

REPORT: THE MULTIPOLAR MOMENT?



Brazilian president Luiz Inácio Lula da Silva introduces his officials to Indian president A.P.J. Abdul Kalam (second from right) and Prime Minister Manmohan Singh (far right) at Rashtrapati Bhavan, India's presidential palace, in New Delhi.

Middle Powers: IBSA and the New South-South Cooperation

By Gladys Lechini

IN THE 1970s, THE WORLD'S UNDERDEVELOPED nations launched the idea of South-South cooperation. Following in the spirit of Bandung, they aimed to strengthen their capacity to negotiate with the North and to solve problems of trade and development in the new international economic order. Though the overall project met with some modest success, it ultimately failed because of its loose nature and broad scope: The fallacy of its argument was its basic assumption that all underdeveloped countries have more in common than they really do, and that all solutions can be uniformly applied with equal success.

Today, a new, more selective South-South cooperation has appeared, bringing some hope to the people of our regions. The trilateral alliance known as the India, Brazil, and South Africa Dialogue Forum, or IBSA, exemplifies the trend.

From IBSA's perspective, the current international economic and financial architecture has ill-served the interests of the poor in developing countries, with economic globalization having exacerbated income inequality both within and across emerging markets. The alliance's objective is to maximize joint actions as part of a coherent strategy within international organizations like the World Trade Organization (WTO) on various issues, including public health, pharmaceutical patents, and government subsidies.

The process that led to IBSA began in the 1990s, when South African minister of trade and industry Alec Erwin had already envisioned a G7 for the South to solidify areas of common interest within the United Nations and the WTO. The idea developed during a series of international meetings attended by representatives from the three countries, and culminated

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with the first high-level summit in June 2003, in the run-up to the WTO ministerial in Cancún, Mexico, the following September.

Gathered in Brasilia, the three ministers issued a declaration announcing their intention "to hold regular political consultations on international agenda items, as well as to exchange information on areas of mutual cooperation in order to coordinate their positions on issues of common interest." Their ultimate goal, they said, was to make the diverse processes of globalization "a positive force for change for all peoples" that "must benefit the largest number of countries."

A month before the Cancún meeting, IBSA, together with China and Argentina, began organizing an alliance among developing countries to oppose the North's agricultural protectionism. Since its inception, IBSA and China have formed the core of the Group of 22 (G22) bloc of developing countries, which led the fight against global neoliberal policies at Cancún. As thousands of protesters clashed with police outside the meeting's barricades, the G22 refused to accept a "precooked deal" that would consolidate U.S. and EU positions. Following Brazilian foreign minister Celso Amorim's maxim that "trade must be a tool not only to create wealth but also to distribute it in a more equitable way," the G22 preferred to let the negotiations break down rather than come to an agreement detrimental to its interests.

Although the G22 emerged from Cancún triumphant, it has not held together well since then. The heterogeneous group—including both strong exporting countries like Argentina and Brazil, which want to dissolve tariff barriers to their agro-products, and very protectionist ones like India, China, and Pakistan, which strive to maintain subsidies to protect their small farmers—had to be renamed the G20+ to reflect fluctuations in membership.

IBSA, however, has remained strong. The three member countries face the same problems and have similar interests. All three consider themselves "middle powers" and leaders of their respective regions, yet they have also been subject to pressures from the North. Indeed, given the associated strength of its members, IBSA has not gone unnoticed by the great powers, and its potential role has become an object of surveillance. The United States, for example, has attempted to establish privileged bilateral relations with each of these growing engines (in a hub-and-spokes model), creating commitments that could discourage present or future horizontal links among them.

We can see this in the case of South Africa, IBSA's smallest member in terms of population and GDP, but a giant in the African context, considered the continent's most powerful political and economic force. The United States remains its primary trade partner, exporting more goods to the country than to any other African nation, a relationship formalized in agreements like a generalized preferential trade agreement (which grants duty-free status to some 4,650 South African goods) and a trade and investment framework arrangement, which addresses private sector concerns requiring government interventions.

South Africa is thus entangled in a web of U.S. commercial interests that constrain its autonomy. The United States has also courted India, in an attempt to counterbalance China's regional influence, most notably in last year's United States-India Peaceful Atomic Energy Cooperation Act, under which Washington is supplying New Delhi with civilian nuclear technology, despite India's not having acceded to the Nuclear Non-Proliferation Treaty. For Brazil, which has long identified itself as South America's principal regional power, the United States is not only a global but a hemispheric hegemon. Whether or not U.S. global dominance continues, Brazil will continue suffering the influence of its regional "big brother," as in the recent Bush-Lula agreement on ethanol and biodiesel.¹

Other countries that may be interested in joining worry about the exclusionary nature of IBSA, since granting them membership would be an intrinsically political decision. These include, in their respective regions, Mexico and Argentina; Nigeria, Algeria, and Egypt; and China, Pakistan, and Malaysia. But until now the most obvious candidate, Russia, has shown no interest in joining any group, especially given its instability in the G8, while China has aggressively pursued its own trade interests unilaterally, though its role as a free rider at Cancún—associating with the G20 because circumstances warranted it—did not upset a setting conducive to negotiations.

BRAZIL HAS BEEN THE DRIVING FORCE BEHIND IBSA, AND its foreign policy is itself a good example of the new modalities of a more productive South-South cooperation. Engaging in the international arena by increasing its participation in multilateral institutions, Brazil widens its margins of maneuver, and in doing so has structured a network of cooperation among many of the same partners within different forums.

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The IBSA countries have decided to articulate their initiatives within the framework of WTO negotiations, they say, in order to address their countries' high vulnerability to fluctuations in global commodity prices. In their negotiations, they stress the importance of establishing a predictable, rule-based, and transparent international trading system that would enable Southern countries to maximize their development through gains from enhanced exports. These concerns aside, there is an unde-

part of a global strategy meant to build an international presence by diversifying external relations and building alliances with the new states in the South, thus allowing Brazil to have a say in global issues.

Even though Brazilian officials resorted to a "cultural discourse" in their diplomacy in the 1970s, recalling Brazil's African heritage—Brazil has the largest population of Afro-descendants outside of Africa—new commitments were necessary to gain the trust of African states, which always demanded that Brazil end diplomatic relations with the South African apartheid government. But Brazil did not need to resort to such a drastic action to demonstrate its anti-apartheid commitment. In 1975 Brazil became the first country to recognize Angola's independence and its government, and although it never completely broke diplomatic relations with apartheid South Africa, political and commercial relations were kept to a minimum, demonstrating Brazil's commitment to the rest of the continent. Furthermore, Brazil opened embassies, sent high-level missions, developed technical and academic cooperation, and established research centers throughout Africa. The 1970s were termed the "golden period" of Brazilian-African relations.²



Lula and former Nigerian president Olusegun Obasanjo at the 2006 Africa-South America Summit.

niable geopolitical dimension to the alliance: The IBSA nations have agreed to back each other up in their bids as regional representatives to the UN Security Council, with Brazil competing with Mexico and Argentina, South Africa with Nigeria and Egypt, and India with Pakistan and Indonesia.

Brazil's relationship with South Africa has been at the center of its negotiating strategy. By pushing forward bilateral cooperation with Pretoria, Brazil drives Argentina, its main regional partner, to negotiate through Mercosur with the Southern African Customs Union (Sacu), which led to a 2004 preferential commercial agreement with Mercosur. Brazil also pursued this strategy with India, thereby setting the stage for IBSA, and then, in a final step, brought these countries together in the G20.

In doing this, Brazil was building on years of African diplomacy dating back to the 1960s. Both political and economic considerations informed this earlier diplomatic effort. Although justified with the principle of developing South-South solidarity, Brazil's African diplomacy was

After the end of the apartheid regime, the new South Africa offered an opportunity for mutually beneficial development and the chance to act jointly in multilateral groups. Today, in selecting South Africa as its primary African ally, the Brazilian government has gone a step beyond its traditional strategies, using Mercosur as a negotiating tool. Since Brazil had already implemented an African policy and had other partners in the southern region of Africa, it began to promote a more complex association between the Mercosur and the African trade blocs.

But the difference between the Lula government's African policy and that of its predecessors goes beyond the South Africa alliance, given its more emphatic posture toward defending national sovereignty and searching for privileged alliances. The Brazil-Africa Forum, held in the city of Fortaleza in June 2003, had the greatest impact in demonstrating the Lula administration's decision to re-establish and deepen relations with Africa. The forum, which brought together academics, politicians, diplomats, and high-level functionaries, came about after For-

eign Secretary Amorim visited various African countries in May 2003, in preparation for Lula's first visit to Africa the following November, when he traveled to São Tomé and Príncipe, Angola, Mozambique, South Africa, and

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Namibia. The next year Lula participated in the fifth conference of heads of state from the Community of Portuguese-Speaking Countries, and in 2005 he traveled to Cameroon, Nigeria, Ghana, Guinea Bissau, and Senegal, where President Abdoulaye Wade called him "the first black president of Brazil." During the trip Lula began discussions on transferring technology to African countries so they can produce their own AIDS drugs.

Finally, in February 2006, the president went on his fourth African tour, visiting Algeria, Benin, Botswana, and South Africa, whose governments signed a series of cooperation treaties in the areas of agriculture, health, and education. Lula has now traveled to 17 African countries, more than those visited by all previous Brazilian presidents combined. Brazil has also welcomed heads of state from 16 African countries.

Of the 284 treaties that link Brazil with 37 of the 54 African nations (in technological cooperation, cultural exchanges, health, and agriculture), 112 were signed between December 2002 and December 2006. Business leaders accompanied Lula on these African tours, organizing parallel business forums to negotiate contracts. Commerce between Brazil and Africa progressively grew throughout this period, more than doubling from \$5 million in 2002 to \$12.6 million in 2005.³ The most important African exports to Brazil include oil, minerals, and agricultural products, while Brazil's principal exports to Africa are sugar and its derivatives, meats, and manufactured goods.

In this context of growing commercial links, Brasilia has constructed a framework agreement for creating free-trade areas with the African countries that it maintains commercial relations with, like those in the Sacu, which as mentioned established an agreement with Mercosur in 2004. The final objective is to negotiate with each country through the bilateral committees, establish preference agreements on fixed tariffs, and later come to an agreement on a free trade area linking Brazil and its African allies.

The strategy is not without its problems. When Brazil led negotiations between Mercosur and Egypt in 2004, and later with Morocco the same year, proposed regulations were exchanged, but contacts were not taken up again. This lack of substantial results in these South-South negotiations became a source of tension among Mercosur members, leading to some in the Uruguayan government to propose signing a free trade agreement with the United States, independent of Mercosur.

This would fit well into Washington's strategy, which, after the failure of the Free Trade Area of the Americas, has centered on pursuing bilateral agreements with Latin American countries as means of disrupting the process of regional integration.

THESE THREE MIDDLE POWERS, PROVIDED THEY ACT IN concert, could have a systemic impact on global governance in the future, impeding some of the North's attempts to maintain an exclusive and elitist international order. They aim to develop a strong negotiating power through a "soft balancing" strategy, with no counter-hegemonic confrontation, as in Chávez's Bolivarian Alternative for the Americas—that is, to participate in establishing the rules of the game, which until now have only benefited the most powerful. Their conversion from rule takers into rule "conditioners," though hardly rule makers, in the international system will depend on better mutual knowledge and building confidence among the governments that comprise the group.

In addition to forming a geopolitical alliance, the IBSA countries have also identified the diverse areas of excellence in their societies, especially in the fields of biotechnology, alternative energy sources, outer space, aeronautics, information technology, and agriculture, offering a broad range of potential opportunities for trade, investment, travel, and tourism. Yet they are not natural trading partners. On the whole, India, Brazil, and South Africa produce similar products and compete for access to the same OECD markets. And even their political interests do not always converge. In contrast to India, for example, Brazil and South Africa have both renounced nuclear weapons programs and share positions advocating non-proliferation and disarmament. South Africa, because of its regional alliances within the African Union, is barred from joining Brazil and India (together with Germany and Japan) in the United Nations' Group of Four, which support each other's candidacies for permanent Security Council seats.

Given these tensions, they will have to make some sacrifices and make a strong political determination not to

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Bush and Lula at a Petrobras facility in March 2007. Whether or not U.S. global dominance lessens, Brazil will still be subject to its hemispheric "big brother."

forsake the agreement if they are to expand both their commercial ties and their leverage in international institutions. Whether they accomplish this remains to be seen; the increasingly unstable post-Cold War international scene offers no certainties, both in terms of reaching a lasting peace and of improving our people's economic conditions.

Partners should be selected not only because of their current and future power base, but also because of their common values and interests in order to influence the global order effectively. For these middle powers, international institutions represent the opportunity to build a political space in which to create rules according to their own interests. In the process, they will face the decision between, on the one hand, tying themselves to the world's hegemon (i.e., "band wagoning" with the United States) or, on the other hand, creating more autonomous processes together with smaller states. This is the principal dilemma that the coalition will face in the future.

Neither are internal conditions very favorable, given the consequences of the neoliberal model, which, among other things, deprived the state of its capacity to ensure citizen welfare. Only by acting cohesively and in unison can they overcome common handicaps on the still unresolved, critical issues facing the South, like securing

agreements on agriculture subsidies, intellectual property, and public health.

Another prospect is the coordination among social movements of the three IBSA countries, all of which are home to an active and mobilized civil society. The democratic advances in these three countries generated a new association between the state and civil society, as a result of the actions of movements and NGOs dedicated to the struggle against human rights abuses, environmental degradation, and social inequality. After all, it was in Brazil where the peculiar institutionalization of global civil society organizing took shape in 2001 as the World

Social Forum, in Porto Alegre. Proposing an alternative agenda to that of neoliberal globalization, also known as *altermundialismo* (another-world-ism), the forum was later held in Mumbai, India, and Nairobi, Kenya.

But as Derghougassian argues, there still exist no critical links between the NGOs that favor consolidating the IBSA alliance.⁴ In his study of organizations in Brazil, India, and South Africa dedicated to two issues, HIV/AIDS prevention and controlling small arms, he concludes that there are no economic nexuses between the three regions, nor any common projects between their respective civil societies. Thus the social mobilization in India, Brazil, and South Africa still reveals an important "deficit" in civil society—if there do exist vibrant social mobilizations within the three countries, forcing the state to be more responsive to its citizens, grassroots diplomacy has still not been generated in the South-South direction. This is no minor task, but one that would provide another substrate to IBSA and South-South cooperation.

Even that may depend on the willingness of these governments of the South, which have the capacity to build regional institutions, to find an effective way to challenge the prevailing imperial hierarchy, and to transform themselves into pillars of a new multipolar system. Will they be willing to go that far? **□**

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