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## The India-Brazil-South Africa Forum - a decade on: Mismatched partners or the rise of the South?

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# The India–Brazil–South Africa Forum A Decade On: Mismatched Partners or the Rise of the South?

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**Folashadé Soule-Kohndou**



The  
**Global  
Economic  
Governance**  
Programme



# The India-Brazil-South Africa Forum - A Decade On: Mismatched Partners or the Rise of the South?

Folashadé Soule-Kohndou<sup>1</sup>

## Abstract

The gridlock in the Doha round of international trade negotiations in the WTO since 2001 has led developing countries to pursue different strategies to boost trade and investment among various partners. One of these mechanisms is the India-Brazil-South Africa (IBSA) forum created in 2003. The IBSA forum emerged in a context of the rise of emerging powers on the global scene and fits in their respective strategies of assertion and gaining status as global powers beyond their regions. Historically non-traditional trade partners, IBSA also allows the three countries to re-explore opportunities for trade and investment in each others' growing markets. This paper will question the strategic aims of these southern-led cooperation mechanisms by looking at the forum's activities related to the increase of south-south cooperation. The IBSA forum has often been criticized for not delivering results and being rendered redundant by the rise of similar groupings like the Brazil-Russia-India-China-South Africa (BRICS) forum. I argue that beyond publicly stated aim of promoting south-south cooperation, the IBSA forum allows its members to pursue three underlying strategic aims: autonomization through the increase of strategic partnerships with emerging non-traditional partners; socialization through the creation of transgovernmental and transnational networks; and greater visibility on the international stage, which increases political leverage.

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## Introduction

Groupings between countries from the South have evolved greatly over the past fifty years. In the 1960s, coalitions and voting blocs like the Non Alignment Movement and the G77, gathered the majority of countries defining themselves as from 'the South' and placed themselves in opposition to 'the North'. By the 2000s, they evolved into more selective mini-lateral groupings comprising mainly of rising powers from the South. The birth of the IBSA Dialogue Forum bringing together India-Brazil-South Africa in 2003 and the BRICS forum in 2008 are some of the most important of these initiatives.<sup>2</sup> Policymakers in these emerging states prefer to join or create mini-lateral selective groupings as they consider the bigger inclusive groupings like the G77 to be less productive and the emerging states to have similar global aspirations.

Some of these institutional arrangements have taken the form of minilateral groupings or clubs. Emerging powers are part of many of these settings, both within their region (India for instance is part of the Association of South East Asian Nations (ASEAN), Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) and the Indian Ocean Rim association for Regional Cooperation (IORC)) but also beyond their region (such as the IBSA forum, BRICS forum). A main feature of these fora is their weak institutionalization and the absence binding agreements, which enables them to remain as flexible as possible. The creation of minilateral groupings by emerging powers is a major trend in south-south relations and marks the growing distinction between vertical (emerging powers groupings with small numbers) and horizontal (more inclusive groupings like the G77) south-south relations (Soreanu Pecequilo, 2008). These partnerships present both tangible and strategic opportunities for its members. In the case of IBSA, it is also the result of frustration. Although these countries have been invited to join the G8 (through the creation of the G20 and Outreach 5<sup>3</sup> during the G8 meetings) this is considered to be more the result of co-optation than integration: the agenda of G20 is mostly pre-determined by the G8, which gives very little "room for maneuver" to emerging countries like India, Brazil, and South Africa. In contrast, IBSA and BRICS act as fora in which the three can discuss their own agenda and collectively present their positions on different global governance issues.

## Main questions and methodology

This working paper focuses on the IBSA Dialogue Forum and addresses the following questions: What leads these governments to devote efforts and administrative resources to increase relations with distant partners? What are the incentives for cooperation between India, Brazil and South Africa in the different working groups and non-government fora? Beyond the publicly stated objectives of promoting south-south cooperation mentioned in the different summit declarations by the leaders, what are the underlying strategic aims for cooperating? After ten years, to what extent has IBSA delivered on these stated objectives?

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<sup>2</sup> First known under the acronym 'BRIC' coined by Goldman Sachs economist Jim O'Neill

<sup>3</sup> The Outreach 5 or « O5 » or « G5 » resulted from the G8 Heiligendamm process and consisted in associating India, China, Brazil, South Africa, and Mexico to the G8 meetings.

The methodology used for this working paper includes both the use of primary and secondary sources. Primary sources include the UNCTAD statistical database, the official websites of the IBSA forum and related activities, IBSA summit declarations, official government and international organisations reports, press conferences and interviews with officials involved in the IBSA processes across the three countries. Secondary sources include academic papers, policy briefing notes, newspaper articles and research reports. The analysis in this paper contributes to a growing literature on South-South Cooperation (SSC) led by emerging powers and to growing systematic analysis of IBSA at its 10<sup>th</sup> anniversary.<sup>4</sup> SSC refers to a broad framework for collaboration among countries of the South in the political, economic, social, cultural, environmental and technical domains. Involving two or more developing countries, it can take place on a bilateral, regional, sub-regional, interregional and cross-regional basis. Developing countries share knowledge, skills, expertise and resources to meet their development goals through concerted efforts. SSC also includes technology transfers, sharing of solutions and experts, and other forms of exchange between transnational societies.

Intensification of SSC is reflected in increased volumes of south-south trade and south-south flows of foreign direct investment.<sup>5</sup> Since 2008-2009 and despite the plunge in exports following the economic crises, developing countries have exported more to other developing countries than to developed countries. South-South exports are also playing a growing role in global trade, and accounted for nearly a quarter of world exports in 2011 compared to 13% in 2001.<sup>6</sup>

SSC is mainly initiated, organized and managed by developing countries themselves although multilateral organizations in the United Nations system and regional organizations are increasingly involved in fostering and implementing SSC. Governments play a lead role, with growing participation from public and private-sector institutions, non-governmental organizations and individuals. SSC involves different and evolving forms, including the sharing of knowledge and experience, training, technology transfer, financial and monetary cooperation and in-kind contributions.<sup>7</sup>

SSC can include different sectors and be bilateral, multilateral, subregional, regional or interregional in nature, although the IBSA forum involves interactions across regions and continents and shows that SSC can also happen on a cross-regional level. In this paper cross-regional initiatives refer to initiatives involving governmental and societal relations between partners beyond their immediate region. It is to be differentiated from inter-regionalism which designates trade agreements between two different regions or trade blocks (e.g the EU-MERCOSUR agreement, SACU-MERCOSUR agreement). Conventional theories of regionalism emphasize geographical proximity as a key ingredient for the establishment of preferential trade relations in that lower transportation and transaction costs

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<sup>4</sup> For an assessment of IBSA trade, see Sean Woolfrey, « The IBSA dialogue forum ten years on: examining IBSA cooperation on trade », Trade Law Centre (TRALAC), August 2013

<sup>5</sup> « What is South-South cooperation ? », presentation page of the United Nations Office for South-South cooperation - [http://ssc.undp.org/content/ssc/about/what\\_is\\_ssc.html](http://ssc.undp.org/content/ssc/about/what_is_ssc.html)

<sup>6</sup> South-South trade monitor, n°2, July 2013, UNCTAD, United Nations

<sup>7</sup> « What is South-South cooperation ? » (op.cit.)

foster trade concentration, and the greater likelihood of sharing cultural, economic, linguistic or political ties facilitate the tasks of policy coordination (Mansfield, Milner, 1999). But the rise of cross-regional initiatives like IBSA prompts us to question this emphasis on geographical proximity. While remaining committed to regional integration, India, Brazil and South Africa increasingly reach beyond their region to find partners and create trade agreements. As this paper shows, the increase in cross-regional initiatives such as the IBSA forum is also the result of constraints faced by these established regional powers' own regional integration agenda. Reaching out to partners beyond their region allows them to further their integration in a low risk political environment but at the same time associating their respective regional trade blocks.

This paper is organized as follows: section 1 lays out the historical relations between these three non-traditional partners and presents the reasons that have led India, Brazil and South Africa to reach beyond their region to establish the cross-regional links through the IBSA initiative. Section 2 analyses the strategic aims of promoting SSC initiatives in the IBSA forum, and Section 3 highlights variations in implementation and challenges facing IBSA cooperation in light of the growing overlapping activities with the BRICS forum. An assessment of 10 years of cross-regional cooperation within the IBSA scheme is presented throughout the paper. The appendix also present the structure and main outcomes of IBSA SSC activities.

## *1. From non-traditional to strategic partners*

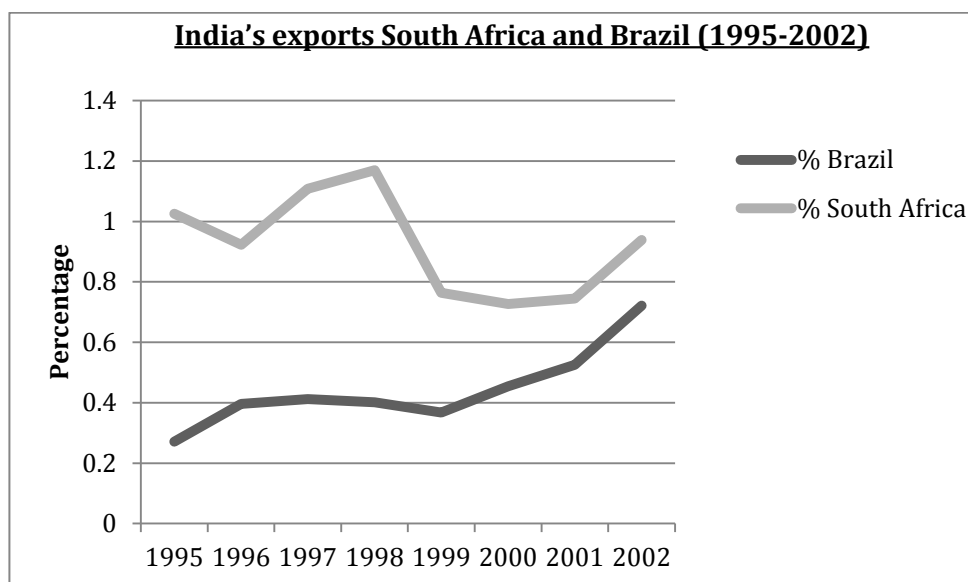
The major aims of the promotion of political and economic south-south relations between developing countries since the Cold War era have been to challenge the perceived inequality of the international status quo, achieve visibility for their concerns, and reduce their economic and political dependence on developed countries. To attain these ends, developing countries have had to establish channels for the promotion of these aims (Braveboy-Wagner, 2009). During the 1960s following the independence of many developing countries in Africa, south-south linkages were mainly promoted through horizontal relations in various inclusive groupings with large memberships bringing together a majority of developing countries, such as the Non-Aligned Movement. Recent developments since the early 2000s reflect a growing tendency towards exclusivity with regional powers seeking to project economic and political power through selective south-south clubs (Taylor, 2006) such as the Outreach 5, IBSA and BRICS.<sup>8</sup>

Despite sharing mutual political interests on the global stage, India, Brazil and South Africa were non-traditional economic partners and for this reason their decision to collaborate in the IBSA forum is somewhat unexpected. Following a break in bilateral relations during apartheid, India re-established political and economic bilateral links with post-apartheid

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<sup>8</sup> The Outreach 5 also known as the « O5 », comprised India, Brazil, Mexico, China, and South Africa. It was formed in 2005 at the G8 summit in Gleneagles and presented as the G8+5 dialogue. In 2007, German chancellor Angela Merkel, announced the institutionalization of the permanent dialogue between the G8 and these 5 emerging economies, through the « Heiligendamm process ». In 2008, the G5 started meeting separately and issued political declarations. Since 2011, as the 5 members were invited to join the G2, the O5 has not held other meetings.

South Africa in 1994<sup>9</sup> through the creation of a joint India-South Africa ministerial commission (JMC) in 1995, in order to identify potential cooperation in energy, information technology air and transport. In the period immediately prior to the creation of IBSA in 2003, South Africa was not an important export market for India. There was relatively little trade between India and South Africa and only represented 1% of India's total exports during the period 1995-2002.



Source: UNCTADSTAT database

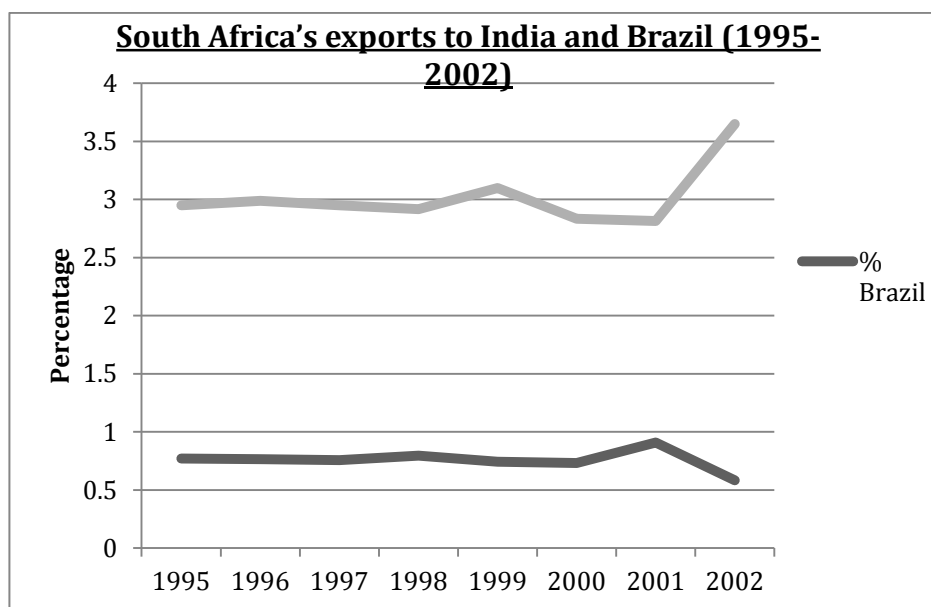
The potential of increased bilateral relations between the two countries was not fully explored (Alves, 2007) and increased trade was largely hampered by protectionist measures such as tariff barriers on South African products especially in agriculture, different legislation between the two countries, and a lack of good infrastructure in transport, communications and energy.

Although Brazil and South Africa have had closer ties than India and South Africa during the apartheid period, they have not been major trading partners. Official bilateral relations were initiated in 1918 and, unlike India, Brazilian governments initially kept bilateral relations with the apartheid regime despite international condemnations, and in 1966, Brazil was the largest Latin American country exporting to South Africa (Selcher, 1974). Brazil participated in many trade-related events like the Rand Easter show in 1967 which was followed by the opening of the first South African trading post in Rio de Janeiro in November 1967 in order to diversify Brazilian imports from South Africa which were largely limited to mineral resources especially gold. Between 1972 and 1974, both governments agree to establish trade agreements in maritime transport, customs, aeronautics, and communication services. The election of Ernesto Geisel, a left-wing general in 1974 led to the end of bilateral

<sup>9</sup> Official bilateral relations between India and South Africa started in 1806 during colonial period with the flood of Indian labour brought by the British colony to work as labour force in sugar and coffee plantations. After its independence, India was the first country to condemn the apartheid regime and impose an embargo on political, economic and social relations with the apartheid regime (Alves, 2007)

relations with South Africa's regime and to openly condemn the apartheid regime and foster relations with the African National Congress party (ANC). From 1991 to 1995, economic and political relations were progressively re-established and President Fernando Cardoso became the first president from Brazil to pay an official visit to South Africa in 1996.

Despite these political initiatives, trade relations between Brazil and South Africa remained small, as Brazil and South Africa kept privileged relations with regional countries in their neighbourhood and traditional partners like the United States and European Union members outside their respective regions.



Source: UNCTADSTAT database

The bilateral relationship between Brazil and India was the least developed and less explored of the three IBSA relationships. Major barriers included linguistic differences between English-speaking India and Portuguese-speaking Brazil, and geographical distance. Bilateral relations were established in 1948 but remained weak: from 1948 to 1985, no trade agreement was signed between the two countries and until 1960, only 20 visas were issued for Brazilian nationals by the Indian government, mostly for diplomats (Furtado, 2010). In 1994, Fernando Cardoso opened a new door in the bilateral relations: both countries were in the process of increasing liberalization of their markets: they signed different cooperation agreements in environment, medicines, health and ethanol production between 1996 and 2002. A commercial trade post was created in 1996 followed cooperation in 2002 by a JMC for political, scientific, economic and technological cooperation.<sup>10</sup> Despite these different initiatives to increase multi-sectorial cooperation between Brazil and India, Brazil's relations

<sup>10</sup> For an official record presenting a chronology of bilateral relations between Brazil and India since 1948, see : <http://www.itamaraty.gov.br/temas/temas-politicos-e-relacoes-bilaterais/asia-e-oceania/india/pdf>

under Cardoso remained privileged with its traditional partners like the USA and the EU countries.



Source: UNCTADSTAT database

The arrival of Lula da Silva as president of Brazil in January 2003 resulted in a change in the bilateral relations between Brazil and India as India progressively became considered as a strategic partner not only for political consultations but also for strategic economic interests. Lula conceived of India as a strategic partner for Brazil, offering opportunities for economic, scientific and knowledge exchange on the basis that the two countries faced many similar challenges.<sup>11</sup> Although the IBSA forum created in June 2003 is a direct result of this vision, why did the leaders opt to create IBSA rather than to reinforce the already existing bilateral joint ministerial commissions. It is to this question that the next section turns.

## ***2. Publicly stated objectives and underlying strategic aims***

The stated objectives in official summit declarations for countries initiating cross-regional initiatives like the IBSA forum are diverse. They include economic objectives, such as market access and trade diversion, and knowledge sharing through capacity building. Underlying these stated aims are deeper strategic aims, and I identify three: autonomization through diversification, socialization through the creation of governmental and transnational networks, and visibility as a leverage for international recognition.

The choice of partners for establishing cross-regional initiatives is also strategic. First, environmental factors are a main element affecting countries in choosing their partners and create incentives for cooperation (Keohane, 1982). The environmental context in 2003 was

<sup>11</sup> Lula da Silva's inaugural speech, 1st January, 2003

marked by the rapid growth of emerging economies, including the steady growth of the three economies of India, Brazil and South Africa. Growing markets, especially in Brazil and India presented interesting investment opportunities both for public and private actors. When Jim O'Neill coined the BRIC acronym in 2001, Brazil and India also gained in popularity and attention from their external neighbourhood. Second, as established regional powers in their own immediate regional neighbourhood, India, Brazil and South Africa also faced the constraints of their own regional integration agenda creating open rivalry among other established or would-be regional hegemony like Argentina, and Nigeria which clouded the prospects of devising region-wide economic arrangements and institutions (Solis, Katada, 2007). Selection of partners outside their regions thus offered unique opportunities to consolidate cooperation agreement strategies in a low-risk political environment.

## 2.1. The quest for autonomy through diversification

One of the strategic aims underlying south-south trade promotion in the IBSA forum is the quest for autonomy through diversification. Russell and Tokatlian (2003) spell out the meaning of autonomy based on historical observation from a Latin American perspective, and define it as “a condition that permits states to articulate policies themselves and attain goals in an independent manner”.<sup>12</sup> Autonomy is a property that states may possess, falling within a continuum between two extreme ideal types: total dependence or full autonomy. Therefore, the notion of autonomy is characterized by the capacity of the state to implement decisions based on its objectives, without interference or restrictions from without, by means of its ability to control processes or events beyond its borders (Russell, Tokatlian, 2003).

By taking the Brazilian experience as case study, Vigevani and Cepaluni distinguish three ways in which a country can seek autonomy: distance, participation, and diversification (Vigevani, Cepaluni, 2007). Autonomy through distance is a policy that opposes the liberalizing agenda of the great powers, particularly the United States, guided by the expansion of the domestic market and by economic protectionism. Autonomy through participation is a policy of adherence to international regimes without losing the capacity to manage foreign policy. In this case, the objective would be to influence the very formulation of the principles and rules governing the international system. National objectives would hence be aligned along these paths. Finally, autonomy through diversification requires agreements with non-traditional partners<sup>13</sup> as a means to reduce asymmetries and increase the semi-peripheral country's international bargaining capacity in relations with more powerful countries such as the USA and the EU countries. For Puig, autonomy requires the mobilization of power resources in the periphery: regional alliances against the centre, political and economic integration, and the improvement of negotiation techniques constitute the strategies to achieve this goal (Puig, 1980).

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<sup>12</sup> RUSSELL, Roberto, TOKATLIAN, Juan Gabriel ; « From antagonistic autonomy to relational autonomy : a theoretical reflection from the southern cone » in *Latin American Politics and Society*, vol.45, n°1, 2003, pp.1-24.

<sup>13</sup> From a Latin American perspective, the authors distinguish non-traditional partners as located in Asia Pacific, Africa, Eastern Europe, Middle East.

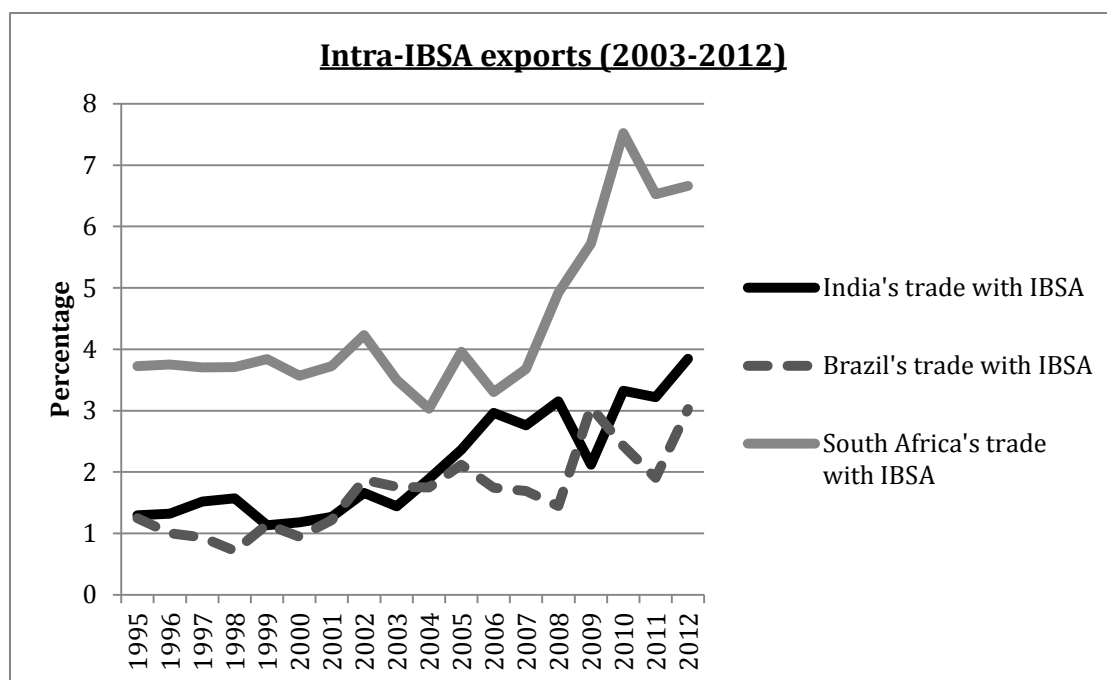
From this perspective, cross regional initiatives like IBSA can be considered as a move by member countries to further their quest for autonomy through diversification. The IBSA countries put in place a series of initiatives which clearly aimed to intensify economic relations between the three countries, thereby contributing to diversification. Working groups on trade and investment set up in 2004, and the working group on transport set up in 2006 jointly deal with fostering public trade between India, Brazil and South Africa whereas the IBSA business forum provides a platform to further enhance foreign direct investment for corporations and businesses from the three countries. The main objectives set up in the MoU on trade facilitation for standards, technical regulation and conformity assessment, providing tools for cooperation in the WG on Trade and Investment is mainly to facilitate cooperation in the fields of standards, technical regulation and conformity assessment procedures by identifying and organizing sector-specific interventions on technical regulations and conformity assessment with a view of understanding and facilitating access to their respective markets, but also by involving business community of the IBSA countries to identify sector of common interests and potential.<sup>14</sup>

To what extent has IBSA resulted in economic diversification? Trade flows since the creation of IBSA in 2003 significantly increased between the three countries: intra-IBSA trade grew from \$2.5bn in 2003 to \$21bn in 2012<sup>15</sup>. The targets set during the summits and ministerial meetings to reach \$10bn by 2004, and \$15bn by 2010 were all reached. However in terms of percentage of their total exports, IBSA trade remains marginal, although it gradually increased compared to the pre-IBSA period (1995-2002). In 2012, India's trade to Brazil and South Africa only represented 3.8% of its total trade, and Brazil's trade to South Africa and India represented 3.0% of its total trade. For South Africa, trade towards India and Brazil was more significant, at 6.7% in 2012.

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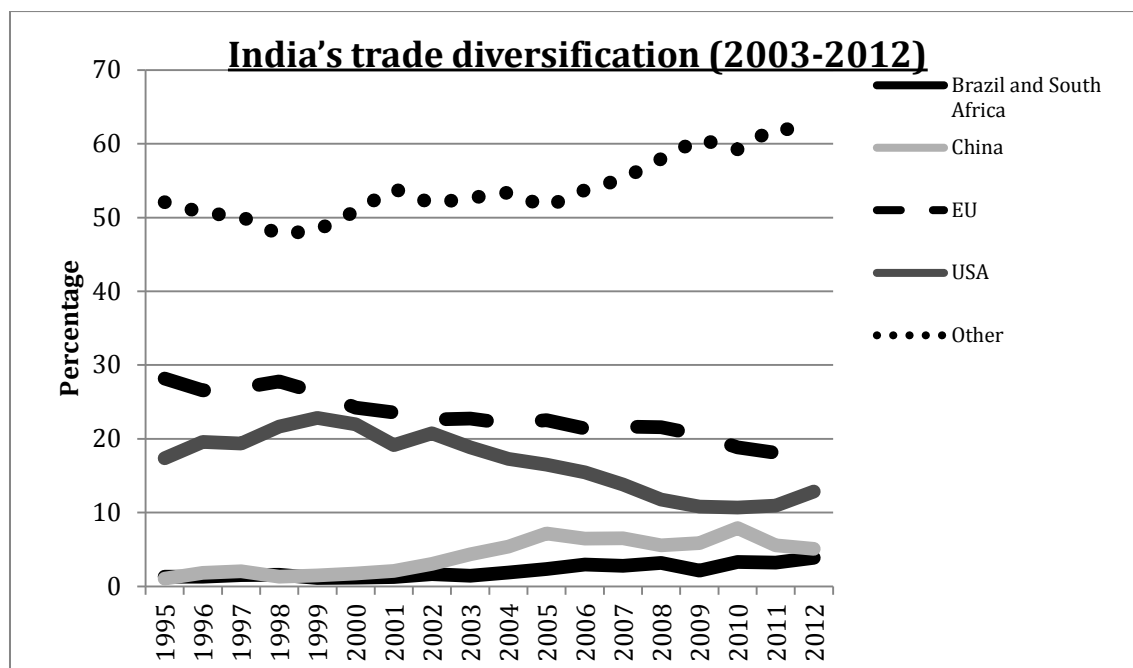
<sup>14</sup> For a full list and details of the different IBSA MoUs, see <http://ibsa.nic.in/>

<sup>15</sup> Data retrieved from UN Comtrade – Intra-IBSA trade corresponds to bilateral exports and imports among the three countries.

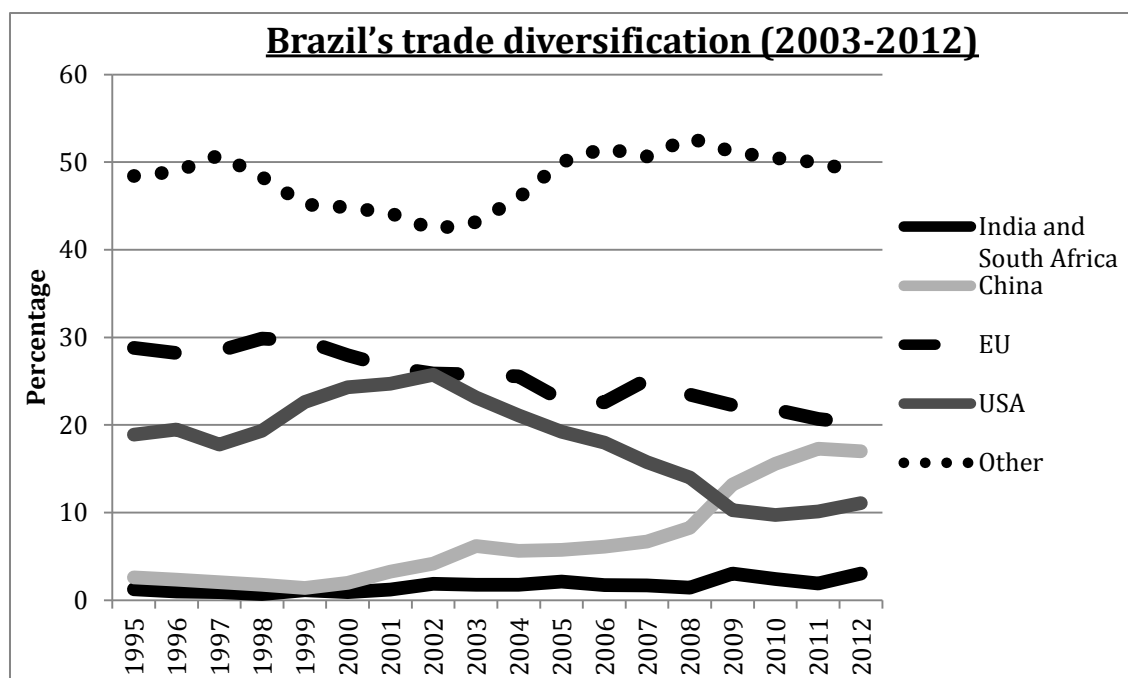


Source: UNCTADSTAT database

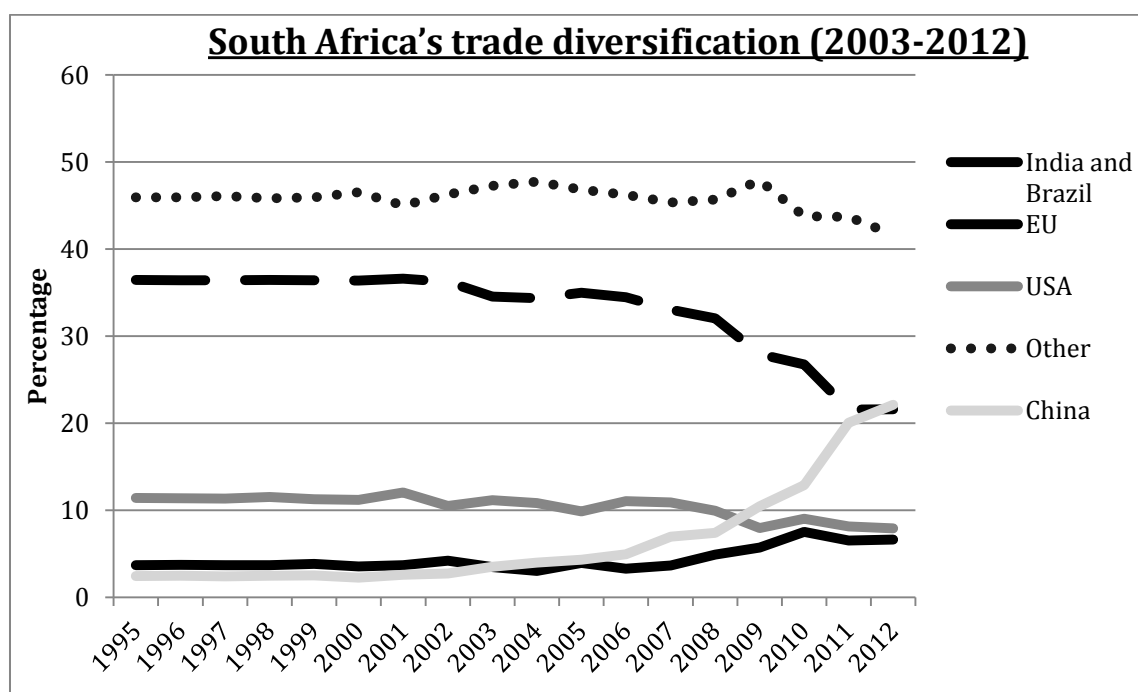
Although there was some intensification of trade, there is little evidence that IBSA made a decisive contribution towards trade diversification for the three countries. IBSA countries did see their trade relations diversify away from traditional partners (USA and EU economies), this appears to have been more the result of intensification of trade with China rather than IBSA (see graphs). However, in the case of India, trade diversification appears to be driven by other trade partners.



Source: UNCTADSTAT database



Source: UNCTADSTAT database



Source: UNCTADSTAT database

Moreover, it is not clear that the intensification of trade between IBSA countries can be attributed solely to the creation of the IBSA Forum. The three bilateral JMCs between

India-Brazil, Brazil-South Africa and South Africa and India were already active before the creation of the IBSA forum, and considerably contributed to foster the trade exchange dynamics. IBSA could thus also be considered as a “trade-booster” by providing a platform to collectively meet and reduce the transaction costs of separate bilateral meetings.

There were some initiatives by private sector actors to intensify trade and investment flows. The IBSA business forum, created in 2006, hosted the first IBSA Trade and Investment forum in Rio de Janeiro in March 2006. This trilateral event was attended by officials from trade and industry departments and was the occasion to identify major hurdles for trilateral trade and investment, which included logistics, customs procedures, lack of information and distances. The private sector also emphasized the necessity of creating flights between Brazil, South Africa and India.

After ten years there is some evidence of impact. While not all the barriers identified by private sector actors have been removed, these interactions have allowed for the creation of transgovernmental networks, study reports and a series of collective projects. Two major public reports presenting the results of multi-stakeholder workshops and debates by the WG on Trade and Investment and the Business Forum on ways to increase trade and investment flows have been published by the India EXIM Bank in 2009, and the Brazilian Confederation National Confederation of Industries (CNI) in 2008.<sup>16</sup>

Aviation links between the three countries also increased, although they are confined to South Africa/Brazil, and India/South Africa, and as at 2013 there is still no direct flight between India and Brazil.<sup>17</sup> Another outcome of transnational interactions is through the IBSA Small, Micro and Medium Enterprises forum in collaboration with the IBSA WG on Trade and Investment which launched an online platform (IBSA B2B) presenting investment opportunities, contacts, events, trade statistics, and best practices among the three IBSA countries.<sup>18</sup>

These different initiatives undertaken in the context of the IBSA Forum provide evidence that an underlying aim of Brazil, India and South Africa in the creation of the Forum was the quest for autonomy through diversification. However, as we have seen, this only appears to have had limited success but has contributed to trade intensification between the three countries.

## ***2.2 Capacity-building, knowledge sharing and socialization processes***

The second strategic aim of promoting SSC through the working groups and non-government fora is the opportunity for socialization. In the framework of the IBSA activities, socialization happens through the various interactions consisting both in transgovernmental

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<sup>16</sup> See « [IBSA : enhancing economic cooperation across continents](#) », March 2009, India EXIM Bank and « [IBSA – trade flows and agenda for transport services](#) », 2008, National Confederation of Industries, CNI

<sup>17</sup> Brazilian airline company « Varig » was expected to create this airlink, but the company files bankruptcy in 2006.

<sup>18</sup> See IBSA B2B platform- <http://www.ibsab2b.com/index.asp>

and transnational networks in the different working groups and non-government fora. Socialization refers to the process by which individuals acquire the knowledge and social skills to learn the norms and roles with the purpose of integration into a group or community.

Socialization is an important dimension of SSC and in IBSA as it implies that the three countries share similar social challenges and could learn more from each other's social policies and programmes to address these challenges. Socialization then happens through knowledge sharing for capacity building through the different working groups. Keohane and Nye define transgovernmental relations as sets of direct interactions among sub-units of different governments that are not controlled or closely guided by the policies of the cabinets or chief executives of those governments (Keohane, Nye, 1974). In the framework of IBSA, these transgovernmental relations happen among individual policymakers in the 16 working groups. As semi-formal institutions, these working groups exhibit patterns of regular relations among government units working across the borders that divide countries from one another and that demarcate the domestic from the international sphere (Slaughter, 2004).

The IBSA forum, since its founding meeting in Brasilia, has increasingly fostered the creation of the different WGs as a means to create transgovernmental networks. These networks allow domestic officials to interact with their foreign counterparts directly without much supervision by foreign offices (Slaughter, Hale, 2010). In the case of IBSA, the different WGs are autonomously guided, however they are asked by the head of governments and foreign affairs ministers to meet at least once a year and implement the different objectives set up in their MoUs or cooperation agreements.<sup>19</sup> The main objectives of these working groups are to facilitate trilateral cooperation through dialogue, knowledge sharing for capacity building, exchange programs between students, and organization of high level meetings. Their governance structure makes them relatively independent from the cabinets of India, Brazil and South Africa.

From 2003 to 2012, the various meetings of the 16 working groups and 7 non-government fora,<sup>20</sup> and their outcomes, although variable from one WG to another,<sup>21</sup> provide strong evidence that the IBSA forum has gone beyond simple gatherings as expressed by some analysts.<sup>22</sup> India, Brazil, South Africa face relatively similar social challenges and the exchange of experiences in combating poverty, hunger and disease in the three countries is considered as being potentially of important use to promote social and economic development<sup>23</sup>. The WG on social development issues held regular knowledge-sharing sessions presenting the three countries' respective programmes in: conditional monetary cash transfers including the Bolsa Familia program (Brazil), Integrated Child Development Services Scheme (India) and Child Support Grant (South Africa); sessions on respective food security schemes: TPDS and National Programme of Nutritional Support to Primary

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<sup>19</sup> For a list of the different MoUs and framework agreements, see appendix 2 "List of cooperation agreements governing the IBSA Working Groups"

<sup>20</sup> For a non-exhaustive list of the IBSA WG interactions, see appendix 3 "Number of meetings and interactions between the IBSA WG and non-government fora (2003-2012)"

<sup>21</sup> See appendix 4 "Main outcomes of 10 selected IBSA working groups"

<sup>22</sup> For example, see Ian Taylor, [« Has the BRICS killed IBSA », SAFPI, 15 august 2012](#)

<sup>23</sup> See the IBSA dialogue forum – Brasilia declaration, 6 June 2003 – para.6 and para 9.

Education (India), Nutrition Programme for primary and secondary schools students (South Africa) and Fome Zero (Brazil); and sessions on respective programs to foster sustainable development: National Rural Employment Guarantee – NREGA (India), Expanded Public Works Programme (South Africa), Social Fuel Stamp Programme (Brazil).<sup>24</sup>

The WG on human settlements provided policy makers from the three countries a platform to interact and exchange on their respective approaches and policy responses towards human settlements development. A trilateral meeting hosted by the World Bank and Cities Alliances in October 2011 brought together local and provincial level practitioners from the IBSA countries to discuss and share lessons on: national programs to scale up slums upgrading, implementation of slum upgrading policies, planning and design instruments for city-wide slum upgrading, land tenure security and financing instruments for slum upgrading interventions at scale.<sup>25</sup> These examples show that socialization in the IBSA WGs allows for establishing learning networks between policymakers from the three countries and for capacity building through knowledge sharing, a main feature of SSC.

From 2003 to 2012<sup>26</sup>, interactions between different officials across governments and societies have increased but have also resulted in a series of concrete outcomes<sup>27</sup>: the WG on Public Administration set up an IBSA Virtual Centre of Excellence on Governance and Public Administration which is an online platform for exchange of knowledge and experiences in the field of governance and public administration.<sup>28</sup> The IBSA WG on Tax and Revenue administration also launched a virtual platform (IBSA Centre for Exchange on Tax Information) for identifying and understanding of abusive tax schemes and how to avoid them.<sup>29</sup> This platform does not necessarily differ from existing mechanisms build up in the G20 or the OECD, however by giving it a “southern perspective”, it allows these rising powers to pursue “south-south” appropriation by setting up the rules.

Civil society is also involved in the IBSA process through the creation of transnational networks and launch of initiatives with a southern perspective. In addition to promoting socialisation, these initiatives are linked to the process of gaining technical autonomy from the North. In this regard, the IBSA Editors forum launched the IBSANEWS website, an online news portal to provide with news reflecting how the media of India, Brazil and South Africa are reporting global issues like trade, environment, diplomacy and energy.<sup>30</sup> The ultimate objective is to provide the reader with a South-South lens on information and provides journalists with a means to be informed about news produced by their southern peers instead

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<sup>24</sup> For more detailed information about the IBSA WG on Social development issues, see « Social development strategies – A paper from the India-Brazil-South Africa dialogue forum », <http://www.itamaraty.gov.br/temas-mais-informacoes/saiba-mais-ibas/documentos-conceituais/social-development-strategies>, April 2010

<sup>25</sup> For a complete overview of the IBSA WG meeting of October 2011, see <http://inclusivocities.ning.com/page/ibsa-human-settlements>

<sup>26</sup> For a list of the WGs and non-government fora meetings, see <http://www.itamaraty.gov.br/temas-mais-informacoes/saiba-mais-ibas/eventos-no-ambito-do-ibas-2008-a-2010/view>

<sup>27</sup> See appendix 4 “Main outcomes of 10 selected IBSA working groups”

<sup>28</sup> IBSA Centre for Good Governance - [http://ibsa.cgg.gov.in/WebSite\\_home.do](http://ibsa.cgg.gov.in/WebSite_home.do)

<sup>29</sup> IBSA CETI - <http://www.ibsaceti.org/IBSACeti.aspx>

<sup>30</sup> IBSANEWS - <http://www.ibsanews.com/>

of automatically being dependent on major information sources like Reuters for news coming from the South.

Beyond mere gatherings, the IBSA Academic forum which brings together academics, researchers and policy advisers from the three countries, has produced series of reports, fostered student exchanges, policy debates and has allocated researchers from the three countries with small academic grants for trilateral cooperation projects in the fields of social transformation and cohesion, engineering, biotechnology, sustainable development, higher education and global governance issues.<sup>31</sup> The various discussions on social development strategies for inclusive growth from the IBSA Academic forum in Brasilia in 2010 led to the publication of a series of research papers, some of which featured in the 2010 Annual Statistical Report on United Nations Procurement – special edition on the Millennium Development Goals.<sup>32</sup> Another research paper on Brazil's programmes to support smallholder farmers<sup>33</sup> presented and discussed during the IBSA Academic forum also fed in the discussions of the 3rd European Forum on Rural Development.

Transgovernmental and transnational relations in the IBSA forum are used for strategic aims of socialization through network building. When the same officials meet recurrently, they may develop a sense of collegiality which may be reinforced by their membership in common profession. As such practices become widespread, transgovernmental elite networks are created, linking officials in various governments to one another by ties of common interest, and professional orientation (Coleman, 1970; Keohane and Nye, 1974). The IBSA policymakers interviewed explained that the regularity of meetings allowed them to build a network of bilateral and trilateral connections and establish closer relations as well as personal friendships.<sup>34</sup>

### **2.3 – Visibility as a leverage for international recognition**

The third strategic aim of promoting SSC is the use of IBSA activities as a leverage for international visibility and recognition. IBSA leaders also use the multiple activities initiated by IBSA as a means to get noticed by the external world.

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<sup>31</sup> <http://web.up.ac.za/sitefiles/file/4863/8919/India%20Brazil%20SA%20call%20guidelines.pdf>

<sup>32</sup> 2010 Annual Statistical Report on United Nations Procurement  
[https://www.ungm.org/Publications/Documents/ASR\\_2010.pdf](https://www.ungm.org/Publications/Documents/ASR_2010.pdf) - « Procurement and the Millenium Development Goals – supplement to the 2010 annual statistical report on United Nations procurement » - UNOPS, p.7 -  
[https://www.ungm.org/Publications/Documents/ASR\\_2010\\_supplement.pdf](https://www.ungm.org/Publications/Documents/ASR_2010_supplement.pdf)

<sup>33</sup> <http://www.ipc-undp.org/pub/IPCWorkingPaper64.pdf> - for details on the IBSA Academic forum (April 2010), see <http://www.ipc-undp.org/ipc/PageIBSA.do?id=204>

<sup>34</sup> Ambassador B.S Prakash, from the India permanent delegation in Brasilia (2010), also explores the social connections of IBSA : « Social connections, not just government ties » IPS News, 16 April 2010 <http://www.ipsnews.net/2010/04/ibsa-closer-social-connections-not-just-govt-ties/>, and « India's austerity drive made a shaadi happen – B S Prakash on diplomacy and marriage », Rediff news, 17 august 2010, <http://news.rediff.com/column/2010/aug/17/column-bsprakash-on-diplomacy-and-marriage.htm>

Gaining visibility as rising powers is hard within the G20 process as the IBSA countries have less influence over agenda-setting and decision-making processes than G8 countries. In contrast, IBSA leaders can use their trilateral meetings, summits and initiatives to gain in international visibility. Visibility allows these leaders to improve their countries' image on the international stage and to give more symbolism and acknowledgement to South-South cooperation more generally.

What evidence do we have that leaders have used the IBSA Forum in this way, and how successful have they been in achieving visibility? In order to assess the visibility gained by the IBSA activities, I have analysed the official media statements issued during IBSA summits<sup>35</sup> which reflect the initiatives and achievements of the IBSA process that leaders have chosen to put forward. I then compare these with press coverage from media outside IBSA countries which have covered IBSA activities in order to measure how visible the IBSA forum activities are outside their respective countries.<sup>36</sup>

This analysis shows that the IBSA process has been covered by major newspapers and has allowed the leaders and policymakers involved in IBSA to be noticed especially by media in developed countries. During the 5 IBSA summits<sup>37</sup> of head of states and government press conferences between 2003 and 2012, the leaders mostly highlighted IBSA activities related to agriculture (cooperation in food security and food-processing); trade (trade increase targets of \$25 billion in 2010, trade facilitation for standards, free trade agreement negotiations between the three trade blocks India-MERCOSUR-SACU, and India-MERCOSUR, and SACU-MERCOSUR); investment (high level business delegations attending the summits, fostering investment, solving connectivity issues); science and technology (IBSA satellites project); and energy (initiatives on energy security, biofuels, ethanol). During each press conference, the leaders highlighted the extension of IBSA activities to non-governmental fora through participation of academics, editors, parliamentarians, business, and women. Leaders also emphasised the shared values of democracy and pluralism they share.<sup>38</sup>

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<sup>35</sup> The IBSA summits are followed by a press conference. However the trilateral commission meetings happen behind closed doors and are not followed by a press conference. During the summit, all the WGs and NGFs report their activities to the leaders.

<sup>36</sup> This qualitative method is however not exhaustive and only highlights major press coverage following the IBSA meetings from 2003 to 2011.

<sup>37</sup> IBSA heads of state and government started in 2006. Summits took place in 2007, 2008, 2010, and 2011. IBSA trilateral commissions involving foreign ministers started from the creation of IBSA in June 2003. Between 2003 and 2005, only IBSA trilateral commissions took place.

<sup>38</sup> IBSA joint press release (2006) - <http://www.pib.nic.in/newsite/erelease.aspx?relid=20687> / 2<sup>nd</sup> IBSA joint press conference (2007) - <http://www.sahistory.org.za/archive/notes-following-india-%E2%80%93-brazil-%E2%80%93-south-africa-summit-press-conference-presidential-guesthouse> / 3<sup>rd</sup> IBSA summit joint press conference (2008) - <http://www.mea.gov.in/outgoing-visit-detail.htm?2965/Joint+Press+Conference+by+IBSA+Leaders+at+the+end+of+3rd+Summit+of+IBSA+Dialogue+Forum> - 4<sup>th</sup> IBSA summit press conference (2010) - <http://www.anc.org.za/show.php?id=76> (South Africa), <http://www.mea.gov.in/outgoing-visit-detail.htm?549/Prime+Ministers+Opening+Remarks+at+the+Press+Conference+after+the+IBSA+Summit> (India), 5<sup>th</sup> IBSA summit press conference (2011) <http://pib.nic.in/newsite/PrintRelease.aspx?relid=76731> (India)

International press editors and television broadcast outside the IBSA countries, like the New York Times / International Herald Tribune (United States), El Pais (Spain), Le Monde (France), Al-Jazeera (Qatar), and Arte TV (France/Germany), among others, covered the IBSA summits and activities. They highlighted most of the same aspects of IBSA cooperation highlighted by the leaders during the press conferences. Editors mostly focused on “the variety of working groups and their activities of knowledge-exchange and common initiatives development”.<sup>39</sup> Specific projects like “the IBSA satellites project in preparation by the IBSA WG on science and technology” were also covered.<sup>40</sup> Knowledge sharing in IBSA WGs was also presented as “an opportunity as they face same challenges”.<sup>41</sup> “IBSA calls for boost of South-South trade”<sup>42</sup> were mainly presented as a means to “normalize trade rules under the umbrella of the WG on trade”<sup>43</sup> and to “boost trilateral trade to \$25bn in 2025 from \$11bn in 2009”.<sup>44</sup> The involvement of civil society fora (women, editors, academics, businessmen) and their meetings in parallel to the summits were also largely covered by the media and included in a documentary made by ARTE, a French/German TV broadcasting company during the 4<sup>th</sup> IBSA summit in Brasilia.<sup>45</sup> More generally, the “shared values of human rights”<sup>46</sup>, “multicultural and multi-ethnic democracies”<sup>47</sup> of IBSA whose activities greatly “focus on development”<sup>48</sup> is repeatedly highlighted. Finally, IBSA is also presented as “one of the most vibrant coalition of developing nations”.<sup>49</sup>

This evidence suggests that the strategic aim of visibility as a leverage for international recognition is a major symbolic resource of emerging selective south-south mechanisms such as IBSA. By proactively engaging with the international media, countries are able to define how they want their shared values of democracy, human rights and promotion of south-south cooperation to be noticed by the external world.

A striking example of the importance of visibility as a strategic aim is the SACU-India-MERCOSUR free trade agreement negotiations that the leaders put forward during the press conferences. It is worthwhile noticing that although this free trade agreement does not provide substantial economic gains, IBSA leaders have nonetheless chosen to put these agreements forward as one of the main achievements of IBSA.

The IBSA framework allowed for the creation of two preferential trade agreements: following previous negotiations, a framework of agreement was signed between India and MERCOSUR on 17<sup>th</sup> June 2003 with the aim to create conditions and mechanisms for

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<sup>39</sup> « [South-South cooperation revs up](#) », 22 august 2011 (Al Jazeera)

<sup>40</sup> « [South-South cooperation revs up](#) », 22 august 2011 (Al Jazeera)

<sup>41</sup> « [Lula pide en Nueva Delhi una « nueva arquitectura internacional](#) », 16 October 2008 (El Pais)

<sup>42</sup> « [FDI collapse hits African growth](#) », 8 November 2009, (New York times)

<sup>43</sup> « [South-South cooperation revs up](#) », 22 August 2011 (Al Jazeera)

<sup>44</sup> « [FDI collapse hits African growth](#) », 8 November 2009, (New York times)

<sup>45</sup> « [Le Monde selon Brasilia](#) », 21 september 2010 (ARTE) (this documentary also covered the 2<sup>nd</sup> BRIC summit which took place in Brasilia after the IBSA summit)

<sup>46</sup> « [La montée en force des pays du Sud](#) », 27 september 2003 (Le Monde)

<sup>47</sup> « [Lula pide en Nueva Delhi una « nueva arquitectura internacional](#) », 16 october 2008 (El Pais)

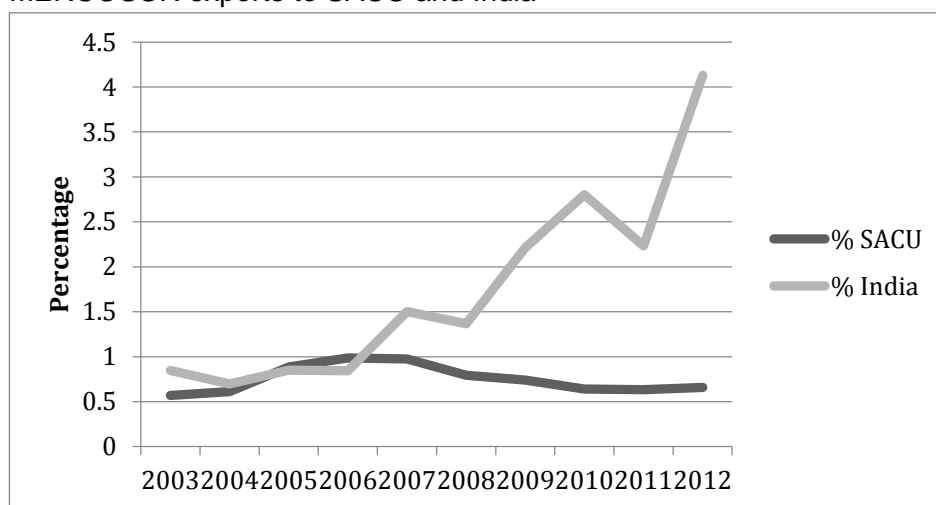
<sup>48</sup> « [De l'OMC à l'ONU, le Sud se bat pour un nouvel ordre mondial](#) », 27 septembre 2003 (Le Monde)

<sup>49</sup> « [South-South cooperation revs up](#) », 22 august 2011 (Al Jazeera)

negotiations in the first stage, and by granting reciprocal tariff preferences, and in the second stage to negotiate a free trade area between the two parties. The IBSA ministerial meeting in New Delhi in 2004 also provided a platform for the signature of this framework agreement into a PTA on 25 January 2004. By this PTA, India and MERCOSUR have agreed to give tariff concessions, on 450 and 452 tariff lines respectively.<sup>50</sup> The India-MERCOSUR PTA which came into effect from 1 June 2009 is part of India's "Focus LAC" programme enabled since 1997 to foster commercial relations with the Latin American and Caribbean region. A SACU-MERCOSUR PTA was also signed on 27<sup>th</sup> June 2008 following a framework agreement concluded in December 2004. Tariff concessions cover 1000 products either way. The SACU-MERCOSUR PTA represents the first trade agreement concluded by SACU as a single entity and represents an interesting development as it is with another developing region giving means to south-south cooperation and integration.<sup>51</sup>

However, the SACU-MERCOSUR and India-MERCOSUR trade flows from their creation until 2012 remain very low although trade between the trade blocks has grown. India's exports to MERCOSUR only represented 0.9 % of India's total exports when the agreement came into effect in 2004 and although this has grown, it was only 2.4% in 2012. SACU's exports to MERCOSUR also remain very low, representing 0.7% of SACU's total exports in 2009 and 1.1% in 2012. MERCOSUR exports to India are slightly higher and grew from 0.6% in 2004 to 4.0% in 2012.

MERCOSUR exports to SACU and India

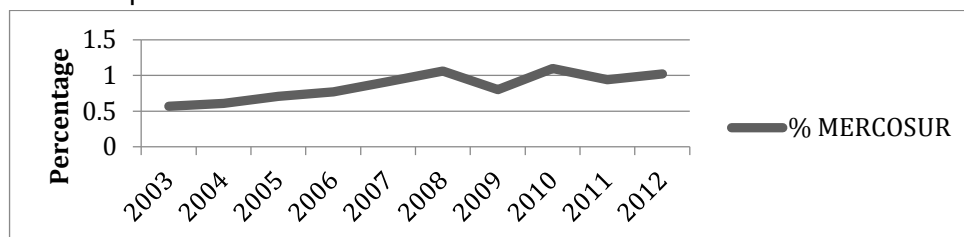


Source: UNCTADSTAT database

<sup>50</sup> India-MERCOSUR PTA – full details available on the website of the Ministry of Trade and Industry from India – Department of commerce - [http://commerce.nic.in/trade/international\\_ta\\_indmer.asp](http://commerce.nic.in/trade/international_ta_indmer.asp)

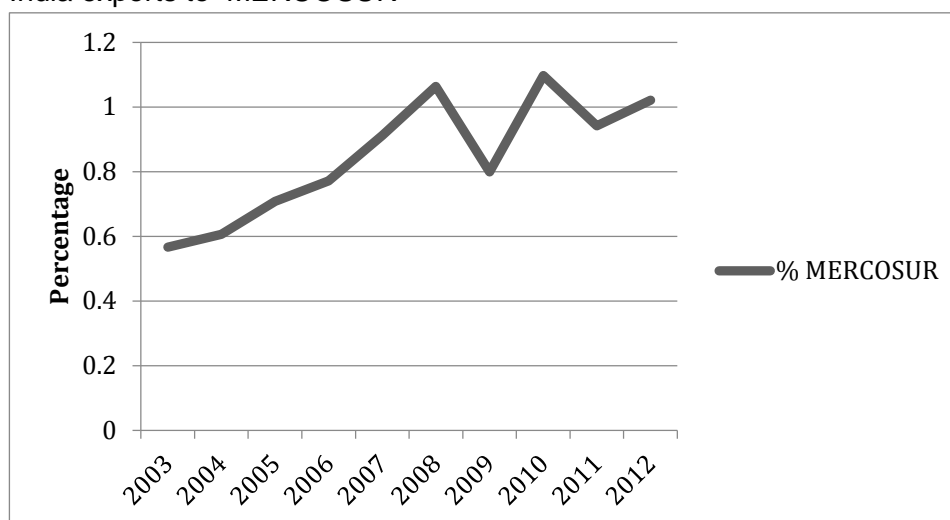
<sup>51</sup> Press release on the conclusion of the SACU-MERCOSUR preferential trade agreement (PTA) – 27 June 2008 - <http://www.sacu.int/docs/pr/2008/pr0627.pdf>

### SACU exports to MERCOSUR



Source: UNCTADSTAT database

### India exports to MERCOSUR



Source: UNCTADSTAT database

The decision by IBSA leaders to promote these agreements, despite their modest economic benefits, reflects the importance of symbols over substance in some parts of IBSA cooperation. These trade agreements are mainly symbolic and allow the leaders “to be seen to be cooperating”. These PTAs also represent a political step towards the deepening of trade relations and as a way for both regions to consolidate and deepen their commitment to SSC (Woolfrey, 2010).

Overall then, the fact that the leaders are seen to be cooperating and advancing SSC gives them more visibility and provides an opportunity to market themselves as ‘bridge countries’ linking different regions (Solis, Katada, 2007) and they gain in international status.

### **3. Variations in implementation, structural limitations and challenges**

Despite growing interactions, some evidence of trade intensification and concrete results coming out of the different WGs, variations exist in implementation and effectiveness varies among the WGs. While some of the WGs such as the WG on tax and revenue administration and the WG on public administration have delivered concrete outcomes, others, including the WG on tourism and the WG on environment, meet less frequently and deliver less concrete outcomes.<sup>52</sup> This variation arises because, as noted above, WGs are relatively autonomous and do not have binding agreements on their outputs.

The reasons for lack of productivity of some of the WGs are diverse and range from scheduling issues, to geographical distance and language barriers.<sup>53</sup> Some WGs like the WG on Trade and Investment and Public Administration are of higher interest for the three countries respective policymakers, and this helps explain their relative productivity. In other cases, IBSA interactions and initiatives is not a priority for policymakers. The Ministry of Tourism in Brazil for instance gives more importance to promote tourism flows in South America and Europe than to India or South Africa.

A structural limitation for many WGs is the unavailability of budgetary funds. IBSA activities are funded by the budgets of line ministries and are not provided by the cabinets or foreign ministries of the IBSA countries. Thus, where IBSA activities are not a priority for the ministry concerned, their related WGs and activities do not receive funding. Despite these limitations, the strategic aim of staying visible remains important. During the ministerial meeting of the Trilateral Commission in January 2011 in New Delhi, Ministers discussed whether to close some of the inactive WGs and they acknowledged that management challenges in some of WGs. However officials expressed concern that closing underperforming WGs would send a negative image of the IBSA forum and openly project the limits of these south-south groupings. Discussions focusing on how to boost these WGs are still in progress.

Again, this underscores the argument that visibility, the need to be seen to cooperate in cross-regional initiatives like the IBSA forum, sometimes outweighs the quest for productivity through tangible results. The risk of losing visibility or projecting a negative image of SSC initiatives is a first-order priority, while obtaining concrete results from cooperation in these WGs is arguably a second-order priority.

Turning to trade relations, despite an increase of trilateral trade between India, Brazil and South Africa, both the stated objective of trade promotion and its strategic aim of autonomy through diversification face important limitations. Protectionist barriers between the three countries continue to hamper increased cross-regional integration.

The India-SACU PTA is still under discussion after ten rounds of negotiation since 2007 when the PTA was first conceived and despite the creation of a framework mechanism

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<sup>52</sup> See appendix 3

<sup>53</sup> India and South Africa's policy makers' working language is mainly english, whereas Brazilians' policymakers language is mainly portuguese (on the exception of the Ministry of External Relations)

to facilitate negotiations in November 2008 by representatives of India and SACU. South Africa faces continued challenge to convince its SACU regional partners: Botswana, Namibia, Lesotho and Swaziland, who have been upholding the negotiations for protection of their markets. Despite presenting itself as a bridge country in the negotiations, South Africa has not succeeded in rallying its neighbouring countries to join the negotiations.

During the last meeting of the India-South Africa JMC, India made a proposal of average margin of preference (MOP) in the PTA so that the two sides can accordingly finalize and exchange their respective responses to the tariff request lists and thereby take the negotiations forward.<sup>54</sup> The delay in the India-SACU talks is the main reason for other delays in the SACU-India-MERCOSUR (SIM) free trade agreement discussions, a main objective of the IBSA WG on trade and investment.

Regarding the concluded India-MERCOSUR and SACU-MERCOSUR trade agreements, current SACU-MERCOSUR PTA is unlikely to lead to significant increase in trade flows between the two regions as it covers a very limited range of products and excludes provisions on services and investment: SACU's exports to MERCOSUR consist mostly of primary and intermediary goods such as metals, minerals and chemicals and MERCOSUR's exports to SACU consist mostly of agricultural products and transport equipment. In general the preferences offered by each party are either minimal or pertain to goods which are either subject to insignificant most-favoured-nations duties or are not heavily traded (Woolfrey, 2010).

India's PTA with MERCOSUR has also given a boost to the trade flows between the two parties, however these agreements still focus mainly on market access for goods only. Also, the product categories on India's offer list are less concentrated than that of MERCOSUR. Main categories are machinery and mechanical appliances, and tanning of dying extracts. As opposed to MERCOSUR's list, India's list does not feature much of MERCOSUR's main export (soya bean oils). Brazil is also the main trading partner in most commodities hence it benefits more from the trade agreement than its regional neighbours.<sup>55</sup>

The intensification of trade flows is also limited by the persistence of protectionist measures, which these countries continue to apply to each other despite the increase in trilateral consultations and cooperation. In June 2012 for instance, Brazil took the first legal step at the World Trade Organization to challenge South Africa's use of anti-dumping measures on shipments of Brazilian poultry meat. South Africa's International Trade Administration Commission (ITAC) has imposed anti-dumping duties on frozen chickens and chicken meat imported from Brazil after investigating suspected dumping in 2008-2010.

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<sup>54</sup> « India, South Africa agree on early finalisation of India-SACU PTA negotiations », South African Foreign Policy Initiative (SAFPI), 15 January 2013, <http://www.safpi.org/news/article/2013/india-south-africa-agree-early-finalisation-india-sacu-pta-negotiations>

<sup>55</sup> See « India and Latin America in the Caribbean, opportunities and challenges in trade and investment relations », United Nations, Economic Commission for Latin America and the Caribbean, November 2011, and « India and MERCOSUR : boosting trade through regionalism », Briefing Paper IBSA 1/2005, CUTS Centre for international trade, economics and environment

These duties were imposed following a complaint by the South African Poultry Association (SAPA) on behalf of major producers of the poultry products in SACU, which claimed that the allegedly dumped imports were causing its material injury. After calculation, South Africa put a provisional anti-dumping duty of 62,9% on whole chickens and 46,5% on boneless cuts from Brazil. However after several discussions, including in the IBSA meetings, a final decision by the Department of Trade and Industry (DTI) rejected ITAC's recommendation that definitive anti-dumping be imposed.<sup>56</sup>

In January 2013, India also voiced concerns after South Africa suspended frozen boneless buffalo meat imports from India. After granting market access to deboned frozen boneless buffalo meat by approving abattoir meat processing unit in January 2011, South Africa suspended imports in May 2011 due to sanitary and animal disease risks.<sup>57</sup> These protectionist measures reveal that despite portraying themselves as a united front, India, Brazil and South Africa remain competitors and apply protectionist measures. South Africa as a regional power in SACU is also in an ambivalent position as it is expected to defend the interest of the region first and does not want to be perceived as privileging cross-regional trade over regional trade.

Another challenge facing the IBSA forum in light of its 10-year anniversary is the growing risk of continued overlapping activities between the BRICS and IBSA fora. The BRICS (originally BRIC) forum originally initiated through foreign ministers meetings in 2006 on the side-lines of the General Assembly annual sessions in the United Nations. BRIC was upgraded to a full-scale diplomatic meeting in June 2009 in Russia. After South Africa's candidacy for inclusion, the BRIC officially became BRICS at the 3<sup>rd</sup> summit in China in April 2011. BRICS is still less institutionalized than IBSA. However as it expands, the two fora present similar tendencies and institutional settings. A BRICS WG on experts of agriculture was created in 2010 whereas the IBSA WG on Agriculture exists since 2004.

The BRICS also project to further mutual cooperation in the field of tax policy and tax administration since January 2013, an initiative that is very similar to the IBSA WG on Tax and Revenue administration created in 2007: a BRICS meeting of senior budget officials also took place in January 2013 and discussions on mutual cooperation in the field of tax policy and tax administration are on-going.<sup>58</sup> The BRICS meeting of senior officials in Science and Technology also took place in 2010 while the IBSA WG on Science and Technology is among the first IBSA WG created in 2004.

This tendency poses the risk of overlapping and redundant activities in the IBSA and BRICS fora and poses a challenge for the different officials across governments dealing with

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<sup>56</sup> Notice 173 of 2013 – n°36207 - ITAC final decision in the investigation into the alleged dumping of frozen meat of fowls of the species gallus domesticus, whole bird and boneless cuts originating in or imported from Brazil - <http://www.itac.org.za/docs/Notice%20173%20of%202013.PDF>

<sup>57</sup> « Imported meat imposes threat to South Africa », IOL news, May 27, 2003, <http://www.iol.co.za/news/south-africa/imported-meat-poses-threat-to-sa-1.1522604#.UdCTcZpOLIU>

<sup>58</sup> Networks of senior budget officials aim to influence national financial governance and can bring about a process of convergence across countries with regard to budgeting, reporting and accounting language, which can lead to the creation of mechanisms for external and peer scrutiny and ultimately to greater fiscal transparency (Matheson, 2009).

these two fora issues. Yet, the leaders have chosen to keep the two entities separate and not merge IBSA into BRICS. This decision is largely political as IBSA allows the three emerging countries to keep a certain autonomy *vis à vis* China and continue existing collaboration through a democratic and more balanced process as there is no economic hegemon in IBSA as China in BRICS.

## Conclusion

This paper has examined the nature and development of IBSA cooperation through the different WGs and NGF from 2003 to 2012, as it celebrates its 10 years of creation. It has argued that India, Brazil and South Africa are now strategic partners. Cross-regional initiatives like the IBSA forum capture patterns of strategic interactions among national, regional, and global forces. These governments are not only circumventing their region strategically in a low-risk political environment, but they engage with extra-regional partners because of underlying strategic aims. Three strategic aims have been identified: a quest for autonomy through diversification; socialization; and visibility as leverage for international recognition. IBSA allows for the three member governments to pursue a high profile “south-south diplomacy” by enhancing their leadership status both regionally and internationally. In order to further the strategic aims of autonomization, socialization and strategic visibility, the IBSA case study suggests that regional powers like India, Brazil and South Africa choose large trading partners in other regions to achieve their goals. This finding runs contrary to the existing literature, which emphasises geographic proximity as the main criteria for selecting trade partners.

Variations in implementation across areas of IBSA cooperation remain. These are attributable to non-prioritization of fostering IBSA transgovernmental relations by some ministries, persisting tariff barriers, and intra-bureaucratic limitations. Overlapping activities with the BRICS growing number of WGs also remain a challenge for the consolidation and future of IBSA activities.

Yet we would be wrong to evaluate IBSA only on its concrete results. I have argued that leaders of rising powers in the South continue to invest efforts in SSC initiatives like IBSA despite variable and sometimes small results in some of its institutions. This is largely due to the symbolic resources of rising power groupings like IBSA or BRICS which allow Southern leaders to project themselves as global leaders.

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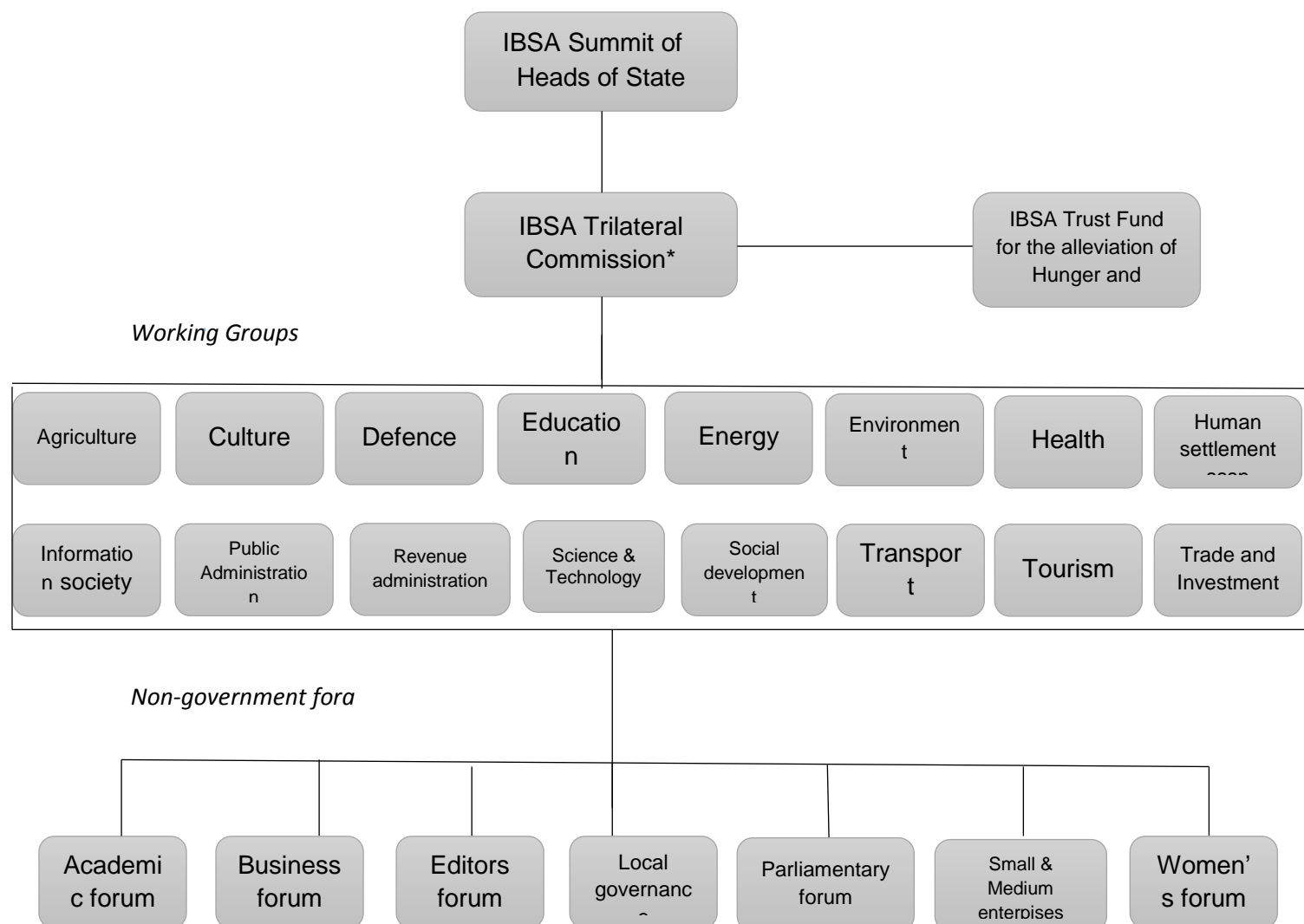
Institutional websites of the IBSA forum

<http://www.ibsa-trilateral.org/>

<http://ibsa.nic.in/>

<http://www.itamaraty.gov.br/temas-mais-informacoes/saiba-mais-ibas>

## Appendix I – Structure of the IBSA Dialogue Forum



**Appendix 2:** List of cooperation agreements governing the IBSA Working Groups

<b>Working Group</b>	<b>Type of Agreement</b>	<b>Area of cooperation</b>	<b>Year of signature</b>
Agriculture	MoU	Trilateral cooperation in agriculture and allied fields	2006
Culture	MoU	Cultural cooperation	2007
Defence	MoU	Trilateral cooperation in science, technology and innovation	2010
Education	MoU	Cooperation in the field of higher education	2007
Energy	MoU	Establishment of a trilateral task team on biofuels	2006
	MoU	Cooperation in the area of solar energy	2010
	MoU	Cooperation in wind resources	2007
Environment	MoU	Cooperation in the area of environment	2008
Health	MoU	Cooperation in the field of health and medicine	2007
Human settlements	MoU	Cooperation in the field of human settlement development	2008
Information society	Framework for cooperation	Cooperation on the information society	2006
Public administration	MoU	Cooperation in the field of public administration and governance	2007
Revenue administration	MoU	Creation of IBSA Centre for Exchange of tax information	2007
Science and Technology	MoU	Trilateral cooperation in science, technology and innovation	2010
Social development issues	MoU	Cooperation in the field of social issues	2007
Transport	Trilateral agreement	Merchant shipping and other maritime transport related matters	2006
Tourism	Tripartite agreement	Cooperation in the field of tourism	2008
Trade and Investment	MoU	Trade facilitation for standards, technical regulation and conformity assessment	2008

### Appendix 3 – Number of meetings and interactions between the IBSA WG and non-government fora (2003-2012)<sup>59</sup>

#### *3.1 - Meetings of the different WGs*

<b>WG</b>	<b>YEAR OF CREATION</b>	<b>NUMBER OF MEETINGS (until 2012)</b>
<b>Agriculture</b>	2005	5
<b>Culture</b>	2005	5
<b>Defence</b>	2004	5
<b>Education</b>	2005	2
<b>Energy</b>	2004	8
<b>Environment</b>	2007	2
<b>Health</b>	2004	4
<b>Human settlements</b>	2007	3
<b>Information society</b>	2004	6
<b>Public administration</b>	2005	8
<b>Tax &amp; Revenue administration</b>	2007	3
<b>Science and Technology</b>	2004	9
<b>Social development issues</b>	2005	3
<b>Transport</b>	2005	4
<b>Tourism</b>	2007	4
<b>Trade and Investment</b>	2004	5

#### *3.2 – Meetings of non-government fora*

<b>NON-GOVERNMENT FORA</b>	<b>YEAR OF CREATION</b>	<b>NUMBER OF MEETINGS (until 2012)</b>
<b>Academic forum</b>	2006	4
<b>Business forum</b>	2006	5
<b>Editors forum</b>	2010	3
<b>Local governance forum</b>	2010	2
<b>Parliamentarians forum</b>	2007	4
<b>Small micro and Medium enterprises forum</b>	2010	3
<b>Women's forum</b>	2007	5

<sup>59</sup>This appendix provides a general illustration of the different interactions between the WGs and NGFs. Information has been collected from the different IBSA websites (<http://ibsa.nic.in/index.html>, <http://www.ibsa-trilateral.org/>, <http://www.itamaraty.gov.br/temas-mais-informacoes/saiba-mais-ibas>) and according to the different declarations of IBSA summits and trilateral commissions. Due to a lack of systematic update of the different meetings of some of the WGs, this data may not be exhaustive.

Appendix 4 : Main outcomes of 10 selected IBSA working groups<sup>60</sup>

SECTOR	TYPE OF COOPERATION AGREEMENT	OBJECTIVES OF THE AGREEMENT	MODALITIES OF IMPLEMENTATION	MAIN OUTCOMES
AGRICULTURE	MoU on Trilateral Cooperation in Agriculture and allied fields	Faciliate trilateral cooperation in: - Research and capacity building - Agricultural trade including sanitary and phytosanitary - Rural development and Poverty Alleviation.	- The WG shall be constituted of representatives of each Party (IBSA country-members). - It may invite experts to attend their meetings for specific purposes upon mutually agreement by the Parties. - It shall meet at least once a year by rotation.	-Release of a public collaborative study on “ <b>The future of agriculture in India, Brazil and South Africa</b> ” with special reference to smallholder farmers (2010).  -Release of a public report on “ <b>Examining the India, Brazil and South Africa Trading Relationship</b> ” by the National Agricultural Marketing Council of South Africa (2007).
EDUCATION	MoU in Higher Education	Facilitate: -Trilateral cooperation between academic institutes and research institutes. -Exchange programs between students from the three countries. -Organization of high level training programs in human resources management in the fields of engineering, computer science and mathematical science, biotechnology, sustainable development and Higher education.	-Establish joint research projects in the specific thematic areas -Organize seminars for scientific collaboration -Set up a funding mechanism to sustain the WG activities -Publish research papers coming out of the scientific activities of the working groups.	-IBSA Mobility fund: grants have been allocated by the IBSA Working Group on education and the IBSA Academic Forum since 2010 under the form of modest grants to researchers from the IBSA countries for trilateral co-operation projects in the fields of social transformation and cohesion, engineering, biotechnology, sustainable development, higher education and global governance issues.

<sup>60</sup> This appendix the main outcomes of ten IBSA sectorial working groups. Information has been collected from interviews, the different IBSA websites and declarations of IBSA summits and trilateral commissions. Due to a lack of systematic update of the WGs activities, this data may not be exhaustive.

<b>ENVIRONMENT</b>	MoU on Environment	<ul style="list-style-type: none"> <li>-Facilitate dialogue and interaction amongst the three countries on global environment issues, multilateral environmental agreements and conventions.</li> <li>-Promote mutual transfer of knowledge and promotion and development of clean technologies through joint research projects</li> <li>-Strengthen South-South cooperation on climate change, biological diversity and relevant aspects of the UN Convention to combat desertification and the UN Forum on Forests</li> <li>-Promote exchange of information and knowledge, technical expertise, best practices and technology through study visits, short-term training courses in the institutions of the three countries.</li> </ul>	<ul style="list-style-type: none"> <li>- Annual meetings of the WG on a rotational basis</li> <li>-Review and analyze the progress of activities and keep the respective Ministries informed of progress and achievements</li> <li>-Designate senior officials to serve as coordinators to supervise and coordinate the activities of the WG.</li> </ul>	Organized clusters on international governance for sustainable development, green growth, water resources, and review of implementation during the Conference on Sustainable Development in Rio in 2012.
<b>HEALTH</b>	MoU in Health and Medicines	<ul style="list-style-type: none"> <li>-Development of a common strategy to tackle HIV/AIDS epidemic.</li> <li>-Facilitate trilateral cooperation in pharmaceutical assistance; procurement of medicines, vaccines, medical research and development; traditional medicine, intellectual property rights and disease surveillance.</li> </ul>	<ul style="list-style-type: none"> <li>-Exchange of information in selected thematic areas in health and medicine</li> <li>-Exchange of professionals between the institutions of the parties through training and education programs</li> <li>-Scientific cooperation through seminars and joint projects.</li> </ul>	<ul style="list-style-type: none"> <li>-Held regular seminars on public health and counterfeit medicines</li> <li>-Regular meetings of diplomats and ministers of health on the sides of the WHO Health Assembly in Geneva.</li> </ul>

<p><b>INFORMATION SOCIETY</b></p>	<p>Framework of agreement for cooperation on the Information Society</p>	<ul style="list-style-type: none"> <li>-Facilitate trilateral cooperation in the field of information society and communication technologies</li> <li>-Promote the use of information and communication technologies as a tool for development.</li> </ul>	<ul style="list-style-type: none"> <li>-Information and knowledge exchange through workshops, seminars, conferences and videoconferences</li> <li>-Multilateral concertation at the World Summit on Information Society and follow-up process.</li> <li>-Creation of joint cooperation mechanisms, projects.</li> </ul>	<ul style="list-style-type: none"> <li>-Regular workshops on Information Society and E-Government, and Global Internet Governance.</li> <li>-Launch of IBSA official website <a href="http://www.ibsa-trilateral.org">www.ibsa-trilateral.org</a></li> <li>-Creation of IBSA Digital Inclusion Awards.</li> </ul>
<p><b>PUBLIC ADMINISTRATI ON</b></p>	<p>MoU in Public Administration and Governance</p>	<p>Facilitate cooperation in specialised areas such as e-governance, human resources development, anti-corruption and ethics, accountability and transparency.</p>	<ul style="list-style-type: none"> <li>-Information and knowledge exchange through workshops, seminars, conferences and videoconferences</li> <li>-Exchange of experts to present papers, share knowledge, and produce joint research and study tours</li> <li>-Cooperation among institutions from the three countries</li> <li>-Creation of joint cooperation mechanisms, projects.</li> </ul>	<ul style="list-style-type: none"> <li>- Held regular technical meetings</li> <li>-Joint participation at the CLAD seminar in 2007 with presentation of trilateral research paper</li> <li>-Launch of a “<b>Virtual Centre of Excellence in Public Administration</b>” – a web-based portal to create a knowledge base for sharing IBSA experiences and best practices in the field of public administration.</li> </ul>

<p><b>SCIENCE AND TECHNOLOGY</b></p>	<p>MoU on Science, Technology and Innovation</p>	<p>-Facilitate cooperation in the fields of biotechnology, nanotechnology, health sciences, indigenous knowledge, alternative and renewable energies, oceanography and antartic research, and information and communication technologies.</p>	<p>-Short-term exchange of scientists; researchers, technical experts and scholars; organization of trilateral scientific and technological workshops, seminars and conferences in selected areas of interest</p> <p>-Exchange of scientific and technological information; formulation and implementation of trilateral research and development program</p> <p>-Exchange of knowledge</p> <p>-Organisation of IBSA Technology Days.</p>	<p>-Held three IBSA Nanotechnology workshops and an IBSA workshop to promote research collaboration in various fields of climate and ocean science.</p> <p>-Funded 6 projects for collaborative activities in nanotechnology (4), oceanography (1), and energy (1)</p>
<p><b>SOCIAL DEVELOPMENT ISSUES</b></p>	<p>MoU on Social Issues</p>	<p>-Facilitate trilateral cooperation in the field of social development, poverty eradication, social security, social policy, monitoring and evaluation, micro-finance, and institutional capacity building.</p>	<p>-Exchange visits, sharing of information through workshops, seminars, conferences</p> <p>-Secondments of officials from institutions of one party to institutions of the other partiesHuman resource development and training of officials</p> <p>-Establishment of joint institutions, projects and other joint mechanisms as the competent authorities may agree upon.</p>	<p>-Issued a public report on IBSA “<b>Social Development Strategies</b>” (2010)</p> <p>-Held regular knowledge exchange workshops and meetings including a public seminar on “<b>Economic Development and Social Equity</b>” in 2005.</p>

<p><b>TAX AND REVENUE ADMINISTRATI ON</b></p>	<p>Agreement on Customs and Tax Administration Co-operation</p>	<p>Promote trilateral cooperation in: - combating commercial fraud, smuggling drug trafficking, money laundering, and illicit international trade activities</p> <p>-Curbing abusive tax avoidance transactions, arrangements, shelters and schemes, strengthening the modernization of administrations through capacity-building.</p>	<p>-Exchange of information and best practices on customs and tax modernization</p> <p>-Exchange of experts to deliver lectures, build capacity and undertake joint comparative research</p> <p>-Exchange of comparative data analysis and establishment of mechanisms and systems to facilitate such exchange and analysis</p> <p>-Development of common approaches towards illicit customs and tax activities</p> <p>-Development of electronic interconnectivity and real-time exchange of information between the administrations</p>	<p>Launch of IBSACETI – <b>IBSA Centre for the Exchange of Tax Information</b> – a virtual platform for identifying and understanding of abusive tax schemes and how to curb and avoid them</p>
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<p><b>TRADE AND INVESTMENT</b></p>	<p>MoU on Trade Facilitation for Standards, Technical Regulation and Conformity Assessment</p>	<p>-Facilitate cooperation in the fields of standards, technical regulation and conformity assessment procedures</p> <p>-Promote trade in goods by identifying and eliminating trade barriers to trade.</p>	<p>-Identify and organise sector-specific interventions on technical regulations and conformity assessment with a view of understanding and facilitating access to their respective markets</p> <p>-Involve the business community of the IBSA countries to identify sector of common interest and potential.</p>	<p>-Creation of a sub-working group to explore a <b>Trilateral Free Trade Agreement</b> between <b>MERCOSUR-SACU-India</b></p> <p>-Launch of <b>IBSA B2B</b> platform - online portal set up by the IBSA Working group on Trade and Investment and the IBSA Small, Micro and Medium Enterprises Forum presenting investment opportunities, contacts, events, trade statistics and best practices among the three IBSA countries.</p> <p>-Release of a public report by CNI (Brazilian National Confederation of Industries) on “<b>IBSA – Trade flows and agenda for transport services</b>” (in collaboration with the IBSA Business Forum)</p> <p>-Release of a public report on “<b>IBSA: Enhancing Economic Cooperation across Continents</b>” by the India EXIM Bank</p>
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