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# Strengthening India-South Africa Relations in the Backdrop of BRICS

#### **Exploring Future Collaborations**

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#### **A Policy Brief**

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#### Introduction

Consistent and strategic international bilateral and multilateral ties are crucial in the continually changing environment of world politics and economy. The Republic of India and the Republic of South Africa, two vibrant nations with rich histories and optimistic futures, have historical and modern economic, social and diplomatic relations that impact the global economy. Their membership in the BRICS alliance, which currently consists of five significant emerging economies – Brazil, Russia, India, China, and South Africa – has strengthened their relationship even further. While China and Russia represent authoritarian systems of government rather than democracies, the two nations also occupy two of the five permanent seats on the United Nations Security Council (P5) and participate in global security governance qualitatively differently than their BRICS counterparts. As a result, India, Brazil, and South Africa have their trilateral consultation mechanism known as the "IBSA Dialogue Forum," which focuses on social, economic, and political issues.

This five-nation group has rapidly used the BRICS format to signal that old twentieth-century institutions must change. The multilateral group will expand as Argentina, Egypt, Ethiopia, Iran, Saudi Arabia, and the United Arab Emirates will join in 2024. BRICS nations <u>currently</u> comprise approximately 41% of the world's population, 24% of the world's GDP, and over 16% of the world's trade, based on 2019 figures from The World Bank. Through their cooperation within BRICS, India and South Africa have created a platform to fortify bilateral ties and investigate prospects for mutual development as they navigate the opportunities and challenges of the twenty-first century. This article explores the BRICS background of the relationship between India and South Africa and identifies potential avenues for future cooperation.

## The Development of BRIC and BRICS

The concept of "BRIC" as an acronym was <u>introduced initially</u> in 2001 by economist Jim O'Neill in Goldman Sachs reports on growth prospects for the economies of Brazil, Russia, India, and China, which together represented a significant share of the world's production and population. In 2006, the leaders of Brazil, Russia, India, and China met for the first time in St. Petersburg, Russia, prior to the G8 Outreach Summit in July 2006. Later, in September 2006, the group was formalized as BRIC during the 1st BRIC Foreign Ministers' Meeting, which met during the General Debate of the United Nations General Assembly (UNGA) in New York City. The four countries introduced a regular informal diplomatic organization at the UNGA.

After the <u>first</u> BRIC summit was held in Yekaterinburg in 2009, dialogue among the members of the BRIC nations increased as the nations focused on geopolitical and economic policy areas of convergence. Beyond the acronym that identified countries emerging in the global political-economic order, BRIC became a promising political-diplomatic entity, which exceeded the concept initially conceived for the financial markets. Amid the global financial crisis of 2008-2009, the group's joint statement mentioned strong declarations about the importance of coordinating financial policy, as <u>noted</u> by the Council on Foreign Relations. After the Republic of South Africa was accepted as a full member at the BRIC Foreign Ministers' meeting in New York in September 2010, the BRIC group was ultimately renamed BRICS. South Africa subsequently attended the 3rd BRICS Summit in Sanya, China, in April 2011.

#### South Africa and India's Historical Colonial Bond

The shared historical struggles against colonialism and apartheid are deeply ingrained in the relationship between the Republic of India and the Republic of South Africa. Equality, justice, and socioeconomic growth goals aptly or coincidentally unite India and South Africa as they have experienced the unique style of British imperial and colonial policy administration and subsequently experienced the arduous journey to freedom and independence. South Africa would ultimately experience colonialism administered by the Dutch, who were also active in India. Their diplomatic connections have a solid historical foundation due to their colonial history and the large Indian diaspora population in South Africa, which includes descendants of indentured workers who trace their roots to the period of 1860-1911 when the majority of enslaved Indians were brought to South Africa by the Dutch East India Company to develop the sugar industry in the Natal province.

India's connection to the struggle for freedom and justice in South Africa dates back to the early 20th century when Mahatma Gandhi led the Satyagraha movement in South Africa. Decades later, India was at the forefront of the global community's support of the anti-apartheid movement. India was the first country to sever trade relations with the apartheid government in 1946 and imposed a comprehensive embargo on South Africa, which impacted diplomatic, commercial, cultural, and sports activities. India was one of the few nations that worked consistently to put the issue of apartheid on the agenda of the UN, Non-Aligned Movement, and other multilateral organizations and advocated for the imposition of comprehensive international sanctions against South Africa.

Although the ANC maintained a representative office in New Delhi since the 1960s, following dialogues between the South African Government and the ANC, India – South Africa relations were <u>restored</u> after four decades with the opening of a Cultural Centre in Johannesburg in May 1993. Later, in November 1993, South African Foreign Minister Pik Botha signed an agreement establishing full diplomatic and consular relations between India and South Africa during his visit to India. The Indian High Commission in Pretoria opened a year later, in May 1994, followed by the opening of the Consulate General in Durban during the same month.

#### **Economic Trade and Potential Areas of Collaboration**

The <u>bilateral relations</u> among India and South Africa have grown more potent due to their membership in BRICS. A diplomatic alliance emphasizing fostering political discourse, cooperation, and coordination on different global challenges, BRICS was originally conceived as an economic concept. Since the Republic of India and the Republic of South Africa re-established diplomatic relations in 1993, commercial relations among the nations have thrived, with the potential for exponential trade and economic development policies and initiatives. While India's imports from South Africa declined between 2012 and 2014 primarily due to restrictions on gold imports, <u>trade</u> between the two nations has increased.

There is substantial potential for trade growth between the two countries, as noted by the <u>Brookings Institute</u>, as well as the governments of <u>India</u> and <u>South Africa</u>. Exports from India to South Africa include vehicles and vehicle components, transport equipment, pharmaceuticals and drugs, engineering goods, footwear, dyes and intermediates, chemicals, textiles, rice, gems and jewelry,

etc. Imports from South Africa to India include gold, steam coal, copper ores and concentrates, phosphoric acid, manganese ore, aluminum ingots, and other minerals.

According to the <u>Observatory of Economic Complexity</u>, in 2021, the main products that South Africa exported to India were gold, coal briquettes, and raw copper. During the last quarter century, South Africa's exports to India have increased at an annualized rate of 14.8%, from \$262 million in 1995 to \$9.5 billion in 2021. The emergence of the African Union's <u>African Continental Free Trade Area</u> (AfCFTA) will undoubtedly create new trade and economic policy collaboration prospects among the two nations. In addition to economic trade, below are also vital areas where the Republics of South Africa and India can collaborate to benefit their respective economies, as well as the global market:

- Healthcare and Pharmaceuticals: In the wake of the COVID-19 pandemic, the
  importance of healthcare collaboration has been underscored. Both countries possess
  strengths in the pharmaceutical sector and medical research. Collaborative efforts in
  healthcare technology, pharmaceutical production, and research can address public health
  challenges and contribute to global health security.
- Climate Change and Sustainability: As nations enduring the impact of climate change, India and South Africa can collaborate to mitigate its effects and transition to sustainable economies. Sharing best practices, technology transfer, and joint research initiatives can drive innovation in renewable energy, resource management, and environmental protection.
- Cultural and Educational Exchanges: People-to-people connections are crucial in diplomatic relationships. Strengthening cultural ties and promoting educational exchanges can foster a more profound understanding between the two nations. Scholarships, cultural festivals, and academic partnerships can help bridge the gap and build lasting friendships.

### **A Way Forward**

To fully harness the potential of their partnership, the Republic of India and the Republic of South Africa must adopt a forward-looking approach. Below are four key areas that we believe are crucial and of primary concern as the international political economy continues to shift from a unipolar or bipolar framework, where nations like the U.S., China, and Russia compete for global dominance and hegemonic influence, into a multipolar framework that includes various leading nations.

- **Strengthened Diplomacy:** Regular high-level diplomatic encounters can catalyze teamwork. The partnership will be strengthened through bilateral discussions and cooperative actions on regional and international venues.
- **Private Sector Engagement:** Bilateral relations can bolster the private sector's potential in both nations. The republics can evolve their respective workforces by coordinating and promoting international and national private-sector participation through business forums, trade delegations, and investment summits.

- People-Centric & Youth-Focused Approach: Promoting tourism, academic collaboration, and cultural exchanges can deepen linkages between the societies, increasing trust and understanding. Civil society organizations, universities, non-government organizations, nonprofits, and technology-adept individuals who are millennials and members of Generation Z are important stakeholders to engage. Such stakeholders often utilize cutting-edge technology and are aware of emerging trends and best practices in technology use across sectors. With large youth populations, the economic and political futures of India and South Africa ultimately rests in the hands of young people, as they are invaluable stakeholders who cannot be overlooked or marginalized.
- **Multilateral diplomacy:** Within BRICS, India and South Africa should work together on matters of shared concern, such as reforming international organizations, tackling global security concerns, and promoting the interests of underdeveloped nations.

#### Conclusion

As the <u>fourth industrial revolution</u> continues to impact the global political economy, the BRICS-enhanced partnership between South Africa and India offers enormous potential for both countries' growth, prosperity, and global influence. The two countries may strengthen their bilateral connections while contributing substantially to regional and global stability by capitalizing on their economic synergy, leveraging historical linkages and cooperating in critical areas. India and South Africa can create a route of cooperation that serves as an example of a successful international alliance in the 21st century by adopting a forward-thinking perspective and cooperating around shared values.

#### **About the Authors**

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