



IBSA vs. BRICS: India's Options

*Dr. Nivedita Ray**

The IBSA forum was inaugurated in June 2003 as a development initiative between India, Brazil and South Africa. It brought together three dynamic democracies of three developing continents, representing a coalition of regional powers of the global South. It showed immense promise to promote South- South cooperation and build an understanding on other issues of international importance.

However, over the past few years, IBSA has been overshadowed by BRICS. After South Africa joined BRICS, there have been questions about the relevance of IBSA. China has been successfully influencing South Africa to ignore IBSA and give more attention to BRICS. With China in the lead, the status of BRICS has risen by becoming a counter to G7. Russia and China have shown greater commitment to BRICS, and have expended political capital to develop BRICS grouping to counter the Western hegemony. The New Development Bank (NDB) of BRICS has added prestige to this association and promise to democratize global governance institutions, like the World Bank and the IMF.

IBSA, on the other hand, has lagged behind due to lack of interest. However, there is a case to revive IBSA. Both the groupings have different multilateral values. BRICS's main role seems to be a counterbalance of the power axis on the world scene with broader economical and political goals. IBSA is a more appropriate platform for India, South Africa,

Brazil and the region than BRICS. It is a more substantive partnership with a real focus on each other. In recent years, the IBSA countries have experienced rapid economic growth rates and are increasingly well integrated into global production networks and have internationalized enterprises. There are various sectors where cooperation can bring significant results. Analysts feel that the potential of IBSA is immense, but it has not lived up to it. There is certainly a need for its revival and India being the largest democracy and economy among the IBSA members can play a vital role in coordinating and planning for IBSA revival

This Policy Brief is an effort to examine the potential of IBSA, the need for its revival and discuss India's options.

IBSA Potential

The potential of the IBSA forum lies in the fact that it's a group of the "biggest democracies" of Asia, Latin America and Africa, which have the right to become the permanent members of the UNSC to ensure balanced representation of the world's demography.

IBSA is not only about the UN Security Council alone. The three have other potentials like shared security and political concerns. Security concerns include terrorism, money laundering, human trafficking and maritime security, whereas political concerns include West's unwillingness to yield space in global governance and the growing influence of China in their respective neighbourhoods.

As dominant powers of the Indo-Atlantic region, India, South Africa and Brazil could articulate the need for maritime peace, stability and the rule of law in the Indian Ocean and the South Atlantic Ocean. Maritime security, freedom of navigation, climate change and energy security could be the common agenda that IBSA can pursue.

The structure of their economies is such that there exists great complementarities. Brazil and South Africa being resource rich, and India being manpower rich, can join together to create an effective manufacturing base and even joint defence manufacturing base. South Africa's Denel had been blacklisted in defence procurement, while Brazil's

Embraer has been supplying aircrafts for Indian political leaders. The three countries can, however, work together in developing aircraft engines and transport aircrafts.

Need for Revitalizing IBSA

India needs to place greater thrust in reviving IBSA keeping in view the potential of IBSA and the inadequacies of BRICS, particularly the Russia-China axis. One of the major differences between these two cross continental groupings is the two-tier power structure of BRICS, in which two of its members are permanent, the veto wielding members of the UNSC. As permanent members of the UNSC, neither Russia nor China is enthusiastic about the inclusion of India, Brazil or South Africa into the UNSC. Russia and China are also members of the Shanghai Cooperation Organization (SCO). There are apprehensions that the SCO agenda of Russia and China may influence the functioning of BRICS. This differential economic power equation is, somehow, not conducive to long-term harmonious working of BRICS as well as for India to pursue its interest at the global and regional levels.

In IBSA, all the members share similar stage of development, different from BRICS, wherein China is much more advanced and has made its mark on the global stage. These countries do not have direct competitive interests and are able to work on common projects beneficial to all three. The IBSA members do not have any geo-political or territorial conflicts unlike the BRICS members. Both India and China do have a border conflict, which has not yet been resolved. Similarly, both China and Russia share an extensive land border and do have some territorial and geo-political issues. The IBSA members share an equal power equation in contrast to BRICS, where the domination of China is very evident. It is China's absence that makes IBSA's platform interesting and promising. India, Brazil and South Africa are uncomfortable with the growing Chinese influence in their respective backyards for which IBSA revival becomes one of imminent importance.

IBSA needs to be revitalized to realize its potential. It has become an umbrella for various initiatives in the diplomatic and policy fields and inclusive developmental sectors. The IBSA members need to engage constructively and face the common challenge afflicting their respective countries. It is necessary that IBSA gets

revived with stronger mandate and intent. Further, Germany and Japan can be included in the grouping to make it more representative and coherent. Both these countries are not in BRICS.

India's Policy Options

As far as India is concerned, BRICS satisfies only a small part of its international vision. It finds BRICS more as a strong economic grouping suited to address global economic issues and a counterbalance to the global balance of power. BRICS satisfies India's geo-economic objectives to increase the volume of trade and commerce with as many countries as possible. However, it does not provide enough space for convergence on issues, such as UNSC reforms. Moreover, the China factor also prompts it to believe in the IBSA forum politically as well as for other developmental initiatives, as it provides considerably more autonomy. India should strive for a forum where its strategic space is not shadowed by its neighbourhood giant China. IBSA is the appropriate forum to gain control in world affairs. IBSA provides opportunity to strengthen the democratic bloc and contribute in pushing India's aspiration for a global role.

India should consider IBSA as important as BRICS and prioritize it. The distinct multilateral utility of IBSA needs to be identified and pursued. It is significant for India's greater role at the UN Security Council and other global platforms. India, being the largest democracy and economy among the IBSA members, can play a vital role in coordinating and planning for IBSA revival.

India should enhance its bilateral relations with Brazil and South Africa, which are also being courted by China. It needs to establish effective maritime and civil aviation connectivity and develop a liberal visa scheme. It can work on an IBSA norm to facilitate business and tourism.

Given the elaborate sectoral working group agenda of IBSA and its uneven achievement, together with its business, parliamentary and academic forums, India should work towards setting up a permanent secretariat. Without a permanent executive secretariat, any international organization is likely to wither away as seen from the NAM

experience. The secretariat can be situated in Brasilia or India could offer its facilities to host a permanent executive secretariat for IBSA forum in New Delhi. Perhaps, the Indian Council of World Affairs (ICWA), a Ministry of External Affairs sponsored think tank, can serve as the temporary facility while new office space is located and infrastructure is built. The secretariat should have a rotating presidency of two years and an executive Secretary General appointed for a period of not less five years to have continuity in policy. It should be the responsibility of the Secretary General to coordinate the various viewpoints and arrive at a consensus of the developing democracies.

India can streamline and add more agenda to their meetings and not just restrict to UNSC permanent membership so that it benefits the developing countries, at large, in a concrete manner. Some of them include maritime security, counter terrorism, defence cooperation, IBSA fund and technological collaboration, which are discussed in detail below.

IBSA Maritime cooperation

Since all the three countries have long coast lines, greater emphasis should be laid on naval and maritime cooperation. They need to formalize agreement for providing naval refuelling and docking facilities to merchant ships and naval assets of member nations. Priority should be given to conduct joint anti-piracy efforts in a coordinated manner in the Indian Ocean and the Arabian Sea while securing sea lanes of commerce. Also, maritime security and theatre awareness exercises should be conducted regularly among IBSA countries.

Counter-Terrorism Efforts

IBSA needs to focus on intelligence gathering across various continents to deal with the scourge of terrorism. As terror organizations have global reach, common strategies for counter-terrorism efforts could be a new area for cooperation among the IBSA countries.

Defence Cooperation.

The IBSA member countries regularly conduct naval exercises in the Indian Ocean. Comparatively, this is missing in BRICS. All five members of the group have hardly held a joint naval exercise, though, Russia and China and South Africa and China have conducted exercises regularly, but they were held in their bilateral capacity not in multilateral capacity. At the next Trilateral Commission meeting of the IBSA in South Africa, for which dates are in the process of finalization, defence cooperation and naval exercise between India, Brazil and South Africa should be placed as one of the agenda of the talks. The maritime exercises have been irregular and had been a low key affair.

Trade cooperation

The combined intra- trade of the IBSA members stands at \$23 billion; by 2015, it is expected to cross the \$25 billion target fixed by the group. But it is intra-investment of the group, which needs to be given greater thrust. IBSA members' investments shift towards other developing countries than among themselves. This was an issue of the talks between Prime Minister Modi and South Africa's Jacob Zuma in Brazil. India should try to operationalize trade arrangements between India, SACU and Mercosur.

Technological Collaboration

Agro-energy: In the field of agro-energy, agro-fuels, such as ethanol and bio-diesel have been identified as areas of collaboration in a number of working groups. But so far, there has not been much impact of IBSA. There is a need to formulate action plan for cooperation on agro fuels in the IBSA forum.

Bio-technology and Genetically Modified crops: Both bio-technology and GMO crops have far reaching implications in the agriculture sector. IBSA can be utilised for joint collaboration in GM crops.

IBSA Fund

Finally, India needs to work with others to make the IBSA Fund relevant to the developmental priorities of developing countries. The IBSA Fund, which is created through equal contribution from all three countries, is used in capacity building, empowerment of women, and agricultural production – in the African continent, Southeast Asia and West Asia. There is a need, however, for the IBSA members to increase the flow of fund and play an active role in the reconstruction of crisis ridden African countries. In comparison, BRICS, with much economic clout, doesn't have any such activity in its agenda. However, with the launch of the New Development Bank, should the IBSA members now explore building synergies between the development fund under IBSA and the development bank under BRICS and increase the funding level.

Dr. Nivedita Ray is a Research Fellow at Indian Council of World Affairs.