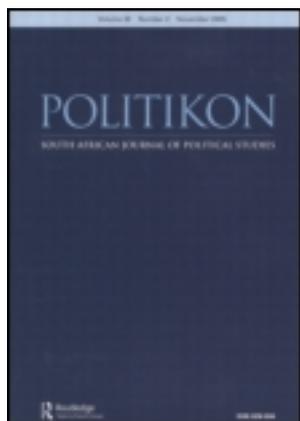


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‘The South Will Rise Again’? New Alliances and Global Governance: The India–Brazil–South Africa Dialogue Forum

IAN TAYLOR*

ABSTRACT *The development of formalised South–South linkages and alliances reflect a potentially interesting development in global governance as elites from the global South seek to project their nascent economic and political power vis-à-vis their relationships with the developed world. However, there are limitations to these activities and it is premature to see them as reflecting a possible call for a revised New International Economic Order (NIEO). In fact, the policies and positions that key elites from the South are advancing reify neo-liberalism as commonsense and are hardly revolutionary. A revised Coxian/neo-Gramscian framework is deployed to construct a theorisation of such ongoing processes, with a specific focus on India, Brazil and South Africa Dialogue Forum (IBSA).*

Introduction

South–South alliance building is attracting more and more interest and potential importance in the global polity. Certainly, advancing negotiating positions in the global trade regime (primarily, but not exclusively, at the WTO) and advancing dialogue between North and South vis-à-vis the management of global governance structures is of increasing significance (Narlikar, 2003). Equally, alliance-building amongst developing states has picked up momentum in recent years. This article seeks to discuss and analyse the implications for global governance of the emergence of an important network of key states from the global South. The India, Brazil and South Africa Dialogue Forum (IBSA) is used as an exemplar: ‘The formation of the IBSA (India–Brazil–South Africa) alliance in June 2003 created a new dynamic in international relations, drawing together the three most powerful economies of the southern hemisphere in a regional axis for the first time’ (India–Brazil–South Africa Dialogue Forum Plan of Action). It will be argued that the activism demonstrated by IBSA reflects both an inherent frustration with the results of WTO negotiations for key exporting states from the global South, as

well as a limited demand for a rethinking of power symmetries vis-à-vis global governance. Crucially, there are constraints to the crucial positions of key Southern states that mean that we should temper any premature celebration of a new moment for the South. In fact, emblematic of the times in which we live, the elites from key developing countries demand *greater* neo-liberalism, not less. Theoretically, a revised Coxian analysis of multilateralism will be deployed as the investigative framework.

Re-theorising Robert Cox's theorisations on multilateralism

The Canadian political economist, and theorist, Robert Cox, adapted the work of the Italian Marxist, Antonio Gramsci, and his conceptualisation of hegemony, as the starting point for Cox's investigation of international organisations and the practice of multilateralism. In Cox's view, international organisations are a vital instrument through which the normative values of a global hegemony are stated. Indeed, according to Cox, the key occupation of such multilateral bodies is to express, articulate *and advance* the dominant ideology until it acquires global hegemony (Cox, 1992). In his view, Cox saw multilateral organisations as being sustained by 'universal norms, institutions, and mechanisms which lay down general rules of behaviour for states' (Cox, 1987, p. 72). The spread and enlargement of such a hegemonic ideology is eased by the socialisation of multilateral organisations, which whilst co-opting national elites in the South also enjoy the potency to incorporate opposing (i.e. nascent counter-hegemonic) standpoints.

However, I believe that such a static concept of multilateral organisations can be reductive, even dogmatic. By confining the biography of international institutions to that of being simply agents of a given hegemonic project, a somewhat predetermined conceptual framework is fixed to multilateral bodies that permits neither development nor any dialectical inter-relationship between the hegemonic order, multilateral organisations and/or their constituent members. There is the danger that agency is evacuated from our analysis. I suggest that international organisations and the practice of multilateralism need to be comprehended beyond a legitimising function of hegemonic interests. A more analytically robust theoretical framework through which to examine bodies such as the IBSA, as well as other South–South ventures, is arguably presented in this discussion.

In contrast to Cox's understanding, anti-hegemonic elements anchored in the South have at times taken (temporary) control of important multilateral organisations (Gareau, 1996). This has then been used to promote a specific anti-hegemonic vision, e.g. the New International Economic Order (NIEO) of the 1970s. By temporarily 'capturing' the United Nations in the 1970s, elite fractions located in the South were able to campaign for and build momentum which led to the establishment of the United Nations Conference on Trade and Development (UNCTAD), which has at times positioned an alternative global vision, arguably inconsistent at times with the stance of dominant global powers (see Taylor and Smith, 2007). More generally, multilateral organisations can at times be the location of significant and critical engagements with the self-elected guardians

of the hegemonic order. Multilateralism in this sense is not simply where hegemonic agency is confirmed and flexed, nor where the legitimisation of received 'standards of behaviour' are articulated but can, at particular moments in history, dialectically seek to confront the hegemonic discourse and its advocates.

However, we must acknowledge that such moments have invariably failed thus far. This can be traced 'to the weakness and derivative nature of [international organisations]' (Gareau, 1996, p. 227) and *not* merely the legitimisation function of these organisations. A revised understanding serves to provide qualifications to Cox's position that anti-hegemonic forces do not have power over international institutions and even if they did, they could accomplish nothing by it. Multilateral activity can in fact have a certain potential in de-legitimising the ongoing world order. The variable is objective global conditions and the concomitant positions of elites. The energetic reassertion of hegemony over institutions considered to have drifted too far from 'acceptable' behaviour, as evidenced by Ronald Reagan's policies towards the General Assembly, UNESCO, etc., itself serves as a potent *aide memoire* that the hegemon can feel endangered if it is apparent that a nascent project is developing not to the liking of the political and material interests of the global ruling class (Gareau, 1994).

It is imperative not to see legitimisation as a stationary conception with regard to multilateral organisations. The concept 'should be viewed dynamically, dialectically, as a relationship between organisation and audience, and [as] a relationship which varies over time' (Gareau, 1996, p. 231). Hence in this view, multilateral organisations have the capability of not only legitimising hegemonic norms, which are instituted at historic points in time, but also of *delegitimising* these very same norms. The potentiality to hold the rhetoric and values of the hegemonic project up for greater examination and critique should also not be discounted. With regard to the IBSA the discourse of neo-liberalism is unquestioned; it is the discriminatory application of its prescriptions in practice that potentially acts to delegitimise the North's hypocritical and indefensible position and which actors within the IBSA may utilise to serve the class interests of domestic constituencies. As Richard Higgott notes, we 'should take more seriously the prospects of . . . more innovative processes of coalition building than we may have been used to under hegemony' (Higgott, 1991, p. 122). The activity and political standpoints of the IBSA are arguably a clear illustration of this process, albeit objectively constrained.

Genesis and outlook of the IBSA

The IBSA Forum is a targeted and economically driven project that at its launch hoped to construct strategic partnerships between three of the world's big emerging markets. 'The initial purpose of IBSA was to create a loose alliance that could present a cohesive voice at the bargaining sessions anticipated for the Doha Rounds, and which would exert pressure on the rich nations in order to achieve common positions in UN Security Council deliberations' (Lai, 2006). The Forum built on pre-existing and moderately strong bilateral ties between the three IBSA members. For instance, there have long been negotiations for a fixed

preference agreement between the Mercado Común del Sur/Mercado Comum do Sul (Mercosur) and the Southern African Customs Union (SACU) as a means towards establishing a future free-trade agreement. SACU approved a Preferential Trade Agreement (PTA) with Mercosur in July 2008 (*Mmegi*, Gaborone, 7 July 2008). Equally, a preferential trading deal between India and Mercosur, which will ostensibly enable the two sides to select the products that will have reduced tariffs in bilateral trade, was long in coming. The IBSA may be an initial first step toward a full free-trade agreement among the G20 developing countries.

The Forum was set up in Brazil in June 2003 (i.e. *before* Cancún) and formally launched by Presidents Thabo Mbeki and Lula da Silva and Prime Minister Atal Bihari Vajpayee during the UN General Assembly in September 2003.¹ The leaders of the three states intentionally promoted themselves as advocates for an emerging developing world (this will be problematised below). All three leaders, but particularly Mbeki and Lula, sought to be seen as ‘men of vision’ during their tenure. Mbeki was at the forefront in promoting a so-called African Renaissance and in advancing the New Partnership for Africa’s Development (NEPAD) (see Taylor, 2005), whilst Lula da Silva spoke of an influential free trade area to rival the North American Free Trade Agreement (NAFTA) or the European Union (EU). Indeed, he commented that ‘A trilateral agreement between India, Brazil and South Africa [would] give us the political will at the WTO (World Trade Organisation) to get the flexibility we need for our goods that are often taxed by the developed nations’ (*Star*, Johannesburg, 29 January 2004). Until his electoral defeat in May 2004, Prime Minister Vajpayee, at his core an Indian nationalist, oversaw a resurgent economy and sought to project New Delhi’s reach in what looked like an attempt to resurrect India as a global player as it was back in the days of Nehru. The current government in New Delhi continues this theme amid much hyperbole (amongst Indian academics) about the alleged imminent future status of India as a superpower (e.g. Mathew, Ganesh and Dayasindhu, 2008; Nanda, 2008; Sanyal, 2008).

The IBSA Forum is based on what is known as the Brasilia Declaration, released in June 2003. The Declaration is a comprehensive document intended to bring about change within the global political economy. It has both political and economic ingredients. Politically, reform of the United Nations, in particular the Security Council, is of special note, with the Declaration stressing the necessity of expanding the Security Council in both permanent and non-permanent member categories, with the involvement of developing countries in both categories. India and Brazil support each other’s membership bids and the IBSA Forum has committed itself to combining energies in order to obtain reform, as well as enhancing the effectiveness of the United Nations system. Note that, given the philosopher king role that Mbeki ascribed to himself when president of South Africa, personal aggrandizement cannot be discounted on this score.

Economically, the IBSA Forum might be seen as a concentrated effort by key states in the South to move forward the G20+ agenda. Whilst the IBSA acknowledges the expansion of economic growth, employment, and social development, and the accompanying rise in standards of living, in several developing countries,

with freer movements of trade, capital, and technology being seen as the source of such growth:

The Foreign Ministers of Brazil, India and South Africa expressed their concern that large parts of the world have not benefited from globalisation [and they] agreed that globalisation must become a positive force for change for all peoples, and must benefit the largest number of countries. In this context, they affirmed their commitment to pursuing policies, programmes and initiatives in different international forums, to make the diverse processes of globalisation inclusive, integrative, humane, and equitable (Embassy of Brazil, 2003).

The IBSA promotes a now recognisable position, condemning protectionist policies in the G8 and emphasising the essential requirement to move ahead with the Doha Development Programme, as well as reversing Northern protectionist policies and trade-distorting practices. The Brasilia Declaration reiterated the three countries' expectation that trade negotiations within the WTO would achieve increased political momentum so that deadlocks on issues of fundamental interest to developing countries, stalled at Doha, would be broken before the Cancún summit (this obviously failed).

In addition, the Declaration reaffirmed the import of a predictable, rule-based, and transparent multilateral trading system as a way through which 'the South' (unproblematized) could take full advantage of development potentialities via trade and supposed competitive advantages. As the Brazilian negotiator Brazilian Luiz Felipe Seixas asserted:

[The WTO] is an irreplaceable organisation. We need it. We need it badly. We need a strong WTO and from the perspective of developing countries, this is really an irreplaceable forum—with all its shortcomings, with all its problems—this is where [the G20] can make a difference. We can get some predictability. We can get some rules and we can get some enforceable rules in an area where in the past we had none (South Bulletin, 2003).

Concomitant with this, the IBSA seeks cooperation towards making the international financial architecture more receptive to development in the South and towards increasing its efficiency in averting and tackling national and regional financial crises. This is seen as a key objective of the notion of global governance and critical if 'globalisation' is to be equitable on a global scale. Making neo-liberalism work for all is thus a central point for the IBSA, albeit a wholly unproblematized concept devoid of any real structural interrogations of the global political economy and viable alternatives to 'the free market'.

The first meeting of the Trilateral Commission of the IBSA Dialogue Forum (to give IBSA its full name) met in New Delhi from 4–5 March 2004 i.e., after Cancún. Observing the group and the meeting, the Brazilian Foreign Minister Celso Amorim asserted that the IBSA was 'a group to spread goodwill and the message of peace [and that] we are not against anyone', whilst India's Yashwant Sinha emphasised 'the need to redefine the content of globalisation, to make it more pertinent to the needs and aspirations of the developing world'. This was, however, as far as it went. The IBSA was, according to the ministers, 'not just historic but irreversible', and the project would from then on work to get the three states to collaborate more closely at multilateral forums such as the United Nations and the WTO 'with the aim

of advancing an alternative perspective on world affairs' (*Bridges Weekly Trade News Digest*, 10 March 2004). The outcome of the meeting was the New Delhi Plan of Action. The Plan of Action covers such subjects as trade and transportation, infrastructure, science and technology, information society, health, energy, and education. In other words, after Cancún the IBSA has developed beyond simply calling for a reform of the global trading system into a nascent alliance between the elites of three important states in the global South.

At the second IBSA summit (Pretoria, October 2007), an array of cooperation agreements were signed. Mbeki, da Silva and the Indian Prime Minister Manmohan Singh, agreed to advance collaboration (*Inter Press Service*, Johannesburg, 20 October 2007). However, progress with regard to crucial matters key to commerce between the three regional powers was noticeably absent: 'business representatives . . . expected the signing of "breakthrough agreements" on free trade, connectivity and intellectual property. Instead, the seven memorandums of understanding signed by the three countries' leaders yesterday were on public administration and government, cultural cooperation, cooperation on social issues, health and medicine, customs and taxes administration, higher education and human resources' (*Business Day*, Johannesburg, 18 October 2007).

Although there was a rhetorical commitment to double intra-IBSA trade to \$15 billion by 2010, steps forward vis-à-vis the issue of tariffs was lacking, reflecting tensions which I will return to below, which may undermine the ambition to establish a free trade agreement between India, MERCOSUR and the Southern African Customs Union (SACU). Equally, the call for reform of the United Nations, especially with regard to expanding the Security Council fitted with well-known aspirations by India, Brazil and South Africa to have permanent seats on the Council, although which state would be prioritised if less than three new seats were ever offered remains a huge potential to divide IBSA.

Implications

The development of IBSA arguably reproduces wider tendencies within the global political economy whereby blossoming efforts to form structures outside the immediate influence of a unilateralist United States seemed to be developing when George W. Bush was in power. This was undoubtedly motivated by frustration at American haughtiness and arrogance. But beyond resentment at Republican hubris, a question that international relations scholars need to ask is whether or not we are at the cusp of not only a mood change regarding the domination of the United States but also whether we are at the dawn of a new epoch where the global South has started to flex its muscles, emboldened by the rising economic power of China, India and Brazil? Is the IBSA part of such tendencies? The now habitual invitation of important Southern leaders to G8 meetings, their inclusion at EU summits, etc., arguably reflects an awareness within the North of such impulses.

Aside from this broader context, new axes are being constructed that bypass and perhaps in the long run may threaten Western dominance over the South. For instance, China is clearly more and more keen to establish special relationships

with regional powers in the developing world and in particular, in Africa (Taylor, 2009). India likewise is fast forging ties with the continent (see Naidu, 2008). Such developments have the potential to stimulate an overlapping set of alliances and networks that may in future come together and generate a nascent bloc of developing world alignments that may not only forge greater contributions to the global trading system—particularly with regard to its governance—but also provide alternative trading axes to the hitherto dominant North–South directions in trade. Indeed, I suggest that the IBSA is but one example of nascent attempts to establish a ‘new trade geography’ which whilst not disregarding the primary importance of trade with the G8, does at the same time produce innovative options for a South that feels betrayed by 40 years of broken promises by the North (Isbister, 1998).

Undoubtedly, the expansion of trade between and amongst developing countries has the option of ‘democratising’ global trade relations in the sense that it may be of assistance in restraining the current hegemonism in international politics of a somewhat overweening global power. Within the trilateral grouping, during 2006 India’s imports from South Africa totalled approximately \$2.5bn while exports were just above \$2bn. In fact, the first decade of political freedom in South Africa saw Pretoria’s trade with India and Brazil grow by 1,334% and 268% respectively (*Star*, Johannesburg, 2 February 2004). Trade between Brazil and India totalled \$3.12bn in 2007, up 29.4% year-on-year (*Xinhua*, Beijing, 24 March 2008). Previously, between 2004 and 2006, Brazil’s bilateral trade with India increased by 170%. There is an official aspiration to increase Indo-Brazilian trade to \$10bn by 2010 (*Times of India*, New Delhi, 16 April 2008).

In this sense, the IBSA has repercussions for global governance. It could, *if* it holds together, create a market of 1.2bn people and amount to a \$1.2-trillion domestic market and foreign trade of \$300bn. The IBSA’s trade figures at present roughly correspond to 15% of that of the EU and USA, but by 2015, its trade is forecast to be equal to 25% of EU trade and 20% of the United States’. In terms of GDP in purchasing power parity, the IBSA accounts for 10% of the globe’s GDP, and by 2015 its share is forecast to increase to 12%. This should be put side by side with the 18% and 20% share of the EU and USA, respectively.

In addition, the IBSA countries have a major economic presence in their respective regions and may be perceived as growth poles within the South (alongside China). By 2015 the IBSA countries will have 208 million college-educated people below 40 as against only 127 m in the G8 (minus Russia). Comparatively cheaper skilled human resources have the prospect of making the IBSA economies globally competitive in certain niche industries and technological innovation may well allow the IBSA states to leapfrog, making them progressively significant in the global production process. Furthermore, the IBSA is predicated on the notion that its members could rapidly increase their exports *if* they could profit from improved access to foreign markets (mainly in the G8). The current prediction is for Brazil to increase its trade by 200–300% whilst India could well attain huge growth numbers in the next decade or so if New Delhi was able to carry out its reform programme and integrate into the global economy (Srinivasan and Tendulkar, 2003).

Indeed, Price Waterhouse Coopers predicts that countries like China, India and Brazil will dominate the global economy by 2050. The 'E7' of China, India, Brazil, Russia, Indonesia, Mexico and Turkey will, by 2050, be around 25% larger than the current G8 when measured in dollar terms at market exchange rates, or around 75% larger in purchasing power parity (PPP) terms. Currently, the E7 is only around 20% of the size of the G8 at market exchange rates and around 75% of its size in PPP terms. According to the same study, India has the potential to be the fastest growing large economy in the world over the period to 2050, with a GDP at the end of this period of close to 60% of that of the US at market exchange rates, or of similar size to the US in PPP terms. Brazil's economy will be similar in size to Japan's by 2050 at market exchange rates and slightly larger in PPP terms (Wozniak, 2006). These facts make the G8's present command of the global political and economic agenda seem increasingly incompatible with developing realities.

Latent difficulties confronting the IBSA

However, although the IBSA is still relatively new, some problems already exist that will not easily recede. These can be structured in part as political uncertainties that will call for solutions as the Forum goes forward. Firstly, does membership of the IBSA compromise the long-standing policy of non-alignment held to be a cornerstone of Indian foreign policy? Secondly, where does IBSA fit in with Pretoria's role as principle promoter of NEPAD, assuming that Jacob Zuma will bother with something so closely associated with Mbeki? Thirdly, Brazil and South Africa have positions widely divergent from India vis-à-vis nuclear weapons and have largely adopted a policy at variance with New Delhi. At the 2007 IBSA summit, India signed up to the elimination of nuclear weapons. However, this was conditional on other nuclear powers doing the same and so, realistically, is an empty commitment as there is no sign of progress in non-proliferation talks at present. How will this play out within the Forum? Fourthly, the issue of UN Security Council seats. Is the IBSA in fact an elaborate attempt to advance the three countries claims to Security Council seats? Brazilian Foreign Minister Celso Amorim hailed the IBSA states as 'natural candidates' for permanent seats on the UN Security Council. Brazil and India support each other's candidature for permanent membership on the Security Council, but Africa has its own position. Where and how do Brazil and India relate to South Africa's ambitions regarding an African seat? It is inconceivable that Nigeria and Egypt will voluntarily yield their own objectives to be global powerbrokers. And can we really expect Pakistan to consent to India being Asia's representative? Where does Japan fit into this? Certainly, what is good for the IBSA is not necessarily seen as good for the rest of the non-Western world.

Additionally, although India, Brazil, and South Africa share bilateral trade agreements amongst themselves, binding trilateral free trade arrangements between the IBSA countries are complicated because of prior multilateral trade agreement commitments involving their respective neighbours e.g. SACU, Mercosur, etc. These bodies do not permit members to set up free trade agreements

with outsiders without extending the benefits to members of the broader multilateral group (Lai, 2006). So, any broadening of IBSA along trade lines would stimulate disquiet within the regional blocs that each state is a member of.

This then connects to the problematic nature of the positions that Brazil, India and South Africa find themselves as *de facto* (though not universally recognised) leaders within their respective regions. Such realities serve to hamper the potential of the three states to 'speak' for the global South. How might this be resolved? Each are easily the largest and most diversified economies countries in their respective regions, but there has already been concern expressed that the IBSA three are throwing their weight around with little or no consent from their neighbours. 'The problem comes when South Africa wants to decide for all of the developing world,' asserted Hagar Islambouly, Egyptian Ambassador to South Africa. 'It cannot fly the flag of the whole group until those positions are endorsed by the whole group. We ask: Are three countries enough to represent the developing world? Do you want to tell me that Pakistan, Indonesia and Malaysia are not important Asian countries in the G77? Is it only India?' (quoted in *SAIIA – eAfrica*, vol. 2, March 2004). This state of affairs may spring from broader regionalising tendencies whereby small areas of relative hegemony develop in which major economies enjoy progressively more power (Tussie and Woods, 2000). For the trilateral grouping, managing this will necessitate some diplomatic dexterity.

Additionally, for how long will China be kept out of this Forum if it aspires to be an efficient agent for producing change within the global economy and restructuring the international system? Equally, how does the fact that Chinese actors aggressively pursue their own trade interests across the developing world fit in with a multilateral and co-operative initiative such as the IBSA? The IBSA is unlikely to progress if it remains an exclusive club, yet widening its membership is not unproblematic. It should here of course be noted that Mbeki's plan for a G8 of the South (to include China, Egypt, Mexico, Nigeria, Saudi Arabia and South Africa) went nowhere.

Perhaps the supreme challenge for the IBSA to develop into a real axis of the global South and actually seek to actively reconfigure the geography of global trade power would be if Beijing were brought in. Yet China's concern with over-seeing an efficient relationship with Washington, as well as the articulated wish *not* to enlarge the IBSA as yet, currently prohibits such a move.

Besides, in a splintered global trading milieu, bilateralism and agreements with the North seem paramount and trump so-called South–South cooperation strategies. After all, talks between the US and the five-nation Southern African Customs Union (of which Pretoria is the dominant member) appear to be currently far more important for Pretoria than developing the IBSA. In fact, the IBSA economies are in point of fact *competitors* for export shares to the North's markets, rather than natural collaborators for cooperation. Are exporting fractions within the IBSA economies *really* ready to forgo their competitive advantages in trade between themselves and with the North's lucrative markets for the greater good of something intangible called 'South–South cooperation'? India's bourgeoisie, for instance, sits within a structural milieu of a much bigger and more mature

manufacturing sector than South Africa's and a very politically important agricultural sector. If the two countries were to significantly reduce tariffs between themselves, we would not get South–South cooperation, we would get considerable incursions into South Africa's domestic market in the same way that Chinese exporters have allegedly wreaked havoc with South Africa's textile industry and other manufacturing sectors. Whilst intra-industry complementarities are possible, talk of automatic win-win situations arising from South–South trade is economically illiterate and smacks of infantile Third Worldism.

Lastly, and possibly most decisively, the IBSA is an inherently state-centric attempt to face globalisation. Yet globalisation is characterised by the increasing importance of non-state actors and the transnationalisation of capital, where markets are increasingly global and integrated, allowing an internationalised ownership of capital and the transit of capital in and out of any number of corporations and territories. This has been massively facilitated by intense technological change, which not only has determined a ruthless intensification of political power in the structure of the global polity, but has also transformed the productive structure by consolidating power over trade and production from states to private companies. Such a milieu has led to states effectively bringing up the rear in planning and regulating their national social and economic policies. In a decentralised global system of finance and production, with trillions of dollars circulating at light speed every day on the exchange markets, even immediate planning is enormously complicated. Yet the IBSA perpetuates the illusion that state leaders are the most central actors regulating global governance, blithely ignoring the reality that 'any plausible explanation of foreign and strategic ... policies [today] has to begin by recognising and evaluating transformations in the global political economy, especially in the South' (Shaw, 1994, p. 18). The IBSA leaders would in fact be advised to read up on the real nature of global governance, as identified by Anne-Marie Slaughter (2005).

Putting the IBSA in its context vis-à-vis global governance

The G8's insensitivity and intransigence to concerns from the global South serves as the spring from which a reformist agenda has materialised. Concern over the harmful effects of globalisation and the arrogance of the G8 vis-à-vis the South's concerns (exemplified regularly at every WTO meeting) has aggravated a counter-reaction. In this sense, the IBSA is a negative project and reactive, rather than being positive and proactive. Yet even this counter-reaction is undoubtedly found within a discourse that works within the ongoing financial architecture and in a highly pragmatic fashion. Altercation with the North as we witnessed in the 1970s through vehicles such as the NIEO has given way to 'dialogue' and 'partnership', as if massive asymmetries in political and economic power can be magically waved away.

Such easy promotions of dialogue carries within it the dangers of emasculating any interrogatory position regarding the very real inequities associated with a global capitalist system: 'Since the prevailing consensus is the free-market

liberalisation model that is promoted by the Bretton Woods institutions and the WTO, ...[such a position] seems to be seeking a role to be relevant to this model and to be accepted, for instance, by the WTO and the International Chamber of Commerce, rather than to challenge or provide alternatives to the model' (Hormeku, 1998, p. 1). In fact, the IBSA's position is built upon the principle that liberalisation *has not gone far enough* and that the G8 need to accept the logic of their own elite rhetoric regarding 'free trade'. This is one prong of a two-pronged strategy that the IBSA have taken on. The second can be summarised by the view that a world without the WTO or other multilateral institutions would only reinforce the North's capacity to extract concessions from the weaker states in the South. It is the latent collective bargaining power, as well as the burgeoning strength of their respective economies, that motivates the elites of the IBSA.

Exploiting this latent power and endeavouring to control it by forming a coalition of like-minded reformist partners in the developing world *in defence* of the WTO's neo-liberal agenda is the foundation of the IBSA. This may at times turn the tables on the dominant powers in the global economy and highlights their duplicity *a propos* 'free trade' and 'liberalisation', but it is hardly revolutionary. Such a stance is in fact expressed in the rhetoric of the rules-based system that the WTO supposedly puts forward, with its attendant obligations that member states must put up with. Equally, there are rights that a member state can expect and it is this flip side of the normative agenda of the WTO and the hegemony of neo-liberalism that the IBSA seeks to press forward.

This is based on the (naïve) understanding that the WTO manages a fair and rules-based global trading regime in which even relatively powerless states are entitled to confront and challenge the dominant developed world on matters of trade. The IBSA's position regarding the WTO has been in support of its wider direction—in effect an endorsement of the liberal themes that underpin the body—whilst pressing for complete observance of a rules-based and non-discriminatory regime as well as an intangible 'reform' of the global system. This then is the essential theme behind the IBSA initiative. For its part, a claimed ostensible willingness by the North (or fractions therein) to listen to such messages springs from the comprehension that post-Seattle and in the wake of the Asian Crisis, an arrogant disregard for the rest of the world's concerns threatens to invalidate the legitimacy of the current global trading regime. The growing crises surrounding food and oil prices as well as the current global financial crisis will only deepen such concerns. In this situation it is, from their perspective, better for the dominant elites of the North to engage with their anointed partners (if not transnational allies) from leading Southern countries, most of whom share their faith in neo-liberal solutions, than risk permitting an uncontrollable development whereby all sorts of awkward demands might be put on the negotiating table.

Conclusion

It is increasingly perceptible that a number of leading elites from the South have come forward as campaigners of reform on issues related to global trade. 'These

initiatives are not to be seen as a revival of the third-world movement of the 1960s and 1970s. None of their declarations openly question the principles of liberal economic globalisation. But the agreements do start a new phase in a process that has continued since 1945: the South's gradual self-assertion on the world stage' (Ruiz-Diaz, 2005).

However, whilst the reformist positions of the IBSA might well be the policies of pragmatism in the present international context, in the final analysis advocating the intensification of international competition for markets in which states have relatively limited control over their own economies is somewhat problematic, if not contradictory. It goes without saying that there is a total absence of any strategy that might promote greater exports and market access for agro-business *and* protect the peasantry and small farmers, reflecting the elitist nature of the IBSA and its elites. After all, it is an agglomeration of urban-based bureaucrats, export-oriented capitalists and personally ambitious politicians. The average *povo* does not really figure.

Equally absent from IBSA statements are concrete policies to protect markets or stabilise commodity prices. Whether or not the group can both liberalise *and* safeguard domestic interests outside of the agro-exporting fractions remains an unanswered and indeed, unknown, question (though I have my own surmisings). Why the IBSA is silent on such matters is answered by the dominant position within the IBSA economies of large-scale agricultural capitalists. In Brazil, 50% of agricultural land is controlled by just 4% of landowners whilst 50% of Brazil's GDP and jobs depend on the export sector. This explains Brasilia's assertiveness regarding the opening up of new foreign markets. In fact, 'the challenge remains of determining precisely which agenda motivates [IBSA]. The trade agendas of many developing countries have been heavily dominated by the interests of farm export groups, with a disproportional emphasis on access to markets' (Soares, 2003).

On the whole, the IBSA's attitude towards global trade and the WTO is based upon a hard-headed position of seeking to make their economies as attractive as possible to foreign capitalist investors, whilst at the same time drawing attention to some of the inequities engendered by the very system that the IBSA's elites buy into. It is true that delegitimising the hypocritical positions of the North is important. As one commentary put it, 'What we are looking at is a shift in paradigm, an inverting of roles with developing nations now heading the fight for trade liberalisation in the face of resistance from rich countries' (Osava, 2003). But this can only go so far. Whilst some features of the globalisation process are rhetorically tackled, this is offset by a broader acquiescence to neo-liberal orthodoxy. Furthermore, the IBSA's relatively limited capacity and agenda, largely focused on agricultural trade liberalisation, as well as a reluctance to enlarge the group's concerns regarding globalisation's effects beyond further trade liberalisation, limits the transformative potentiality of it as a Southern body. A new NIEO it is not.

Yet the initiative does, I believe, have some repercussions for global governance. The technocratic and narrow agenda of the WTO clearly has not resolved key issues regarding the workings of the global trading system. If the WTO is

to carry on being seen by state elites as the legitimate meeting point for all economies and where all economies might profit (however unrealistic this may be) then tangible results, evident to the South, needs to be accomplished. Certainly, the materialisation of the IBSA arguably reveals that the retreat of the global South, which saw 'America's quest for hegemony' (Augelli and Murphy, 1988) may be ending as neo-liberal globalisation is being seen to be more and more weighted in favour of the dominant capitalist North. Whilst it is correct that much of the rhetoric from the IBSA is ahead of the actual actions (there is still no clear alternative model to be adopted, for instance, and the rhetoric itself is reformist in nature), we may be observing interesting and significant developments in global politics. But this pregnant agenda needs augmentation beyond its present restricted confines if such projects are really to achieve anything. Although agriculture has always been at the centre of global trade negotiations, and reducing subsidies in the North would clearly benefit some farmers in the South, it would be a mistake to believe that a reduction in trade distortion measures is the only thing necessary to level the global playing field, something which the IBSA should take stock of. There is certainly a pressing need to manage both globalisation and financial governance, particularly financial market volatility, international liquidity and commodity shocks. And the need to shift the global debate towards the perspectives of the indebted nations remains. Additionally, the following issues would need to be addressed: the reduction of tariffs; the extension of duty-free and quota-free access to all less developed countries' exports into all developed countries; ensuring that tariff barriers are not exchanged for other protectionist obstructions; and the agreement on a real and binding schedule for the reduction and eventual elimination of domestic support and export subsidies in the West.

Only a small number of WTO members from the South have the capacity and indeed bargaining power to engage in complex trade negotiations. That is why the IBSA is potentially important. Whether the IBSA and the emerging call for a reformed global trading order can move forward and in effect try to tip the global scales back into balance, will be of extreme interest in the future. In doing so, at least two big impediments will have to be conquered. Firstly, constructing a consistent stance that can be advanced as representative of that of the South. Secondly, dealing with the predictable American strategy of pursuing bilateral negotiations with individual favoured nations, which might not only cause fissures in the global system but also eliminate any nascent unity amongst the South or indeed the IBSA. Having said that, discussions over trade issues and the proper role of the IBSA will perhaps contribute to the process of future relations between North and South. It is clear that the emerging market economies, systemically important in their own right, are feeling the weight of reform the hardest and that their elites vocalise this. Rethinking the present division of both costs and benefits within the global capitalist system is more and more imperative if the system itself is not to collapse in on itself. In this light, initiatives such as the IBSA are only likely to proliferate as future uncertainty unfolds.

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Note

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1. Thabo Mbeki visited India during 15–17 October 2003; the Brazilian Foreign Minister Celso Amorin during 20–22 October 2003; the Brazilian Defence Minister in November–December 2003; and the Brazilian President Lula during 24–28 January 2004. The defence ministers of the three countries met in Pretoria on 1 February 2004 and a meeting (12–13 February 2004) was held in Brasilia where co-operation in areas of health, science and technology, tourism, trade and investment, etc., were identified.

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