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EMERGING POWERS: INDIA, BRAZIL AND SOUTH AFRICA (IBSA) AND THE FUTURE OF SOUTH-SOUTH COOPERATION

INTRODUCTION

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India, Brazil, and South Africa (IBSA) are transcending geographical, historical, and regional differences in order to promote their individual and collective interests at a time when the current economic hardship and declining U.S. hegemony mean greater opportunities for emerging countries in the global South. Since its inception at the margins of the expanded G-8 Summit held in Evian, France, in 2003, the group, officially established in 2004 as the IBSA Dialogue Forum, has held three Summits – in Brasília in 2006, in Pretoria in 2007, and in New Delhi in 2008. The three foreign ministers have met at least once a year and a number of trilateral official consultations have taken place at lower levels. The IBSA Forum has also facilitated interaction amongst Indian, South African and Brazilian academics, business leaders, and other members of civil society.

Despite IBSA's contributions to the future of multilateralism, it continues to face profound challenges in distinguishing itself from other similar groupings. The proliferation of regional organizations in the post-cold war era begs the question: "What makes IBSA unique, what has it achieved in its first five years of existence, and what is its future?" On May 22, the Woodrow Wilson International Center for Scholars' Brazil Institute, Africa Program, and Asia Program jointly welcomed politicians and scholars from the IBSA countries to discuss these questions and the implications of IBSA cooperation for its member countries and the greater developing world.

The informal nature of the IBSA dialogue forum and the fact that it lacks a permanent secretariat mean many unprecedented factors are at work in encouraging trilateral cooperation among these distant regional powers. The panelists pointed to similarities between the countries as providing explanations for IBSA's existence and agenda. India, South Africa,

and Brazil are all democratic states that exert significant regional influence, yet all three face internal social challenges typical of developing nations. Each has demonstrated its capacity to act beyond its national and regional interests and all three display a growing willingness to assert their presence and increase their participation in global affairs.

Beyond the similarities between member countries, the grouping is in many ways a product of historical circumstance. An inter-regional alliance between Brazil, India, and South Africa would have been neither relevant nor possible ten years ago when Brazil was perceived as an economic disaster dealing with rampant inflation and the pains of a recent democratic transition, South Africa was coming out of apartheid, and India was addressing regional nuclear threats. Today, regional activities are necessary but not sufficient to advance a national agenda. A trans-regional grouping such as IBSA allows for sharing of best practices between the three member countries and strengthens the voice of the developing world as a whole.

IBSA fashioned a three-pillar approach to advance the agendas of its member countries and the larger developing world. The first component of IBSA's three-pillar approach is providing a forum for consultation and coordination on significant political issues, such as the reform of the United Nations and its Security Council, and negotiations at the World Trade Organization. The second pillar fosters trilateral cooperation on particular areas and projects through sixteen working groups set up for the common benefit of the three countries. The final pillar broadens IBSA's scope to the larger developing world through the IBSA facility fund, established in 2004. The fund, managed by the United Nations Development Program (UNDP), allows the IBSA countries to initiate and finance poverty reduction projects in other developing countries.

If IBSA countries succeed in asserting more regional power in a way that appeals to longer-

standing interests of the developed world – by no means an easy task –, then it is highly probable that the inter-regional IBSA alliance will in turn become stronger and better able to achieve its goals. In the meantime, IBSA, as an alliance of three highly diverse democratic societies, might best be viewed as a laboratory for exploring the future of democracy and international cooperation in the Global South.

On the key issue of trade, the group has evolved at a time when trading of goods and services between the three countries was rapidly expanding. “There has been a quantitative leap in intra-IBSA trade, which is particularly dramatic between India and Brazil and India and South Africa,” the United Nations Conference on Trade and Development (UNCTAD) reported in a 2006 paper titled “IBSA: An emerging trinity in the new geography of international trade.” The UNCTAD analysis concluded that the “growing dynamo role [of India, South Africa and Brazil cooperation] in intra-regional and inter-regional South-South trade in general augurs well for IBSA trade and economic cooperation and for each country using the other partner as a gateway for intensifying inter-continental trade and investment links.”

Indeed, from a mere \$200 million in 1998 and \$800 in 2002, Indo-Brazil trade reached \$2.5 billion in 2005 and \$3.1 in 2007. India-South Africa trade similarly expanded to \$4 billion in 2005 before losing ground and receding to \$2.3 in 2007. South Africa-Brazil trade has remained unchanged at around \$1.5 billion from 2004 to 2007. These pre-global crisis data show, however, that IBSA had yet to achieve the \$10 billion target of intra-trade it set for its three members. The UNCTAD paper suggested that “the numbers do not fully reflect trade in service or the quantum of trade between them through third countries, nor do they factor in the major FDI proposals and joint ventures on the anvil or even in some cases the services trade that is taking place.”

On the more complex issues of international trade policy, the IBSA Dialogue Forum has yet to bring its members' positions closer together. Brazilian scholars Taiane Campos and Luciana Las Casas see this as an elusive proposition. "The trade policies of Brazil, India and South Africa have significant historical similarities: these countries are original WTO members; they adopted import-substitution industrialization; promoted neo-liberal reforms; have been playing important roles in their regional contexts; and, more recently, they have also formed alliances and coalitions (IBSA, G20) in order to increase their capacity to influence the trade regime," they wrote in a paper presented earlier this year in an international conference.

"At the same time, they are intensifying bilateral and regional ties, which are different in scope and degrees of institutionalization. The result is that, despite having similar roles which are derived from their status as middle powers, these three countries have developed different strategies concerning their trade policy." Differences between Brazil and India regarding trade in agriculture remain a factor in the so far unsuccessful negotiations of the Doha Round at the WTO.

The conflicting national and global interests of each IBSA country affect not just international trade policy; it also affects the way the three countries relate to other nations although similar historical and geographical considerations, and their common status as developing countries lead the IBSA countries to converge on many foreign policy issues, each country nonetheless maintains its own approach to the international community. India, for instance, has been more willing than Brazil to engage with the United States in a substantive strategic partnership.

The three countries' national experiences in recent decades also demonstrate that there is no "cookie-cutter" approach to democracy. It is a localizing force that evokes and plays to particular identities. At the same time, market expansion

and current economics involves a more generalizing and connecting process. What the experiences of the IBSA countries offer is a testament to the interplay between economic, social and political forces, as all three countries are increasingly integrated into the global community while retaining

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much of their singularly distinct national identities. Developed and developing countries alike would be well served to examine why democracy has taken root in such diverse societies as those comprising IBSA, and how the IBSA countries, collectively and individually, set examples for other democratizing countries throughout the world.

This report is the product of a collective effort of three programs of the Wilson Center. Howard Wolpe, the director of the Africa Program at the time of the conference, moderated its first panel. He was a key supporter of the project alongside the Africa Program Consulting Manager Steven McDonald.

Africa Program Associate Mame-Khady Diouf, and Program Assistant Justine Lindemann, who worked hard in the organization of the conference. The Asia Program director Robert Hathaway, and Program Assistant Susan Levenstein also contributed to the event's success, as did the Latin America Program Assistant Nikki Nichols. A special recognition goes to the Brazil Institute Consultant Ana Janaina Nelson and to its 2009 Summer Intern, Carey Carpenter, who worked diligently to bring together the different parts of this conference report.

GLOBAL GOVERNANCE, SOUTH-SOUTH ECONOMIC RELATIONS, AND FOREIGN POLICY STRATEGIES

*Carey Carpenter,
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The first panel, addressing global governance and foreign policy strategies, welcomed input from Ambassador Arun Kumar Singh, Deputy Chief of mission at the Embassy of India in Washington; Secretary Francisco Figueiredo de Souza, Assistant of the IBSA Division of the Brazilian Ministry of External Relations; and Francis Kornegay of the Institute for Global Dialogue (South Africa).

HISTORY OF IBSA AND THE THREE-PILLAR APPROACH

‘Developing countries have talked about South-South cooperation in development for decades. Opening the panel, Ambassador Singh remarked that a number of South-South initiatives were launched during the 1960s and 1970s, but progress was modest due to a lack of resources, post-colonial restructuring, institutional weaknesses, and poor communication facilities within and between developing

countries. All this changed in the last twenty years with the emergence of democratic countries like Brazil, India, and South Africa whose considerable economic and military capabilities and collective development experiences provided another opportunity to revitalize South-South cooperation.

“All three of these countries, besides being developing, are plural, multicultural, multiethnic, multilingual, multi-religious, and share elements of a common economic and political history. Today, these countries face common challenges and have come together in multilateral forums on more than one occasion for the cause of the developing world,” explained Ambassador Singh.

He stressed that cooperation in IBSA has been broadly on three fronts: forums for consultation and convergence at the political level; sixteen working groups that collaborate on concrete areas and projects; and assistance to other developing countries jointly through the IBSA facility fund.

a) Political forums

IBSA's structure is not like that of most other regional or international organizations. IBSA does not have a branch, a permanent secretary, or a formal document promulgating its organizational structure. The highest level of IBSA cooperation occurs at the summits, which started in 2006. The summits have been instrumental in bringing the countries closer together and amplifying the force of positions that could be held individually but become tremendously more influential when voiced collectively. The next round of summits is scheduled for October 2009 in Brazil, with representation by the member countries' heads of state and government.

One of the most important elements to come out of every IBSA summit or ministerial meeting are public communiqués. According to Secretary Figueiredo de Souza, these communiqués are “the testimony of evolution of positions and approximation among the IBSA countries” and further evidence of their increasingly shared opinions.

“We’re talking about a convergence forum,” added Secretary Figueiredo de Souza. “It means the countries do not need to agree on everything, although they agree on many things. From Millennium Development Goals to the Middle East peace processes, their positions are quite similar.”

b) Working Groups

IBSA goes beyond the highest level of government in promoting trilateral cooperation. Secretary Figueiredo de Souza explained that in addition to the summits, where countries are represented by their heads of state and government, IBSA hosts trilateral joint commissions at least twice a year presided over by the three ministers of external affairs. IBSA also organizes focal point meetings where vice-ministers exchange best practices and collaborate on issues of common concern, such as HIV/AIDS and service delivery. At the last IBSA

summit meeting in Delhi in October 2008, IBSA hosted a business forum, media forum, and women’s forum. Efforts are being made to set up a parliamentary forum.

TRADE AMONG THE THREE COUNTRIES ROSE FROM \$3.9 BILLION IN 2003-2004 TO APPROXIMATELY \$10.4 BILLION IN 2007-2008

“One thing that is very substantive about IBSA’s sectoral working groups is that these are actually practical examples of South-South cooperation structured around an extensive agenda of functional developmental issues. They point to specific engagements rather than what tend to be the rhe-

torical flourishes that often come out of South-South cooperation,” remarked Francis Kornegay.

Striking evidence of the value of these working groups is seen in the Brazilian revenue service, which historically enjoyed strong cooperation with France. “What the people in our revenue service are saying in the IBSA coordination is that their cooperation with France is very important, but sometimes not enough for the kind of challenges they face in Brazil. And when they talk to people in India and South Africa, they talk to people confronting the same challenges of informality—challenges that are not the same in France. That’s why our revenue service has, for example, held a workshop on IT technology and invited people from the other two countries,” said Secretary Figueiredo de Souza.

Trilateral trade is one of the concrete areas in which IBSA summits and working groups have produced visible results. Ambassador Singh pointed out that trade among the three countries rose from \$3.9 billion in 2003-2004 to approximately \$10.4 billion in 2007-2008. South-South investments and technology transfers have also increased since IBSA was formed in 2003.

Despite the progress that has been made in increasing trade among IBSA countries, several obstacles stand in the way of future growth. The participation of the IBSA member countries in regional free trade associations makes it impossible for IBSA to articulate any kind of formal trilateral trade arrangement (TTA) between members. Still, the IBSA countries hope to negotiate such an arrangement in a time-bound manner, as evidenced by TTA discussions at an exploratory meeting in Pretoria in 2007, and again at the third IBSA summit held in New Delhi in October 2008. Perhaps some version of this TTA will emerge in the future. In the meantime, IBSA’s role is not to direct or dictate trade, but to facilitate it.

“IBSA is not a forum for negotiating a Mercosur – Southern Africa Customs Union (SACU) – India

agreement, and we understand these are separate things. It is likely that a meeting for discussing a trilateral trade arrangement is going to take place but it is a separate from IBSA right now,” according to Secretary Figueiredo de Souza.

On the issue of development, the IBSA countries are committed to the notion that they face certain common challenges and thus benefit substantially from each other’s experiences. Ambassador Singh outlined IBSA’s social development strategy as one that prioritizes rapid and inclusive economic growth. India has made much progress in the area of inclusive economic growth by adopting rural employment guarantee schemes, where in every family at least one person is guaranteed 100 days of employment annually. This is one example of a “best practice” that South Africa and Brazil hope to implement effectively in their own countries. Other best practices that the IBSA countries exchange involve human resource development, equitable infrastructure, short-term distress mitigation, grass-roots institution-building, environmentally-sound strategies, and integration into the knowledge economy.

c) IBSA Facility Fund

IBSA has developed various joint funding schemes to support projects in third countries. India, Brazil, and South Africa each have contributed \$1 million to the IBSA facility fund, a trust fund managed by the UNDP. The fund is used for poverty alleviation projects in such countries as Haiti, Guinea-Bissau, Timor-Leste, Burundi, Laos, and Cape Verde.

Secretary Figueiredo de Souza cited a project in Guinea-Bissau as a testament to the importance of the IBSA fund. A new rice seed that IBSA capacity-builders introduced in Guinea-Bissau allowed the country to have a second harvest every year, which helped to combat hunger. Ambassador Singh, Secretary Figueiredo de Souza, and Francis Kornegay all reaffirmed the progress made in the

developing world through the IBSA fund and are optimistic about upcoming projects.

“Through our cooperation, we’re not only attempting to widen linkages and benefit from each other’s experience, but also to see if together we can work for projects and support institutions, capacity-building, and development efforts in other countries,” explained Ambassador Singh

IBSA FROM ITS MEMBERS’ PERSPECTIVES

Although the IBSA agenda more often than not coincides with the member countries’ national objectives, conflicts of interest still transpire. Each country must balance domestic and regional priorities with the exigencies of inter-regional cooperation through IBSA. Consequently, it is imperative to consider the domestic and regional context of each IBSA member country in order to understand how India, Brazil, and South Africa uniquely approach the multilateral forum.

In the case of India, conflicts of interest between national and collective priorities are rare. Ambassador Singh explained that what IBSA is doing by way of South-South cooperation is very much a part of what India has been trying to attempt for decades, within its limited means and resources. Study tours, grants of equipment, assistance for disaster relief, and significant Indian aid to Afghanistan are examples of India’s commitment to global governance and stability outside of IBSA. From the Indian perspective, IBSA is an opportunity to expand this commitment.

Like India, Brazil also finds overlap between its own goals and IBSA’s goals. However, Secretary Figueiredo de Souza acknowledged that the IBSA countries do indeed have other foreign agreements with priorities not necessarily in alignment with those of IBSA. Balancing these priorities is a challenge for countries like Brazil, where inter-

regional groupings have traditionally played second fiddle to intra-regional alliances like Mercosur. Nonetheless, even Brazil is aware of the growing importance of inter-regional cooperation in today's increasingly complex and globalized world. From the Brazilian perspective, there is room for the regional and the global in the articulation of foreign policy.

"Approximation in IBSA does not come at the expense of other strategic partnerships. In the case of Brazil, the relationship with our South American neighbors is a necessary and absolute priority. We never deny that. But what the current world shows is that regional activities are fundamental but not enough in a scenario as complex as the one we face. Diversifying partnerships became an important part of the stabilization, both economically and politically, of our policy... What we see [in IBSA] is complementarity more than any other thing," remarked Secretary Figueiredo de Souza.

South Africa, whose foreign policy focuses on Africa and the global South as the preferred points of departure in its approach to global governance, has the most to gain from a stronger IBSA and thus approaches the alliance from a somewhat different perspective, suggested Kornegay. South Africa naturally seeks to utilize IBSA as a forum to amplify, at the global level, its own voice and the voice of the African continent.

According to Kornegay, steps taken thus far by the new Jacob Zuma administration indicate that South Africa will place an even greater emphasis on South-South cooperation and develop a foreign policy that prioritizes economic diplomacy and consolidating the Africa and South-South initiatives begun during the Mbeki administration. This refocusing on diplomacy and multilateral engagement is embodied by the renaming of the Department of Foreign Affairs to the Department of International Relations and Cooperation in May of 2009.

"Given these indications of foreign policy direction," said Kornegay, "the Zuma administration will retain a strong commitment to IBSA as a South-South cooperation vehicle with its two like-minded allies in South America and South Asia who are also at the forefront of engaging a

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global governance agenda of reform in international institutions and trading patterns."

The future bodes well for increased cooperation among the three IBSA countries. Democratic governments in India, Brazil, and South Africa enjoy high degrees of legitimacy domestically, regionally, and internationally. More importantly, all three governments hold the IBSA alliance in high esteem. As the three countries' responsibilities of promoting security, development, and stability increase, a stronger IBSA will be the natural outgrowth of increased dialogue and exchange of best practices between these emerging powers.

IBSA: A BRAZILIAN PERSPECTIVE

Francisco Figueiredo de Souza, Secretary, IBSA Division, Brazilian Ministry of External Relations

At the outset, allow me to say that I will not be speaking officially. My words do not represent the official Brazilian position, although they are influenced by it. My experience is limited to these last 18 months at the “IBSA desk” and this will be the basis of my presentation. Thus, I will try to contribute to this debate by dropping a few lines on how we currently view the forum from within.

The India, Brazil, South Africa Dialogue Forum has been referred to as (1) a political entity devoted to strengthening the position of its members in multilateral forums and in the global arena as a whole; (2) a catalyst of relations among the three members; (3) a South-South cooperation mechanism, particularly as a result of the IBSA Fund.

Let us consider the complexities involving these three aspects, starting by the first: the external, political dimension of the Forum.

IBSA was created in 2003. South Africa proposed that a group of countries from the South should be formed to collectively set a dialogue with the G-8. Pretoria sought to influence decisions of global interest that were taken by that small group of countries, all from the North. President Mbeki raised this issue with President Lula the day Lula came into power on January 1st, 2003. After trilateral consultations, the first meeting of the Ministers of External Relations of the three countries took place in Brasilia later on that year. They concluded that a more autonomous, comprehensive dialogue was needed, something that went beyond the definition of “extra-G-8”.

To a certain extent, in a world of so many “G-somethings” formed for so many reasons, it is interesting to see that IBSA has continued to exist and is consolidating despite the fact that it did not have a pre-established agenda, nor was it created

to fulfill a specific goal. As far as we can see, IBSA owes its existence and continuity to a set of singular characteristics of its three members that brought them together.

There is no single characteristic that, individually, distinguishes these countries from others. There are, however interrelated characteristics that, when considered together, explain why there is a high degree of convergence among IBSA countries. Starting with the element that President Woodrow Wilson would probably have mentioned first, we are looking at three multinational, multicultural democracies. Secondly, these are three countries that recognize they still face the challenge of combating poverty and inequality within their borders. The third element is that they are part of the developing world, but have gone through industrialization processes and, therefore, have expertise in some areas of high technology. Furthermore, let us not forget their geostrategic position, each in a different continent, playing an important role in its region.

In part due to these characteristics, each IBSA country has demonstrated its capacity to act on a global scale. Moreover, they are willing to increase their participation in global affairs. The recent global economic crisis highlighted their intention to contribute to the construction of a new international architecture, in which they might have new roles to play, together with new responsibilities. They have stated that the structures of global governance need to become more democratic, representative and legitimate, with increased participation in decision-making processes.

Therefore, there is a relevant degree of similarity between the three countries’ perspectives on major international issues. This has been translated into similar foreign policy positions including votes in multilateral organizations, which can be traced back to a couple of years before the creation of the Forum. As stated by President Luiz Inácio Lula da Silva in his inaugural speech at the first Summit, a part of IBSA springs from a natural identity of per-

spectives among India, Brazil and South Africa.

That said, one could question whether IBSA, a decade or so ago, would have had any chance of becoming consolidated. After the coming into force of its new, citizen-oriented Constitution of 1988, Brazil went through a difficult period, in which the attempts to control inflation and to consolidate the democratization process consumed the energy that now can be directed towards foreign policy. South Africa went through the end

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of the Apartheid regime and had to wait until the international euphoria generated by the beginning of the ANC/Mandela government settled down, before progressively reassessing its international ties. India's foreign policy was for a long time con-

centrated on reviewing other countries criticism towards its nuclear program.

Thus, it was only after overcoming these internal challenges that the three countries were able to form IBSA. This forum is, therefore, a product of the circumstances, both international and domestic, that brought the three countries together. Clearly, these circumstances were well understood by their leaders who harnessed them into the meaningful initiative we now know as IBSA.

With the coming into existence of the mechanism, and perhaps due to the more frequent contact amongst the three capitals, similarity among their votes and positions in other international forums has increased. Examples are well known, with WTO talks being one of them. This is not always as obvious as we may think at first, because other countries, depending on the issue and on the Forum, also come together in their initiatives. On the other hand, convergence does not mean the three countries need to hold common positions on every issue. As in any partnership, differences may exist, but Brazil, India and South Africa are able to work together despite differences.

The Forum, in this regard, not only helped bring together Indian, Brazilian and South African perspectives, but also, and most importantly, amplified their joint positions by uniting their voice. The public communiqués launched in almost every high-level meeting are the most visible part of this effort. They are both a repository of common opinions and a testimony of the evolution of the positions of the three countries in issues varying from the Middle East Peace Process to the Millennium Development Goals. With this process in motion, coordination among missions in multilateral forums became more frequent. And this is the core of what has been reached in this pillar.

Let us now say something about the second aspect or pillar, the domestic consequences resulting from the creation of IBSA.

Together the three IBSA countries encompass a population of approximately 1.3 billion people, and a GDP of more than 3 trillion (nominal) or 5.7 trillion (purchasing power parity) U.S. Dollars. Their defense forces, which have already held a trilateral maritime exercise, are active in three different and important regions of the globe. In terms of territory, the IBSA countries combined encompass an area three times bigger than the European Union. This is just to give a few raw examples of how basic figures demonstrate the relevance of this tripartite alliance. Because of this potential, during its six years of existence, and following the orientation of the three Heads of State and Government, IBSA became an umbrella for a myriad of initiatives. In the words of President Lula, in order to work and remain active, IBSA could not be just a diplomatic inventive exercise.

This second pillar bridges the different sectors of public administration in the three countries. Currently, sixteen working groups have been established in areas varying from science and technology to revenue administration. The objective of these working groups is to identify projects in which the experience of one country may be of use for the officers of the other countries. The Brazilian Revenue Service, for example, has offered training on IT technologies to its partners, and, in exchange, it has learned from the South African experience of setting up a specific unit to deal with large tax payers. This exchange complements the traditional cooperation established between our Revenue Service and that of countries like the United States and France, because some of the problems Brazil's Revenue Service faces are more similar to those faced by India and South Africa.

Working groups are created in areas in which, at a certain moment, other entities of our public administrations voice their interest in taking part of the process. Nonetheless, each working group enjoys relative autonomy to perform its work and

helps fulfill part of the deficit in bilateral relations felt by the countries prior to the establishment of IBSA, above cited reasons. In order to make IBSA broader than the chancelleries and executive powers, working groups are complemented by "people-to-people" forums. Entrepreneurs, women's movements, academics and other civil sector representatives from the three countries meet at the margins of the summits.

Having said this, let us analyze how this second pillar has been structured so as to facilitate trilateral cooperation among the public administrations. IBSA does not have a branch, a permanent secretariat, or a document that promulgates its structure. It is mostly an open, informal exercise, with the flexibility to adapt to new circumstances. At the highest level there are the Summits of Heads of State and Government, started in 2006, in Brasilia. During the last three years, three Summits took place, one in each country. This has ended a "first round" of meetings at this level, and a new round is about to start, with the Summit coming back to Brasilia on October 8th, 2009. Below the Summits we have what are called the Trilateral Ministerial Joint Commissions. They also occur on a yearly basis. Additionally, frequent follow-up of activities are conducted by the focal points, at the level of Vice-Ministers.

Before concluding discussion on this pillar, we must say that, irrespective of what is said about globalization, distance is still not neutral and poses a challenge to exchanges within IBSA. Meetings cannot happen as frequently as the ones involving institutions with neighboring countries. Even teleconferences depend on adjusting time zone differences. In spite of that, there are a great number of papers and seminars that are the main outcomes of this pillar. They have helped make political exercises less distant from societies.

May we now consider the relationship between IBSA and South-South cooperation in general, within the framework of what we called the third

aspect or pillar of the Forum. In 2004, IBSA created a Trust Fund, managed by UNDP. It is a relevant innovation, considering the circle of traditional donors.

UNIVERSITIES ARE BEING PUSHED BY VARIOUS SECTORS TO INCREASE COOPERATION WITH BUSINESS AND 'ENHANCE THE SOCIO-ECONOMIC RELEVANCE OF THEIR RESEARCH AGENDAS TO ADAPT TO THE SHIFTING FORMS AND FUNCTIONS OF THE INNOVATION PROCESS

The IBSA Fund aims at supporting viable and replicable projects that, based on the capabilities available in the IBSA countries and on their internal best practices, contribute to the national priorities of other developing countries. In addition, projects intend to serve as examples of best practices for the fulfillment of the Millennium Development Goals.

Each country currently contributes US\$1 million per year to the Fund. Three projects have been concluded. In Haiti, a solid waste collection project

was the first to help transform the community of Carrefour-Feuilles, one of the high-social risk areas of Port au Prince, into an example of post-conflict redevelopment. Diminishing infectious diseases and flood risks, generating jobs and income, and raising awareness on environmental problems were considered the main outputs of the project. In Guinea-Bissau, the introduction of new seeds and the capacity building of improved agricultural techniques allowed for, among other things, a second annual harvest of rice in the communities that received technical cooperation. In Cape Verde, the refurbishment of two local, isolated health units IBSA supported, through the employment of local workers.

Recently, a workshop on HIV policies was held in Burundi, which started a new initiative yet to be concluded. New projects are coming through the pipeline; the construction of a Sports Complex in Ramallah is probably the best known of them. The latter is a direct consequence of the coordination of positions among the three countries in matters related to the Israeli-Palestinian conflict.

I would like to add before concluding that the exercise in approximation promoted by IBSA is not at the expense of other strategic partnerships of the three countries. Let us consider just one case, that of the relationship among IBSA countries and the priority attributed by Brazil to the concert of the countries in our region. What world affairs currently show us is that regional activity is fundamental, but it is not enough. In a world as complex as the one we face today, diversifying partnerships becomes a significant contributor to stabilization, both politically and economically. Many issues must be treated by considering various regions at once. Complementarity seems to be the best word to explain this.

Similarly, IBSA does not exist at the expense of the three countries' engagement in international organizations, such as the UN. On the contrary, in the case of the three countries, we can see

they are committed to reinforcing these forums, provided that they can be adapted to the current world affairs.

In conclusion, let us consider what IBSA brought to the three countries in practical terms. Different areas of the Chancelleries, as well as diplomatic missions of the three members, know each other better and are in a condition to work closely together in international forums. Other areas of government and civil society have learned from the exchange of experiences that comes with increased contact with their counterparts. IBSA Fund projects have given a small, albeit important contribution to the countries where projects have been implemented so far.

Depending on one's expectations, these can be considered small or significant steps. From the agreements reached during the last Summit, so far the leaders of the three IBSA countries consider the forum worth investing in. Only the future will tell what else is to come.

PROSPECTS FOR REGIONAL SECURITY IN ASIA, LATIN AMERICA, AND AFRICA

The second panel featured an in-depth discussion about the particularities and domestic politics of each of the IBSA countries with respect to regional security. Participants in this panel were Francis A. Kornegay of the Institute for Global Dialogue (South Africa); Ummu Salma Bava, Professor at the Center for European Studies at the School of International Studies, Jawaharlal Nehru University; Alcides Costa Vaz, Deputy-Director and Professor at the International Relations Institute, University of Brasilia; and Sunil Khilnani, Director of the South Asia Studies Program at Johns Hopkins University.

Ummu Salma Bava opened the panel by describing the current state of security in South Asia, a region made up of numerous sub-regions

whose relations are simultaneously characterized by interdependence and rivalry. India's desire to enhance its global stature and its need for economic expansion correlate with regional stability.

Sunil Khilnani spoke of the ineffectiveness of SAARC. Of the three IBSA countries, India finds itself in the most threatening and unstable regional environment. Meanwhile, it is jostling with the United States and China for regional positioning. India's participation in international groups such as the UN, G20, BRIC (Brazil, Russia, India, and China), IBSA, and others manifests its desire to transcend complicated regional politics and achieve global power status.

Participation in a broad array of groups also reflects the uncertainty of the times – Is the unipolar moment over? Are we heading to a multipolar world? A nonpolar world? – and an effort by India to ensure that it is well-positioned for whatever system emerges. Khilnani noted that India has so far committed itself to using economic policy to achieve political and strategic aims, but, beyond this, global transitions and acute regional uncertainties make it difficult to evaluate the future landscape of security in South Asia.

Alcides Costa Vaz asserted that, until recently, domestic and global aspirations dominated Brazil's agenda at the expense of strong regional connections. Brazil is now developing regional policies, especially in the economic realm, but its regional goals are largely independent of its international aspirations. IBSA's potential to contribute to the formation of regional policy is particularly limited. Its development assistance has relevance, but its narrow focus on specific projects in specific countries makes it ill-suited as a basis for regional policies.

Returning to the second panel, Francis Kornegay echoed Vaz's view that IBSA plays a minimal role in regional security, especially in the context of South Africa whose power aspirations extend only to the continental level. However, IBSA could further

cooperation between security associations in South Asia, South America, and Africa if India, Brazil, and South Africa emerge as major power players within their regions.

GLOBAL GOVERNANCE & FOREIGN POLICY: The South African Dimension of IBSA

Francis A. Kornegay, Research Associate, Institute for Global Dialogue

INTRODUCTION

What follows is an attempt to explore South African foreign policy within both an IBSA trilateral as well as a continental African context. Both dimensions are interrelated to the South African International relations and Cooperation' paradigm of the Jacob Zuma administration. The South African foreign policy framework is predicated on an Africa-centered or 'Afrocentric' strategic perspective that places an 'African Agenda' as the fulcrum around which all other priorities revolve. Simply put, in concentric circle format, these are: the region of Southern Africa encompassing the Southern African Development Community (SADC); the continent, as a member state of the African Union (AU); South-South Cooperation with an emphasis on such commitments as reflected in the IBSA trilateral relationship but also including the Non-Aligned Movement (NAM), the G77+China and the 'New Asia-Africa Strategic Partnership' (NAASP); and North-South bridge-building through such groupings as 'Outreach 5' of the G8, the G20, etc.

The above framework seeks global governance that advances an African Agenda promoting the continent's economic development and effective governance in terms of peace and security and dem-

ocratic political participation. It embraces the political, economic and corporate governance principles of the New Partnership for Africa's Development which has been incorporated into the still evolving AU institutional system.

MULTIPOLARITY REGIONALIZED

The African Agenda also reflects the broader global mega-trend toward regional and sub-regional cooperation and integration as a process in what might be termed the regionalization of multipolarity. In today's world, multipolarity revolves around nation-states as 'great powers' and around emerging inter-state regional forma-

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tions. Multipolar regionalism in the global South is, therefore, reflected in the fledgling AU and its regional economic communities (RECs); in the

Union of South American Nations (UNASUR) and the South American Defense Council in which Brazil has been a leading actor in promoting regional hemispheric autonomy; in the East Asia Summit to which India belongs; in the Shanghai Cooperation Organization (SCO) in which India has observer status; and in former Indian external affairs minister K. Natwar Singh's recent article on the need for India to prioritize the South Asian Association for Regional Cooperation (SAARC) in its foreign policy.

IBSA relates to this trend as an expression of inter-regionalism within the global South. From South Africa's vantage point, IBSA advances Africa's agenda within a broader strategy of South-South cooperation embracing Africa, Asia and the Americas with the aim of empowering the South within a restructuring world order. The aim is to redress imbalances of power, influence, and resources between North and South while at the same time linking South Africa to two major 'like-minded' democratic regional powers in Asia and the Americas – India and Brazil. This objective dovetails geostrategically with India and Brazil's respective positioning in the Indian Ocean and South Atlantic, reflecting IBSA's maritime littoral identity and the potential for maritime and naval cooperation among the member countries. This was highlighted in their April 2008 naval exercises off South Africa's waters in what was billed as 'IBSAMAR.'

IBSA, GLOBAL GOVERNANCE & SA FOREIGN POLICY

This maritime aspect highlights South Africa's pivotal 'Gondwanan' positioning within IBSA as the junction between the South Atlantic and Indian Oceans. Yet, the low-key nature of IBSAMAR and South Africa's absence from the anti-piracy flotilla off the Gulf of Aden which includes India

raises questions about how significant IBSA is – or can be – in Tshwane's foreign policy pertaining to wider continental security. It also challenges IBSA's relevance on global governance issues pertaining to peace and security that transcend the immediate national security interests of the IBSA three, apart from the issue of the UN Security Council reform.

At the level of global governance, IBSA's relevance for South African foreign policy is as a global South platform of coordination with India and Brazil on issues addressing the need for re-engineering the economic architecture of the Bretton Woods institutions and expanding the G8 into a representative global economic directorate. Compared to India and Brazil, South Africa does not and cannot aspire to great power status within a global context. At best, South Africa is perhaps the central catalytic regional power in Africa aiming to give momentum to Africa's eventual transformation into a continental power, the ultimate aim implicit in the African Agenda.

In this sense, South Africa is more invested in the trilateral IBSA relationship than either Brazil or India. These two latter countries have taken on additional status along with China and Russia in the Goldman Sachs inspired 'BRIC' grouping of the world's major emerging economies. The sectoral working group format of trilateral cooperation within IBSA underlines what is expected to be an increased focus of the Zuma administration on international cooperation as reflected in the name change of the Department of Foreign Affairs to that of International Relations and Cooperation. In any case, the current global economic and political environment encourages each country to prioritize its regional neighborhood in an effort to give further momentum to regional integration as well as regional peace and security – such efforts reinforce the regionalization of multipolarity.

IBSA AND GLOBAL SOUTH INTER-REGIONALISM

If India, Brazil and South Africa further legitimize their role as regional leaders, it could enhance IBSA's potential as an inter-continental, inter-oceanic cooperation network in the global South. Perhaps the IBSA grouping can potentially lead to greater interregional linkages between their respective regional economic communities: Mercosur within UNASUR, SADC within the AU and the SAARC

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in South Asia as part of a greater inter-Asian process including the ASEAN+3. Meanwhile, SADC member Mauritius' preferential trade agreement with India can potentially facilitate interregional cooperation and economic ties between South

Asia and Eastern and Southern Africa. This would, in effect, flesh out the contours of Martin Walker's 'CHIMEA' concept of an Indian Ocean nexus linking China, India, the Middle East and Africa in an emerging interregional economy.

IBSA AS A US-GLOBAL SOUTH POINT OF REFERENCE

There have been increasing signs of interest in Washington about the need to engage emerging powers and a search for how to go about it. The IBSA three are a natural point-of-departure for such an exercise for several reasons: the geostrategic positioning of each country within their respective continent and region; the democratic character of their political systems; their prominent leadership within the Doha WTO trade negotiations; their membership in the so-called 'Outreach 5'; and their relative autonomy in relation to other great power alignments.

The United States already has good working relations with each IBSA country. Under the Obama administration, the prospects for advancing these positive relations are strong. In the case of Brazil, closer ties would mean moving towards a more equal hemispheric partnership. With South Africa, there is room for greater synergy at a political level, given the anti-apartheid credentials of the administration's Africa team and its shared interest in stabilizing Sudan and the Great Lakes. Finally, with India, where relations soared under the Bush administration, the Obama team could utilize a stronger bilateral relationship to stabilize the Afghanistan-Pakistan conundrum. In this latter instance, a revitalized Indo-Pakistan Composite Dialogue could be of great value.

Finally, in developing a global South strategy, this might mean US policy moving toward definitive engagement with UNASUR in South America; the SAARC within South Asia, while building on

its relations with SADC and the AU in Southern Africa and Africa as a whole. Thus, at a time when America is expanding its identity beyond a purely Eurocentric Atlanticist orientation, IBSA countries can provide natural points of reference for a US-global South strategy of engaging and supporting regional integration in the South.

INDIA'S FOREIGN POLICY IN THE REGIONAL CONTEXT

Professor Ummu Salma Bava, Centre for European Studies, School of International Studies, Jawaharlal Nehru University; Associate Fellow, Asia Society, New York

The larger Asian region is made up of numerous sub-regions connected by political, economic and security issues. South Asia, a sub-region, is getting more intertwined with the larger Asian space and geopolitics. Traditionally South Asia referred to the seven original members of the South Asian Association of Regional Cooperation (SAARC): India, Pakistan, Nepal, Bhutan, Bangladesh, Sri Lanka, and Maldives. For the purposes of this analysis, it would be more interesting to redefine South Asia as also including Afghanistan, which recently joined the SAARC; the influence of two external actors, namely the United States and China, is added to the analysis, as well.

The fact that interdependence and rivalry coexist in the region has created a complex political and economic dynamic that impacts regional security and any kind of cooperation. India, the most politically and economically stable and developed country in the region, is surrounded by political instability and conflicts in its periphery that periodically spill over into its borders. The South Asian region therefore assumes great significance for Indian foreign policy.

DEFINING THE POST COLD WAR SOUTH ASIAN STRATEGIC SPACE

India, due to its sheer size and economic and military potential, has always been a 'challenge' to its neighbors. Since its independence in 1947, India's neighboring countries, especially on its western border, have been a concern to Indian foreign policymakers. While India has acted to uphold the territorial status quo, Pakistan has constantly challenged it, leading to multiple wars.

During the 1950s and 1960s, India was primarily an inward looking country constrained by domestic social, economic, and political circumstances. The focus on territorial sovereignty and security along with nation-building and economic development subsumed all other interests. Although India espoused Western norms at the political level, its foreign policy was famous for embracing the concept of non-alignment—keeping a measured distance from any major power blocs. By the 1970s, India's preferred international partner was the Soviet Union, and India-US relations were best described as estranged democracies. Thus, until the end of the Cold War, India's foreign policy choices and its approach to the region were governed by Cold War structural politics.

There has been a change in the distribution of power after the Cold War, globally and regionally. Nonetheless, South Asian countries have always adopted a predominantly realist approach for security thinking and practices. This trend is particularly evident in the India-Pakistan relationship, which is the most significant bilateral relationship in the region. The shift in U.S. foreign policy towards India after the end of Cold War and especially the de-hyphenation of its India-Pakistan approach has created a new dynamic for the region and brings greater visibility to India. The civil-nuclear deal concluded between India and the United States is one of the strongest manifestations of this trend. Meanwhile, the

growing Chinese footprint in South Asia creates an even more complex security dynamic in the region. China is looking to enhance its presence and be an active player in South Asia by contesting Indian leadership or offering an alternative to it.

Several recent events point towards greater relative stability in the region and increase the likelihood that states will utilize both peaceful and military approaches to resolve intrastate conflicts in the region. Such events include the end of civil war in Sri Lanka; the transition to democracy in Nepal; a new government in Bangladesh; and the return of partial democracy to Pakistan. Nonetheless, security cooperation in the region is minimal. The growth of non-traditional threats makes this particularly troubling, since managing non-traditional threats requires a more joint approach. Unlike the European Union or ASEAN, South Asian countries do not accept the “no war” norm between themselves, which further hinders regional cooperation. Persistent conflict within and among states is not conducive to regional stability and exposes deep institutional weaknesses that push other actors to intervene.

The events of September 11 and America’s subsequent extended war on terror, with significant combat taking place in the Afghanistan – Pakistan (Af-Pak) region, have also transformed the political alignments in South Asia. Non-state actors—terrorist groups—in the Af-Pak region exercise increasing levels of control, thus making them game changers who neither endorse nor play by the rules of the game followed by other states. Since 2001, the globalization of South Asian security concerns has altered the region’s strategic calculus in a way that impacts India’s national interests. This explains the growing convergence of interests between India and the United States and the logic of engagement for India.

INDIA BETWEEN REGIONAL RESPONSIBILITIES AND GLOBAL AMBITIONS

Globalization and growing interdependence produces a constant movement of problems from South Asia to the global arena and vice-versa. India, which occupies a preeminent position in the region, is a major player in political manage-

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ment at both levels—regional and global. The Cold War rubric no longer limits India’s ability to assert itself, and as India’s own perception about its role changes, its status as a major player will only grow in significance. At the regional and global levels, as

well, countries increasingly perceive India as a key actor and expect India to act in accordance with this higher standing.

There is no notion of comprehensive regional security in South Asia because states are locked into a very realist perception of each other. The intersection of politics and security has created mixed security dividends for the region. For the small states of Nepal and Bhutan, relations with India have traditionally been defined by security dependency, with the smaller states relying on India to keep other countries, namely China, out. This is no longer the case in Nepal, where a new Maoist government took office in 2008. After the regime change, China was projected ahead of India as the preferred partner, a fact greatly welcomed by China as it seeks to consolidate its position at the roof of the world. Bhutan, on the other hand, has reinforced its traditional relationship with India by welcoming not only a new King, but also a transition from monarchy to democracy.

South Asia does not offer a neat security structure for India. To its east, it faces China, whose expansionist ambitions often conflict with the future of its status as India's largest trade partner. In the west, India must confront the deteriorating Af-Pak situation. In the complex security dynamics of the region, India is the unifying country as it is located in the center and shares a border with all South Asian countries except for Afghanistan. In the coming decades, as the Indian economy continues to grow and its political diplomacy becomes even more visible, the demands on India to contribute to order and stability in its immediate and extended neighborhood will increase.

Despite this change in regional and global perceptions and expectations of India, there is little sign of an 'assertive diplomacy' on India's part. Although India has tried to assert itself through the IPKF in Sri Lanka and its current role in Nepal, many of its efforts to exert greater influence have not been successful and have failed to improve India's image

among its neighbors. Mistrust permeates the region and sours intra-regional relationships, especially the one between India and Pakistan. The November 2008 terrorist attacks on Mumbai aggravated the mistrust and exposed the growing nexus between state- and non state actors in Pakistan. These attacks also rolled back peace efforts that had gained quite a bit of momentum, especially in enhancing people to people contact between India and Pakistan.

For India, the challenge to engage its neighbors is complicated by a periphery ringed with conflict. Because India has not yet made itself a partner of choice in regional conflict management, this regional instability offers opportunities for a range of actors to intervene. The security dilemma in South Asia severely hampers regional cooperation at all levels. The failure of regional cooperation is particularly visible in the realm of economics. India has sought to escape the region by looking beyond SAARC—to other sub-regional groupings such as BIMSTEC (comprising India, Sri Lanka, Bangladesh, Nepal, Myanmar, Thailand and Bhutan). Addressing the Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) summit in November 2008, the Indian Prime Minister stated, "BIMSTEC is an important part of the wider Asian community. It has the potential of playing a vital role in the Asian community of nations linked by effective road, rail, air and shipping services across which there would be free movement of people, capital, ideas and goods." Strengthening the regional dynamics through mechanisms of cooperation that go beyond its immediate neighborhood will enhance India's visibility and presence, and also display its commitment to regional stability. It also calls for the development of specific capacities—diplomatic, civilian, and military—able to undertake such activities, which in many ways are hampered by the domestic challenges to India's economic and social development.

With the economy growing at a rate of seven percent annually, India's main national priority is

continued economic growth, which is essential to reducing poverty. Regional stability is a prerequisite for sustained economic growth and development and thus is in alignment with India's own

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interests. Therefore, using economic, diplomatic and other non-military means in projecting foreign policy in the region requires more attention by policy makers. India must also decide how it will accommodate two different aspirations: India wants to play a larger role at the global level without neglecting its longer-standing concerns with territorial defense.

South Asia is characterized by a long integrated history and politics that combine to make the region more negatively visible on account of

longstanding inter- and intra-state conflicts. The regional platform that integrates all the South Asian countries—the SAARC—has shown mixed results. Enhancing regional security requires collective effort on the part of all states and not just India. A conscious decision to link the economies of the region would bolster regional border security, but this idea has yet to receive political endorsement. Geopolitics continues to be viewed from within the 'nationalism' prism, reinforcing goals that enhance each state's national status both regional and global levels. The idea of shifting the discourse from national identity to collective regional commonalities does not exist. Thus, constructing a new political and security identity for South Asia remains a challenge.

The current focus of the security discourse in South Asia is on enhancing state security in the region. Given the huge social and economic development challenges confronting the region, any approach that seeks to enhance human security will be a win-win situation for all. Nonetheless, a shift from state to human security requires that the politics of the region transcend the existing status quo, a feat that is easier said than done.

India, as the normative leader in a region plagued by political instability, offers a ray of hope for the future of democratic participation and plurality. India is engaging the region even more in an attempt to build greater stability. "India would like the whole of South Asia to emerge as a community of flourishing democracies," said Foreign Secretary Shyam Saran in 2005. In the domestic sphere, the national elections of May 2009 witnessed another smooth democratic transfer of power from one government to another. This gives India additional bargaining power when espousing democratic values to its neighbors. Still, Indian foreign policy should adopt a more comprehensive approach in bettering relations with neighboring countries. As India's visibility increases at the global level, it should continue to represent the voices and concerns of

the global South. Although South Asia as a region remains fragmented, Indian foreign policy should take the lead in presenting a regional approach that tackles issues affecting all South Asian countries.

IBSA AND BRAZIL'S REGIONAL POLICY: COMPETING OR COMPLIMENTARY FOREIGN POLICY DIMENSIONS?

Professor Alcides Costa Vaz, Deputy-Director and Professor at the International Relations Institute, University of Brasilia

Universalism has been a major characteristic of Brazil's contemporary foreign policy, reflected by the country's intent to play an active political role at the multilateral level as well as its relatively diversified set of trade interests and partners. Brazil is a global trader aspiring to become an independent global actor able to exert meaningful influence on the international political debate and decision-making processes— notably on issues related to economic and social development and global governance. By rejecting automatic alliances or exclusive patterns of relationship to any single actor or political and economic pole, Brazil tries to enhance its own international profile as an independent actor, a pervasive concern it has sustained since the early sixties. It is against this political background that Brazilian regional policy should be addressed and its connections to global concerns and initiatives be assessed.

Latin America has been, for obvious objective and historical reasons, an important reference point for Brazilian foreign policy, though not necessarily a standing priority. Relationships with neighboring South American countries and with the rest of Latin America have evolved historically under changing patterns. The reach, scope, and intensity of these relations vary from the Southern Cone countries with which Brazil shares a denser array

of interests and sustains effective interactions, to those that have traditionally lacked political and economic contents, as is the case for the northern neighbors and Central America. Therefore, in spite of its extensive neighborhood, Brazil's relationships to its neighbors and to other Latin American countries did not evolve into a comprehensive and consistent regional policy. Only in the last ten years have the elements of a more clearly delineated and encompassing Brazilian regional policy been gradually laid down.

In order to understand how and the extent to which Brazilian regional policies respond to interests and objectives defined with reference to global issues, multilateral institutions, and extra-regional actors and affairs, we must place it in historical perspective. In the fifties and sixties, relations with Latin America countries were tempered by the political environment of the Cold War, as the United States acted as an omnipresent source of influence on Brazilian relations within Latin America. Brazil's commitment to economic development through industrialization and the priority given to domestic markets during this period did not favor relations at the regional level. The lack of substantial economic and political content in bilateral relations with its neighbors led Brazil to diversify its allies and engage multilaterally in its approach to regional economic issues, without necessarily favoring any one country. Domestically, authoritarianism and changing economic policies (liberalism in the mid-sixties followed by a nationalist and interventionist approach in the seventies) coincided with similar tendencies throughout most of Latin America and weakened the incentive to forge a consistent and coherent regional policy.

At the global level, in the seventies, Brazil sought to improve its position within the international status quo by pursuing a strategy to develop more autonomous economic, technological and military capabilities. Behind this strategy was Brazil's expectation that it would become a great power in

the coming decades. In an effort to reduce its reliance on oil imports from the Middle East, Brazil developed an active policy towards Africa, but it can be said that no functional links existed between the regional and other international dimensions of Brazilian foreign policy in that period.

In the eighties, with the end of the military regime and the transition to democracy, Brazil and Argentina engaged in a bilateral effort aimed at economic integration. The Southern Cone rapidly emerged as a natural and privileged space for initiatives that would provide the conditions and the incentives for stronger regional commitments in the near future. However, there was no clear international strategy under way, as Brazil continued to struggle with an ailing economy, an exhausted development model based on import substitution, mounting financial problems, and growing reluctance on the part of developed countries to engage in technological cooperation. In regards to the main issues of the global agenda in that period, Brazil sustained a defensive stance. The projects launched with Argentina constituted a major expression of initiative on the part of Brazilian foreign policymakers, but these initiatives did not correspond to a global strategy, as the latter simply did not exist then.

In the nineties, building upon the approximation to Argentina, Mercosur emerged as the cornerstone of Brazil's regional policy. Brazil viewed Mercosur as a natural avenue for inserting itself into the international economy and developing relations with the main trade partners and investment providers in the developed world. Through an eventual expansion of Mercosur towards the Andean countries, Brazil expected to articulate an integrated South American economic space, thus leveling its own and the region's negotiating capabilities vis-à-vis their major economic partners in the developed world. However, growing difficulties in advancing integration within Mercosur beyond the stage of an imperfect customs union and the priority assigned to the preservation of macroeconomic stability in

times of financial volatility abroad prevented the intended functional articulation of the country's regional and global policies from occurring.

Nevertheless, a central defining feature of Brazilian regional policy had been introduced: the consolidation of South America as the country's immediate space for political, economic and strategic concerns. As trade liberalization lost the

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prominence it had in the early nineties, concern with political and security issues increased, and countries began to focus on the effective conditions for the growth of economic regional interaction. In response, Brazil's regional policy broadened in scope. This broader policy towards the region continues into the present decade.

Brazil's regional policy is defined around three main pillars or objectives: forging a regional identity and building up genuine South American institutions; strengthening Brazil's economic presence in neighboring countries; and supporting political forces and governments that seek multipolarity and multilateralism by balancing political, economic, and social reforms in the region with the quest for a more balanced stance towards the United States. The process of forging a more encompassing

regional strategy has largely coincided with Brazil's growing visibility as an emerging global power, but the relationship between Brazil's regional policies and its performance as a rising global actor is neither direct nor self evident.

The best way to understand how Brazilian regional policies relate to the country's intent to establish itself as a global actor is to look at how it is establishing regional leadership. Brazil endeavors to consolidate its regional power by articulating joint political and economic projects; by reframing the region's relationships with the United States, the European Union and emerging global actors; and by supporting the reform of international organizations and the emergence of new mechanisms for global governance.

Regarded by many foreign observers and policy-makers as a kind of natural or even necessary development and by the Brazilian foreign policy establishment as a sensitive issue to be overtly denied, the exercise of regional leadership is not an issue or a commitment easy for Brazil to embrace. Brazil's willingness and ability to develop and exercise genuine regional leadership is severely constrained by the country's limited political and economic capabilities to respond to the demands, necessities and expectations of its neighbors; its own ambiguities as to whether its approach to the region involves genuinely collective interests or if it is instead driven solely by the pursuit of its national interests; the domestic political and economic contingencies in the region from which forces of fragmentation stem; the existence of differing and sometimes competing views within the region on what a regional project and its articulation with a globalized, more interdependent and volatile world economy and to major political powers should be; and, finally, the resistance of some key regional actors to accept it.

Being the only country in South America capable of and willing to play an active and differentiated global role at different spaces and issue areas, Brazil is uniquely exposed to the difficulties in balancing

its regional interests and objectives with its global interests and objectives. The Brazilian experience shows that policy priorities can be defined simultaneously at both levels with no clear relations among them. The consequence of this is a pragmatic pattern in which different sets of issues coexist but are tackled through a piecemeal approach that employs different political resources and strategies depending on the issue.

With few exceptions, where a positive relation between the regional and the global dimensions of Brazilian foreign policy seems to exist, it is associated to some extent with a three fold pattern encompassing: the U.S. perspectives on the region and on the role that Brazil may perform in it; the country's own interests and foreign policy objectives; and the visibility that Brazilian initiatives in and towards the region might grant it at the global stage.

Against this background, we can assess whether Brazilian policies are consistent, complementary, or detrimental to the visions set forth within the IBSA trilateral partnership. In order to do that, we must take into consideration that the objectives and agenda of IBSA as a political dialogue forum are oriented primarily to challenges and opportunities at the global level and to enhancing the political assets of each of the three countries at the global and domestic levels. So far, there is no natural or immediate pathway to link IBSA's political intents and regional engagement. Development assistance initiatives offer a possibility for greater regional engagement, and although they might be politically meaningful, they are still limited in scope and fundamentally defined and carried out at national levels.

It is also important to take into account that there are remarkable differences in the respective regional political, economic, social, and strategic environments of India, Brazil, and South Africa. These distinct environments reflect diversified patterns of hegemonic presence, exposure, and susceptibility to extra-regional influence. These differences impact

the extent to which the regional environment or the regional activism of each country represents a positive asset or a complicating factor for IBSA as it seeks to consolidate itself as a meaningful political initiative at the global level. For Brazil, the regional and global dimensions of its foreign policy have coexisted with scant functional and direct articulation between them; complementarity between

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these major foreign policy dimensions is desirable, but not necessarily an achievable trait in the short- or mid-term, especially when singularities and differing priorities found at each level are considered.

We can, therefore, conclude that there is not any politically meaningful incompatibility between Brazil's regional commitments and shortcomings

and the objectives and the importance it attaches to IBSA at the global level. If we assume the establishment of functional links between regional and global action is indeed desirable, then debates should focus on whether such links are actually feasible under the present circumstances. Feasibility of functional links in the short-term is improbable, since there are few incentives for Brazil's neighbors to associate themselves directly or indirectly with an initiative in which they will likely play only a secondary role. Also, regional institutions like UNASUR and, to a lesser extent, Mercosur, that could be more instrumental in fusing regional and global priorities, are fragile as political platforms for interregional political articulation. Nonetheless, Brazil remains willing to promote and assert its global interests and ability to act globally. It wishes to harmonize its global agenda, whenever possible, with its regional commitments and with the political and economic concerns of its neighbors. However, in most cases, Brazil is unwilling to let difficulties at the regional level set back its evolving profile as an emerging global actor.

CONCLUSION

Panelists generally agreed that IBSA is a novel and important form of South-South cooperation. They also converged in that it has been successful to date as a Dialogue Forum whose capacities are bound to expand. In light of the United States' relative decline and the global political and economic restructuring underway, the growing economic and political relevance of the South in global affairs will be a hallmark of the coming era. The strength of its member countries and their strategic locations in South America, Africa, and South Asia mean that IBSA is likely to grow in importance, giving the forum the potential to facilitate what is largely seen as a vital example of transcontinental South-South cooperation.

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