

## The EU-South Africa strategic partnership: changing gear?

**Damien Helly**

» The fifth EU-South Africa summit held in Brussels on 18 September 2012 was marked by the partners' recognition of their mutual difficulties: the enduring economic crisis in Europe and strong internal tensions in the mining sector in South Africa, which culminated in violence in Marikana in mid-August. Still, the summit confirmed the maturing trend of the strategic partnership from a development-focused relationship to a more diverse and equal cooperation. The partnership remains rather modest on global governance issues, as South Africa is still a regional power. However, its regional dimension makes it particularly relevant for the European Union and South African policies in Africa.

### A PARTNERSHIP WITH DEEP REGIONAL ROOTS

The motivations that guided the launch in 2007 of the EU-South Africa strategic partnership are still valid today. First, the EU needed to include an African country among its strategic partners to shake off perceptions that it was neglecting the continent. Second, for the EU, South Africa is by far its main trade partner and market in Sub-saharan Africa. It is a regional power in southern Africa, accounting for 75 per cent of the GDP of the Southern

### HIGHLIGHTS

- The strategic partnership between the EU and South Africa is shifting from a development-focused one to broader cooperation across the board.
- Political dialogue on sensitive issues like Iran and Zimbabwe is making some progress but the partners clashed on the intervention in Libya and differ on Syria.
- South Africa can play an important role at the interface between the West, emerging countries and the global South, adding a global dimension to the strategic partnership with the EU.



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Africa Development Community (SADC) in 2006, and an anchor state throughout the continent. It is a growing leader not only of rising Africa but also of the emerging South, and a potential like-minded interlocutor on global issues. For South Africa, the EU is its first trade partner and investor (around 30 per cent of its exports and 77 per cent of FDI), a strong donor (70 per cent of external assistance), and an ally in supporting South Africa's regional, pan-African and global ambitions. These factors were the basis of the joint action plan, which still serves as a road map for concrete cooperation between South Africa and the EU today.

But much has happened since 2007. The EU faces a very serious internal crisis and struggles to maintain its position as an assistance provider and a constructive change maker in Africa. The value added of its aid policies (in the wake of the 2005 Commission for Africa of the United Kingdom, the EU's Consensus on Development, the Joint Africa Europe Strategy, and the Lisbon Africa-Europe Partnership) is increasingly questioned. Today the EU has to compete with new donors like China, India or Brazil, among others.

Since Thabo Mbeki left power in 2008, South Africa's diplomatic leadership has been put into question. The New Partnership for Africa's Development (NEPAD) seems to lack political drive and the African Union (AU) appears to have missed the impetus of one of its historical founding fathers. Pretoria took ambiguous positions in defence of Laurent Gbagbo during the Ivorian post-electoral crisis in 2010-2011. On Libya, South Africa followed a rather versatile policy, first supporting the UN resolutions calling for an intervention, and then criticising what it saw

as an abusive NATO-led operation against the Gaddafi regime.

AU internal divergences tarnished Pretoria's African leadership, culminating in 2012 in a hard winning battle for the AU Commission's chairmanship. Pretoria is also busy competing for power with Nigeria, which, like Angola, has signed a 'Joint Way Forward' strategic document with the EU. Gaddafi's brutal ending, despite being officially condemned by South Africa has paradoxically benefited Pretoria by creating a power vacuum in the AU's structures. The election of Dlamini-Zuma, ex wife of President Jacob Zuma, as chairwoman of the AU Commission could signal a new beginning for South Africa at a continental level.

Globally, South African diplomacy has shown ambition, seeking a higher level of leadership in various fora. But this has not been free of contradictions. As a non-permanent member of the UN Security Council, under its presidencies in April 2008 and January 2012 Pretoria supported through resolutions 1809 and 2033 stronger working relations between the UN and regional organisations, particularly the AU, on matters of peace and security. Pretoria has also sought to promote African voices on structural challenges on the global agenda such as the reform of the Bretton Woods institutions.

Zuma's South Africa proved capable of leading complex multilateral negotiations on climate change during the COP17 held in Durban in 2011. It confirmed its role as a potential mediator between opposing parties (within the BASIC group). Its active participation in the G20 has also been noted. These achievements confirm South Africa's



role as a potential go-between, using its dual access to both the West (including the EU) and non-aligned global powers.

However, this has come at the cost of foreign policy consistency. By trying to please multiple clubs like IBSA, BRICS, BASIC and the West, South Africa risks displeasing them all. As *The Economist* puts it, Zuma's 'all over the place' foreign policy has raised some doubts about the country's actual priorities. Some experts call it a 'bit of this and bit of that policy'. A debate has now ensued about the need for Pretoria to put some more consistent flesh on the bones of its Ubuntu (common humanity) diplomacy.

### **BRUSSELS 2012: A STEP FORWARD**

The EU-South Africa summit gathered top-level officials from both sides. President Zuma was accompanied by six ministers and a deputy minister. The EU was represented by Presidents Van Rompuy, Barroso and three commissioners (for Trade Karel de Gucht, for Development Andris Piebalgs and for Research, Innovation and Science Máire Geoghegan-Quinn). Several side events were also held, including President Zuma's visit to the European Parliament; the first South Africa-EU business forum, jointly organised with the private sectors from both sides; and a meeting on science and technology, among others. These multiple initiatives confirmed the high degree of mutual commitment, despite last minute doubts about President Zuma's coming due to the Marikana crisis.

The summit also marked the beginning of a new formal dialogue on human rights,

thereby strengthening the political and value-based dimension of the partnership. Both the EU and South Africa acknowledge that agreement on official documents regarding international crises can raise controversy between them. This does not preclude frank discussions, which ultimately is the purpose of political dialogue. For South Africa, it is an opportunity to raise concerns about what they perceive as remnants of post-colonial behaviour (regime change in Libya and sanctions on Syria, old-fashioned development aid policies) or unfair treatment (trade, civil aviation). For Europe, it is an occasion to recall joint commitments on fundamental values and joint interests. In that sense, the summit confirmed the already existing trend of a partnership that covers much more than a merely development-focused agenda.

### **KEY OUTCOMES AND OPPORTUNITIES**

The openness of both sides to holding dialogues on their respective domestic contexts and difficulties was a first deliverable of the summit. The current mining sector crisis in South Africa and the enduring debt crisis in the EU required officials to reassure each other and investors. During the summit, it was stated that South Africa remains a serious investment destination for European business. In this sense, the organisation of the first EU-South Africa business forum opened up scope for deeper ties. The results of the new dynamics will have to be assessed in the near future through an analysis of trends in investment flows. The work of the European Investment Bank in financing infrastructure projects was also hailed. Both sides recognised the importance of ongoing development



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cooperation, reflecting the dual position of South Africa as part of both the developing and emerging worlds.

Bilateral cooperation is deepening in the field of science and technology (health, space, radio astronomy, agriculture). In 2011, South African partners already ranked fourth among non-European research bodies in the Sixth Research Framework Programme after the US, China and Russia. A pending agreement on the civilian use of nuclear energy was signed, opening new doors for cooperation on non-proliferation, joint research initiatives and trade relations.

Considerable progress was also made in the field of peace and security, with the agreement to start concrete cooperation against maritime piracy and an EU technical mission to South Africa looking at regional capacity-building needs.

While in 2008 Zimbabwe was excluded from the agenda, this year it was openly discussed and mentioned by President Zuma at the European Parliament, where he called for the EU to soften its restrictive measures towards the country. According to the EU, the slow-burning mediation work of South Africa and SADC has borne some fruit. The EU is re-engaging the Government of National Unity: the Council has already agreed on 23 July to suspend the application of article 96 of the Cotonou agreement and to waive its restrictive measures once a 'peaceful and credible' constitutional referendum has been organised. The real test will then be the holding of credible elections.

Both South Africa and the EU have been committed to stabilisation in Somalia by

supporting, inter alia, the African Union military operation AMISOM. The existence of a UN resolution on the Sahel was acknowledged as a starting point for further action in a still blurred political and security context.

### BLUE AND RAINBOW CHALLENGES

Although bilateral trade is growing in volume, the private sector considers that 'there is further scope to deepen its diversity'. The EU's market share in South Africa's imports has actually declined since 2007, from 41 to 31 per cent, while its share in exports has remained almost the same at around 30 per cent. The main challenge for both sides is to finalise ongoing trade negotiations. The current framework is the Trade and Development and Cooperation Agreement (TDCA) signed in 1999. It was not until 2012 that full implementation of tariff cuts under the TDCA, providing wide and deep market access to both sides, was completed. Its impact – including on South Africa's neighbours that are members of the Southern African Customs Union – has thus been slow and hard to measure. Obstacles to increased bilateral trade analysed in an EU/Dutch-sponsored white book (mainly pointing at workforce skills and education, black economic empowerment legislation, government bureaucracy, corruption, and currency volatility) also need to be discussed.

Simultaneously, the EU has been negotiating a regional Economic Partnership Agreement (EPA) with the SADC, but with no clear deadline in sight. TDCA and EPA tariffs regimes need to be aligned or adjusted to avoid trade distortions. Through the EPA,



South Africa seeks to benefit from SADC regional trade integration. Yet, numerous issues remain, such as the impact of an EPA on SADC members and asymmetrical market access, for agricultural products in particular. A meeting between trade negotiators on the eve of the South Africa-EU summit delivered momentum to make progress on some 'trade irritants', but further incentives need to be identified to conclude a win-win and regionally relevant EPA. EPA negotiations will be a test case for the future of the EU-South Africa strategic partnership.

## The summit has confirmed that open dialogue does not mean shared assessment on sensitive topics

The summit has confirmed that open dialogue does not mean shared assessment on sensitive topics. The Syria crisis remained a contentious issue. Despite President Van Rompuy's plea for joint diplomatic efforts, the final communiqué expressed only a minimum level of commonality between respective positions. With the

Libyan scenario in mind, the South African government was against potential Western interference possibly leading to regime change.

Iran, although not mentioned in the summit's final communiqué, was very much in the background and was discussed at length over summer and during High Representative Catherine Ashton's visit to Pretoria in July. South Africa, according to an Apartheid-old oil trade relation with Iran, still imports 25 per cent of its oil from this country. The EU and the US asked South Africa to end that relationship in accordance

with current international sanctions. Pretoria is not in disagreement with sanctions and almost stopped oil imports in July. However, the government faces pressure from a series of interest groups (mainly companies and neighbouring countries) that benefit from current deals and distribution schemes. Moreover, according to Pretoria, South Africa's Durban-based refinery, which was built in the late 1970s to process a certain type of Iranian crude, cannot technically be used immediately to import other kinds of oil. Both sides agreed that their technical teams would meet and discuss the issue further in October.

As for the African continent, which will remain high on Pretoria's agenda, there is much room for improvement in the management and leadership of the African Union. This goes for the functioning of the institutions, but above all the degree of political commitment by member states, the definition of long-term political ambitions and a more concrete and efficient link between the AU and African sub-regional organisations. It remains to be seen to what extent the new South African AU Commission chairwoman, Dlamini-Zuma, who is still working on a strategy, will want to cooperate further with the EU. This will probably not happen in the framework of the strategic partnership. However, deepened bilateral EU-South African political dialogue and cooperation could seriously contribute to and inspire a rejuvenated South African continental leadership within the African Union.

On the global front, following the participation of Minister Nkoana-Mashabane in a roundtable organised in May by Commis-



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sioner Hedegaard, future negotiations for COP18 will show whether and how both partners will continue to work closely on global climate change, environment and energy. In Brussels, there is a sense that South Africa is relatively less focused on these issues following Durban, due to a disconnect between the country's official ambitions and the reality of the day-to-day work of technical ministries.

### **A LABORATORY FOR GLOBALISATION?**

The Brussels summit, while deepening the partnership, was held in a somewhat volatile environment. It represented a reality-check for both parties' ambitions. The EU's model has lost some of its credibility. South Africa is both a donor and, to a lesser extent, an aid recipient. Its partnership with the EU is still a mix of jointly designed development-

focused efforts and peer-to-peer cooperation. This duality seems to be here to last. In order to make the most of the relationship, it is necessary to capitalise on the value of the political dialogue, to finalise EPA negotiations and to open new avenues for strengthened cooperation at all levels. Finally, given Pretoria's preeminent role in Africa, the young EU-South Africa strategic partnership has a very strong African regional dimension. Pilot measures and successful models of cooperation experimented in the framework of the partnership could well serve other countries in Africa as well as other regional powers, making of this relationship a sort of laboratory to engage other pivotal actors in a globalised world.

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