bond remains the biggest point of contention between the two partners - not only at the bi-regional level but also in the WTO multilateral trade talks.

After all these years of ongoing dialogue, then, an obvious ‘negotiation fatigue’ has set in. The European Commission, particularly the DG Trade, can no longer hide its plain frustration at the poor record of MERCOSUR’s integration process and of its capacity to speak with one voice.

On the Southern Cone countries’ side, moreover, there is a manifest weariness regarding Europe’s stubborn refusal to offer any meaningful concessions on the agriculture issue - which is their main demand. The waning interest on both sides in bi-regional negotiations has also been compounded with a powerful new reality: the emergence of Brazil as a much more assertive partner. For the first time in history, Brazil is having an influence beyond its own region, and the international community will have to find ways to accommodate the ‘new kid on the block’.

The rising Brazilian influence

Brazil’s increased international importance has been evident in at least three domains:

- The first is the rise of Brazil as an agriculture super-power, not only because of its still-growing production capacity, but also in terms of high productivity and effective use of technologically advanced bio-research. Brazilian agri-power is already beginning to affect two strategic world issues: the price of food and the development of bio-fuels, particularly ethanol.
- The second is linked to international security. Brazil’s forceful campaign to become a permanent member of the UN Security Council is intended to show a new willingness to assume responsibility for maintaining world peace and security. This readiness to ‘share the burden’ was demonstrated in Haiti, where Brazil took command of the UN MINUSTAH military force and fielded more than 1,200 troops of its own.
- The third factor is Brazil’s advanced and sophisticated diplomacy, which is most evident in its leadership in managing to create and maintain the G-20 coalition of states, on which the outcome of the WTO Doha Round is heavily dependent.

These three elements, combined with the EU-MERCOSUR ‘negotiation fatigue’ and renewed interest from the European private sector due to Brazil’s good economic performance, pushed the European Commission to launch, in the summer of 2007, the idea of a ‘strategic partnership’ with Brazil.

This initiative, which follows the patterns set for high-level dialogues with other emerging powers like India and China, was not matter of consensus inside the European Union. In fact, it was steamrollered through the European bureaucracy by the Commission’s President (Mr. Durão Barroso, a Portuguese national with a strong interest in fostering EU-Brazil relations) and the DG Relex, thereby overcoming the reluctance not only of the DG Trade but also of some member states, particularly Germany.

One of the main arguments of the nay-sayers was that there is a contradiction between encouraging a bilateral Brazil-Europe special relationship and supporting the MERCOSUR regional integration process. The supporters reply that there is no
incongruity and that this strategic relationship is meant to strengthen Brazil’s essential role as a leader of MERCOSUR and of South American integration.

In fact, the European initiative has generated a bad political climate inside MERCOSUR. Argentina, Brazil’s main partner, has protested against what it perceives as discriminatory treatment. Argentina - which has been irritated by the Brazilian go-it-alone campaign for permanent membership of the UN Security Council (which would thus make Brazil Latin America’s effective representative in that body) and also by Brazil’s assertive leadership-seeking diplomacy in multilateral organizations - has worried publicly about the possibility that the ‘strategic partnership’ would lead to a bilateral Brazil-Europe trade agreement. This scenario, which looks less and less implausible, would seem to represent a burying of MERCOSUR, thus leaving Argentina out in the cold.

The ambiguous Brazilian reaction to the EU initiative

In Brazil, the EU proposal has also generated ambiguous reactions. Brazilian authorities are clearly delighted with an initiative that constitutes an overt recognition of the country’s new role in world affairs - an upgrade of its international status. But they also fret over the consequences this may have for Brazil’s relationship with MERCOSUR and with other South American countries, particularly over the nexus with Argentina, which is crucial for the democratic stability of the whole sub-continent.

Traditionally, Brazilian regional diplomacy has been low-profile, settling for innocuous and rather formal - yet effective nevertheless - good-neighbour policies. However, in the last two decades, encouraged by increasing regional economic interdependence and the colonization of its Western frontier lands, Brazil has adopted a more hands-on approach to its South American partners. President Lula da Silva’s government has even gone as far as calling for Brazilian ‘leadership’ in the region. Nevertheless, there is no domestic consensus over the economic and political costs Brazil is ready to bear, in its attempt to become a regional leader.

The ambiguity of the country’s position in its own region is equally present in evaluations of Brazil’s global role. Brazil’s recent diplomatic strategy has been upset by tensions that have arisen from its participation in the WTO’s exclusive and powerful G-6 caucus (EU, US, Brazil, India, Japan and Australia) and its role as a leader in the G-20. The same uncertainties, moreover, surround Brazil’s decision about whether or not to become a full member of the OECD.

Should Brazil aim to have the status of a ‘Northern’ power or should it remain a ‘Southern’ big player? Are these two roles incompatible? On the other hand, is its ‘Southern’ leadership the sine qua non for its participation in the ‘Northern’ set? Such questions have been plaguing the incipient Brazilian domestic debate on the country’s foreign policy: is it better to be last in the ‘First World’ or first in the ‘Third World’? A yes-or-no answer makes less and less sense, moreover, given the rise of new emerging powers such as China or India and the deepening of the economic globalization process.

These hesitations about its global and regional roles explain why Brazil is having so much trouble answering the European Union’s proposal of a ‘strategic partnership’. One year after the Brazil-EU Lisbon Summit, there has still been no response from the Brazilian government. An answer would involve removing at least part of the ambiguity surrounding the government’s foreign policy and defining much more clearly the future of the country’s position as an international player.

The European initiative is one of many elements that are pulling Brazil towards a big power go-it-alone attitude. There is already a significant erosion of domestic constituencies that are favorable to ‘deepening’ regional integration. MERCOSUR, as well as the further South American integration implied by UNASUR, are increasingly being considered merely as tools, which Brazil may use in order to manage a turbulent and unpredictable neighbourhood.
The good news is that for the first time in their history, Brazilians are starting to engage in a transparent and public debate over the country’s foreign policy. There is no doubt that Europe will play an important role in any conclusion to the discussions, provided the Europeans are ready to talk on an equal footing and to accept that a ‘strategic partnership’ runs both ways.

The EU and India’s low profile relations

Rajendra K. Jain

The Basics

The main driving force behind EU-India relations is, and will continue to be, trade and commerce. Progress in cooperation on political and security issues will be rather slow. The Indian elite’s perceptions of the EU continue to be essentially conditioned by the Anglo-Saxon media. This results in a rather fragmented and partial view of Europe, since it has tended to reinforce traditional clichés. Despite a growing dialogue at the level of civil society – a dialogue that, for the most part, is nevertheless government-driven - and more information on the EU in recent years, the EU continues to suffer from its low profile in India, as India does from its low profile in the EU.

In the EU, when it comes to India or South Asia, there seem to be basically three kinds of people:

a. those who are otherwise very well informed and knowledgeable but who do not try to understand South Asia because others have tried before and failed to do so;
b. those who neither understand anything nor wish to understand anything; and
c. those who have the courage and perseverance to make an effort to understand the complex problems of India and wish to do something about them. This last represents a very small minority indeed.

In India, most stakeholders are convinced that the EU - including the European think-tank community - continues to have a bias towards China. They feel that there is a degree of political discrimination in the EU’s treatment of a democratic India, to the advantage of China, with which the Union shares few common political values. Although India does not have the problems encountered in the EU’s relationship with China (human rights, arms embargo, economic system, trade deficit), they feel that India’s democratic polity ‘does not earn it any brownie points’ in Europe. Moreover, they feel that in no other country has the EU invested the same amount of political will, energy and resources than in China. Brussels, they feel, has traditionally viewed China as being in the ‘Olympic League’, with India in the ‘Commonwealth League’.

Global Governance

In an increasingly integrated world economy, international institutions are playing a significant and sometimes intrusive role, especially towards developing countries. The EU is being increasingly challenged by the rise of emerging powers, which are testing its ability in both international agenda-setting and rule-making. With Brazil and South Africa, India argues that the structures of global governance must become more democratic, representative, inclusive and legitimate, by increasing the participation of developing countries in the decision-making bodies of multilateral institutions. As one of the world’s biggest countries - with an encouraging growth rate, an educated and hard-working middle class, a huge market and the largest-scale democracy - India is seeking a place at the big table and wants to be taken more seriously.

Major European states would also like India to play a more active role in world politics, but India is still a long way from thinking strategically about its own future in the global order and is reluctant to take tough decisions on difficult issues. India shares European aspirations, including the preference for a multi-polar, rule-based world order, because even if rules are sometimes loaded against developing countries, they feel that some rules are better than no rules at all.
India, in short, has no difficulty with rules, but like the other ‘new kids on the block’, it wants a different set of rules - ones which reflect today’s realities and not those that prevailed at the end of the Second World War.

India is strongly committed to defending the concept of sovereignty. Thus India is suspicious of ‘humanitarian intervention’ and is wary of giving the United Nations a role that either infringes on sovereignty or gets it enmeshed in conflicts where India’s national interests are somehow involved. An integrated Europe has been nurtured through shared sovereignty as well as an intrinsic faith in the virtues and value of ‘soft power’. India, on the other hand, regards both soft and hard power as essential. India is well aware that a radical reordering of international institutions and norms is not possible and that change can only come about incrementally.

Political dynamics
Despite their shared values, both India and the EU have their own geographical and geopolitical priorities, which will not appreciably change in the near future. There are also basic differences in both the views and interests of India and the European Union in many fields, including trade, development, climate change, the International Criminal Court, globalization and humanitarian intervention. On most issues which matter to India - like the enlargement of the UN Security Council and civilian nuclear energy - the EU has no common policy and is unable to formulate one.

EU-Indian relations are essentially managed by ‘very small circles’ in Brussels. The India-EU strategic partnership is driven by those member states which have substantial trade and economic ties with India. It is they who provide the vision, the ideas and the expertise. It is they who very often bring the necessary energy, initiative and political will to the table and help things to move forward in a heterogeneous EU of 27 member states, which moves forward by committees and compromises. It is they who bring the fence-sitters and the indifferent around.

The India-EU strategic partnership is neither an ‘honorary degree’ conferred by the EU on India or a charade - as some skeptics contend -, but a privileged partnership. Its basis lies in the recognition of India’s growing stature and influence regionally and globally, the increasing economic interest in a rapidly and a consistently growing economy of a billion-plus people with an annual GDP growth rate of about 9 percent in recent years, India’s acquisition of nuclear weapons, and its steadily improving relations with the United States. Like the other strategic partnerships of the EU, relations with India are organised through annual summits, a Plan of Action with a laundry list of actionable points and an increasing number of sectoral and policy dialogues. Over time, they will gradually develop an internal dynamic of their own.

India has shed its earlier reservations about external involvement in South Asian crises by permitting Norway to mediate in the Sri Lankan civil war and by working closely with the EU (along with the UK and the United States) in helping to democratize the (former) monarchy in Nepal and facilitating the latter’s transition from a state of rebellion to one of constitutionalism, under UN auspices.

While many regard this as unlikely to be replicated in other parts of the world, others feel that with a number of fragile states in its neighbourhood (Pakistan, Nepal, Sri Lanka and Bangladesh), there is a growing consciousness of the limitations to India’s ability to resolve these crises by itself and that some form of security cooperation and coordination with other major powers is necessary. While the EU champions collective security and regional solutions to conflicts, India is less optimistic that collective institutions alone will be enough to produce stability and peace in its rough and difficult neighbourhood.

As a rising power, India is more sympathetic to American willingness and efforts to rework the rules of the global game, with regard to issues from which it could benefit – hence the India-US nuclear deal. A quantum leap of this kind would have been inconceivable in the case of the EU, which still insists
that India sign the Non-Proliferation Treaty, despite the country’s impeccable record. The support of EU member states is nevertheless crucial since the - currently 35-strong - board of the International Atomic Energy Agency (IAEA) includes 12 European nations, whilst the 45-nation Nuclear Suppliers Group (NSG) has 31 European members.

Brussels does not seem to have much strategic vision in relation to Asia and does not adequately appreciate the challenges of the changing political geometry in a multi-polar Asia – the rise of China and India and the new assertiveness of Japan. Europeans still tend to view India through an India-Pakistan or a South Asian prism and do not sufficiently understand how intensively the country has been engaging in ASEAN and in North and East Asia. Time will tell if major European states remain well-informed spectators or idle fence-sitters, amidst the emerging Asian balance of power.

Limited Security Cooperation

The recent India-EU security dialogue on global and regional issues is useful, but security cooperation would tend to be largely declaratory because:

(a) although both India and Europe have shared values, they face different security contexts and do not have shared threats.

(b) whereas India confronts traditional security issues that impinge on its territorial integrity, its border control, insurgencies and separatist tendencies, the EU mainly confronts non-traditional security threats such as organized crime, terrorism, etc.

(c) it seems as though the more distant a country, the greater the EU’s emphasis on values rather than geopolitics.

(d) given the aforementioned mismatch between their contexts, concerns and goals - as well as their disparate priorities and geographic distance - India is not perceived as a genuine security ‘partner’ by many EU member states. Initial steps are more likely to be in ‘soft’ areas of cooperation, such as the problem of money laundering, technical cooperation, exchange of information, etc. The prospects of practical, ground-level, hard-core security cooperation are rather limited, since this falls under the responsibilities of member states, not the EU.

(e) given that India wishes to see NATO militarily engaged in Afghanistan for as long as possible to prevent the resurgence of the Taliban, the country is providing valuable intelligence to NATO countries, available due to the number of people the latter have working in Afghanistan.

Conclusion

After years of mutual neglect and indifference, recent years have witnessed a major transformation in India-EU relations. Looking to the future, there are five key priorities in their further development:

(a) economic exchange, especially the signing of a broad-based trade and investment agreement, which the Confederation of Indian Industry estimates could treble two-way trade, taking it to a level of 120 billion euros;

(b) the introduction of an easier, flexible visa-regime, to facilitate the movement of persons; Europe’s demographic profile means that it must either in-source immigrants or out-source services. Several European countries, especially Poland, are actively looking at legalized migration, to meet the shortage of skilled labour.

(c) the conclusion of a social security agreement (the one signed with the Netherlands could be a trendsetter for an EU-India accord);

(d) the environment - especially access to advanced, cleaner technologies, where there is a pressing need to share technology generously and easily; and

(e) greater partnership in the development of cutting-edge technologies, thus combining India’s strengths with European capabilities. Energy is one area with considerable potential. Furthermore, the operationalisation of the Indo-US nuclear deal would enable India to access the spectrum of dual-use technologies, much of which could be sourced from the EU.

India no longer regards the EU as a mere trading bloc, but rather as an emerging political actor in world
politics, with a growing profile. Greater engagement and dialogue with Brussels, they believe, therefore has intrinsic value, even if it does not narrow the differences or lead to immediate results. For what it does is to facilitate greater clarity and understanding of each other’s perspective and a common approach towards bilateral, regional and global issues. Strong political will on both sides will determine the course and content of EU-India relations. Given the intrinsic nature of the EU, however, this will happen only gradually and incrementally.

South Africa: An international actor and partner for the EU?

Romy Chevallier

The EU and emerging powers

The EU is strengthening its relations with strategic partners in the developing world. This trend is partly the result of important changes in the global geopolitical landscape, but also comes from the need to explore areas of engagement on international issues between the EU and new partners.

Since India, Brazil and South Africa are considered strategic partners, they are emerging as key interlocutors for the EU. These bilateral partnerships represent a fundamental shift - a rearrangement of the nature of past relations with the EU. Thus the two sides move from a donor-recipient scenario to one of mutual accountability, which extends well beyond development assistance. In this context, it is important for the EU and its member states to understand the regional and global role that these emerging powers are to play. Emerging economic and political power brings new responsibilities for Southern countries, which are now expected to act as global leaders as well as champions of the third world.

South Africa is considered a new strategic partner of the EU by virtue of its importance in its own region. Nonetheless, South Africa does not constitute an ‘anchor country’ in the same sense as Brazil and India, nor does it have the demographic or economic weight of its IBSA partners. But South Africa is indeed a major continental economic actor and regional leader: it contributes 50 percent of the GDP of Sub-Saharan Africa and nearly 75 percent of SACU’s economic output. Moreover, South African foreign direct investment (FDI) in the rest of Southern Africa represents 49 percent of the region’s total.

Due to its longstanding historical and cultural ties with the rest of the continent, South Africa thus remains a focal point for the EU and an important partner in any multilateral system. Africa is gaining credibility and prominence on the international scene, and is the most stable and democratic that it has been since the 1960’s. The EU is therefore in the process of revising its Africa strategy, which is particularly important in the light of a changing global geo-political landscape. In short, South Africa is a vital ally for the EU.

The EU-South Africa Strategic Partnership

Relations between the EU and South Africa have strengthened since 1994. The EU is today South Africa’s largest trade and investment partner, accounting for over 40 percent of its imports and exports as well as for 70 percent of foreign direct investment (FDI). The EU is also South Africa’s largest development partner, representing approximately 70 percent of its Official Development Assistance (ODA), with South Africa earmarked to receive 980 million euros for 2007-2013. The European Investment Bank has also approved a loan of 900 million euros for the country.

13 In this article, the author looks at the EU as a political and economic entity (and multilateral actor), and its subsequent relations with South Africa. Yet it is also important not to downplay the individual engagement of the 27 EU member states with the AU member states. South Africa’s relations with particular EU member states - such as the UK, Netherlands, Germany, France, Italy, Denmark and Sweden - are among the country’s most important bilateral foreign relations.

14 Brazil and India, on the other hand, are both strategic powers even outside the context of their regions. Thus, they both constitute global powers.

15 This relationship is highly asymmetrical - less than 2 percent of EU trade is with South Africa.
Following the visit of President Thabo Mbeki to the EU in late 2004, there was a reappraisal in the European Commission of relations with South Africa. The Commission felt that South Africa-EU relations needed to be elevated beyond the framework of the Trade and Development Cooperation Agreement (TDCA), into a substantive Strategic Partnership along the lines of those the EU has established with countries like India, China and, more recently, Brazil. Although through the TDCA the partners had created a mechanism for political dialogue, still they agreed upon the necessity of further intensifying relations.

The first full meeting of the Ministerial Troika, following the adoption of the Joint Action Plan for the establishment of the SA-EU Strategic Partnership, took place in Pretoria on 10th October 2007. The Strategic Partnership has a new, overarching umbrella structure for all sectorial cooperation, which is referred to by the Mbeki Government as the Mogôbagôba Dialogue. This dialogue includes the Joint Cooperation Council, the Ministerial Troika meetings (held twice a year) and regular meetings at a Summit level.

Apart from ongoing cooperation in trade, development, science and technology, and a report on the implementation of the TDCA, a series of new areas of collaboration have also been identified. These include cooperation in: peace and security, energy, environment and climate change and migration; as well as transport, customs and human rights discussions.

A key element of the relationship – which underlines South Africa’s commitment to the establishment of the Strategic Partnership – is that both parties have declared themselves to be fully committed to the development goals of Africa. In fact, EU-South Africa Joint Action affirms ‘the EU’s full support of South Africa’s commitment to the African Agenda’. In line with South Africa’s foreign policy priorities on the continent, both partners have also agreed that the Strategic Partnership will be supportive of regional integration in SADC and the Joint EU-Africa Strategy.

The challenges going forward

It is imperative that the EU and South Africa move beyond their bilateral partnership, in order to take full advantage of a possible strategic relationship. This would present a significant opportunity for South Africa to constructively engage with the world’s largest trading bloc and donor, as well as to engage with individual EU member states in a coordinated fashion, in order to address socio-economic and development challenges at home and on the continent.

However, a Strategic Alliance would constitute a new set of criteria, different to the EU-South Africa post-Apartheid partnership, which was primarily focused on the development agenda. To translate political will into a concrete and reciprocal dialogue, then, requires a fundamental shift in mindset by both partners, including amongst the relevant governmental and non-governmental actors.

Indeed, there are some (mainly technical) areas of contention between the EU and South Africa - particularly with regard to trade, integration and protectionist agricultural policies. While the rest of SADC has signed an interim Economic Partnership Agreement (EPA) – which involves the liberalization of trade with the EU -, South Africa objected to the ‘Most Favoured Nations’ clause, as well as an EU request to eliminate new export taxes. Without these technical issues being resolved, EU-South Africa relations are unlikely to move forward at speed.

South Africa is indisputably the economic and military hegemon on the continent. This reality remains a source of discomfort for the ruling ANC, and often poses a threat to other large African states. The

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16 The TDCA was signed in 1999 and became fully operational in May 2004. The TDCA includes provisions for a Free Trade Area (by 2012), financial assistance and development cooperation, social and cultural cooperation and political dialogue.

17 The Mogôbagôba is the national tree of South Africa. In traditional African culture, a tree symbolises a place for discussion.

18 The first EU-SA Summit might take place in the second half of 2008, during the French EU Presidency.

19 The Strategic Partnership makes particular reference to a ‘single and coordinated framework’ for EU member states, EU institutions and South Africa.
recognition of South Africa’s negative image in this regard has provided the stimulus for a foreign policy agenda (under Mandela and Mbeki) that is governed by the fear of being seen ‘as an ally of the North’.20

South Africa is also hesitant to articulate its ‘national interest-driven’ imperatives to the EU and other Western partners. This hesitation is visible in South Africa’s dealings with its neighbours and with other African leaders. Its lack of open criticism often undermines the ethical values of South Africa’s traditional foreign policy. South Africa thus finds itself in the uncomfortable position of having to deal with the tension between ‘us and them’ - North vs. South - whilst prioritising the African agenda above all. It is therefore apparent that the EU-South African Strategic Partnership needs to be managed with sensitivity.

For this reason and others, south-south cooperation models (such as IBSA) offer a democratic and viable alternative to enhanced alliances with the North. However, South Africa’s pre-eminence as a potential partner for non-African actors (India, Brazil and China) is another sensitive issue on the continent. South African policymakers are careful to avoid a situation where relations with these other players seem to overshadow the country’s African agenda.

Thus the EU should understand that South Africa manages its priorities list very carefully, so that it may always demonstrate its loyalty to the continent. However, strong alliances with its northern partners and emerging southern partners are critical to its development, as well as to the economic and social development of the continent. Therefore - and here I am echoing the arguments of Gerrit Olivier - the EU-SA relationship has been superseded by new interests, objectives and ideological predilections, which have turned the previously close cultural and political ties into largely economic connections.21

ICSA and the EU: triadic North-South interregionalism?

Susanne Gratius

IBSA: Triadic Interregionalism?
The three bilateral strategic partnerships under construction, and IBSA’s consolidation as a high-level south-south triad, open a window of opportunity for strong relations to be established with the EU. From the EU perspective, the main attraction of IBSA is its implicitly interregional dimension. Despite the highly controversial debate over its member states’ status as regional powers, IBSA has become an instrument not only for improving bi- or trilateral relations but also for a higher level of inter-regional co-operation. An outstanding example was the recently-created IBSA development fund, aimed at countries in Africa (Guinea-Bissau) and in the Americas (Haiti).

Within international relations, interregionalism is a relatively new and – given its multiple types and vague definition – somewhat confused concept.22 Its meanings have also been adapted to changing international contexts. Until the end of the Cold War, interregionalism was mainly used as a formula for triadic interregional cooperation between the United States, Japan and the EU.23 Following this historic example, then, IBSA represents a new triad of the south. Today, interregionalism usually refers to a ‘region-to-region-dialogue’24 or ‘group-to-group dialogue’, and is a concept that has mainly been applied by the EU. Since the 1990s, however, the idea of interregional relations has become part of the broader debate on regionalism and globalization.

There are different types of interregionalism: north-south and south-south inter-regionalism on the one

20 This was evident, for example, in the hostile response received after Mbeki’s congratulatory letter that was sent to the French government of Sarkozy. South Africa was criticised by its fellow continentals as being ‘an apologist for the West’.


hand, collective, triadic and bilateral interregionalism on the other. From a European perspective, the highest form of interregionalism is a dialogue between two well-integrated and institutionalized regions. An outstanding example of this form of dialogue – in this case asymmetric north-south dialogue – has been the former Lomé/Cotonou process, between the EU and the ACP group of countries. There are also two types of north-south interregional agreements: (1) the free trade plus deal signed by the EU and the Caribbean Cariforum (negotiations are under way with the Andean Community, ASEAN, the Gulf Council, MERCOSUR and Central America); (2) the cooperation agreements between the EU and regional entities such as MERCOSUR or ASEAN.

Interregionalism has also been used as an instrument for managing the EU’s external relations with developing countries, as well as to ‘export’ the European integration model as a formula for peace, development and democracy to other regions of the world. For the EU’s partners, the main advantages of interregionalism are the promotion of internal consensus-building and integration, as ways of increasing their bargaining power as a collective actor on the international stage. Although it depends on the type of interregionalism in play, the usual functions of the strategy are: 1) balancing power; 2) bandwagoning power; 3) institutionalization; 4) rationalising (global problems); 5) agenda-setting; 6) identity-building and 7) stabilization and development.25

According to this broad definition, IBSA can be classified as a hybrid form of triadic south-south interregionalism. Its main functions are balancing, rationalising, agenda-setting, stabilization and development, while the IBSA countries neither share common institutions nor do they try to create a common identity. Since none of its members are recognised as regional powers, IBSA’s interregional dimension is still rather weak. As an incipient form of triadic south-south interregionalism, IBSA currently has a very low profile and little impact in Africa, Asia and Latin America.

**IBSA and the EU: north-south interregionalism?**

There are strong arguments for establishing a relationship between the EU and IBSA, as an innovative formula for managing global governance and relations with increasingly disparate regions:

– A first is the rather ambiguous status of the international powers of EU and IBSA countries, which fall between middle and great powers, as well as their preference for a multi-polar world based on international rules.

– A second is political affinity, mainly in terms of the defence of democratic values, human rights, the strong commitment to multilateralism and the preference for soft power instruments, for managing regional and international relations.

– A third is interregionalism itself, which is the EU’s preferred relationship with coordinated groups of countries or key partners in other regions; additionally, one must consider the important role of the three countries in international organisations.

Although Brazil, India and South Africa do not officially speak for their regions, they are the major international interlocutors in Africa, East Asia and South-America. Moreover, all three are members or observers of various regional and sub-regional entities: Brazil is a member of MERCOSUR and UNASUR, India is part of the SAARC and observer of ASEAN, and South Africa is member of the AU and SACU. As key players within these organisations, Brazil, India and South Africa are also the real or potential motors for regional integration.

Yet integration is not experiencing the best of times, in any of the three regions. Fragmentation, a decreased commitment to common institutions, the predominance of calls for national sovereignty and flexible cooperation ‘à la carte’ are what currently characterise integration, not only in Asia but also in Africa and Latin America. Slow progress or even outright setbacks to integration, in all three regions,

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have therefore placed a serious question mark against the EU’s preferred option – dialogue and agreements with groups of countries.

The fact that the EU has not been able to sign free trade plus agreements with most of its regional partners, but only with individual countries (Chile and Mexico in Latin America, India in Asia and South Africa in Africa) is another important argument for seeking viable alternatives to its traditional interregional approach. The strategic partnerships the EU has established with Brazil, India and South Africa also provide an answer to the crisis of integration processes in Africa, Asia and Latin America.

Bilateralism is one possible alternative to the EU’s approval of group-to-group interregionalism. A second and more coherent option would be a compromise between bilateralism and interregionalism, in the form of a dialogue between the EU and IBSA. This dialogue would be a hybrid form of triadic north-south interregionalism, to take place between a group of states - the EU - and three countries integrated in a not-yet-institutionalized dialogue forum.

Indeed, given the degree of internal fragmentation in the three regions, IBSA appears to be a useful and – given the number of countries involved – probably more efficient dialogue partner in some areas. Nonetheless, a dialogue between IBSA and the EU would not be an alternative to, but an additional and complementary element of, bilateral strategic partnerships and regional arrangements. Its main purpose is not to replace the EU’s traditional interregional strategy – as the latter operates in concert with the African Union, MERCOSUR or ASEAN -, but to reconstruct relations from a triadic angle, thus involving the main regional players and motors of integration. Thus an EU-IBSA dialogue would add a new triadic type of interregionalism to bilateral and group-to-group interregionalism, in the dialogues with Africa, Asia and Latin America.

**EU and IBSA’s common interests and shared agenda**

Despite its obvious limitations, a dialogue between the EU and IBSA would be another building block in a north-south interregional relation based on consolidated bilateral and regional partnerships. Its approach would be highly innovative: different to the EU-ACP dialogue, different from development cooperation, it would instead be an equal dialogue about shared global problems.

Cooperation between the EU and IBSA would also have a series of advantages for both partners. From an IBSA perspective, a dialogue with the EU could be used as a consultation mechanism, which would further promote regional integration under the cooperative leadership of Brazil, India and South Africa. For the EU, a closer alliance with IBSA would strengthen its bargaining position in global forums, thus generating the possibility of peaceful conflict resolution, and the promotion of both democratic values and multilateral instruments.

Triangular development cooperation and the coordination of mutual interests in regard to global issues would be the main further advantages for both the EU and IBSA. With regard to development, triangular cooperation could be enhanced in those countries - such as Haiti or Guinea-Bissau – to whom the EU and IBSA are important donors. On the global stage, and on the basis of shared values and visions, the EU and IBSA could also open consultations on a series of issues such as reform of the UN itself (creating a more balanced Security Council for example), the consolidation of the Peace-Building Commission, the conclusion of the WTO Doha round, climate change or global poverty reduction initiatives.

In regional terms, closer cooperation between the EU and IBSA in Africa would offer an excellent platform for coordinating and strengthening efforts towards stability and development within the continent. All four actors have a strong presence in Africa: South Africa

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26 María Cecilia Olivet, Unravelling Interregionalism Theory: A Critical Analysis of the New Interregional Relations between Latin America and East Asia.

27 Set up by the three IBSA countries and EU member states (Germany, France, Italy, Luxembourg, the Netherlands, the UK and the Czech Republic).
is the main force for stability, the EU is the main donor, trade partner and promoter of democracy, Brazil has considerable political influence, cultural links and development projects in Lusophone Africa, India has growing economic and energy interests in the continent, and a large community of Indian origin.

In sum, there are many opportunities to explore cooperation between IBSA and the EU by way of a new type of north-south soft power alliance, in a multipolar global order where traditional and emerging powers will need to coexist and construct a consensus for global governance. Given their strong commitment to democracy, peace and development, IBSA and the EU could therefore become ‘natural partners’ in the new global order that is under construction.

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Emerging powers and South-South cooperation are beginning to alter the foundations of the international system and to challenge the traditional power structure within multilateral organizations. The recently-established dialogue forum between Brazil, India and South Africa (IBSA) is part of this trend towards the establishment of a new global order. In parallel with the second IBSA summit, held in Pretoria, South Africa, the EU Office of the German Friedrich-Ebert Foundation and FRIDE has launched the first ever meetings between IBSA and the EU, which have taken place in Madrid and Brussels.

This Working Paper summarises the results of the events held in Madrid and Brussels. The first chapter is focused on IBSA’s global and trilateral identity, while the second chapter addresses the question of the regional and global status of India, Brazil and South Africa. In the third chapter, IBSA’s relations with the EU are analysed by three authors. To conclude, Susanne Gratius offers a series of general reflections on the nature of, and prospects for, relations between the EU and IBSA.