

Foreign Voices



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What Role for South Coalitions in Global Governance? A South African View

A whole bunch of new informal South coalitions came into existence in recent years, most of them dedicated to influencing the WTO trade negotiations. But what role do these informal coalitions play in global governance? Elizabeth Sidiropoulos, National Director of the South African Institute of International Affairs (SAIIA), Johannesburg, presents a South African view on the matter. South Africa as an important emerging market and Africa's powerhouse is a key player in these South coalitions. At the same time it could help build bridges to the North, says Sidiropoulos. She was a speaker at the Development and Peace Foundation's Summer Dialogue 2006 on 8/9 June in Dresden, entitled "Multilateralism in Transition. Fragmentation, Informalisation and Networking".

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**"Multilateralism and more equitable global governance
are critical for eradicating global apartheid"**

Ever since decolonisation, developing countries have sought greater strength on the international stage through the much-touted South-South solidarity. While this has acted as a useful rhetorical tool and opportunity for summits of non-aligned movements, its real effectiveness has been limited.

The reason has been simple. Until very recently, the developing countries' collective economic power was small. The rise of new powers in the developing world in the last decade therefore has helped the emergence of more effective informal networks and alliances in the 'South',

which are illustrative of the growing economic leverage of countries like Brazil, China and India. Their effectiveness also has much to do with their own greater capacity to study the issues and take informed positions on matters ranging from UN reform to complex trade negotiations. This in turn has allowed them to exercise positive rather than negative bargaining power: their inputs have focused on providing alternative options to issues rather than being only reactive and defensive.

It is in this changing environment that South Africa re-entered the community of nations in 1994. While South Africa does not have the economic and political muscle that Brazil, India and China have, it carries weight in international forums because of its political transformation and the manner in which it has taken on its responsibilities as a global citizen. Furthermore, the country is Africa's economic powerhouse, producing about 40% of sub-Saharan Africa's GDP.

South Africa's apartheid history, where the Nationalist Party government followed a policy of destabilisation of the region, underlines the current government's foreign policy approach. Very sensitive to being regarded as a hegemon and a bully, South Africa has favoured the multilateral route to address many of the challenges it perceives face the international order. Democratic South Africa's foreign policy has focused largely on four key areas.

First, the importance of multilateralism and more equitable global governance. South Africa regards engagement on these two issues as critical for eradicating global apartheid, because institutions of global governance should serve as important vehicles for addressing poverty and underdevelopment around the world. South Africa has been very active in the UN and its various agencies, the WTO, and the Bretton Woods institutions.

Second, building coalitions among countries of the South, both bilaterally and through informal forums. The objective is both to address some of the imbalances of the global system through common approaches, but equally to diversify trade and investment relations away from the traditional north-south axis.

Third, building bridges to the North, especially with those countries that are sympathetic to the objectives of greater representivity and equity, as well as the South's developmental imperatives. Such bridges provide opportunities for the development of synergies on issues with powerful countries who call the shots in global forums, such as the UN and the Bretton Woods institutions, for example.

Fourth, developing African solidarity on issues of global governance. South Africa's global role can be undermined if it is seen to be working apart and without the support of Africa.

In the context of the above, South Africa has been very active in pursuing coalitions among Southern nations. These coalitions have become even more important as agents of progress, in light of the stagnation in the reform of formal multilateral institutions of global governance.

Such networks include the G3 (India-Brazil-South Africa Forum, IBSA), the G20+ (a coalition of developing countries within the World Trade Organisation that emerged at the Cancun Ministerial in 2003), the Non-Agricultural Market Access 11 (emerging at the Hong Kong Ministerial), and the G20 Finance to name but a few. These informal groupings are issue-based, and may transcend traditional North-South divides, including both developed and developing countries. Bridges and forums also contribute to the shaping of common perceptions and solutions to global problems and formal structures that are accountable and transparent.

Building South coalitions is important for South Africa on two fronts: to take up issues of global governance and equity with developed countries on the need to reform the architecture of global governance; and to take up the issue of improving governance and accountability within African states, on the continent.

IBSA

The establishment of IBSA in 2003 among three key emerging powers in Latin America, Africa and Asia, was aimed at translating their political and economic weight in their respective regions and globally, into leverage over reform of the global governance architecture, specifically at the time on UN reform. Thus, while IBSA has focused on functional areas of economic coope-

ration in particular, the Forum is also about creating alliances and networks to maximise impact on the current geopolitical balance of power.

Recognising the inertia of big alliances/bodies, South African president Thabo Mbeki had proposed a 'smaller, more constructive South-South forum', while for Brazil's President da Silva, the IBSA Forum was part of building an 'axis of the developing South'.

The alliance of these three states has been important to activities in areas, such as in the WTO, where the emergence of the G20+ has been successful in redefining power dynamics. The IBSA Forum also creates opportunity for discussion of broader global issues among the three leaders.

There are clearly constraints to maintaining cohesion: the interpersonal dynamics among the three leaders are important, and leadership changes may affect this. For South Africa more specifically, the issue of 'African solidarity' can be an inhibiting factor, as its interests in the global arena may often differ from those of other African states.

The G20+

The G20+ in the WTO was a seminal development in the flexing of muscle by developing countries. Notwithstanding the suspension of the Doha Development Round in July 2006, it has been recognised that any progress will require the effective participation of a number of key developing countries. In one sense it democratises this institution as decision-making is no longer the preserve of the rich; on the other hand, however, it continues to disenfranchise the poor, given that the interests of the big developing countries are often different from theirs. The size of the WTO and its unwieldiness demonstrated that multi-country coalitions are important, especially on specific issues, as they help to forge compromises in smaller groups, which can then be taken up at more inclusive forums.

The G20+ model of coalition formation could work in other areas too. At the Hong Kong Ministerial of the WTO in December 2005, a group of countries formed the NAMA 11, comprising Argentina, Brazil, Egypt, India, Indonesia, Namibia, Philippines, South Africa, Tunisia and Venezuela. The NAMA 11 has demanded the elimination of tariff peaks, high tariffs and tariff escalation in developed countries and thus the creation of enough space to advance the industrial development of developing countries.

Indeed, the success of the G20+ in creating a negotiating power bloc within the WTO that would have to be taken seriously by developed countries, has given greater impetus to the creation of coalitions around specific issues. South Africa's chief trade negotiator, Xavier Carim, emphasised in August 2006, that the G20+ was not going to disappear. He attributed to the G20+ the fact that there had emerged the shape of a deal on agriculture at the WTO, notwithstanding the suspension of talks.

The G8 and the G20 Finance

South Africa recognises the important role that informal networks of the North (most notably the G8) play in global politics, and has chosen – in line with its approach to develop North-South bridges – to engage with them too. South Africa (with key partners in Africa and elsewhere in the developing world) regards the G8 as the locus of power that can move things more quickly. It was to the G8 that South Africa, Nigeria and Algeria (and later Senegal) took their new vision for Africa. Indeed, their presence at successive G8 summits has been key to raising the profile of Africa and its new governance and developmental initiatives. South Africa's approach has been to forge alliances among like-minded states in Africa to take forward the African vision both within the continent and to key Northern partners.

However, there is a potential tension between South Africa's participation in coalitions of key developing states of the South, presence at G8 summits, and its professed solidarity with the rest of Africa – at least, there is a perception in some Africa quarters that this has little meaning when South Africa joins elite clubs. Since the turn of the century, the G8 has invited leading African countries (such as South Africa, Nigeria and Senegal) and emerging economic power-houses, such as China, India and Brazil, to their summits for a meeting. At the most recent summit in St Petersburg, the UK proposed the establishment of a G13 (to include the G8, plus

China, Brazil, India, Mexico and South Africa). This has not received much support among other G8 members. However, it is a recognition that increasingly, the role of China and India in the global economic and financial system is such that they would have to be brought into such a formation. The challenge for South Africa is not necessarily to opt out, but to manage the process of building trust among African states and being perceived as transparent in its engagement and participation in such forums.

Another informal network to emerge in the last few years is the G20 Finance, made up of both developed and developing states, which grew out of the recognition that maintaining global economic and financial stability required broadening the participation beyond the G7. The G20 of Finance Ministers is far more representative of the world's diverse cultures and religions, industrialised and industrialising nations, as well as populations and economies. South Africa is the only African state on this body. It is a body, which South Africa takes very seriously and which it will be chairing in 2007. The G20 Finance is a useful forum for building consensus on reforms in the Bretton Woods institutions for example, to which South Africa is committed. It believes it can play an important bridge-building role, given that it is not a consumer of these institutions, but is an emerging market.

Opening up participation

South Africa's approach to South coalitions, but equally to participation in forums that seek to bridge the gap between North and South, has been very pragmatic. It has been guided by the realisation that while a more equitable global order (political, economic and security) is the long-term objective, coalitions among like-minded Southern nations keep the pressure on and the process moving in the direction of greater transparency and democratisation.

Some in the South regard the emergence of such South coalitions as weakening South-South solidarity. Indeed, these may have led to a fragmentation among states as well as a questioning of the legitimacy of 'representatives of the South' in such informal networks. However, this so-called fragmentation is a positive phenomenon, which reflects the maturing of South-South politics at global level, focusing not on the rhetoric of exclusion and victimhood of the past, but rather on the role they can play in shaping the world at this critical juncture of transition. Not all states can have a stake in these networks. The inertia of big formal structures (which are weighed in favour of the North) make smaller clubs forged on common interests and issues necessary to keep the process moving by building consensus among sub-groups. Democratisation of discussions and decisions on global governance issues should not hold progress hostage by creating impossible expectations of complete global consensus.

Nevertheless, informal networks are not an alternative to formal institutions; rather they are complementary at this juncture. South Africa believes that transparent rules-based institutions should be the objective of the process of a more just global governance system. In the medium to long run this approach has the potential to strengthen the formal institutions of multilateralism.

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