Commentary

IBSA at 10: South–South development assistance and the challenge to build international legitimacy in a changing global order

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Introduction

This commentary engages with the IBSA model of South–South development assistance. It focuses on the IBSA Trust Fund to demonstrate the growing political relevance of the partnership in development assistance initiatives. This is followed by an analysis of Brazil’s increasing participation in South–South development assistance in many developing countries around the world. I argue that the strategic mission for the IBSA states in the coming decades, as a new normative/ordering power in international relations, is to further its political authority and legitimacy by expanding and refining its South–South development assistance framework. This can be done by integrating new thinking on environmental sustainability as a central—albeit neglected—pillar of their common framework.

Established 10 years ago, the India–Brazil–South Africa Dialogue Forum (IBSA) has become an innovative South–South mode of diplomatic action for the 21st century.1 In contrast to the more talked-about Brazil–Russia–India–South Africa grouping (BRICS), the IBSA forum is based on a shared world-view that focuses on the need to ‘broaden the collective voice of the South’.2 Despite the clear and sometimes challenging differences in foreign policy orientations and geopolitical viewpoints, India, Brazil and South Africa share a common, albeit qualified, viewpoint on the South–South movements of the past, such as the G-77, the United Nations Conference on Trade and Development (UNCTAD), the New International Economic Order (NIEO) and the Non-Alignment Movement (NAM).

In IBSA, the principles of South–South solidarity have translated into consistently coordinated positions on international policy/political issues such as the Palestinian problem, humanitarian intervention in Libya,3 the civil war in Syria, global financial regulation, climate change and the World Trade Organisation’s trade liberalisation talks. According to Cox, new poles of power and influence in a system in transition promote goals and values, which in turn reshape international order.4 Ten years after its creation, the IBSA group is confronted with a fast-changing multilateral system that is facing a serious crisis of legitimacy. Under Barack Obama, the predictions of prominent scholars such as Ikenberry5 regarding the resilience and efficacy of liberal

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internationalism, led by a more capable US administration, have not been confirmed. The increasingly powerful emerging states from the global south, as well as their political groupings, are demanding to be heard on issues concerning the political, economic and security management of international relations.

In this commentary, I engage with one aspect of IBSA’s international involvement that has important implications for global governance—namely its South–South model of development assistance. Through the IBSA process, India, Brazil and South Africa have collectively mobilised their technical and policy advances to improve socioeconomic outcomes in the global south. In the next section, I focus on the IBSA Trust Fund to demonstrate the growing relevance of their presence in development cooperation initiatives. This is followed by an analysis of the particular case of Brazil’s growing involvement in South–South development cooperation in several developing countries around the world. I argue that the strategic mission for the IBSA states in the coming decades, as a new normative/ordering power in international relations, is to further political authority and legitimacy by expanding and refining its South–South development assistance framework. This can be done by making environmental sustainability a central pillar of their common framework.

South–South development assistance and the IBSA fund

A key feature of early 21st-century international politics is the growing economic and political assertiveness of the so-called emerging/Southern powers. This is particularly so in the aspect of South–South development assistance. India, Brazil and South Africa are among the growing number of middle-income states that are substantially increasing financial, technical and humanitarian assistance to developing countries at a time when traditional Western donors (the EU, Japan, the US and other Organisation for Economic Co-operation and Development (OECD) nations), which were hard hit by the global financial/debt crisis, are scaling back their official development assistance (ODA).

India has emerged as a significant donor to developing countries in Asia and Africa, ‘second only to China in the range and quality of development assistance given by countries of the global south’. Similarly, Brazil and South Africa have become essential development partners in Latin America and Africa, respectively. Pretoria, for example, has given financial aid for conducting presidential elections in the Democratic Republic of the Congo (DRC), assisted Zimbabwe’s economic recovery and partially funded the African Union’s observer mission in Sudan.

The contemporary appeal of these emerging powers’ alternative development model, for which the Chinese experience offered an important point of reference, is linked in part to widespread disappointment in the developing world, particularly in Africa, with Western-backed policies of structural reforms. These were collectively termed the ‘Washington Consensus’ and vigorously pushed by the Bretton Woods institutions during the 1980s and 1990s. At the core of the Washington Consensus was the fundamental belief that free markets, stripped of regulatory and political/policy interference from governments, would necessarily create conditions for healthy competition and economic growth.

For the past 35 years, the World Bank and the International Monetary Fund (IMF) have promoted neoliberal reforms as the blueprint for the economic modernisation of developing states and their competitive integration in the global economy. Despite adopting far-reaching macroeconomic reforms, many developing states in
Africa and Latin America slid further into poverty, ecological degradation and de-industrialisation. The utter failure of the earlier phase of structural reforms led to a reorientation of mainstream development prescriptions. From the mid-1990s, Western-controlled development institutions embraced the notion of ‘good governance’. It became associated with the view that liberal democratic systems, with active private sectors and civil societies and fully accountable state institutions, were conducive for the effective functioning of open markets. A combination of neoliberal (economic) and good governance (political) precepts underpinned the ‘conditionality-driven’ Western model of development assistance. As Cheru notes: ‘The cumulative impact of externally imposed economic prescriptions has been the progressive erosion of policy space as governments become more accountable to external creditors than to their own citizens’.

This is in stark contrast to the non-traditional donors’ approach whose assistance is premised on recipients’ ownership of programmes and in line with their specific developmental needs. Another key strength of India, Brazil and South Africa as providers of development assistance is that their own experience of development challenges is similar to the ones confronted by other developing countries in Africa, Asia and Latin America. Unlike traditional Western donors, the IBSA partners often engage as development partners, facilitators and enablers rather than ‘teachers’ of best behaviour.

The IBSA Trust Fund created in 2004 aims to ‘pioneer and lead by example the South–South cooperation agenda’. It also highlights an interesting facet of South–South relations in the early 21st century. The IBSA fund does not require Western-style conditions in terms of structural adjustment reforms and good governance in recipient states. It instead links the funds to projects that would have a positive social and economic impact through ‘replicable and scalable projects that can be disseminated to interested developing countries as examples of best practices in the fight against poverty and hunger’. As I have argued elsewhere:

For IBSA, the issue of political autonomy and ownership of programmes are fundamental principles. In fact, IBSA defines the Fund in terms of development partnership rather than assistance aid or development assistance. The fund has already sponsored development projects in several states such as Haiti, Guinea Bissau, Vietnam, Cambodia, Cape Verde, Burundi and the occupied Palestinian territories. This initiative has been interpreted as a strategic effort to increase IBSA members’ soft power influence in the developing world. It would also help to garner support for their bid for a permanent seat on the UN Security Council. The important point however is that, by helping to establish a new development-aid paradigm, IBSA states are gradually changing the normative context of North–South (or core–periphery) relations.

Remarkably, however, there is no mention of environmental sustainability in the stated objectives of the IBSA fund. Although contestation of an unequal global economic system is at the heart of IBSA’s common activism and engagement in development cooperation, the IBSA states have not yet articulated a cohesive common agenda that reconciles global economic fairness and environmental protection as mutually reinforcing normative claims. The paradox is that while leading emerging economies such as China, India, Brazil and South Africa are positive examples for other developing countries, they are also criticised for the environmental damage caused by their developmental models. China clearly epitomises this contradictory reality. Although Beijing has been playing an extremely important role in the economic development of
developing countries, it is also the largest global emitter of greenhouse gases (GHGs) and an eager exploiter of the planet’s already depleted natural resources.\textsuperscript{22}

The Durban Platform on Enhanced Action, during the 17\textsuperscript{th} Conference of Parties (COP) at the United Nations Convention on Climate Change (UNCCC) in 2011 agreed to begin the process of negotiating a legal instrument to replace the expired Kyoto Protocol. Interestingly, the Durban instrument does not contain a direct reference to ‘common but differentiated responsibilities’ which has been the core principle underpinning the negotiating position of IBSA + China (BASIC).\textsuperscript{23} Although the issue of future obligations towards climate change mitigation is far from resolved, important changes are taking place in terms of balancing responsibilities for dealing with the problem.\textsuperscript{24} The IBSA states will not accept a legally binding agreement (and rightly so) which hampers their efforts to lift their societies out of poverty. However, it will greatly boost the status and legitimacy of the partnership if it proactively decides to move beyond the current North/South divide by articulating a bold and inclusive sustainable development plan with broad support from the global environmental movement which is morally and economically acceptable to all negotiating parties.

The magnitude of the task involved in managing ecological problems, from resource depletion to biodiversity loss and climate change, requires a radically different model of economic development for the 21\textsuperscript{st} century.\textsuperscript{25} The reliance of India and South Africa on highly polluting energy sources and Brazil’s ongoing deforestation and land management problems are clear examples of the environmental challenges posed by their existing economic development patterns. As the IBSA countries’ populations and economies grow, their environmental problems will become even more critical. While there has been some accommodation and instances of environmental responsibility among the IBSA partners,\textsuperscript{26} their collective contribution to a changed global development paradigm should go much further in terms of making environmental sustainability the primary norm of their principle-based coalition.

Brazil: an emerging development partner in the global south?

From the beginning of his term in office, in 2003, Lula da Silva redefined Brazil’s foreign policy priorities in order to enhance the country’s global visibility and, as a result, boost its political and ideational influence in international relations. Lula included development assistance as a central soft power asset in Brazil’s foreign policy toolkit. In addition to conventional narratives of Brazil’s peaceful, conciliatory, multilateralist and legalist traditions, Lula’s government added a social-economic dimension to Brazil’s soft power mix. The idea was to create an international image that portrayed the country as a reference model for development assistance/partnership.\textsuperscript{27}

Over the eight years of his two terms in office (2003–2010), Lula’s administration has achieved considerable success in terms of its social development policies. Through the Bolsa Familia (Family Grant) and Fome Zero (Zero Hunger), the government massively expanded and consolidated the various social protection mechanisms created by Lula’s predecessor, Fernando Henrique Cardoso.\textsuperscript{28} By 2008, Brazil had dramatically reduced by half the number of people living on less than a dollar a day, achieving the first Millennium Development Goal well ahead of the 2015 scheduled date. These policies have also been translated into a new paradigm of South–South cooperation for development. Brazil’s impressive domestic achievements in social development have not gone unnoticed by the global development community. A number of new cooperation partners in Africa, Latin America and Asia, incidentally not including
Brazil’s IBSA partners, were drawn to Brazil’s successful experience. According to Hirst, the Brazilian model of development cooperation is characterised by:

\[\text{[a]}\] an institutionally grounded action built upon the capabilities of its state agencies comprising technical assistance, skills transferance and capacity building. It is centred upon the notion of inter-state partnership, based on ideals of solidarity, the relevance of shared experiences and the value of exchanging capabilities to overcome the social and economic limitations imposed by underdevelopment.\(^{29}\)

This South–South development paradigm has become one of the main pillars of Brazil’s foreign policy since the early 2000s. Created in 1987, the Brazilian Cooperation Agency (ABC in Portuguese) was initially integrated into the foreign ministry with the central mission of coordinating the ODA received by Brazil bilaterally or from multilateral donors. In the last decade, however, the government has raised the ABC’s profile to make it an instrument of foreign policy as well as a global actor for development assistance.\(^{30}\) According to the official position of the Brazilian foreign ministry:

\[\text{[...]}\] ABC was created to act as the axis of the Brazilian South–South cooperation, its operational structure, human resources and management were progressively structured to respond to the expressive growth of the horizontal cooperation programs in which Brazil was involved [...]. Nowadays, the Brazilian South–South cooperation is present in all continents, either through bilateral programs and projects, or via triangular partnerships with foreign governments and international organisms.\(^{31}\)

Latin America and Africa, particularly the Portuguese-speaking countries, receive most of the Brazilian resources allocated for development assistance. However, as the demand for Brazilian cooperation increases and diversifies, ABC has had to adapt at a fast pace. Its budget has tripled since 2008 and its staff has also significantly expanded. Yet ABC is still seriously understaffed and limited in its coordination mandate.\(^{32}\) In 2009, the volume of development/technical projects channelled through ABC amounted to around $100 million.\(^{33}\) This figure, however, does not include the huge financial and technical outlay by other Brazilian public institutions.\(^{34}\) Brazil does not keep a systematic record of all the financial flows allocated for development cooperation projects. According to ABC, the total amount is close to $1,275 billion.\(^{35}\)

Brazil’s fragmented and multilayered approach to development cooperation poses significant coordination and operational challenges.\(^{36}\) In spite of many successful development cooperation programmes, there is a need for more appropriate and effective domestic policy coordination and a clear and well-articulated political rationale. Therefore Brazil’s potential for establishing a credible new paradigm for development assistance is hampered by the lack of coherent, cohesive and well-integrated policies, underpinned by clear and consistently applied principled political views.\(^{37}\)

There is also the issue of the absence (or marginal presence) of a sustainability dimension in Brazil’s development approaches. Brazil’s developmental model is an integral part of the global capitalist system whose dynamism is premised on an environmentally unsustainable mode of resource use.\(^{38}\) Rather than proposing a different type of capitalist development, given Brazil’s advantage in terms of its vast and largely untapped natural resources and advances in renewable energy technology (such as hydropower and biofuels), Brazil has fully embraced the prevailing Western
model based on ever-expanding markets, a carbon-intensive economy and material consumerism.

The central element of this vision is the government’s full mobilisation of Brazil’s natural resources to promote economic growth and (since the early 2000s) social justice. In Brazil, this model of economic development has been at odds with environmental concerns and at the core of the current internal contradictions between development and environmental policies. The former environmental minister in Lula’s cabinet, Marina Silva, has been actively promoting new environmental thinking in Brazil. Silva resigned in 2008 over the government’s loosening of restrictions on deforestation and massive energy infrastructure plans in the Amazon basin which, due to extensive flooding, will cause serious depletion of biodiversity and compulsory displacement of various indigenous communities. 39

As a Green Party candidate for the presidential ticket in the 2010 election, Marina Silva ran on a platform that advocated the need to radically change Brazil’s model of economic development. In contrast with the government’s current investment in highly polluting thermoelectric power plants and the introduction of tax breaks to stimulate car sales, Silva asserts: ‘We must move away from fossil fuels; solar and wind power represent a viable solution, not only for the needs of the planet, but a solution that can uphold our surging economy’. 40 Although she finished in third place in the presidential race, Silva received an impressive 20 per cent of the votes. 41 This was a historic achievement for the Green Party, and shows growing domestic support for sustainable development ideas that differ from the mainstream policies of the government.

**Conclusion**

Ten years after its creation, IBSA faces important and pressing challenges. Given the ongoing crisis of liberal multilateralism, Brasilia, New Delhi and Pretoria need to skilfully translate their claims to the leadership of the South into a meaningful proposal to transform global governance in line with the aspirations of developing countries. Given their institutionalised coalition and established normative pull as large democracies and emerging economic powers, the IBSA partners should now collectively articulate a new developmental paradigm centred on an innovative and bold vision that acknowledges the environmental limits of current patterns of economic growth.

Under the leadership of Brazil, the 1992 Rio Summit was a major step forward in devising important legal documents on key issues concerning social, economic and environmental priorities. Twenty years later, notwithstanding the positive rhetoric emanating from the Brazilian hosts, the United Nations Sustainable Development Conference (Rio+20) was short on a real political commitment to ‘new development’ based on a post-globalisation doctrine that genuinely integrates material well-being, development and environmental protection. Due to its particular and still positive ecological situation and longstanding experience in environmental diplomacy, Brazil is in a leading position to effectively implement and promote a model of development for the global south that combines the traditional claims of the Southern movement with climate/environmental issues.

Similarly, the inclusion of a stronger environmental component within IBSA’s development assistance model will give the grouping renewed international legitimacy over the coming decades. In order to achieve this result, policy makers in the three countries in conjunction with civil society stakeholders and other private interests should collectively define and act upon a comprehensive agenda for change, in spheres
ranging from energy and food security to water management and climate change. This critical mass has already been mobilised at global platforms such as the World Social Forum and the Rio+20 Sustainable Development Conference. Moreover, as stated earlier, in Brazil mass environmental awareness spearheaded by new political leadership has also created positive conditions for change. The role of IBSA therefore is to build upon these environmental networks, provide strong leadership and use its already established political/economic clout and democratic credentials to advance and implement their agendas. In this regard, an expanded IBSA Trust Fund could be a useful instrument for the implementation of this new thinking for sustainable development projects in developing countries.

Notes
3. As non-permanent members of the UN Security Council, South Africa voted in favour of resolution 1973 which authorised military intervention in Libya, while India and Brazil abstained. South Africa later distanced itself from the NATO-led military campaign, which eventually deposed and killed the Libyan leader Muammar Qaddafi, and fell into line with the more critical view of other IBSA partners.
16. Ibid.
17. Ibid.
19. Marco Vieira, no. 6, p. 326.
20. ‘The IBSA Trust Fund’, no. 15.
22. See, for example, Brad Plumer, ‘China Now Burning as Much Coal as the Rest of the World Combined’, 29 January 2013, at http://www.washingtonpost.com/blogs/wonkblog/wp/2013/
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24. Ibid., p. 618.


30. John De Sousa, no. 27.


33. Ibid., p. 3.

34. According to Burges: ‘Nineteen different Brazilian government ministries and agencies have been involved in the provision of south–south cooperation, with 81% of programming being pursued by five ministries: foreign affairs, education, health, agriculture and science and technology. Three agencies that stand out as particularly effective implementing organizations are EMBRAPA (agricultural research) FIOCRUZ (public health) and SENAI (industrial training). Thematic priorities are biofuels, agriculture, health and professional education’. Sean Burges, ‘Developing from the South: South–South Cooperation in the Global Development Game’, *Austral: Brazilian Journal of Strategy & International Relations*, 1(2), 2012, p. 237.

35. Ministério de Relações Exteriores, no. 27.

36. Lidia Cabral and Julia Weinstock, no. 32, p. 3.


40. ‘Everyone Can Do It: Marina Silva at TEDx Rio+20’, at http://www.youtube.com/watch?v=VWfBC3sr6XI.