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Masters Research Report

The Long Term Prospects of the post-Apartheid, Bilateral Relationship, between South Africa and India.

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Chapter 1

1. Background and Introduction

1.1 Background to the Study

Following the end of Apartheid in May 1994, South Africa ventured out into the international system with a renewed purpose. As a free nation, South Africa began to normalise relations with those countries and institutions which had so fervently isolated it during Apartheid. Since then, South Africa has begun to grow and adapt to dealing with the realities of the international system in the post-Cold War period. As a result, in the brief period, "...since its democratisation in 1994, South Africa has successfully established itself as not only an African but also a Southern leader in many international fora such as the World Trade Organization (WTO) and the United Nations (UN)."[1]

However following the end of Apartheid none of this could have been possible, had it not managed to successfully navigate through the often precarious transitional phase, which left the nation with the tremendous tasks of both carving out the new political dispensation and creating a workable foreign policy. South Africa was simultaneously deeply affected by a number of emerging domestic realities, such as the ever present and highly pressing economic and developmental needs of its populace. On top of all this, it has had to make progress towards resolving all of these issues in a short period of time, whilst having to begin the task of balancing its new global and regional obligations and ambitions.

One key way in which South Africa has managed to forge ahead into the ever shifting international arena is through a process of forging ever closer bilateral relationships with many of the worlds more influential nations or multinational organisations, be they from the emerging south, or the established north. As such South Africa enjoys formal bilateral

[1] Shrivastava, M. "South Africa in the Contemporary International Economy: India's Competitor or Ally?", in *South Asian Survey*, Vol. 15, No. 1, 2008, p. 123.

relations with approximately 182 states[2], and a plethora of multilateral institutions such as the United Nations (UN).

Therefore the notion of forming a strategic partnership is a natural extension of the common practise of utilising bilateral relationships as the foremost departure point for nearly all diplomatic engagements. Specifically in the South African Governments Department of International Relations and Cooperation (DIRCO) Strategic Plan 2010-2013, the department commits itself to realising its strategic focus, one aim of which it emphasises is[3]:

> Through bilateral and multilateral interactions [to] protect and promote South African National interests and values.

South Africa however has only established 'strategic partnerships' with a handful of states. One of the most important strategic partnerships of all is the one South Africa enjoys with India. Since the very earliest days following the end of Apartheid, both nations have committed to pursuing bilateral relations with one another. Indeed India was one of the first countries to re-establish links with the new South Africa, when the former South African Foreign Minister Pik Botha successfully restored formal diplomatic and consular relations with India in November 1993[4], during his visit there.

However before progressing any further it is important to define the concept of a 'strategic partnership'. The idea is said to have been borrowed from the business world. It emerged in the early 1990's and grew to be a popular method for generating growth and increasing profitability by enabling firms to, "...find and maintain competitive advantage"[5]. As such, Mohr and Spekman tell us that[6]:

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[2] Department of International Relations And Cooperation, Bilateral Relations, http://www.dfa.gov.za/foreign/bilateral/index.htm, February 2011.
[3] Department of International Relations And Cooperation, Strategic Plan 2010-2013, http://www.dfa.gov.za/department/strategic%20plan%202010-2013/strategic%20plan%202010-2013.pdf, February 2011, p. 5.
[4] Author Unknown, India-South Africa Relations, The High Commission of India to South Africa, http://www.indiainsouthafrica.com/fact-file/india-south-africa-relations.html.
[5] Mohr, J. & Spekman, R.: "Characteristics of Partnership Success: Partnership Attributes, Communication Behavior, and Conflict Resolution Techniques", in *Strategic Management Journal*, Vol. 15, No. 2 (Feb., 1994), p. 135.
[6] Loc cit.

> ...partnerships are defined as purposive strategic relationships between independent firms who share compatible goals, strive for mutual benefit, and acknowledge a high level of mutual interdependence. They join efforts to achieve goals that each firm, acting alone, could not attain easily. The formation of these alliances and partnerships is motivated primarily to gain competitive advantage in the marketplace.

Macdonald and Chrisp, further explain the concept of a 'strategic partnership' in business[7]:

> The logic of partnership is plain. All organisations have strengths, but no organisation has all the strengths required to do everything. For some tasks, the organisation must acquire new strengths, through either organic development or the acquisition of external assets. The latter course is likely to be much faster than organic development.

They go on to note that[8]:

> Successful partnership working is built on organisations moving together to address common goals; on developing in their staff the skills necessary to work in an entirely new way - across boundaries, in multi disciplinary teams, and in a culture in which learning and good practice are shared.

It follows logically that many of these notions can be applied to the field of International Relations, and the bilateral relationships between various states or multilateral organisations in the international system. Essentially it allows one to understand that the primary purpose of a 'strategic partnership' is to allow countries to achieve greater gains through collaborative action by allowing them to leverage their individual expertise or comparative advantages, in order to achieve a certain goal. Clearly it was only a matter of time before the most powerful nations in the international arena embraced these ideas and began to speak of their deeper partnerships with their allies as being 'strategic' in nature.

It is this type of thinking that has led South Africa and India to the position in which they find themselves today. The 'strategic partnership' therefore is as a result of the significant potential for cooperation that has existed between them, which they have subsequently recognised and chosen to act on. As Alves notes[9]:

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[7] Macdonald, S. & Chrisp, T. "Acknowledging the Purpose of Partnership", in *Journal of Business Ethics*, Vol. 59, No. 4 (Jul., 2005), pp. 307-308.
[8] Ibid., p. 308.
[9] Alves, P. "India and South Africa: Shifting Priorities", in *South African Journal of International Affairs*, Vol. 14, Iss. 2, Winter/Spring, 2007, p. 87.

> India and South Africa share a long history marked by common experiences and interests. South Africa is now home to the largest Indian population born outside India and the two countries are very similar in many respects, not least in language, ethnic diversity, politics, and law. This all contributes to a natural affinity between them, and constitutes a strong foundation for stronger bilateral ties in an ever more complex international environment. The commercial relationship has blossomed in recent years, with India possibly holding the most potential of all of South Africa's emerging 'southern partners'.

The notion therefore that a partnership between the two was almost inevitable becomes increasingly apparent when one considers both the obvious similarities between the two and the fluid nature of the current international system, alongside the resultant important role both partners play within it.

Again, South Africa and India are primary examples of powers which are hoping to raise their profiles as middle powers through their bilateral, strategic partnership. It is this apparent desire to raise their individual profiles within the contexts of both the international system and their own regions, which undoubtedly is driving the partnership forward. This idea was given voice as far back as 1996, when in a visit to India the then deputy president of South Africa, Thabo Mbeki, stated[10]:

> Our common hope of success will depend on our ability to act together. We are reassured that we can count on India as our strategic partner in this historic endeavour which seeks to give birth to a new world, of just and lasting peace, of prosperity of all peoples and equality among nations."

Ultimately, the official basis of this 'strategic' partnership between the two nations comes from two declarations that they have both signed. These are the original 'The Red Fort Declaration on a Strategic Partnership between South Africa and India'[11], which in 1997 established the strategic partnership, and the 'Tshwane Declaration on Reaffirming the Strategic Partnership between South Africa and India'[12]. Both of these documents will be given greater attention at a later stage.

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[10] Singh, J. "Introduction" in Singh, J.: South Africa-India Strategic Partnership into the 21st Century, Institute for Defence Studies and Analysis, New Delhi, July 1997, p. 7.
[11] The High Commission of India to South Africa, India-South Africa Relations, , http://www.indiainsouthafrica.com/HCISAShowStatement?id=7.
[12] The High Commission of India to South Africa, India-South Africa Relations, , http://www.indiainsouthafrica.com/HCISAShowStatement?id=8.

However in order to truly understand the strategic partnership, and its future direction, one also has to look at some of the deeper factors which have contributed towards making it a reality. Above and beyond the obvious factors, such as commercial potential, and numerous similarities between both partners, there exist deep historical ties between the two. Therefore a brief historical understanding of the relationship throughout the Apartheid era is one that has to be explored, in order to begin to understand the essence of the partnership.

The connection between the two countries begins during the period between 1860 and 1894 when significant numbers of indentured Indian labour was brought over to South Africa from India[13]. Many of these workers were then either forced to remain in South Africa or chose to stay, sowing the seeds of South Africa's approximately one million strong Indian population[14].

Alves provides a concise account of the political developments from that point on[15]:

> The most famous Indian, Mohandas Gandhi, was not a migrant labourer but arrived in Durban in 1893 to participate in a lawsuit in the then Transvaal. He founded the Natal Indian Congress in 1894 after failing to prevent a bill denying Indians the vote. It is widely accepted that his experience of discriminatory rule in South Africa strongly influenced his thinking and actions when he returned to India. The African National Congress (ANC), founded in 1912 as the South African Native National Congress (SANNC), modelled much of its resistance activities on Gandhi's approach. The SANNC became the ANC in 1923; the resemblance of the new name to that of the Indian National Congress (INC), formed in 1885, is no coincidence. Examples abound of Indians' interactions with South Africa's resistance leaders. It is thus unsurprising that Indians have filled many senior positions in the ANC, both in exile and in South Africa. Since 1994, Indians have continued to fill prominent posts in the ANC-led government. The Indian government itself complemented and supported the work of Indians in South Africa. In 1947 a newly independent India was the first to impose sanctions on the apartheid government. It was also among the first non-African countries to recognise the ANC; it allowed the ANC to establish a mission in Delhi and in fact granted the ANC full diplomatic status in 1967." India under Nehru was also a founding member of the Non-Aligned Movement (NAM), which consistently condemned the apartheid government and was the first country to raise awareness of apartheid in the UN.

India's ties with South Africa are therefore some of the oldest in the world, and undoubtedly the oldest of any nation that is now able to be considered as an 'emerging power'[16]. The

[13] Dharampal : " South African Indians, India and 'New' South Africa", in *Economic and Political Weekly*, Vol. 27, No. 43/44 (Oct. 24-31, 1992), p. 2357.
[14] Alves, P., Op Cit, p. 88.
[15] Loc cit.
[16] Ibid., p. 89.

end result of this incredibly strong bond with South Africa led to the prioritisation of restoring diplomatic links following the end of Apartheid. As previously mentioned, South Africa, "...established its mission in New Delhi in November 1993; the Indian High Commission in Pretoria opened in May 1994 after South Africa joined the Commonwealth although the consulate in Johannesburg had been open since 1993."[17]

Alves outlines further progress from then onward[18]:

> By 1995, South Africa and India had established a joint ministerial commission (JMC); by 1997 the parties were ready to commit to a full strategic partnership. The JMC, which had met six times by 2005, has produced a slew of co-operation agreements, memorandums of understanding and declarations on issues ranging from a double taxation avoidance treaty and an extradition treaty to the establishment of programmes for co-operation in information technology, energy, air transport and so on. There *are* now about 26 bilateral agreements and MoUs in total.

Now that a sufficiently comprehensive background to the strategic partnership has been provided, the fundamental research question the dissertation will answer can be formulated. This will be:

- What are the long-term prospects for the 'strategic partnership' between India and South Africa?

The sub-questions which will be made use of in the report are:

1. What constitutes a strategic partnership in International Relations?
2. What makes this partnership a strategic one, within the context of other strategic partnerships in International Relations?
3. What are the priorities of this 'strategic' partnership?
4. Is there a special 'normative' element to this partnership?
5. How important is it to either party in relative terms?
6. Who stands to benefit from it the most, or is it even sided?
7. How do the respective foreign policies of India and South Africa drive the partnership?
8. Are there any areas of obvious future tension within the partnership?
9. Where is the partnership heading?

[17] Loc cit.
[18] Loc cit.

10. Has the partnership reached an apex in terms of its achievable benefits, or is there more to come?

1.2 Rationale of the Study

The rationale for the dissertation is simple. India and South Africa are fundamentally important players within the broader south-south context. Both partners continue to offer one another valuable political support and mutual assistance within the international arena. According to a statement made by the South African government on 31 May 2010, in the run up to President Zuma's state visit to India[19] :

> Internationally, South Africa and India share several common interests, including the reform of the United Nations (UN) and Bretton Woods systems, cooperation in the India-Brazil-South Africa (IBSA) Dialogue Forum, the G20 and on Climate Change. South Africa and India also share positions on international threats to security, including terrorism, religious extremism, trafficking in drugs, small arms and human beings and infectious diseases such as the HIV and AIDS pandemic.

As such, the 'strategic partnership' behind South Arica and India's bilateral engagement has the potential to become one of the most influential bilateral relationships of the new millennium. Rob Davies for instance has claimed that the importance of the engagement stems from, "...seismic shifts in the global economic architecture with India and South Africa leading the change"[20]. Whilst the Anand Sharma, the Indian Minister of State External Affairs, was quoted as saying, "This century will be our century, of India and South Africa and Asia and Africa"[21].

The rationale therefore is derived from understanding the potential benefits and shortcomings of the strategic partnership. The example South Africa and India set is significant in that it demonstrates to many of the Souths's leading powers what is achievable through close bilateral cooperation. This in turn will enable other nations within

[19] Department of International Relations and Cooperation, President Zuma to Undertake State Visit to India, http://www.info.gov.za/speeches/2010/10053115351001.htm, 31 May 2010.
[20] Voll, K., India and South Africa: South-South Cooperation and Reform of the International Governance System, Foundation for European Progressive Studies, http://www.feps-europe.eu/fileadmin/downloads/globalprogressive/1006_India_SouthAfrica_SouthCoop_KV.pdf, June 2010, p.4.
[21] Loc cit.

the developing south to either learn from or emulate the example which is being set by India and South Africa as they work together to advance not only themselves, but the developing south as a whole.

Yet the potential to realise greatness though strategic partnerships, does not begin and end here. By way of example, one can refer to the long standing 'strategic consensuses' between the United States and Israel, in order to see the potential rewards close cooperation through such a partnership can bring. It was this understanding between the two, from the very creation of Israel, that the United States government was committed to the existence and territorial integrity of Israel, while Israel would maintain the regional political *status quo*, which has had such a profound impact on the Middle East[22]. For decades now this special relationship has virtually defined the character of the Middle East, affecting the lives of millions of individuals. This sets quite a hefty precedent in terms of what is achievable and how to go about doing so. More than that however this example demonstrates the value and importance of understanding the dynamics and limitations of strategic partnerships, such as the one South Africa and India now enjoy.

South Africa and India's partnership has essentially evolved from changes in the international system. At the international level, improved multilateral and bilateral relations between the emerging Southern elite states have prompted a dramatic shift in the global balance of power. The end of the Cold War has opened up significant space and generated numerous possibilities for non-dominant countries in the international system to redefine their role within this system[23]. "In this process, different political initiatives have stressed the importance of a certain group of non-dominant countries- which have reasonable bargaining power – not only in global political and economic restructuring, but also in the various regional subsystems in which they are located"[24].

South Africa and India are primary examples of just such powers, which are hoping to raise their profiles as middle powers through their bilateral, strategic partnership. It is this desire

[22] Gulshan, D., "U.S.-Israel Strategic Consensus" in *Economic and Political Weekly*, Vol. 18, No. 51, Dec. 17, 1983, p. 2156.
[23] Sennes, R. "Brazil, India and South Africa: Convergences and Divergence in Intermediate Countries' International Strategies", in Vaz, A. (eds.): Intermediate States, Regional Leadership and Security: India, Brazil and South Africa, Universidade de Brasilia, Brasilia, p. 49
[24] Loc cit.

to raise their individual profiles within the contexts of both the international system and their own regions. This is best illustrated by Alves when he points out that for South Africa, India possibly holds "...the most potential of all of South Africa's emerging 'southern partners'"[25].

Therefore it becomes imperative that a deeper understanding of the partnership is gained, not only in terms of its potential to impact upon the international system, but because of the effect it may have on either partner. Because strategic partnerships represent such a powerful diplomatic tool, they need to be interrogated. Doing so will provide insight into a whole host of issues, not least of which is the fact that very little has been written about the dynamics of strategic partnerships. In most cases governments continue to promote these partnerships, but are unable to effectively define the term, "strategic partnership" let alone leverage them to achieve greater mutual benefit.

1.3 Methodology

Process tracing will constitute the primary methodological approach to the 'strategic partnership'. This is as methodological approach which is, "...well suited to testing theories in a world marked by multiple interaction effects, where it is difficult to explain outcomes in terms of two or three independent variables"[26]. This is because as George and Bennett put it, process tracing, "...is an indispensable tool for theory testing and theory development not only because it generates numerous observations within a case, but because these observations must be linked in particular ways to constitute an explanation of the case"[27]. This has proven to be the best method of assessing the 'strategic partnership' between South Africa and India. They also recognise that process tracing forms a prominent component of Social Constructivism theories[28], which is what the report has employed in order to analyse the 'strategic partnership'.

[25] Alves, P. Op Cit., p. 87.
[26] George, A. & Bennett, A.: Case Studies and Theory Development in the Social Sciences, MIT Press, London, 2005, p. 206.
[27] Ibid., p. 207.
[28] Ibid, p. 206.

The research will utilise a substantial variety of secondary sources. Authors such as Alves, Shrivastava, Voll, and Singh formed an integral part of the analytical framework. The sources themselves will come from a variety of books and journals, key documents, policy papers, and newspaper articles. Close consultation will also be made with several prominent South African academics, such as Dr Stephen Gelb, a former director of the Centre for Indian Studies, Dr. Nomfundo Ngwenya, a South African foreign policy expert based at the South African Institute of International Affairs (SAIIA), as well as Elisabeth Sidiropoulos and former South African Naval Capitan, Frank van Rooyen, both of whom are highly knowledgeable and experienced SAIIA staff. This will help greatly in securing multiple sources of input, and increase the robustness of the report.

The University of the Witwatersrand's extensive libraries have been instrumental in securing the necessary secondary sources. Further the researcher's employment at the South African Institute of International Affairs (SAIIA), has further facilitated the significant usage of primary evidence, through consultation with leading South African academics, who are employed by the institute, or whose work is housed in the institute's library.

As the author is focusing on his home country, deeper insights into South African aspects of the report have emerged. Field research in India would have rounded the report, however due to budget and time constraints this will not be possible.

1.4 Literature Review

There are three main topics which the existing research covers, all of which feed into the scope of the research report: These are: South Africa and India's bilateral relationship, the foreign policies of South Africa and India and the need to engage with the term 'strategic partnership'.

As the origins of the term 'strategic partnership' have already been dealt, the next task in situating the strategic partnership within the context of the literature is reviewing the foreign policy directives of either partner. Beginning with India's foreign policy one

observes certain key trends. These are eloquently outlined by Cohen, in his book, "India, Emerging Power"[29].

> The enduring national debate in any major democracy revolves around the balance between considerations of *realpolitik* and its idealist inclinations. The former are necessary because the world is imperfect, since even other democracies may pursue policies which threaten it-just as alliances with distasteful or dissimilar states may be necessary. Yet democracies have an urge to proselytize, and many, including India, assume that foreign policy should be an extension of cherished domestic values. India has for many years projected an image of indecision as it has oscillated between grand proclamations of idealism and actions that appear to be motivated by the narrowest of *realpolitik* considerations. It has treated some of its neighbours as vassals, while declaring its support for the equality of all states; it has bowed low before totalitarian regimes, while professing an eternal commitment to democracy. In recent years, there seems to be a new effort to resolve the realism-idealism conundrum and to determine priorities in Indian foreign policy.

Sahni notes that there are eight key drivers of contemporary Indian foreign policy. These are[30]:

> India's quest for strategic autonomy; its aspiration to status transformation; its desire to play a role in shaping the global system; its need to access technology and bypass technology denial regimes; its hunger for energy; its regional imperatives; its search for a continental role; and its diaspora policy. There *are* also five crucial factors that are, significantly, not acting as drivers of India's foreign policy today —democracy, culture, geography, markets and norms.

South Africa's foreign policy on the other hand, is slightly different in its construction, but is eerily similar in the way in which it too struggles to strike a delicate balance between Realist concerns and the Liberal principals which are enshrined in its constitution[31]:

> The bifurcated character of the country's foreign policy is shown by its ability to play a leadership role and persuade other states to subscribe to its vision on the one hand, and its tendency to be persuaded by pragmatic factors to act as only one among the many in regional engagements on the other. The latter trait demonstrates a reluctance to lead.

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[29] Cohen, S.: India: Emerging Power, Oxford University Press, New Delhi, 2002, pp. 307-308.
[30] Sahni, V. "India's foreign policy: Key drivers", in *The South African Journal of International Affairs*, Vol. 14, Iss. 2, Winter/Spring 2007, p. 21.
[31] Habib, A. & Selinyane, N. "South Africa's Foreign Policy and a Realistic Vision of an African Century", in Sidiropoulos, E. (ed.): Apartheid Past, Renaissance Future: South Africa's Foreign Policy 1994-2004, The South African Institute of International Affairs, Johannesburg, 2004, p. 55.

The actual factors which go into formulating South African Foreign Policy are outlined in the 2008 updated Green Paper on Foreign policy, which draw heavily on the original principals that were first laid out between 1994 and 1995. Minister Alfred Nzo has spelt out South Africa's foreign policy principles in the following terms (Heads of Mission Conference, September 1995, Pretoria):

The underlying principles which serve as guidelines in the conduct of our foreign relations include[32]:

- a commitment to the promotion of human rights;
- a commitment to the promotion of democracy;
- a commitment to justice and international law in the conduct of relations between nations;
- a commitment to international peace and to internationally agreed-upon mechanisms for the resolution of conflicts;
- a commitment to the interests of Africa in World Affairs; and
- a commitment to economic development through regional and international cooperation in an interdependent world."

In his address to the Foreign Affairs Portfolio Committee of Parliament on 14 March 1995, Minister Alfred Nzo made the following observations about South Africa's foreign policy objectives and priorities[33]:

- "In terms of foreign policy, Africa is clearly to be a priority in the years ahead."
- "The promotion of economic development of the Southern African region is of paramount importance as the economies of the countries in the region are intertwined to such an extent that, for South Africa to believe that it could enter a prosperous future in isolation without taking neighbouring countries with her, would be unrealistic and hazardous."
- "South Africa will also strive to engage the industrial world in development in Southern Africa with the objective of enhancing the fullest possible development of its human and natural resources by combining foreign capital with our own expertise."
- "South Africa exchanges the equivalent of 64 per cent of its GNP with the outside world ... (and) ... it follows from our broad national interests and governmental policy that the emphasis with all European countries, should fall upon economic, technological and scientific cooperation."

[32] Department of Foreign Affairs, South African Foreign Policy, http://www.info.gov.za/greenpapers/1996/foraf1.htm#3, 22 April 2008.
[33] Loc cit.

Therefore there are indeed similarities and significant overlaps in the aims of both India and South Africa's respective foreign policies. However India's global ambition and South Africa's African centric view, demonstrate that there are indeed areas in which they differ. The effect of these differences in foreign policy will need to be explored and understood within the context of the 'strategic partnership'.

In order to understand these differences, and to contextualise the partnership, one needs to be aware of the basic characteristics of the partnership so far, before moving on to the contemporary debates surrounding the partnership. The partnership therefore is characterised by cooperation in the areas of global trade reform, UN Security Council reform, economic growth, defence, scientific progress, technological advancements, culture and climate change. All of which have been outlined in the Tshwane Declaration, which carried on from the earlier Red Fort declaration.

"While both India and South Africa present useful examples of the complex nature of a democratic state in economically, culturally and ethnically diverse societies, there are significant differences in their political economies that make them logical economic partners, political allies, as well as competitors in the international system"[34].

To date co-operation has been achieved in a number of areas. These have been primarily centre around economic issues. Boosting bilateral trade has been particularly successful, as evidenced by the previously mentioned fivefold increase in bilateral trade since 2003. Defence is another example of an area in which strong gains have been made.

> An MoU on defence equipment was signed in 1996, with the India-South African Joint Defence Commission following two years later. Since then there has been substantial trade in hardware and good progress has been made in maritime security co-operation[35].

The maritime aspect has been fruitful as evidenced by the successful conclusion of the 2008 IBSAMAR I joint naval exercises[36].

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[34] Shrivastava, M. "South Africa in the Contemporary International Economy: India's Competitor or Ally?", in *South Asian Survey*, Vol. 15, No. 1, 2008, p. 132.
[35] Alves, P. Op Cit., p. 91.
[36] Dutta, A. "Role of India's Defence Cooperation Initiatives in Meeting the Foreign Policy Goals" in *The* Journal of Defence Studies, Vol. 3, No. 3, July 2009, p. 36.

Yet there is evidence of emergent tensions or areas which could prove to be problematic in the coming years, within the 'strategic partnership' as a whole. The most important of which is that there is a growing feeling that India may place less emphasis on its relations with South Africa, as it continues onwards to claim its place as a new global super power. As its influence grows, India will shift its emphasis, and start to focus on its relations with the USA, China, Pakistan, Russia and a rapidly advancing East Asia[37].

As such, South Africa's relations with these countries and the East Asian region may have significant consequences for South Africa and the continued prospects of the 'strategic partnership'. The point at which India may begin to shift its priorities away from South Africa to these other partners, is naturally unknown, however it needs to be watched carefully by South African policy makers.

To date there appears to be very little available literature on the topic of South Africa and India's bilateral relations, or the implications thus far of their 'strategic partnership'. Much of the literature on South African Foreign policy is out of date, and has not reflected the change in the political environment within the country, following the replacement of President Mbeki, by President Zuma. The literature on Indian Foreign Policy is often security centric, and fails to address the bilateral and multilateral engagements she enjoys with other countries. South Africa is also largely ignored by Indian analysts, who opt to focus on the partners who will become central in India's rise to super power status.

There however are a wide array of official documents and sources of information regarding the subject, however this is often couched in political terms and is relatively vague in most instances. These limitations however are not insurmountable. Through close consultation of an optimal mix of primary and secondary sources, and effective dialogue with numerous academics and government officials from both the Indian diplomatic mission to South Africa, and the South African government, this will be overcome.

[37] Alves, p. Op Cit., pp 104-105.

1.5 Theoretical Background and Existing Theory

International Relations theory attempts to provide a conceptual framework which enables one to analyse the interactions between and among states, within the international system.

1.5.1 Constructivism

One of the top theories which could describe the strategic partnership between South Africa and India is Constructivism. Constructivism is the branch of International Relations theory, which stresses the socially constructed nature of modern international relations. It can be used in this situation due to its somewhat balanced nature, as it has its origins in Realism, but outwardly it commonly identifies with Liberal viewpoints.

As such the theory was developed by the notable constructivist theorist Alexander Wendt, who challenged conventional realist and liberal thinking which he believed was inherently flawed in their base assumptions. Wendt for instance attempted to show key realist concepts such as power politics were a product of social interaction, and as such were socially constructed and not simply a natural phenomenon. He maintained that concepts such as power politics are capable of being transformed by human actions, in that power politics can be shaped by ideas and individuals to be more or less important depending on who was interacting and at what level.

> The debate between realists and liberals has remerged as an axis of contention in international relations theory. Revolving in the past around competing theories of human nature, the debate is more concerned today with "structure" (anarchy and the distribution of power) versus "process" (interaction and learning) and institutions[38].

Barkin informs us that[39]:

> Constructivists see the facts of international politics as not reflective of an objective, material reality but an intersubjective, or social, reality. In other words, what actors do in

[38] Wendt, A. "Anarchy is what States make of it: the Social Construction of Power Politics" in *International Organizations*, Vol.46, No.2, (Spring, 1992), p. 391.
[39] Barkin, S. "Realist Constructivism", in *International Studies Review*, Vol. 5, No. 3 (Sep., 2003), p. 326.

> international relations, the interests they hold, and the structures within which they operate are defined by social norms and ideas rather than by objective or material conditions.

It would therefore be able to take these implicit assumptions of Constructivism, and apply them to the strategic partnership between South Africa and India. It is entirely plausible to argue that the entire relationship is founded not on real world concerns such as mutual economic development, or power projection, as Liberal or Realist proponents might, but instead that the relationship stems almost entirely from the close relationship between the ANC and India during the anti-Apartheid years. It is identity politics taken to a whole new level, basing an entire strategic partnership on a shared history and common values. This is altogether not that farfetched, when one considers that ultimately, "...constructivism makes explicit an assumed but unexplored step in situationally strategic liberal arguments which accounts for the maintenance of cooperation."[40]

Hopf elaborates even further when he applies constructivist theory to his analysis of the notion that in international relations actors and structures are mutually constituted. He asks:[41]

> How much do structures constrain and enable the actions of actors, and how much can actors deviate from the constraints of structure? In world politics, a structure is a set of relatively unchangeable constraints on the behavior of states. Although these constraints can take the form of systems of material dis/incentives, such as a balance of power or a market, as important from a constructivist perspective is how an action does or does not reproduce both the actor and the structure.

The relevance of this to the case of South Africa and India's strategic partnership is important. It fundamentally seeks to deal with the nature of the partnership, and the actors within it. Hopf goes on to outline additional elements of Constructivism which demonstrate why it is the best theoretical approach to adopt in this context:[42]

> Meaningful behavior, or action, is possible only within an intersubjective social context. Actors develop their relations with, and understandings of, others through the media of norms and practices. In the absence of norms, exercises of power, or actions, would be devoid of meaning. Constitutive norms define an identity by specifying the actions that will

[40] Sterling-Folker, J.: "Competing Paradigms or Birds of a Feather? Constructivism and Neoliberal Institutionalism Compared", in *International Studies Quarterly*, Vol. 44, No. 1 (Mar., 2000), p. 100.
[41] Hopf, T.: "The Promise of Constructivism in International Relations Theory" in *International Security*, Vol. 23, No. 1 (Summer, 1998), p. 172.
[42] Ibid., p. 173.

> cause Others to recognize that identity and respond to it appropriately. Since structure is meaningless without some intersubjective set of norms and practices, anarchy, mainstream international relations theory's most crucial structural component, is meaningless. Neither anarchy, that is, the absence of any authority above the state, nor the distribution of capabilities, can "socialize" states to the desiderata of the international system's structure absent some set of meaningful norms and practices.

These ideas and the use of Constructivism as a theoretical tool to explain the nature of South Africa and India's strategic partnership will be dealt with in greater detail, at a later stage.

Chapter 2

2. The Individuals within the Strategic Partnership: Understanding Contemporary India and South Africa

As was mentioned in the introduction to the study, the broad purpose of this dissertation is to get to grips with the nature and possible future direction of India and South Africa's strategic partnership. In order to do this, chapter 1 provided the historical background to the formation of the strategic partnership. Chapter 2 will therefore examine each of the partners as individuals, as understanding the individuals who compose the partnership is the key to understanding the partnership itself. This is in itself an essential task, as a failure to understand the nature of the individual, and the dynamics which have shaped their current global and domestic realities will ultimately leave one unable to accurately fathom the overall character and future direction of the strategic partnership.

The process will be undertaken through an examination of each partner's domestic power attributes, and by reviewing their global standing. In so doing, the chapter will focus on the most salient features that have come to define contemporary India and South Africa. The process will primarily focus on the period from the early 1990's right through to the present day. It is also necessary to make mention of the fact that in dealing with both individual partners attention will be paid to their respective shortcomings, as it is only through their relative shortcomings that one is able to properly understand their individual identities. To

do so, the chapter will now begin the process of exploring South Africa's economic, domestic and international dimension.

As such, the chapter will serve as an important introductory component to the following one, which will move on to examine the actual strategic partnership. Its purpose therefore will be to continue the process of laying the foundation for an in depth examination of South Africa and India's strategic partnership.

2.1 Situating South Africa

South Africa is a nation of many contradictions, and contrasts. They are expressed though her diversity and continued struggle to reinvent herself over the years. Although the country is nowhere near as powerful as contemporary India, it is able to hold its own in nearly every international and continental arena in which it engages. South Africa also holds undeniable potential, as Africa's foremost economy, and the continent's most successful state.

To gain a broad overview of contemporary South Africa, please refer to Appendix 1, which covers all of South Africa's key developmental indicators and general characteristics.

2.1.1 South Africa's Economy

One of the most important aspects of post-Apartheid South Africa has been its economic performance. This is a key feature in the manner in which South Africa not only see itself, but is seen by others. The country's economic challenges are often at the forefront of both government policy making and the wider public discourse.

As such it comes as no surprise that South Africa's global economic reintegration and domestic economic performance following the end of Apartheid has been one of the most difficult challenges the country as a whole has had to face. To this day, poor economic performance and a whole host associated problems within the economy, continue to plague the aspirations of the South African government. In many ways therefore, the country's economic performance and the domestic factors which continue to impede further growth, act as the perfect barometer for South Africa's overall performance.

Macro- Economic policy has as a result become the chosen method of dealing with many of the shortcomings within the economy, while equally serving to overcome the legacy of Apartheid. As such, Macro-Economic policy needs to be closely examined in order to understand the reality that contemporary South Africa has had to face.

In light of this, it is important to note that South African economic policy has continued to evolve since it first emerged under the direction of government from 1994 onwards, right up till the present day. So far it has been fundamentally characterised by strong market and growth orientated ideals, while thankfully never losing sight of the core need to redress the many injustices of the past. However to properly understand South Africa's economy, one needs to go back to the beginning, in order to appreciate the exact nature of the challenge the post-Apartheid government was confronted with.

As such the new government had, "...inherited an economy characterised by high levels of public debt, high inflation and poverty rates, as well as little social security protection for the most vulnerable."[43] The problems that faced South Africa's economy on the eve of the elections were nothing short of immense. Freund and Padayachee provide a solid overview of this particularly bleak picture[44]:

> Economic growth had slowed markedly since the early 1970s, reversing the robust growth that characterised the performance of the economy in the 1960s, when the country's growth rate on average was surpassed only by that of Japan. During the severe recession of March 1989-May 1993 the contributions of both the primary and secondary sectors to growth fell in real terms; only the tertiary sector experienced a positive, albeit marginal, growth. Although manufacturing remained the principal contributor to GDP, the nature of South African manufacturing still remained closely linked to the mining and energy sectors, which were the foundations of South Africa's modernisation since the second half of the 19th century. Net investment had been declining since 1981. Domestic investment as a proportion of GDP declined from 27 per cent to 15 per cent over the decade 1983-93. Domestic savings fell from an average of 23.5 percent of GDP in the 1980s to 17 per cent in 1993. By the early 1990s as much as 40-45 per cent of the economically active population was found outside the formal sector. Labour absorption into the formal sector from the mid-1970s to 1994 plummeted from 60 per cent to under 40 percent.

In addition, South Africa struggled to deal with the effects of immense levels of international competitive trade and economic pressure it now was forced to face, a vulnerability to

[43] Du Toit, C. & Van Tonder, J.: "South Africa's Economic Performance since 1994: Can We Do Better?", in Zumanomics: Which Way To Shared Prosperity in South Africa?, ed. Parsons, R., Auckland Park, 2009, p. 15.
[44] Freund, B. & Padayachee, V. , "Post-Apartheid South Africa: The Key Patterns Emerge", in *Economic and Political Weekly*, Vol. 33, No. 20 (May 16-22, 1998), p. 1174.

external shocks, a high unemployment rate, a low level of human capital development, the scourge of HIV/AIDS, and an unacceptably high rate of crime (including corruption and fraud)[45].

As a result South Africa had to adopted new economic policies which would have to be designed to deal with this whole host of problems. This in itself was no easy task, as in exile the ANC had spent very little time planning for South Africa's post-Apartheid economic reconstruction[46]. This meant the ANC was unable to offer any more complex economic outlook than what had been broadly laid out in the 1955 Freedom Charter[47]. This left them with few realistic options, as the Freedom Charter had largely spoken of Nationalisation as the starting point for the beginning of the reconstruction process[48]. Freund and Padaychee continue[49]:

> However as the ANC began to interact with a wider set of establishment interest groups and institutions, both global and local, it came to see these sorts of attractive populist economic pronouncements as damaging to its image. A process of setting out an alternative macro-economic vision was set in place, with the assistance of the Canadian development agency, the International Development and Research Centre. That initiative led to the formation of the Macro-Economic Research Group (MERG), a network of South African researchers linked to a central administrative and co-ordinating structure based at Witwatersrand University in Johannesburg. A number of progressive British, Canadian, American and Australian economists, who had been closely associated with the anti-apartheid movement in their respective countries, assisted in the formulation of the new macro-economic policy.

What followed was South Africa's first post-Apartheid macro-economic policy, which would come to be known as the Reconstruction and Development Programme (RDP). The RDP first emerged as a concept by the ANC in its 1994 Policy Framework document. From here it was taken up in the Government of National Unity's RDP White Paper -Discussion Document[50]. In his opening address to a Joint Sitting of Parliament, on the 24 May 1994[51], President Nelson Mandela described the motivations behind the RDP[52]:

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[45] Roux, A., Everyone's Guide to the South African Economy: Eight Edition, Zebra Press, South Africa, 2005, p. 168.
[46] Freund, B & Padayachee, V., Op Cit., p. 1174.
[47] Loc cit.
[48] Loc cit.
[49] Ibid., pp. 1174-1175.
[50] Corder, C. "The Reconstruction and Development Programme: Success or Failure?" in *Social Indicators Research*, Vol. 41, No. 1/3, Quality of Life in South Africa (Jul.,1997), p. 183.
[51] Loc cit.
[52] Ibid., pp. 183-184.

> My Government's commitment to create a people-centred society of liberty binds us to the pursuit of the goals of freedom from want, freedom from hunger, freedom from deprivation, freedom from ignorance, freedom from suppression and freedom from fear. These freedoms are fundamental to the guarantee of human dignity. They will therefore constitute part of the centrepiece of what this Government will seek to achieve, the focal point on which our attention will be continuously focused. The things we have said constitute the true meaning, the justification and the purpose of the Reconstruction and Development Programme, without which it would lose all legitimacy."

The RDP itself therefore was a macroeconomic framework which emphasised the alleviation of poverty, and the reconstruction of the economy[53]. To do this it sought to deal with five of the most important issues in the South African economy. These were: meeting basic needs; upgrading human resources; strengthening the economy; democratising the state and society; reorganising the state and public sector[54]. The RDP treated social and economic problems as being largely interrelated. This became an important characteristic of South Africa's domestic environment, as nearly all of South Africa's domestic challenges were interwoven with the efforts to revitalise and develop a new economy for the country.

Even though the RDP viewed economic and social problems as being synonymous, it did rank them in terms of importance. Meeting basic needs was described as being, "...the first priority"[55], this would be closely followed by "...the development of human resources through education and training"[56]. Corder explains that[57]:

> In the first year of operation "22 Lead Programmes were identified, planned and budgeted to kickstart the delivery" of the RDP. These covered a broad range of activities, for example: land reform, redistribution and restitution; health care, in particular the provision that "no child under 6 years of age and no pregnant women may be turned away from a hospital or clinic"; electricity; primary school nutrition, under which "5,4 million children are being fed a basic snack every morning" and the provision of rural water.

All of this would be financed by what was known as the RDP Fund, which was established in terms of the RDP Fund Act of 1994[58]. The fund unfortunately was unable to raise the required capital

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[53] Lodge, T. "The RDP: Delivery and Performance" in Philip, D. (Ed): South African Politics Since 1994, Cape Town, 1999,p. 27.
[54] Loc cit.
[55] Werner, J. "Development Strategies in Post-Apartheid South Africa" in *Africa Spectrum*, Vol. 35, No. 2 (2000), p. 184.
[56] Loc cit.
[57] Corder, C., Op Cit., p. 184.
[58] Parliament of the Republic of South Africa, White Paper on Reconstruction and Development, http://www.info.gov.za/view/DownloadFileAction?id=70427, 23 November 1994, p. 14.

to sustain the RDP ambitious goals, particularly since the massive amounts of financing from both public and private sources failed to materialise[59].

Ultimately the RDP enjoyed somewhat of a limited success. It did achieve quite a lot in terms of working towards its goals, but it was largely labelled as being overambitious and as a result saw many groups in South African society becoming disillusioned with the programme. The RDP overemphasised the role of the state within the broader developmental framework, and at the same time failed to set specific targets or deadlines by which its goals were to be achieved. The end result of which was that the RDP office was closed in March 1996, and the RDP fund ended up being reincorporated into the ministry of finance[60].

Following on from this the RDP was to be replaced by the next evolution in South African Macroeconomic policy. The new macro-economic policy was to become known as the Growth Empowerment and Redistribution. GEAR was presented to the South African parliament in 1996, by the then minister of finance, Trevor Manuel[61].

The main aims of GEAR were to improve South Africa's Macroeconomic discipline by reducing the budget deficit, which would be achieved by reducing the government's debt and interest burden[62]. GEAR also sought to promote foreign investment in South Africa, through various measures, including a reduction in tariffs[63]. The final major component of GEAR revolved around the idea of freeing up markets in the country, through efforts such as privatising inefficient state owned enterprises and allowing market forces to set price levels, rather than relying on state intervention to do so[64].

The end result of these changes in macro-economic policy was that South Africa had been able to re-establish itself with the international economic arena. South Africa embraced neoliberal economic orthodoxy and has enjoyed steady advances in terms of her economic progress. However GEAR failed to deliver on all of its aims. Carmody's view of the results of

[59] Corder, C., Op Cit., p. 201.
[60] Loc cit.
[61] Roux, A., Op Cit., p. 170.
[62] Loc cit.
[63] Loc cit.
[64] Loc cit.

South Africa's post-Apartheid economic policy performance is revealing when he states that:

> ...with the end of apartheid, it was meant to be well placed to act as an 'engine of growth' for surrounding countries. However, despite the elimination of international sanctions, since 1996 when neo-liberal economic reforms were introduced more than a half a million jobs have been lost, in contrast to the 600,000 that were meant to be created. Total private non-agricultural employment fell almost 6 per cent from 1997-1998 alone, and employment declines have continued unabated since then. In the first nine months of 2000, as the gold price declined, over 9 per cent of gold miners lost their jobs, with each worker supporting approximately ten people financially. This deepening jobs crisis could be read as a working through of the previous economic crisis, and an adjustment to globalisation, which will bring renewed growth and job creation in its wake: the position espoused by ministers in the South African government. Alternatively, the interaction between internal economic conditions, external competition and capital flows may presage deepening economic dualism and marginalisation. Which of these outcomes results depends importantly on the actions and strategies of the major companies that dominate the South African economy, and on state policies that frame the context in which these strategies are adopted.

In contrast to any of the later views with regard to India's economic miracle, we see South Africa is lagging behind in terms of economic dynamism and as a result stands as a lesser next to India's successes within the same time frame, although this is somewhat understandable due to the obvious differences between the two partners.

This brings us to the state of the South African economy today. In February 2006 the South African government formally adopted a new macro-economic policy, known as the Accelerated and Shared Growth Initiative for South Africa (AsgiSA)[65]. Its chief challanges still remain, long after it was first unveiled in 2006. These are outlined by the IMF in the IMF Survey Magazine Economic Health check for South Africa[66]:

> South Africa's strong overall economic performance is tarnished by the difficulty encountered in reducing its high unemployment level. The recession worsened the country's unemployment picture considerably, with close to 1 million jobs lost since end-2008. As of June 2010, unemployment stood at some 25 percent. This contributes to the high degree of income inequality.

[65] The South African Government Information Services, Accelerated and Shared Growth Initiative for South Africa (AsgiSA), The South African Government, http://www.info.gov.za/asgisa/, 18 February 2011.
[66] IMF Survey Magazine, "Economic Health Check: Faster Growth to Boost Jobs Is South Africa's Priority", The International Monetary Fund, http://www.imf.org/external/pubs/ft/survey/so/2010/car092910c.htm, 29 September 2010.

Overall AsgiSA has seen the country's economy enjoy modest success. South Africa managed to achieve an average economic growth rate of 5 % between 2004 and 2007[67]. The South Africa Department of Trade and Industry (DTI) however offers up far more upbeat assessment of the state of the economy, in its report entitled: "2010, Geared for Growth"[68]. In it, the DTI lists certain economic highlights for the South African economy, which include:

- Government debt, as a percentage of GDP, declined from 44.4% in 2000, to 22.4% in 2009.
- Private sector investment has grown at an average of 5.4% a year over the past decade.
- There has been increasing investment interest in South Africa as a base for accessing Africa's potential as an almost untapped source of raw materials. In 2008, over US$14 billion worth of Foreign Direct Investment (FDI) entered South Africa, more than double the previous year's recorded investment flows.
- In 2008, the World Economic Forum's Global Competitiveness Index ranked South Africa 45th out of 134 global nations.
- South Africa generates two-thirds of Africa's electricity and accounts for almost 25% of the continent's GDP.

This therefore means that South Africa now possesses a modern and competitive economy, which is both sophisticated and self reliant. Although nowhere near India's current performance, South Africa, "...is one of the most sophisticated and promising emerging markets in the world"[69]. Its unique combination of highly developed economic infrastructure, and a burgeoning emerging market economy, has resulted in "...an entrepreneurial and dynamic investment environment with many global competitive advantages and opportunities"[70].

2.1.2 South Africa's Domestic Reality

Although most of South Africa's domestic challenges can be related back to its economic performance, or rather the social dimensions of that performance, there are still numerous additional factors which are independent of that sphere. This section will provide a brief overview of the domestic environment within South Africa, focusing primarily on the top challenges that the country is currently facing. That said, however it is important to note up

[67] Zumanomics, p. 36.
[68] The South African Department of Trade and Industry (DTI), South Africa: Geared For Growth 2010, http://www.dti.gov.za/publications/SA_geared_for_Growth_2010.pdf, 2010, p. 1.
[69] Ibid., p. 4.
[70] Loc cit.

front that the overall domestic situation within the country is one of relative stability. South Africa suffers from no significant internal divisions or threats, such as terrorism or separatist movements and does not contest any of the borders it shares with neighbouring states.

The first challenge which South Africa is unfortunately most famous for is the issue of crime. Domestically South Africa suffers excessively high levels of crime and corruption; so much so that it has often been labelled 'the crime capital of the world'. This is widely recognised to be one of the most important domestic issues facing the country today. In 1998, the Institute for Security Studies set out to answer the question of whether or not South Africa was the crime capital of the world, they concluded that[71]:

> Based on Interpol figures South Africa has high but manageable levels of property crime but an extraordinary high level of violent crime. It is South Africa's high level of violent crime which sets the country apart from other crime ridden societies. This finding is supported by CIAC data indicating that since 1994 recorded violent crime has been escalating at a faster rate than any other crime category. It is primarily violent crime which fuels people's fear of crime.

Their research did not end there. In their 2010 report entitled "The state of Crime in South Africa" they reveal that a,"... longitudinal analysis of total national crime recorded annually shows that overall crime levels peaked in 2002/03, after which there was a gradual decline until 2007/08 when crime started to rise once again"[72]. Crime continues to plague South Africa, and is often cited as one of the primary reasons for low foreign investor confidence in South Africa[73].

South Africa is also facing significant problems with regards to the issue of migration and refugees. In 2010, one quarter of all asylum requests made in the world, were made in South Africa[74]. This means that South Africa is now ranked by the United Nations High Commission for Refugees, as the most favoured country for asylum seekers in the world[75].

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[71] Masuku, S., South Africa: World Crime Capital, Nedbank ISS Crime Index, Vol. 5, No. 1, http://www.iss.co.za/pubs/CrimeIndex/01Vol5No1/World.html, January- Feburary 2001.
[72] Loc cit.
[73] South African Government Information, Statement on the Release of the DTI - World Bank Assessment of the Investment Climate in South Africa, http://www.info.gov.za/speeches/2005/05121315151001.htm, 13 December 2005.
[74] Philip, R., SA Receives Worlds Highest Number of Asylum Requests, Times Live, http://www.timeslive.co.za/sundaytimes/article641610.ece/SA-fields-worlds-highest-number-of-asylum-requests, 5 September 2010.
[75] Loc cit.

The Forced Migration Studies Programme (FMSP) at the University of the Witwatersrand is a leading institution dedicated to studying issues surrounding migration within South Africa. In a 2010 they released a report entitled, "Population movements in and to South Africa". It provides an accurate overview of the extent of the challenge South Africa is facing[76]:

- Recognized refugees: cumulative since 1994: 47 596 (at end 2009);
- Recognized asylum seekers: new applicants in 2009: 223,324. Of these, 4,567 were approved, 46,055 were rejected and 172,702 were added to the backlog of unprocessed cases;
- Economic migrants issued with individual work permits (not including corporate permits): 32,344 in 2007/8 (more recent data not available);
- People deported: 312,733 in 2007/8. More recent data is not publically available, although overall deportation numbers are likely to have diminished significantly after the moratorium on deportation of Zimbabweans was introduced in April 2009.

Migrants and refugees also pose a significant potential challenge to the South Africa government not only due to their sheer numbers, but also due to local attitudes towards them. Violence against foreign nationals has become an ongoing feature of post-Apartheid South Africa[77]. "While the most intense period of attacks took place in May 2008, similar patterns of violence began long before and have yet to stop"[78]. The results of the most recent outbreaks of violence were that[79]:

> From 11 to 26 May 2008, foreign nationals and ethnic minorities were attacked in at least 138 sites across South Africa. This resulted in 62 reported deaths. At least a third of those killed (21) were South African citizens from ethnic minorities. In addition to the murders, over a hundred thousand people were displaced and millions of Rand of property were damaged or stolen.

HIV and AIDS are the next most significant challenge South Africa faces. The UNAIDS programme in 2008 reported that there are an estimated 5.4 million South Africans who are living with HIV/AIDS[80]. This represents a large portion of the overall population, and will continue to place a significant socio-economic burden on the South African government,

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[76] Polzer, T., Migration Fact Sheet 1: Population Movements in and to South Africa, FMSP, http://www.migration.org.za/sites/default/files/reports/2010/FMSP_Fact_Sheet_Migration_in_SA_June_2010_doc.pdf, June 2010, p. 3.
[77] Polzer, T., 'Xenophobia': Violence Against Foreign Nationals and other 'Outsiders' in Contemporary South Africa, FMSP, http://www.migration.org.za/sites/default/files/reports/2010/FMSP_Migration_Issue_Brief_3_Xenophobia_June_2010.pdf, June 2010, p. 2.
[78] Loc cit.
[79] Ibid., p. 3.
[80] UNAIDS, South Africa, July 2008: Country Situation, http://data.unaids.org/pub/FactSheet/2008/sa08_soa_en.pdf, July 2008, p. 1.

and society at large. The nature of the burden is revealed by Booysen, Geldenhuys and Marinkov to be[81]:

- A decline in total labour supply and in the total population due to HIV/AIDS-related mortality amongst the economically active population, which affects both the demand and supply side of the economy.
- A decline in labour and total factor productivity resulting from HIV/AIDS-related morbidity.
- Direct and indirect costs and productivity losses to the private sector due to HIV/AIDS-related morbidity and mortality amongst employees: Firms will experience higher expenditure due to increased health care costs, burial fees and training costs and payment of other employee benefits, as well as absenteeism and a higher labour turnover, which will increase the cost of employment. In addition, demand for certain goods and service and therefore sales revenue and turnover may increase or decline due to changes in household expenditure patterns. These impacts of the epidemic translate into increased production costs, increased prices (i.e. higher PPI, and perhaps even higher interest rates), and a decline in aggregate demand, savings and investment.
- Household expenditure: The care of and loss of HIV infected family members translate into losses of household income as well as higher medical and funeral expenses, which results in changes in expenditure patterns and in turn in private savings and in investment.
- Government expenditure: HIV/AIDS will impact primarily on the health sector due to a higher demand for health services and the high costs of HIV/AIDS treatment. In addition, the public sector will like business in the private sector face higher costs of employment and lower productivity as a result of HIV/AIDS, which in turn will result in lower savings due to greater deficits.

However, in spite of this, South Africa has many comprehensive policies and programmes in place to deal with the pandemic. As a result these policies comprehensively cover the management, treatment, care and support of AIDS. The South African government is therefore taking action do deal with the pandemic. Its treatment programmes have[82]:

> ...enrolled approximately 370,000 people by September 2007 with ARV treatment in the public sector and an estimated 120,000 people in the private sector. Although still significantly lower than the treatment need, it is currently the largest AIDS treatment programme in the world.

On a more positive note, South Africa is increasingly becoming a stable democracy, despite the many domestic challenges it is facing. It was not long ago, particularly in the first free election the country held in 1994, where politically motivated violence had been widespread. In April 1994 as the first democratic election approached, anti-election

[81] Booysen, F., Geldenhuys, J. & Marinkov, M., The Impact of HIV/AIDS on the South African Economy: A Review of Current Evidence, Trade and Industrial Strategy Policies (TIPS), http://www.tips.org.za/files/685.pdf, September 2003, pp. 5-6.
[82] UNAIDS, Op Cit., p.1.

elements within the Inkatha Freedom Party (IFP) and on the extreme right of the South African political spectrum generated an upsurge in political violence[83]. "In the four week period 16 March to 15 April, 429 people were killed"[84]. However there were only seven people who were recorded as being killed in political violence during the election days[85]. This then led to what has been termed as the South African political miracle, as the expected violence never materialised.

Ever since then, electoral process and democratic rigor has been firmly established in South Africa. From the current perspective, as far back as the April 2004 national elections, the electoral process was completely calm. In April 2004, "...the electoral process had become so routine that many described the campaign and voting day as boring and reporters searching for controversial stories had little to cover"[86]. In fact, "...the electoral process was perceived to be on track to such an extent that the European Union, United Nations, Commonwealth, and Carter Centre all declined to send delegations to monitor and observe the 2004 election"[87]. Ultimately in 2004 it was voter *apathy* and not voter *intimidation* that had become a major concern for political leaders and analysts"[88]. Clearly therefore South Africa has become a stable democracy, free from the curse of electoral violence and political instability that continues to plague many of her regional African neighbours.

South Africa's domestic position therefore is multifaceted. South Africa possesses a great number of strengths and advantageous qualities, but at the same time is indeed dealing with a growing number of potentially serious challenges. The country has however made significant progress towards dealing with these challenges, as seen by the example of its extensive AIDS programmes. The future prospects for South Africa therefore continue to look bright, as was aptly demonstrated when South Africa successfully hosted the 2010 FIFA World Cup Soccer Tournament

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[83] Taylor, R. & Shaw M., "The Dying Days of Apartheid", in Norval, A. & Howarth, D. (eds.), South Africa in Transition, London, Chapter 1, p. 24.
[84] Loc cit.
[85] Loc cit.
[86] Piombo, J., "The Results of Election 2004: Looking Back, Stepping Forward", in Piombo, J. & Nijzink, L. (eds.), Electoral Politics in South Africa, Chapter 13, Pretoria, 2005, p.253.
[87] Loc cit.
[88] Loc cit.

2.1.3 South Africa's International Presence

Moving now onto one of the most important aspects of South Africa's position within the strategic partnership; the countries international presence. Within the international arena, we see that South Africa has emerged into the post-Apartheid period with a great deal of enthusiasm. South Africa has made significant strides to normalise relations with a whole host of countries, particularly those within the Southern African region. Simon provides a brief overview of South Africa's re-emergence onto the international stage[89]:

> Following regular assertions by President Nelson Mandela to that effect, the ANC-led government committed itself to fostering friendly and mutually beneficial relations-both bilateral and multilateral-with other African states, and to open and honest dealing. Virtually all major global and continental organizations, including the UN and its specialist agencies, the World Bank, Commonwealth, Non-Aligned Movement and Organization of African Unity, were joined or rejoined within a very short period of time following the ANC's I994 election victory.

The new government therefore strove to undertake a foreign policy position which was orientated towards the global South, as a direct extension of its broader African agenda[90]. Its execution[91]:

> ...has involved a complex balancing act aimed at advancing developmental goals embedded in an independent foreign policy. The country's foreign policy elite has sought to weigh national imperatives with regional and continental goals and dynamics, factoring in South-South cooperation considerations while navigating North-South tensions and opportunities. This has entailed exploring a workable partnership between Africa and the industrialized North in particular, North and South in general. One of the major challenges facing South Africa has been balancing issues of principle and morality with unavoidable considerations of *realpolitik*. The Mandela government strove to position the country as a "good" world citizen conducting a principle-driven foreign policy. This was underscored by commitments to human rights and international law as a "guide" to the relations between nations while promoting Africa's interests; at the same time, linking internal development to growing regional and international cooperation.

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[89] Simon, D., "Trading Spaces: Imagining and Positioning the 'New' South Africa within the Regional and Global Economies", in *International Affairs (Royal Institute of International Affairs 1944-)*, Vol. 77, No. 2 (Apr., 2001), p. 385.
[90] Kornegay, F. The Geopolitics of IBSA: The South African Dimension, http://www.ipc-undp.org/ipc/doc/ibsa/papers/ibsa14.pdf, p. 2.
[91] Ibid., p. 3.

As it stands today, South Africa is clearly an important player within the wider international system. The reshaping of South Africa's foreign policy by the ANC government since the end of Apartheid has played an important part in achieving this success, as it is directly linked to the manner in which the country both portrays itself in the international system and is simultaneously perceived by other actors within that system. As such South Africa, particularly in the early years, established itself as a moral and highly principled actor under the presidency of Nelson Mandela.

Unfortunately some of the earliest tests of this Afro-centric and highly principled approach to foreign policy produced rather embarrassing results. The two examples which spring to mind are when President Mandela made his proposal at the Commonwealth Heads of Government meeting in New Zealand that Nigeria's military regime should be isolated for the execution of the prominent Ogoni activist, Ken Saro-Wiwa in 1995; and his attempts to broker a peace deal between Mobutu and Kabila to end the war in the Congo in I997[92]. "These interventions either failed or backfired, raising further questions over the thrust, orientation and programmatic content of South Africa's foreign policy"[93].

However these initial setbacks did not dampen South Africa's resolve. Following on from Mandela, Thabo Mbeki began to consolidate South Africa's international position. He did so by shifting the ANC government's foreign policy from one of aspirational moralism to operational pragmatism, leading to a greater sense of orthodoxy and conservatism in its conduct[94]. South Africa also began to commit itself greatly under Mbeki's leadership towards embracing multilateralism.

Around 1996, Mbeki began to outline his approach on an idea he managed to popularised, which became known as the 'African Renaissance'[95]. In simple terms, the essence of this notion of an 'African Renaissance' was a tool which South Africa would use to maximise its foreign policy options in Africa[96]. The ultimate expression of this philosophy was

[92] Simon, D. Op Cit., p. 386.
[93] Loc cit.
[94] Olivier, G., "Is Thabo Mbeki Africa's Saviour?", in *International Affairs*, Vol. 79, No. 4, 2003, p. 817.
[95] Vale, P. & Maseko, S., "South Africa and the African Renaissance", in International Affairs, Vol. 74, No. 2, 1998, p. 273.
[96] Ibid., p. 278.

undoubtedly found in Mbeki's efforts to establish his New Economic Partnership for Africa's Development (NEPAD), which was to fall under the aegis of the African Union (AU) as its economic and social development programme. De Waal describes NEPAD as being[97]:

> ...both a 'big idea' and an umbrella for best practices. It is an opening for major resource flows, both aid- and trade-related, and an attempt to reenvision development partnership on the basis of good governance within Africa.

Biswas comments on NEPAD[98]:

> While the AU is Africa's aspirational outfit in the present globalisation setup, its pragmatic counterpart, New Partnership for Africa's Development (NEPAD) is a plan for African development. Through NEPAD, African leaders have made a commitment to the African people and the world to work together in rebuilding the continent. It is a pledge to promote peace and stability, democracy, sound economic management, people-centric development and to hold each other accountable in terms of the agreement outlined in the programme.

However South African foreign policy is not blind to the broader international arena, due to its distinctly African orientation. Its commitment to multilateralism has seen South Africa become a key player in several international organisations. So much so, that many feel South Africa has made an impact in this field that, even at an early stage, it has managed to reach far beyond its, "...perceived level of capacity, influence and experience"[99].

Having noted this, there is an alternative view which should be considered. This view may also be closer to reality than the overly idealistic image the South African government, and the Mbeki presidency in particular, attempted to cultivate. What this view of South Africa entails is that rather than ascending to the natural position of 'African champion', South Africa has instead risen to become a 'reluctant hegemon'[100]. Mokoena elaborates on this position further[101]:

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[97] De Waal, A. "What's New in the 'New Partnership for Africa's Development'?", in *International Affairs* (Royal Institute of International Affairs 1944-), Vol. 78, No. 3(Jul., 2002), p. 464.
[98] Biswas, A. "NEPAD: Forum for Growth and Unity", in *Economic and Political Weekly*, Vol. 39, No. 8 (Feb. 21-27, 2004), p. 793.
[99] Wheeler, T. "Multilateral Diplomacy: South Africa's Achievements", in Sidiropolos, E. (ed.): Apartheid Past, Renaissance Future: South Africa's Foreign Policy 1994-2004, The South African Institute of International Affairs, Johannesburg, 2004, p. 103.
[100] Mokoena, R. "South-South Cooperation: The Case for IBSA", in *The South African Journal of International Affairs*, Vol. 14, Iss. 2, Winter/Spring 2007, p. 126.
[101] Loc cit.

> The country's economic dominance has pushed it into a leadership role in African politics, yet the willingness to fulfil this role is not clear, especially since many African elites perceive South Africa as a self-interested 'neo-imperialist' actor. This is in part due to the obvious differences between South Africa and most (sub-Saharan) African countries, which often means that South Africa's national interests, however broadly defined, are not always aligned with those of other African countries.

This said, it is undeniable that South Africa has managed to engage in a wide variety of regional and international arenas, dealing with a multitude of issues. Therefore her foreign policy strikes a careful balance between a strong commitment to Africa and the need to behave as a responsible developing nation.

Within the international arena, one of the most important issues South Africa has engaged with which demonstrate a measure of versatility within its foreign policy, has been the process of reforming the UN Security Council and the Bretton Woods institutions. In 2003, the Secretary General of The United Nations, Kofi Annan, raised the issue of Security Council reform in an address to the General Assembly[102]. Shortly after this, President Mbeki addressed the assembly and voiced his support for the idea of reforming the Security Council. The Secretary General subsequently greatly honoured South Africa by nominating the country to serve on his task team which was to advise him on the matter[103]. Subsequent to this South Africa has occupied a non-permanent seat on the UN Security Council twice, once during 2007-2008, and again from 2011-2012[104].

South Africa also played a distinguishing role in setting up and hosting the first negotiating session of what was to become known as the Kimberly Process[105]. The first meeting was convened in May 2000 in Kimberly. What it aimed to do, by including governments, NGO's and the international diamond industry, was to set out and develop an internationally accepted and recognised procedure for certifying that all diamonds reaching the international market had not come from illegal diamond mining operations, or had not been smuggled out of legal mines[106]. This was a bold attempt to reduce the scourge of so called

[102] Wheeler, T., Op Cit., p. 95.
[103] Loc cit.
[104] United Nations Security Council, Members, http://www.un.org/sc/searchres_sc_members_english.asp?sc_members=189, 14 March 2011.
[105] Wheeler, T. Op Cit., p. 93.
[106] Loc cit.

conflict diamonds, which had fuelled conflicts in countries like Angola, Liberia, the Democratic Republic of Congo and Sierra Leone[107]. The efforts met with great success, so much so that by 2003, 50 countries and interests in the international diamond industry had signed up to the Kimberly Process Certification Scheme[108].

South Africa has further enhanced its international profile by becoming a regular participant and member of numerous organisations orientated to the interests of the global south. These include, the India, Brazil, South Africa (IBSA) dialogue forum, the G77, the Non Aligned Movement (NAM), The African Union (AU), The Southern African Development Community (SADC), and most recently the Brazil, Russia, India, China group of large developing economies, now known as the BRICS.

Additionally the country has played host to numerous important international conferences over the years. The first mega conference the country hosted was in June 1996, which was the ninth meeting of the United Nations Conference on Trade and Development (UNCTAD IX)[109]. After the successful hosting of this prestigious event, many others soon followed. These included: the conference on the Information Society and Development (ISAD) in 1996; the 12th summit of the Non Aligned Movement (NAM) in Durban (September 1998); the Commonwealth Heads of Government Meeting, which gave rise to the Fancourt declaration on development (November 1999); the UNAIDS conference in 2000; The Wold Conference on Racism (WCAR) in Durban (August to September 2001); the founding Summit of the African Union (June-July 2002); followed shortly thereafter by the largest and most successful of the all, the World Summit on Sustainable Development (WSSD) in September 2002[110].

Last but not least South Africa has managed to play a strong leadership role in many of the world's financial institutions, chief among which is the World Trade Organisation (WTO), of which South Africa has been a member since January 1995[111], and the International

[107] Loc cit.
[108] Ibid., p. 94.
[109] Ibid., p. 100.
[110] Loc cit.
[111] The World Trade Organisation, South Africa and the WTO, http://www.wto.org/english/thewto_e/countries_e/south_africa_e.htm, 14 March 2011.

Monetary Fund (IMF). South Africa has played such an important role in these organisations for many years, that as, "... testimony to its status as one of the leading emerging economies of the world, South Africa was invited along with Brazil, China, India and Mexico to participate at the G-8 Gleneagles Summit in 2005[112]"

In conclusion then South Africa has made incredible progress in terms of its economy, its domestic situation and it ever increasing international presence. It has become somewhat of a force to reckon with in the brief period since its reacceptance into the international environment. Therefore credit to the country which even in the face of a wide variety of challenges, has managed to elevate itself to such a prominent position. It is no wonder India has established a strategic partnership with South Africa, because what it lacks in substance, it more than makes up for in potential.

2.2 Situating India

India is rather a contradictory power; it is developing at a phenomenal rate, yet is still bound by tradition and constrained by almost overwhelming domestic pressures. India however has, in many ways just like South Africa, undergone a series of rapid and monumental changes since the early 1990's. An attempt will now be made to situate India within the same economic, domestic and international spheres.

To gain a broad overview of contemporary India, please refer to Appendix 2, which covers all of India's key developmental indicators and general characteristics.

2.2.1 India's Economy

Interestingly, India's currently phenomenal economic performance began with a series of domestic economic reforms, at roughly the same time as a free South Africa was starting to carve out its new growth path with the RDP. In 1991 India began what can be termed as an 'economic awakening'. This was a rather a late start for India, as in comparison to most

[112] Shrivastava, M., Op Cit., p. 123.

developing nations at the time, India had chosen to follow an inward orientated industrial development policy, as opposed to an outward orientated one[113]. The final push that drove India into a new economic age came in the combined of the end of the Cold War, and a domestic balance of payments crisis.[114].

This 'awakening' therefore officially began to occur in 1991 when the 1974 Foreign Exchange and Regulation Act (FERA), was finally overturned[115]. According to Nagaraj[116]:

> Such a restrictive policy is believed to have retarded domestic technical capability (as reflected in the poor quality of Indian goods); it also meant a loss of export opportunity of labour-intensive manufactures - in contrast to many successful east Asian economies. Moreover, such a policy is said to have encouraged 'rent seeking' by domestic partners on imported technology - with little efforts to improve product quality, undertake innovation, and seek export markets.

This rather unsatisfactory situation was largely due to the fact that India was relatively closed off to foreign investment and joint-venture partnerships. Nagaraj continues[117]:

> Compared to most industrialising economies, India followed a fairly restrictive foreign private investment policy until 1991 - relying more on bilateral and multilateral loans with long maturities. Inward foreign direct investment (FDI) was perceived essentially as a means of acquiring industrial technology that was unavailable through licensing agreements and capital goods import. Technology imports were preferred to financial and technical collaborations. Even for technology licensing agreements, there were restrictions on the rates of royalty payment and technical fees. Development banks largely met the external financial needs for importing capital equipment. However, foreign investment was permitted in designated industries, subject to varying conditions on setting up joint ventures with domestic partners, local content clauses, export obligations, promotion of local R and D and so on - broadly similar to those followed in many rapidly industrialising Asian economies.

India as a result has managed to boast incredible economic growth, with an average growth rate of more than 7 percent per annum since 1994[118]. India's real GDP growth rate is

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[113] Baru, S., "Strategic Consequences of India's Economic Performance", in *Economic and Political Weekly*, Vol. 37, No. 26 (Jun. 29 - Jul. 5, 2002), pp. 2590-2591.
[114] Ibid., p. 2591.
[115] Kumar, N., "Liberalisation and Changing Patterns of Foreign Direct Investments: Has India's Relative Attractiveness as a Host of FDI Improved?", in *Economic and Political Weekly*, Vol. 33, No. 22 (May 30 - Jun. 5, 1998), p. 1325.
[116] Nagaraj, R.: "Foreign Direct Investment in India in the 1990s: Trends and Issues ", in *Economic and Political Weekly*, Vol. 38, No. 17 (Apr. 26 - May 2, 2003), p. 1701.
[117] Loc cit.
[118] Lavoy, P., "India in 2006: A New Emphasis on Engagement", in *Asian Survey*, Vol. 47, No. 1 (January/February 2007), p. 113.

expected to be between 8 and 9 percent during 2011[119]. This incredible performance has been leveraged on the back of India's moves to open its economy to international investment and global competitive forces, and to foster a market friendly approach to business[120]. It has also managed to rid itself of many inefficient state run enterprises, since the early 1990's[121]. It is this adoption of neo-liberal macroeconomic policies by the Indian government which has been credited with its continued success. Varshney provides a succinct overview of the evolution of India's economy to date[122]:

> In some areas of economic policy, progress has been dramatic; in others, little or no progress has been made. India's investment regime has undergone the most extensive reform. The industrial licensing system has been almost completely abolished. Firms are free to make decisions about investment, pricing, and technology. Only three industries-rail transport, military aircraft and ships, and atomic energy generation-are now reserved for the public sector (instead of 18 in the past), and these, too, are beginning to welcome collaboration with private industry on some activities. The rules governing foreign investment have been substantially liberalized. Complete foreign private ownership in a large number of industries, and majority private ownership in most industries, is allowed, excluding airlines, insurance companies, and the major retail trade. And since 1992, foreign institutions have been allowed to buy and sell stocks in Indian firms. Indian companies, in turn, are now free to issue equity in foreign markets. A great deal of progress has also been made in reforming India's trade and exchange-rate regimes. India now has a flexible exchange rate system. The average tariff on imports has come down from over 1oo percent to just under 25 percent today, and all quota restrictions on trade have been lifted.

One of the great success stories to come out of this process has been India's ability to create massive software and services based industries, both of which have been almost entirely financed from domestic sources[123]. These industries now have a solid foothold in many of the world's most advanced economies, such as the United States. The Indian software industry was expected to be worth around US$ 50 billion in 2008, reaching US$ 100 billion not long afterwards[124].

A chief reason why the software industry and the economy as a whole is performing so well is because it has benefitted greatly from India's post-independence policy of state

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[119] IMF Survey Magazine, India: Rapid Growth with Promising Medium-term Prospects, The IMF, http://www.imf.org/external/pubs/ft/survey/so/2011/car010511b.htm, 5 January 2011.
[120] Cohen, S. Op Cit., p. 102.
[121] Loc cit.
[122] Varshney, A., "India's Democratic Challenge", in *Foreign Affairs*, Vol. 86, No. 2 (Mar. - Apr., 2007), pp. 96-97.
[123] Walker, M., "India's Path To Greatness", in *The Wilson Quarterly* (1976-), Vol. 30, No. 3 (Summer, 2006), p. 27.
[124] Cohen, S. Op Cit., p. 103.

subsidised education[125]. As a result, India now possesses significant highly trained, English-speaking educated elite, which make up the backbone of its economy[126]. India's success with education means that at current rates, India will soon become the world's largest English speaking country[127]. India has also achieved another significant milestone through its economic performance, which is the establishment of a middle class. This middle class, usually defined by the ability to buy a private car, numbers somewhere in the region of 300 million people; making it larger than the entire population of the United States[128]. Along with this significant achievement, India demonstrates its ferocious commercial energy when one considers the fact that every month, five million new mobile phone subscribers are signed up[129]. Interestingly, Varshney makes the additional observation along these lines, that[130]:

> Corporate dynamism, rarely associated with India in the past, is fast changing the business map of the country, and India, in turn, is rapidly becoming an important factor in the global strategies of the world's leading international firms.

However this is not to say India's growth is going to remain this way. There are in fact numerous impediments to her continued economic success, chief amongst which is the dismal state of India's largely crumbling infrastructure. This is a primary reason why India is witnessing less foreign investment than its nearest Asian rival, China, and why unlike China, India has been unable to leverage its manufacturing sector[131]. Walker provides this description of India's infrastructural plight[132]:

> Its ports, railroads, highways, electricity supplies, and grid systems are aged and ramshackle, and traffic jams and power outages are routine, reinforcing each other when the traffic lights blink out. Critical segments of the economy- such as the container transport system, which allows easy shipping of freight by land, sea, and air - have been state monopolies, subject to the usual debilitating problems of the breed. Arriving foreigners receive a startling introduction to the bustle and backwardness of India before they ever reach a hotel.

[125] Shrivastava, M., Op Cit., p. 122.
[126] Cohen, S. Op Cit., p. 103.
[127] Loc cit.
[128] Walker, M. Op Cit., p. 27.
[129] Ibid., p. 28.
[130] Varshney, A. Op Cit., p. 95.
[131] Walker, M. Op Cit., p. 27.
[132] Ibid., p. 28.

Varshney goes on to mention additional factors that continue to limit progress, in five key areas. They are, "...fiscal policy, privatization, small-scale industry, agriculture, and labor law"[133]. Large scale agricultural subsidies which are heavily defended by India's poor farmers are often blamed for significant deficits, yet they are almost impossible to remove due to socio-political pressure[134]. A lack of reform in terms of India's labour law is also a serious problem for India's continued economic success, "...meaning that no company operating in India employing more than loo workers can fire any without government permission-and permission is almost never granted"[135].

Arguably the largest constraint to India's continued economic growth is its relative lack of energy security. Sharma and Mahajan take stock of the situation[136]:

> In order to sustain a growth rate of 8% up to 2031-32 and to meet the basic energy needs of its citizens, India must increase its primary energy supply by three to four times 2003-04 levels and its electricity generation capacity/supply by five to six times. At present, India imports almost 70% of its oil and this dependency is slated to increase significantly, given India's deficiency in indigenous sources of energy, particularly oil.

Clearly therefore this presents a monumental challenge to a country like India, especially in the face of growing global demand and the combined effects of the fact that many energy producing nations are already struggling to keep up with demand. This issue therefore may cripple India's future development just as surely as nuclear war with Pakistan would.

Lastly, India has to deal with the one more inescapable reality; population growth. This in itself is perhaps less worrisome than the knock on effects it will have for the entire Indian economy. This knock on effect is more of a cumulative process, whereby it ratchets up demand for resources, jobs, social services and living space. Lavoy details the effects of India's expanding population on the countries people and environment:

> Urbanization, industrialization, and skyrocketing energy consumption are damaging air quality and causing deforestation, soil erosion, water pollution, land degradation, and strain on the municipal services of all major cities. New Delhi, Mumbai, Chennai, and Kolkata rank among the world's largest and most polluted cities because of heavy industrial pollution and the rapidly rising number of vehicles on the roads. Of the three million premature deaths

[133] Varshney, A. Op Cit., p. 97.
[134] Loc cit.
[135] Loc cit.
[136] Sharma, D. & Mahajan, D. "Energising Ties: The Politics of Oil", in *The South African Journal of International Affairs*, Vol. 14, Iss. 2, Winter/Spring 2007, p. 40.

> 1that occur worldwide each year because of air pollution, the highest number is reported in India. Water shortages also continue to be a major problem and the government is actively building dams in the Kashmir region to store water and help with increasing energy needs[137].

It is therefore a fair assumption that India's economic growth, although nothing short of incredible, is not guaranteed to last. India also has a long way to go in order to improve the chances that economic performance will continue, which is even before one considers all of the countries additional domestic challenges that are not included in those above.

2.2.2 India's Domestic Reality

India is eternally characterised as being an incredibly diverse state, and it is this fact that continues to influence the nature of modern India's society. India therefore is often described as being a confusing mix of many of the world's great religions, languages, cultures and ethnic identities. Another essential element in terms of understanding India's domestic environment is that one has to remain conscious of the fact that India is a unique product of the blending of the very old, and the very new[138]. It is also the world's largest democracy, which in itself poses some sizeable and unique challenges[139]. India's domestic reality is therefore highly complicated, and poses its own set of unique challenges.

The domestic character of contemporary India began to change with a greater degree of consistency for the early 1980's. "One by one, the images of a stable, orderly, peaceful and progressive India have given way to a series of interacting social, political and economic revolutions"[140]. These 'revolutions' as Cohen refers to them are not violent or 'bloody revolutions', but as he terms them, 'bleeding revolutions'[141].

Cohen elaborates about the changing nature of Indian society and domestic realities[142]:

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[137] Lavoy, P., Op Cit, p. 124.
[138] Cohen, S. Op Cit., p. 19.
[139] Burns, N., "America's Strategic Opportunity with India: The New U.S.-India Partnership", in *Foreign Affairs*, Vol. 86, No. 6 (Nov. - Dec., 2007), p. 134
[140] Ibid., p. 97.
[141] Ibid., p. 98.
[142] Loc cit.

> These revolutions include the bursting forth of hitherto quiescent groups, usually from low castes, with demands for ethnic and linguistic autonomy, a changed centre-stage relationship, a transformed Indian disaspora, and a direct challenge to India's secular order.

These changes very quickly become very difficult to track, or are so subtle that the vast majority of Indians and foreigners either fail to perceive them or are unable to comprehend their significance. This is why the paper will only cover the most important of these 'revolutions'. The paper has already in the previous section dealt with one of the most important 'revolutions' in the form of India's economic awakening and the subsequent shifts in macro-economic policy. The next important change comes in the social sphere, through a change within one of India's oldest social institutions, the caste system.

One has to understand the caste system above any other Indian social phenomena. This is because although there are other aspects of Indian society which are possibly relevant to India's rise as a global power, none are as important as the caste system. As such it is important to realise early on that the caste system in India, is essentially a social construct. The Sanskrit term for caste is *jati*, and as such there are many different *jati's* in India[143]. Some are spread throughout India, and others are simply small local entities. However the reasons behind the extremely hierarchical nature of the caste system in India are still hotly debated among scholars.

Cohen explains that castes[144]:

> ...may have evolved from functional or occupational specialization, acquiring their current form from the four major *varna* recorded in the early Hindu scriptures (ca. 500 B.C.): Brahmins, the teachers and priests of society; Kshatriyas, the warrior-rulers; Vaishyas, merchants and businessmen; and, at the bottom, Shudra, or farmers.

Caste is usually associated with Hindu traditions, but this is not to say that it has not been influenced by the many religions found throughout India[145]. Essentially the caste system has its roots in the practise of *endogamy*, which refers to the largest possible group a family will seek a marriage partner for their child[146].

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[143] Ibid., p. 20.
[144] Loc cit.
[145] Loc cit.
[146] Loc cit.

The reason however that this practise is so important within India is that caste is determined by birth and is a largely rigid hierarchical structure. It is essentially the exceptional rigidity of the caste system that worries modern observers, as the lower castes are often seen to be oppressed and exploited by the higher castes. As Mencher notes, "...from the point of view of people at the lowest end of the scale, caste has functioned (and continues to function) as a very effective system of economic exploitation"[147], and that "...one of the functions of the system has been to prevent the formation of social classes with any commonality of interest or unity of purpose"[148]. It is this notion that the caste system encourages discrimination and oppresses low born individuals that makes caste such a central component in contemporary Indian society. The theorist Charles Drekmeier summarised the role of caste in Indian society when he remarked that caste was, 'The Great Wall of India'[149].

We can therefore use the changes in one of India's oldest and most important social constructs as a lens through which to view India's broader social revolution. This is because India's wider 'social revolution' has begun to pit, "...middle and low castes and India's many tribes against one another and against once-dominant high castes in a sometimes violent struggle for power"[150]. Caste therefore is at the very heart of Indian society and as such one has to refer to it before one can accurately gauge almost any domestic phenomena in India.

This is particularly important in terms of the manner in which contemporary India constructs its own unique identity, but also because caste is a key part of the processes which are changing Indian society. However, as caste is a socio-political issue it often ends up giving rise to more immediate and tangible problems. Some of these problems are very closely related to caste, and others a somewhat distanced from it, particularly in contemporary India where overt discrimination on grounds of caste is illegal. The paper will now briefly explore the two issues which tend to stand out the most. These issues are poverty, which is a core issue, and the closely linked problem of collective violence.

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[147] Mencher, J. "The Caste System upside Down, or The Not-So-Mysterious East" in *Current Anthropology*, Vol. 15, No. 4 (Dec., 1974), p. 469.
[148] Loc cit.
[149] Cohen, S. Op Cit., p. 20.
[150] Ibid., p. 114.

The first of these challenges, poverty, is perhaps modern India's greatest concern. For instance if one views the figures in appendix 2, one will quickly see that the percentage of the population affected by multidimensional poverty in India, at 16.1% in 2010[151], far exceeds the South African figure in appendix 1 of 3.9%[152]. Poverty in India therefore is often viewed as one of its greatest domestic challenges and continues to hold back the nation's development. It is interestingly also another unfortunate by-product of the caste system.

According to Shah and Mehta[153]:

> Lack of access to resources or assetlessness is a unifying characteristic of poverty in all its manifestations. The poor lack ownership of or access to assets such as land, water, forest, dwelling units, credit, literacy, longevity, voice and capital-both physical and social. Those who are severely below the poverty line are largely involved in subsistence type activities for which they get exploitatively poor returns despite suffering extreme physical hardship and undertaking grave risks so as to earn a meagre income. Since earnings are below even the margins of existence, expenditure and survival needs exceed income.

Poverty therefore traps India's citizens in a cycle of suffering from which they are unable to escape. The Indian government as a result has utilised a mixture of strategies to deal with the issue right from the time of independence, up until today. However by the government's own admission, many of these programmes have failed to produce the anticipated results.

According to The Chronic Poverty Research Centre, in the year 2000, "India's anti-poverty programmes in total amount to some 6-7 per cent of total Government of India budgetary expenditure or 1 per cent of GDP"[154]. As a result[155]:

> Poverty rates have declined and there have been notable successes – e.g. the building of a social contract around famine prevention. Despite this, there remains a chasm between official policies on the one hand, and the experience of the poor on the other.

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[151] The United Nations Development Programme, Human Development Report 2010, http://hdr.undp.org/en/media/HDR_2010_EN_Complete_reprint.pdf, 2010, p. 162.
[152] Ibid., p. 154.
[153] Mehta, A. & Shah, A. Chronic Poverty in India: Overview Study, Chronic Poverty Research Centre, http://www.dfid.gov.uk/R4D/PDF/Outputs/ChronicPoverty_RC/07Mehta_Shah.pdf, 2001, p. 6.
[154] The Chronic Poverty Research Centre, Chronic Poverty in India: Policy Responses, http://www.odi.org.uk/resources/download/1876.pdf, March 2007, p. 3.
[155] Loc cit.

In addition[156]:

> Policy on poverty has tended to become part of a political economy that proliferates 'doles', which often exist more to allow political power bases to be consolidated than to help the poor. Thus, while there has been poverty reduction, anti-poverty budget increases have not made the contribution that was hoped for; and the targeting of anti-poverty programmes is poorly handled, producing both errors of inclusion and exclusion.

The net result of this is that the burden of poverty will continue to plague India for many years to come. It is because of this that a significant amount of the Indian government's efforts will have to continue to focus on this issue, with the possibility that it will result in the neglect of other key social and political arenas. The focus on poverty will also inevitably produce a need to spend ever increasing amounts of social and physical capital in order to address this issue. This will therefore continue to entrench India's notorious centralised and sluggish bureaucratic machinery, inadvertently causing a large portion of the Indian civil service to continue to implement wasteful and ineffective poverty reduction programmes. The issue of poverty will therefore continue to burden India long into the future, and as a result is one of the primary domestic issues that characterises contemporary India.

Closely linked to both the issue of poverty and caste, is that of collective violence. It is unfortunately ironic then that the country which produced Mahatma Gandhi, the father of non-violence, is so often plagued by death and destruction as a result of severe bouts of collective violence[157]. Many scholars would argue that collective violence, and occasionally terrorism is symptomatic of a failure to deal with poverty and caste based grievances. However a growing body of evidence is beginning to suggest that most of the collective violence encountered in India is a product of class divisions rather than being religiously or ideologically motivated[158]. This distinction aside, the fact remains that collective violence and terrorism pose a continued threat to the internal stability and the cohesion of Indian society. Both phenomena are rooted in the earliest days of independence, as Bryjak explains[159]:

> India became an independent nation in the midst of one of modern history's most savage and gruesome struggles. Along with India's freedom in August 1947 came the creation of the

[156] Loc cit.
[157] Bryjak, G. "Collective Violence in India", in *Asian Affairs*, Vol. 13, No. 2 (Summer, 1986), p. 35.
[158] Cohen, S. Op. Cit., p. 114.
[159] Bryjak, G. Op Cit., p. 35.

> state of Pakistan, a geographically divided nation most of whose population came from the Punjab region of the Indian subcontinent. With this partition approximately 7 to 8 million Hindus and Sikhs found themselves residents of a new country that was pre-dominantly Muslim. An estimated equal number of Muslims were now part of a state that was overwhelmingly Hindu. In a desperate attempt to become citizens of societies comprised primarily of members of their own religion, millions of people embarked on one of the greatest migrations in history. During this chaotic mass exodus of people, centuries-old hostilities between Hindus and Sikhs on one side and Muslims on the other erupted into a bloodbath of major proportions. As Khushwant Singh notes, "By the summer of 1947, when the creation of the new state of Pakistan was formally announced, ten million people-Muslims and Hindus and Sikhs-were in flight. By the time the monsoon broke, almost a million of them were dead, and all of northern India was in arms, in terror and in hiding."

Partition therefore undeniably marked the beginning of contemporary India, but it also marked the beginning of a period which would see acts of collective violence and terrorism becoming ever more commonplace. In order to understand the phenomenon of 'collective violence', Bryjak separates it into three typologies. These are; the violence of remonstrance; the violence of confrontation; and the violence of frustration[160]. According to Bryjak, each typology has its own unique characteristics[161]:

> The violence of remonstrance culminates from the efforts of a group of demonstrators to bring attention to a particular point of view, usually in the form of a set of perceived or experienced grievances.

While[162]:

> Unlike the violence of remonstrance where a group's feelings of injustice and anger are directed toward an authority figure, the violence of confrontation results from the conflict between two groups of private citizens over an issue. These factions are usually informal, comprised primarily of friends, relatives, neighbors, and/or members of the same caste, religious, linguistic, or regional group.

Finally[163]:

> ...collective violence results from frustration and occurs when people perceive themselves to be in a situation they find unendurable. In some cases the police are the catalyst for this form of violence. Some impersonal event usually sets in motion the people's anger and frustration. Once the crowd begins engaging in aggressive action, it becomes opportunistic and may lash out randomly, in some cases destroying everything in its path.

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[160] Ibid., p. 37.
[161] Ibid., p. 38.
[162] Ibid., p. 39.
[163] Ibid., p. 44.

Concrete examples of collective violence in the three categories are not hard to find. One of the most brutal acts of communal violence that fits the 'frustration' typology occurred following the assassination of Indira Gandhi by her two Sikh bodyguards on October 31, 1984[164]. Bryjak elaborates[165]:

> The Hindus' rage at the death of their "mother" exploded in an all-out attack on Sikhs in many parts of Delhi. Sikhs were savagely beaten, shot, and in many cases burned to death. Within a week of Gandhi's death, two thousand people (mostly Sikhs) were killed in the capital city, and another five hundred died as a result of riots in five neighboring states. The army (which was not called in until the second day of rioting) did not gain control of the situation in Delhi until Mrs. Gandhi had been cremated on November 3, three days after her death.

Cohen also highlights an additional aspect of violence in India when he describes various separatist movements who have often used violence and terror attacks to force New Delhi's hand in order to leave the Union[166]. He mentions that there have been numerous such separatist movements which have attempted to gain independence at regular intervals, such as: the Tamils in the 1950's, the Nagas in the 1960's, the Mizos in the 1960's and 1970's, the Sikhs in the 1980's and the Kashmiris in the 1990's[167].

However the most worrying form of violence by far, has to be domestic terrorism. An overview of domestic terrorism is provided by Mohapatra[168]:

> India has faced terrorist movements in Punjab and Jammu and Kashmir, bordering Pakistan, and part insurgent-part terrorist movements in the northeast, bordering Myanmar and Bangladesh; in Bihar, bordering Nepal; and in certain interior states like Andhra Pradesh, Madhya Pradesh and Orissa.

Examples of specific domestic terrorist attacks are also not hard to find, such as the one that occurred on 1 October 2001 when "...at least thirty-one people were killed and seventy-five injured when 'Islamic militants, allegedly Pakistanis with close Al- Qaeda links, launched a suicide attack on the Kashmir state assembly in Srinagar'"[169]. Arguably one of the most

[164] Loc cit.
[165] Ibid., pp. 44-45.
[166] Cohen, Op Cit., p. 113.
[167] Loc cit.
[168] Mohapatra, M. "Learning Lessons from India: The Recent History of Antiterrorist Legislation on the Subcontinent", in *The Journal of Criminal Law and Criminology* (1973-), Vol. 95, No. 1 (Autumn, 2004), pp. 322-323.
[169] Ibid., p. 323.

devastating attacks in recent memory took place in November 2008, when 10 armed gunmen stormed two luxury hotels, a busy train station and a Jewish centre in Mumbai[170]. This brazen attack resulted in the death of 166 people, and would go on to be become known as the Mumbai terror attacks[171]. Incidences such as these serve to emphasise that terrorism is an incredibly serious threat to domestic stability in India, and is an ever present danger with which the Indian government will have to contend with for quite some time to come.

Moving along now to one of India's attributes which is somewhat difficult to classify as being entirely domestic, because it greatly influences the international dimensions of the state. This attribute is that of defence. It will be included here under the domestic section because although it is highly influential in the international arena, it is firmly seated in the domestic. It is also worthwhile noting that it in addition straddles the line between being a positive and negative characteristic of India. Most realists would argue whole heartedly that it is entirely beneficial, where as many neo-liberals would argue quite the opposite by going against it as it burdens the state with unnecessary debt and obligations, in an age where economic diplomacy supposedly reign supreme. The correct answer inevitably will lie somewhere in between.

What is undeniable though is that India in the 21st Century is a military power of quite some consequence. Back in 2005 India hosted some of America's top aviators in a combat simulation exercise known as Cope India. Walker comments on the results of this encounter[172]:

> When the U.S. air force sent its proud f-15 fighter pilots against the Indian Air Force in the Cope India war games two years ago, it received a shock. The American pilots found themselves technologically out matched by nimbler warplanes; tactically outsmarted by the Indian mix of high, low, and converging attack waves; and outfought by the Indians, whose highly trained pilots average more than 180 flying hours a year- roughly the same as their US. and Israeli counterparts and slightly more than those of NATO allies such as France and Germany. U.S. General Hal Hornburg said that the results of the exercise, against Indian pilots flying Russian-built Sukhoi Su-30 and French Mirage 2000 fighters, were "a wake-up call." According to testimony in a House Appropriations Defense Subcommittee hearing, the

[170] Associated Press, Mumbai Attacks: Gunman's Death Sentence Upheld, The Guardian, http://www.guardian.co.uk/world/2011/feb/21/mumbai-attacks-gunman-sentence-upheld, 21 February 2011.
[171] Loc cit.
[172] Walker, M., Op Cit, p. 22.

> U.S. F-15s were defeated more than 90 percent of the time in direct combat exercises against the Indians.

This of course is less likely to be the case today, now that the U.S. Air Force is capable of deploying a total of 137 F-22 Raptors, whose stealth fighter characteristics would decisively overcome India's Air Force[173]. However that is not the point here, the point is that as recently as 2005, in one area of defence capability that America expends significant amounts of money, and effort the Indian Air Force was able to overwhelmingly defeat it. This is simply scratching the surface of India's capabilities, as it ranks globally as being the world's fourth most capable military, once nuclear weapons have been excluded[174]. The nuclear issue will form an important part of India's international position, and as such will be discussed in greater depth in the following section on India's international dimensions.

Having said this it is perhaps somewhat ironic then that India, which as we saw earlier, produced Mahatma Gandhi whose life work was ultimately characterised by his commitment to non-violence, has managed to find itself mired in several conflicts since independence[175]. It is even more sadly ironic then that India which achieved this independence without using violent methods, and has since then often committed itself to the peaceful resolution of conflicts, has succumbed to these numerous conflicts, often with its neighbours[176].

This tally includes four wars with Pakistan, one with China, numerous border skirmishes with each of them, as well as several military interventions in its smaller neighbouring states[177]. India has also managed to project its military power outside of its own region, either through its own efforts or in conjunction with other states[178]. This includes several UN peacekeeping operations, many of which incidentally have been in Africa, such as their mission to the Congo and Sierra Leone[179]. Actually India has participated in every UN peacekeeping mission in Africa, and continues to support the UN's peace keeping efforts on

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[173] United States Air Force, F-22 Raptor, http://www.af.mil/information/factsheets/factsheet.asp?id=199, 25 November 2009.
[174] Global Firepower, Strength in Numbers, http://www.globalfirepower.com/, 21 April 2011.
[175] Cohen, S. Op Cit., p. 127.
[176] Loc cit.
[177] Loc cit.
[178] Singh, S., "Peacekeeping in Africa: A Global Strategy", in *The South African Journal of International Affairs*, Vol. 14, Iss. 2, Winter/Spring 2007, p. 72
[179] Loc cit.

the continent[180]. Moreover, its contributions are not simply symbolic or rhetorical, but rather are increasingly hands on in nature[181]. Indian troops have as a result engaged in some of the most dangerous and challenging missions the UN has ever undertaken and it is because of this that India has suffered more casualties in the service of the UN than any other member nation[182].

India therefore has quite a lot stacked up against it, but at the same time through the economic growth we witnessed in the previous section and its military capability that we have just explored, it is a nation destined to emerge as a global power. This is because even though India faces potentially overwhelming domestic challenges, it does not mean that they are insurmountable. Evidence for this is all around, As Shrivastava reminds us[183]:

> The Indian nation is a product of the biggest mass movement in human history and a century-long revolution that cut across class, caste, religious communities and gender. This mass character of the Indian national movement makes it distinct from a cadre-based revolutionary movement and accounts for the ingrained legitimacy and resilience of the Indian nation-state. Furthermore, the multi-class revolution ensured a deep permeation of the ideals of anti-imperialism, commitment to secular democracy and egalitarianism in Indian society to such an extent that even six decades after Independence, governments consistently face strong resistance against any move to distance policy from these principles.

Therefore it is through the combination of all of these domestic challenges that we begin to picture what contemporary India is facing. We need to be aware of these issues because to do so, is to be aware of the likely forces that will shape the country's future, and the nature of its society. Ultimately then when considering both nation's domestic environments, it is important to note that just as South Africa is unable to escape its domestic realities when constructing both its national identity and its foreign policy position, India is likewise unable to distance itself from its domestic realities when constructing its own national identity and foreign policy. It is because of this that the domestic dimensions to both countries are so important in the process of understanding both their perception of self but also their priorities and behaviour within the strategic partnership. We also need to remind ourselves that by understanding the primary challenges they face, we can then begin to understand the nations themselves.

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[180] Loc cit.
[181] Loc cit.
[182] Loc cit.
[183] Shrivastava, M. Op Cit., p. 132.

However it is worthwhile noting that India in particular, is noted for the link between domestic issues and foreign policy formation. This is because one of contemporary India's enduring challenges has been to construct an essentially conservative foreign policy while managing the domestic changes that have been mentioned above[184]. This process began with Nehru when he managed to, "...persuade the world that India 'counted for something' and used foreign policy to bolster national pride and self confidence"[185]. The process was continued by Indira Gandhi when she firmly established the link between foreign policy and domestic politics by intervening in the domestic politics of several neighbouring states[186] . This culminated in her successfully dismembering of the original state of Pakistan[187]. The process however did not stop there; it continues to this day in the era of collation governments, where domestic and foreign policies remain tightly interwoven[188].

2.2.3 India's International Presence

There is no denying that ever since 1991 when India first undertook economic reforms; it began a process that has since catapulted it into the international arena as a leading actor both within its own right, but also within most major multilateral forums. "Today, every global power—including the United States and China—treats India with the respect and consideration befitting a country that has posted an average economic growth rate of more than 7% since 1994 and that plays an active role in shaping a wide range of political, economic, and military issues both in its immediate neighborhood and also, increasingly, well beyond its borders"[189].

Interestingly in his 2006 article, entitled, India in 2006: A New Emphasis on Engagement, Lavoy had this to say about India's international prowess[190]:

[184] Cohen, Op Cit., p. 301.
[185] Loc cit.
[186] Loc cit.
[187] Loc cit.
[188] Ibid., p. 302.
[189] Lavoy, P., Op Cit., p. 114.
[190] Loc cit.

> What was distinctive about India in 2006 was not just the progress that it made in achieving its power potential—after all, India has been developing its economic and military capabilities for years—but rather India's willingness to act as great powers do in applying the very military and diplomatic tools that the superpowers flaunted during the Cold War and the European powers employed before that. To use a colloquial phrase, India has long "talked the talk" of a big power, but it has now started "walking the walk" as well.

He elaborates ever further when he reveals[191]:

> The socialist and nonaligned India of previous decades spurned commercial connections with the world economy and avoided international commitments that could entangle it in the global balance of power. In contrast, today's India embraces globalization, foreign engagement, and international power politics as mechanisms for improving its national welfare and political might.

He later goes on to observe that experts, "...recently stopped asking *if* India will become a great power and began to wonder what kind of great power it will become"[192].

This enthusiasm for India's new found highly respectable position in the international system is derived from a number of issues. Some such as its nuclear capabilities might be said to produce a sense of intimidation, rather than admiration, while other still such as its economic performance are downright incredible and cannot be denied. This section therefore will deal with three critical components of India's newfound international prowess, which are: Its nuclear weapon status, the strategic partnership agreement it has with the United States and the dominant position it occupies within the South East Asian region.

Beginning with the nuclear issue we quickly are confronted with the fact that although it is a contentious issue, nuclear weapons often are the ultimate signifier of scientific and industrial prowess. This is because nuclear weapons technology, and the industrial capacity to produce such devices, is rather expensive and difficult to obtain[193]. Many of the world's great powers were only able to acquire them through their deep scientific and industrial skills base. For example, the most difficult part of producing a nuclear weapon is acquiring

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[191] Loc cit.
[192] Loc cit.
[193] Bunn, M. & Weir, A., "Terrorist Nuclear Weapon Construction: How Difficult?", in *Annals of the American Academy of Political and Social Science*, Vol. 607, Confronting the Specter of Nuclear Terrorism (Sep., 2006), p. 138.

the necessary fissile material, which involves the refining of radioactive ore such as Uranium, which is in itself a highly complex process[194]. The weapon design component can be relatively simple in comparison, but still requires a great deal of skill if a safe and effective weapon is desired[195]. This is why a number of states with vast resources and expertise, such as Saddam Hussein's Iraq, have struggled unsuccessfully to produce nuclear weapons[196].

The fact then that India managed to produce and successfully test a nuclear weapon both in the Rajasthan desert on May 18, 1974[197], and again in 1998[198], is in itself a glowing commendation of India's scientific and industrial capacity, regardless of any opinion one might have as to the morality or usefulness of having done so.

Having done so before India re-demonstrated its nuclear capabilities to the world on May 11 and 13 1998, after which it declared that these tests were in-fact part of a weaponisation programme[199]. This marked somewhat of a sharp alteration in India's avowedly anti-nuclear stance, which up until then had included extensive efforts to encourage global disarmament and ban all nuclear testing, as established by a broad national consensus[200]. This is another irony India was all too aware of. This is because India had been the first to introduce the proposals which led to the Non-Proliferation Treaty (NPT) and the Comprehensive Test Ban Treaty (CTBT), as far back as 1954[201]. This is still something many people are not aware of.

However, following these tests India failed to realign its earlier policy stance on nuclear weapons. It had fought to achieve a global ban on nuclear weapons right from the beginning and continued to do so after becoming a nuclear weapons state itself. This is demonstrated

[194] Loc cit.
[195] Ibid., p. 139.
[196] Ibid., p. 138.
[197] Praagh, D., "India's Bomb", in *Asian Affairs*, Vol. 1, No. 6 (Jul. - Aug., 1974), p. 357.
[198] Cohen, S. Op Cit., p. 157.
[199] Jayaprakash , N., "Nuclear Disarmament and India", in *Economic and Political Weekly*, Vol. 35, No. 7 (Feb. 12-18, 2000), p 531.
[200] Loc cit.
[201] Ibid., p. 525.

by a statement made at the UN General Assembly in 1999 by the then Indian Ambassador and permanent representative to the UN, Savitri Kunadi, in which he said[202]:

> ...there is no dilution of India's commitment to the goal of global nuclear disarmament. India believes that its security would be enhanced in a nuclear weapon free-world and thus continues to press for negotiations on a Nuclear Weapons Convention that will prohibit forever the development, production, stockpiling use and threat of use of nuclear weapons and provide for the elimination of all existing weapons under international verification

From this point on India began to espouse what has become known as a 'No-First-Use' pledge. This pledge is the[203]:

> ...very first step by nuclear weapon states towards the goal of global nuclear disarmament has to begin with a no-use (of nuclear weapons) pledge against non-nuclear weapon states and a no-first-use (of nuclear weapons) pledge against other nuclear weapon powers. A no-first-use pledge, at the very least, is just a hypothetical guarantee - merely an expression of good faith. It does not involve verification, dismantling or freezing of nuclear weapons stockpile. But it still is the key element in advancing the cause of nuclear disarmament because it significantly con-tributes to de-freezing all rigid and inflexible mental attitudes regarding the issue. It also helps a great deal in adopting a saner approach towards the problem. All previous governments in India have staunchly supported this proposal.

In a statement before the lower house of the Indian parliament on August4, 1998, prime minister Atal Bihari Vajpayee further elaborated India's approach to it 'No-First-Use' commitment when he said[204]:

> We have stated that we will not be the first to use nuclear weapons. We are also willing to strengthen this by entering into bilateral agreements on no-first use or multilateral negotiations on a global no-first-use. Having stated that we shall not be the first to use nuclear weapons, there remains no basis for their use against countries which do not have nuclear weapons.

This somewhat contradictory position is an important one, and as such will form part of the analytical component of the next two chapters as it is a potential source of tensions between South Africa and India. This is because South Africa is the only nation in history to

[202] Ibid., p. 531.
[203] Ibid., pp. 531-532.
[204] Ibid., p. 532.

voluntarily disarm and is deeply committed to advancing the cause of a nuclear weapons free world.

For now though it is sufficient that one is aware of the nuclear capabilities of India, and the fact that this allows them significant military and diplomatic prowess, both within their region and further afield. This goes to the importance of India globally and emphasises that the claims that India is now 'walking the walk', are in fact true.

Turning now to the Indo-US strategic partnership we begin to realise even more why India can be considered as a global player with significant potential. This is because it is finally able to interact with the world's sole surviving super power, from whom it was for many years, effectively estranged.

The beginnings of a thaw between New Delhi and Washington came on the back of U.S. President Bill Clinton's visit to India in March 2000[205]. This was the first time an American head of state had visited India in nearly 22 years[206].

Things however did not warm between the two powers immediately, as in a speech made by Clinton before India's parliament he had tactfully managed to reveal Washington's primary concerns about India, which were: Kashmir, Nuclear Proliferation and India's relationship with Pakistan[207]. America's perceptions and India's subsequent handling of these issues would later draw the two even closer together. However despite still reserving concerns, the trip had been acknowledged by both sides a significant step forward. In a departure from an official speech made by India's finance minister, Yashwant Sinha, before the Asia Society in New York on 14 April 2004, the minister acknowledged, "...that Clinton had swept away fifty years of misperception and that the two countries appeared to be on a path of realistic engagement"[208].

It also helped that in spite of America's unhappiness at India's nuclear weapons programme, which was one of Clintons primary concerns, India was one of the only states who possessed

[205] Cohen, S., Op Cit., p. 268.
[206] Loc cit.
[207] Loc cit.
[208] Loc cit.

this capacity and was still able to engage with America[209]. As a result of India's nuclear tests India and America managed to enter into a prolonged high-level dialogue on the issue[210]. This meant the two powers could begin the process of joining together to ultimately form a strategic partnership. This partnership has arisen over the last two decades but it was President George, W. Bush who began to galvanise the process to take it towards the point where it is America's fastest developing partnership with any nation in the world[211].

This was achieved by him in several ways, as Burns demonstrates[212]:

> When he entered office in 2001, President Bush recognized early on the power and importance of India's large and vibrant democracy in global politics. He essentially doubled the United States' strategic bet on India, pursuing an uncommonly ambitious and wide-ranging opening toward it and displaying the courage and foresight to take on the complex nonproliferation issues that had separated the two countries for three decades. President Bush called for the two countries to jump-start their relationship in four strategic areas: civil nuclear energy, civilian space programs, high-tech commerce, and missile defense.

The most important point in all this for India was undoubtedly the civil nuclear deal. Burns elaborates at length:

> When Prime Minister Singh visited Washington in July 2005, President Bush made this bold proposition: after 30 years, the United States was prepared to offer India the benefits of full civil nuclear energy cooperation. We would not assist India's nuclear weapons program, but we would help India construct new power plants and would provide it with the latest in nuclear fuel and technology to run them. In New Delhi in March 2006, President Bush and Prime Minister Singh announced the realization of this vision through the U.S.-India Civil Nuclear Cooperation Initiative. Nine months later, in December 2006, a strong bipartisan majority in Congress passed the Hyde Act, which approved the initiative, permitting American investment in India's civil nuclear power industry. These steps marked a huge change in U.S. and global thinking about how to work with India. They transformed India overnight from a target of the international nonproliferation regime to a stakeholder in it. Beyond those first moves, the U.S. Atomic Energy Act required a formal agreement to lay the legal basis for bilateral nuclear collaboration. We concluded the "123 agreement" this July, after long and sometimes difficult negotiations. The benefits of these historic agreements are very real for the United States. For the first time in three decades, India will submit its entire civil nuclear program to international inspection by permanently placing 14 of its 22 nuclear power plants

[209] Ibid., p. 284.
[210] Ibid., p. 285.
[211] Burns, N. Op Cit., p. 131.
[212] Ibid., p. 135.

> and all of its future civil reactors under the safeguards of the International Atomic Energy Agency (IAEA). Within a generation, nearly 90 percent of India's reactors will likely be covered by the agreement. Without the arrangement, India's nuclear power program would have remained a black box. With it, India will be brought into the international-nuclear nonproliferation mainstream.

This significance of all this is that India now enjoys very warm relations with the most powerful state in the international system. The opportunities this signals for India are incredible, and demonstrate in a variety of ways that India has arrived as a serious player in the international system. More than that though, India managed to negotiate a shift in U.S. policy regarding the one issue that had threatened to keep them apart for every, nuclear proliferation. These types of concession therefore indicate two things; Washington not only needs New Delhi on its side within the region, but also now is actively demonstrating trust and respect for India as a state. It conveys a sense of legitimacy on India's global aspirations which cannot be underestimated. India has now not only been brought in out of the cold, but is in reality, an equal.

India is undeniably becoming a global actor. Her influence extends to a great deal of international political, economic and military arenas. India's political prowess in the international system will now be discussed, but with a focus on its most important region, which is the one in which it finds itself. The fact that India is active in other multilateral institutions such as at the UN and within the Bretton Woods Institutions, particularly with regard to reforming their structures to better reflect more contemporary economic and political power, will be discussed in the following chapter.

For now though we turn to the final issue in terms of this section of the international dimensions to India, which is the role it plays within its own region. In this sense, India, not unlike South Africa is somewhat of a regional hegemon. It dominates the states which surround it and has a large amount of influence within the region.

Geographically, other than China and Pakistan, India's immediate neighbours includes Bangladesh, the two Himalayan kingdom's of Nepal and Bhutan, and the two island nations

of Sri Lanka and the Maldives[213]. Burma or as it is now known, Myanmar, also shares a border with India[214]. India therefore curiously finds itself situated in a region of Asia which contains its great nuclear rival, Pakistan, and an equally nuclear capable China. Both these states are often top of New Delhi's regional thinking, especially since it has fought 'hot' wars with both and continues to view particularly Pakistan as an active threat. That said the reason its region is curious, is that it contains two of the developing world's brightest stars, in India itself and China, along with some very small and very impressionable states.

It is because of this impressionability, location and apparent weakness that India is especially interested in Nepal, Bangladesh and Sri Lanka[215].This is because Nepal and Bangladesh are among the poorest and least developed states in the world, while on the other hand Sri Lanka and Nepal are both open to foreign influence[216]. India is particularly concerned about the 'corrupting' influence of China, Pakistan and radical Islam in these countries, which could see them pose threats to its security if they got too close to either of them[217]. However all of these states share economic, social, political and historic ties with India, meaning New Delhi still holds some sway with them[218].

In its attempt to manage it position within the region, India has adopted a number of strategies over the past few decades. Particularly when it came to Nepal, Bangladesh and Sri Lanka, India has utilised regional cooperation, coercion and political transformation, as its primary methods of engaging with the three[219]. However following the more recent rise of economic globalisation and shifts within its domestic political environment India has begun altering the way it engages in the region. The major departure began in 1981, as prior to this India, "...was uninterested in any meaningful South Asian regional grouping, preferring to deal with its smaller neighbours on a one- to-one basis"[220]. This cool attitude towards the

[213] Cohen, S., Op Cit., p. 232.
[214] Loc cit.
[215] Loc cit.
[216] Loc cit.
[217] Loc cit.
[218] Loc cit.
[219] Ibid., p. 241.
[220] Loc cit.

region was in sharp contrast with its active and principled participation in global multilateral institutions such as the Non-Aligned Movement and the United Nations[221].

The reason 1981 was significant is because it was at this time that the President of Bangladesh, Ziaur Rahman proposed a regional grouping within South Asia[222]. What followed in 1985 was the South Asian Association for Regional Cooperation (SAARC)[223]. That said, India still does not fully believe multilateralism is always in its best interests in the region, as it inevitably invites in substantial risks, particularly as far as its security is concerned[224]. New Delhi feels that there is often insufficient consensus between the member states of SAARC, and rather looks to the grouping's economic potential as its primary interest. Some went so far as to say that during the early days of SAARC, India was trying to turn it into its own personal market[225]. It has therefore adopted a strategy of allowing SAARC to function on minor matters, hoping to improve its economic relations with its immediate neighbours, while at the same time being able to further isolate Pakistan from other South Asian states[226].

The next important arena in which New Delhi finds itself is that of South-East Asia. India itself is not considered to be a South East Asian state, and is as such not a member of the prominent South East Asian grouping known as the Association for South-East Asian Nations (ASEAN). However, "India became a sectoral dialogue partner of ASEAN in 1992, full dialogue partner in 1995, and joined the ASEAN Regional Forum in 1996"[227]. This means India has a role to play in the forum and contributes to its agenda.

India has since then gone on to actively participate in this multilateral institution, with which it signed a Free Trade Agreement in 2003. Sen, Asher & Rajan explain the process[228]:

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[221] Loc cit.
[222] Ibid., p. 242.
[223] Loc cit.
[224] Loc cit.
[225] D, N., "India in South Asia", in *Economic and Political Weekly*, Vol. 23, No. 25 (Jun. 18, 1988), p. 1263
[226] Cohen, S. Op Cit., p. 242..
[227] Association of South-East Asian Nations, India's Perspective on ASEAN and the Asia Pacific Region, Addressed by H.E. Shri Atal Bihari Vajpayee, Prime Minister of India Annual Singapore Lecture, 9 April 2002, http://www.aseansec.org/2787.htm, 9 April 2002.
[228] Sen, R., Asher, M. & Rajan, R., "ASEAN-India Economic Relations: Current Status and Future Prospects", in *Economic and Political Weekly*, Vol. 39, No. 29 (Jul. 17-23, 2004), p. 3298

> The recent bilateral and sub-regional efforts to strengthen economic relations are being complemented through an effort by India to intensify its economic relations with ASEAN as an overall regional grouping. Thus, a Framework Agreement on establishing a Free Trade Area (FTA) between ASEAN and India was signed by the Indian prime minister during the Second ASEAN-India summit in Bali in October 2003. The ASEAN-India FTA is expected to encompass a strategic and political partnership, thus going well beyond a traditional FTA agreement.

Therefore it is obvious that India is now adopting a more active role within its region, even though it still often views SAARC as more of a complicated arrangement than a grouping of likeminded states with which it can cooperate. It does however still engage well with the smaller SAARC members, and has even made moves to normalise its relations with Pakistan to some extent. Peace talks between the two estranged parties were called off in 2008, following the Mumbai terror attacks, which killed an estimated 166 people and which were carried out by militants who were believed to have been based in Pakistan[229]. However since then sometime has passed and the two nations are expected to reengage in their mutual peace talks, which are expected to resume in July 2011[230].

It is also an important partner to ASEAN, and through its FTA with the institutions members, its influence and future prospects appear highly encouraging. India is therefore an important social, political and economic force within the broader South and South East Asian region. Its attention to matters here are an active demonstration of its ever increasing prowess.

In conclusion the chapter has demonstrated the defining characteristics of both the partners. It has also showed their flaws and some of their strengths. The last section which detailed India's prowess serves to illustrate exactly why a continued strategic partnership between South Africa and India is of such vital importance, particularly to South Africa. The following chapter will explore the dynamics within this partnership, by dealing with the major themes contained in the literature and official documentation surrounding it.

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[229] Mukherjee, K. & Haider, Z., India, Pakistan say peace talks to resume, Reuters News Agency, http://www.reuters.com/article/2011/02/10/us-india-pakistan-idUSTRE71911Q20110210, 10 February 2011.
[230] Loc cit.

Chapter 3

3. The Strategic Partnership

Now that one has a better understanding of both India and South Africa's domestic characters, we can now turn to examining the strategic partnership. The insight gained in the previous chapter will be carried over in order to continue the process of laying the groundwork to produce a more holistic analytical component, which will emerge in the subsequent chapter.

This chapter will therefore deal with the practical aspects of the partnership, by exploring its historical basis and the key areas it covers. It will do so by recounting the evolution of the strategic partnership from its early beginnings in March 1997, with the signing in New Delhi of the Red Fort Declaration on a Strategic Partnership between South Africa and India, right through to the present. The primary aim of this chapter will be to highlight the most important aspects of the partnership, and to explore the activity which has taken place so far in these areas. In order to achieve this chapter will be broken down into two major sections.

The broad themes covered in these two sections are the economic and political dimensions of the strategic partnership. These broad themes will be broken down further into sub-sections including Trade, Investment and Economic Cooperation, South-South Cooperation and Global Institutional Reform, as it is these three issues which represent the most important components of the strategic partnership. It is true that the partnership extends beyond them, to cover a wide variety of areas including cooperation on issues of defence, cultural exchange, science and technology and health. However these issue will not necessarily be dealt with, which is not to imply that they matter less to either side, but simply from an International Relations standpoint the areas which have been selected are of greater importance, and as such will receive special attention.

It is also worthwhile noting early on that the chapter will also begin to make observations about the nature of the strategic partnership. This is in order to extract any possible tensions that may exist between the two partners, which will begin to form the basis of the

following chapter's all important analysis. This is not to say that the positive aspects of the partnership will be overlooked, but rather that the dissertation will cast a keen analytical eye over all of the components of the strategic partnership, equally.

3.1 Conceptualising the Strategic Partnership.

Conceptualising the strategic partnership is an important first step. This is simply because before one is able to begin to interrogate the content and spirit of India and South Africa's strategic partnership, we need to recall the definition as outlined in Chapter 1, as to what exactly constitutes a strategic partnership. This is essential, as to lose sight of the purpose of strategic partnerships in a theoretical sense, will likely result in a failure to produce any form of analytical rigor when considering the practical realities of South Africa and India's strategic partnership under real world conditions.

Therefore we recall the concept of a strategic partnership in the business environment, as outlined by Macdonald and Chrisp[231]:

> The logic of partnership is plain. All organisations have strengths, but no organisation has all the strengths required to do everything. For some tasks, the organisation must acquire new strengths, through either organic development or the acquisition of external assets. The latter course is likely to be much faster than organic development.

Again, we note once more that[232]:

> Successful partnership working is built on organisations moving together to address common goals; on developing in their staff the skills necessary to work in an entirely new way - across boundaries, in multi disciplinary teams, and in a culture in which learning and good practice are shared.

These important ideas soon began to form the basis of our understanding of a strategic partnership in International Relations, as the term began to be increasingly borrowed from the business environment in the 1990's. When it began to be applied to International Relations, the process of adapting it to suit the behaviour and motivations of actors in the international arena was quite a simple one. During this period the concept of a 'strategic

[231] Macdonald, S. & Chrisp, T., Op Cit., pp. 307-308.
[232] Ibid., p. 308.

partnership' readily lent itself to International Relations thinking. This was in no small part due to the triumph of the neo-liberal inspired discourses which altered the accepted world view by placing greater emphasis on non-state actors such as transnational corporations and non-governmental organisations[233].

This phenomenon of the rise of the non-state actor in the face of increasing levels of globalisation, began to coalesce into a process that we now commonly refer to as 'global governance'. Kumar and Messner clarify[234]:

> Analytically, the term 'global governance' refers to major transformations in the nature of nation state system, globalisation, emergence of global civil society, free flows of information, qualified multilateralism etc. Inspired by neo-liberal discourses on economic globalisation and supported by the new public management theories, it has, in practise

It is from this rise of the global civil society, under the influence of neo-liberal discourses on economic globalisation and supported by the New Public Management theories, which has led to the concept of a strategic partnership entering the International Relations discourse[235]. As a result the increased exposure to, and study of, transnational corporations meant their influence spread even further, and as a result terms such as 'strategic partnership' entered the broader International Relations lexicon, when describing increasingly close bilateral ties between states and other emerging actors. Ultimately it is the core business idea of leveraging mutual strengths in order to achieve greater results than would be possible on one's own that lies at the very heart of a strategic partnership, and as such it is this idea which directly lent itself to the field of International Relations. As such, states' tendency to group together or form blocks of like minded ideological and political states is well documented. Take for instance the Non-aligned movement which India, under Nehru's guidance, proved instrumental in advancing as a new way of approaching global politics for a wide variety of developing countries[236].

However the concept of a strategic partnership goes deeper than a mere partnership between individuals or groups of individuals who happen to hold similar views. A strategic

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[233] Kumar, A. & Messner, D.: Power Shifts and Global Governance: Challenges from the South and North, Anthem Press, London, 2011, p. 10.
[234] Loc cit.
[235] Loc cit.
[236] Parekh, B., "Nehru and the National Philosophy of India", in *Economic and Political Weekly*, Vol. 26, No. 1/2 (Jan. 5-12, 1991), p. 43.

partnership sees a state identify another state which most likely embodies its own historical experiences, ideals, and political reality, and forms a deeper bond between the two than would ever be possible in the multinational, or even trilateral spheres of the international system. Therefore it is this concept of a deeper affinity between states that makes a strategic partnership truly strategic, rather than simply following the norm of close bilateral relations. Strategic tends to signify a connection which encompasses more than familiarity, it goes deeper to mutual trust and a cooperative spirit, in combination with higher levels of mutual beneficiation, that the conventional forms of bilateral relations between states would be hard pressed to emulate. From here the two states enjoy a strategic partnership when they leverage these commonalities and overlapping strengths towards a greater aim. It is therefore this notion of a deeper and more concrete bond that needs to be drawn out, and as such is the notion one needs to keep in mind in order to conceptualise the strategic partnership between South African and India, to which the dissertation will now turn.

3.2 The Ideological Basis of the Partnership:

The foundation of the strategic partnership, as was alluded to in Chapter 1, is based on mutual respect and close historical ties between South Africa and India. This section will therefore briefly explore these ties from an ideological perspective, since it is arguably the most fundamental level on which two states can connect. It is also often one of the first points of reference for any form of engagement between states in the modern international arena.

Therefore as the strategic partnership essentially represents a formal acknowledgement that the two countries share deep similarities and a hope for a common future which extends to the ideological level, their shared ideological bonds must be understood. In order to accomplish this, the dissertation will now briefly explore the ideological foundations of the partnership, before moving on to the legal basis.

These ‘shared ideologies’ are therefore expressed through the many similarities between the two world views which were crafted much earlier on, and are to be found for South

Africa in the ANC Freedom Charter, and in India's case, through Jawaharl Nehru's national philosophy. Parekh reminds one why a 'national philosophy' was so important to Nehru[237]:

> For Jawaharlal Nehru every state needed a 'national philosophy' or 'national ideology' to hold it together and give it coherence and a sense of direction and purpose. In his view the need for such a philosophy was particularly great in a new country like India whose people were divided on religious, ethnic, linguistic and other grounds, economically undeveloped, socially static and politically inexperienced. As such they desperately needed a shared public philosophy to unite them and provide them with a set of clearly defined 'goals' or 'objectives'.

Likewise when referring to Bernstein's comments on the formation and purpose of the Freedom Charter, one gets a similar sense that the charter was a document that was crafted by the people, for the people, and that it ultimately would lay out a unified vision for the future of South Africa[238], just as Nehru's 'national philosophy' had done for India.

If we take the comparison even further by examining the content and values contained within the Freedom Charter and the same is done for Nehru's 'national philosophy', it is once again clearly evident as to how similar South Africa and India's ideological perspectives on remarkably similar issues can be. The core values expressed in the Freedom Charter therefore are as follows: the people shall govern; all national groups have equal rights; the people shall share in the country's wealth; the land shall be shared among those who work it; all shall be equal before the law; all shall enjoy equal human rights; there shall be work and security; the doors of learning and culture shall be opened; there shall be houses, security and comfort; there shall be peace and friendship[239]. Whereas Nehru's 'national philosophy', is loosely based on the following concepts: national unity, parliamentary democracy, industrialisation, socialism, scientific temper, secularism and non-alignment[240]. All of these principals are remarkably similar to the underlying thinking behind the demands made in the Freedom Charter.

Clearly these overt similarities begin to demonstrate the fact that there are deep ideological connections between South Africa and India. Therefore what motivates and underscores the

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[237] Parekh, B., "Nehru and the National Philosophy of India", in *Economic and Political Weekly*, Vol. 26, No. 1/2, Jan. 5-12, 1991, p. 35.
[238] The South African Liberation Movement, "The Freedom Charter (With a Note by Hilda Bernstein)", in *Third World Quarterly*, Vol. 9, No. 2, After Apartheid (Apr., 1987), p. 677.
[239] Ibid., pp. 672-676.
[240] Parekh, B., Op. Cit., pp. 35-39+41-43.

strategic partnership is not simply a collection of shallow political, or narrowly defined, national interests. That said, within the strategic partnership there are many additional factors which bring the two together in a more practical sense, which is largely in keeping with a 'realist' tradition. These will be explored at a later point in the chapter. The Dissertation shall now finally turn to the legal basis of the strategic partnership.

3.3 The Legal Basis of the Partnership

It is now important to recognise that even though shared values and close historical ties between the ANC and the Indian government are a critical component of the formation of their strategic partnership, they alone are not enough to create a legally binding strategic partnership. For a formal and operable strategic partnership therefore, South Africa and India required a definitive legal base from which to constitute the partnership.

The first time the concept of a strategic partnership was officially endorsed, was on 6 December 1996[241]. We recall a quote from chapter 1 which contains this excerpt from a key note speech made by the then deputy president Thabo Mbeki at Jawaharlal Nehru University, in which he said[242]:

> Our common hope of success will depend on our ability to act together. We are reassured that we can count on India as our strategic partner in this historic endeavour, which seeks to give birth to a new world of a just and lasting world peace, of prosperity for all peoples and equality among nations.

However several years before Mbeki had even mentioned the concept of a strategic partnership between South Africa and India, it was Nelson Mandela who laid the foundations for the realisation of this vision. Mandela had visited India in 1990, not long after his release from prison, which marked the symbolic beginning of closer ties between the two states. From this point on Mandela visited India twice more in January 1995, and again in March 1997[243]. Over the course of these two visits a treaty on the principles of inter-state relations, an agreement on the establishment of a Joint Commission, and an

[241] Singh, J., Op Cit., p. 7.
[242] Loc cit.
[243] Ram, N., Towards a Strategic Partnership, Frontline, Vol. 14, No. 21, http://www.hinduonnet.com/fline/fl1421/14210330.htm, October 18-31, 1997.

agreement on Foreign Office Consultation were produced[244]. From here the wider diplomatic process behind the formation of the strategic partnership rapidly evolved, until the document which formally established the strategic partnership was signed; this is known as 'The Red Fort Declaration On A Strategic Partnership Between South Africa And India', or informally as the Red Fort Declaration. The Red Fort Declaration was signed on the 28 March 1997, by the South African President Nelson Mandela, and the Indian Prime Minister H.D. Deve Gowda[245]. The signing of this document marked a permanent positive turning point in the bilateral relationship between South Africa and India.

The dissertation will now examine the text of the Red Fort Declaration in order to gain a better understanding of the major themes and ideals upon which the strategic partnership is based. The first paragraph of the declaration serves to immediately identify the core ideals behind the strategic partnership[246]:

> Gathered at the historic Red Fort in the fiftieth year of India's independence and with the emergence of a new South Africa, South Africa and India look ahead with faith and optimism to journeying together towards the larger goals of their political freedoms: economic development and social justice. As a new millennium draws near, they also pledge to work for a global order that is marked by peace, security and equity.

Translating these ideals into more practical areas of cooperation is a process which is developed throughout the remainder of the document. The first key concept to emerge is economic cooperation[247]:

> The economies of South Africa and India have certain comparative advantages, complementarities and resources which can be optimally used to promote economic development through cooperation. For example, India has valuable skills, technologies and experiences in the fields of small and medium enterprises development and employment generation programmes; South Africa has skills and technology in the fields of mining and infrastructure development.

The next is strengthening South-South Cooperation[248]:

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[244] Loc cit.
[245] The South African Department of Foreign Affairs, Statement on the Visit to South Africa by Prime Minister Inder Kumar Gujral of India, http://www.info.gov.za/speeches/1997/10030X42797.htm, 2 October 1997.
[246] The High Commission of India in South Africa, The Red Fort Declaration on a Strategic Partnership Between South Africa and India, http://www.indiainsouthafrica.com/fact-file/keydocuments2.html, March 1997.
[247] Loc cit.
[248] Loc cit.

> Concerned at the uneven impact of globalisation on developing economies, South Africa and India are convinced that the success and sustainability of the globalisation process depends on its ability to bring equal benefits to developing countries. They agree to consult and collaborate with one another in forums such as the United Nations and the World Trade Organisation and to make full use of their partnership within the Non-aligned Movement to articulate this concern. They also agree to coordinate their efforts in their mutual endeavour to capture the new opportunities for South--South cooperation and to help build capacities among the Least Developed Countries.

Reforming global governance institutions is the last major concept in the declaration[249]:

> Convinced that the United Nations' structures need to be more representative of the concerns and diversities of the developing world, South Africa and India re-emphasize their belief in the need for UN reforms. They stress, in particular, the need for an equitable balance in the composition of an expanded Security Council to provide a constructive voice to the aspirations of the developing countries. They believe that piecemeal and discriminatory approaches to such expansion will be inconsistent with the objectives of that world body.

The full text of the Red Fort Declaration can be found in Appendix 3, for further reference.

Now that the three major themes contained within the Red Fort Declaration have been drawn out, they can be examined in greater depth, in order to better understand the reality of the early working of the strategic partnership. This is an important step in the process of understanding the partnership, because the themes and ideals it contains are not only the basis of the partnership, but in many ways effectively the only subject matter to examine. This is due to the fact that the declaration, in many instances, tends to outline most of the areas of cooperation in broad strokes and not in terms of concrete issues.

To illustrate, when the declaration actually refers to one specific issue, that being the reform of the United Nations and the Security Council, it fails to make any provision of how India and South Africa would best go about achieving this through cooperative action. Instead all that is mentioned is that South Africa and India, "...re-emphasize their belief in the need for UN reforms"[250], and that the "...piecemeal and discriminatory approaches"[251], to reforming the United Nations Security Council are not in keeping with the, "...objectives

[249] Loc cit.
[250] Loc cit.
[251] Loc cit.

of that world body"[252]. Clearly, precious little is specified as to how this might be achieved, and through which channels such action should best be undertaken.

However, the legal basis to the strategic partnership does not end there. On 2 October 2006, a full nine years after the Red Fort Declaration established the strategic partnership, the then President of South Africa, Thabo Mbeki, and Prime Minister Manmohan Singh of India signed The Tshwane Declaration on Reaffirming the Strategic Partnership between South Africa and India[253]. This document was far longer, and vastly more comprehensive than the original Red Fort Declaration. The truth of this is self-evident in the following extract, which demonstrates the palpable levels of enthusiasm contained in the Tshwane Declaration[254]:

> Conscious of the need to make the partnership more result-oriented and of greater direct benefit to the peoples of South Africa and India, President Mbeki and Prime Minister Singh have today decided to intensify co-operation and committed themselves to raise the existing level of friendship and partnership between South Africa and India to even higher levels.

As a result the Tshwane Declaration strove to flesh out many of the issues previously outlined, and went even further than before, by proposing a series of far more specific measures which would be implemented in order to achieve these updated objectives. Evidence of this new comprehensive approach can be seen in the following excerpts from the Tshwane Declaration[255]:

> Both leaders noted that the political interaction between India and South Africa, marked by an exceptional degree of understanding, mutual trust and confidence, had gathered further momentum and substance. The number of Ministerial visits exchanged had increased significantly since the milestone visit of President Mbeki to India in 2003. They expressed their satisfaction at the continued and steady consolidation of bilateral relations. Besides the deep political bond that was first forged more than a century ago, the partnership now extends to the economic, human resources development, public administration and governance, urban and rural settlement, health, defence, cultural and science and technology fields.

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[252] Loc cit.
[253] The South African Department of International Relations and Cooperation, The Tshwane Declaration on Reaffirming the Strategic Partnership between South Africa and India, http://www.dfa.gov.za/docs/2006/india1006.htm, 02 October 2006.
[254] Loc cit.
[255] Loc cit.

In the field of economic cooperation the Tshwane Declaration notes[256]:

> Recalling that the Red Fort Declaration had recognised that the economies of South Africa and India have certain comparative advantages, complementarities and resources which can be exploited to mutual benefit through trade, investment and transfer of technology, they noted with satisfaction the progress that had taken place in these areas, resulting in more than doubling of the total bilateral trade since 2003 and a significant increase in investments in both directions. They acknowledged, however, that the full potential in this regard was yet to be tapped and reaffirmed their determination to explore these opportunities to their optimal extent, particularly in the following priority sectors: energy, tourism, health, automobiles and auto components, chemicals, dyes, textiles, fertilisers, information technology, small and medium enterprises and infrastructure.
>
> They urged the private sectors of both countries to gain better awareness of each other's strengths and to set themselves ambitious targets. It should be possible at least to treble the volume of bilateral trade by 2010. In this context, they welcomed the scheduled third meeting of the India-South Africa CEOs' Forum in Johannesburg on 2 October 2006, which would contribute towards this goal.

The associated area of Skills development is also given attention[257]:

> Lauding the efforts of the South African Government for promoting broad-based economic and social development through the Accelerated and Shared Growth Initiative of South Africa (ASGISA) and the Joint Priority Skills Acquisition Initiative (JIPSA), Prime Minister Singh reaffirmed that the Indian Government was ready to be a partner in these initiatives and to provide assistance in building up scarce and critical skills identified by the South African Government.

Reforming Global Governance Institutions is likewise expanded[258]:

> In addressing wider areas beyond the bilateral realm, the two leaders agreed that every effort would be made to conclude the India-Southern African Customs Union (SACU) Preferential Trade Agreement as soon as possible since it would provide a significant incentive to the business communities of the two countries to explore mutually beneficial commercial opportunities and contribute to the growth in bilateral trade.
>
> Convinced of the vital importance of the role of the United Nations in promoting world peace, stability and development, the two leaders welcomed the creation of the Peacebuilding Commission and the Human Rights Council, as well as the progress made in the areas of UN Secretariat and management reform. The leaders noted the importance of increased focus on development and the alleviation of poverty.
>
> They reaffirmed the need for a decision regarding the expansion of the Security Council, without which no reform of the United Nations would be complete. They reiterated their conviction that the Security Council must be expanded to include developing countries from Africa, Asia and Latin America in both its permanent and non-permanent categories, so as to

[256] Loc cit.
[257] Loc cit.
[258] Loc cit.

> reflect contemporary realities and make it more democratic and representative, and resolved to continue to pursue a decision in this regard.

South-South Cooperation is revisited as well[259]:

> The two leaders agreed that the consolidation of the African Union (AU) held the key to the development of the continent. South Africa welcomed India's willingness to support the objectives of the New Partnership for Africa's Development (NEPAD), the AU's primary programme aimed at consolidating the African agenda.
>
> The two leaders expressed satisfaction at the outcome of the first IBSA Summit held in Brasilia on September 12, 2006. They welcomed the emergence of IBSA as an effective instrument for promoting ever-closer co-ordination on global issues between these three influential and diverse democracies of Africa, Asia and South America. Both sides also agreed to intensify consultations and co-operation at multilateral forums such as NAM, Commonwealth, G-77, G-20 and the New Asian-African Strategic Partnership (NAASP) with a view to jointly addressing global challenges.

Lastly, Defence Cooperation is a new area which is given a specific mention[260]:

> They noted the progress made in bilateral defence co-operation as reflected in the report of the India-South Africa Defence Committee, which met in June 2006 in Pretoria. They agreed that South Africa and India should work towards closer co-operation in the defence sector, including the possibility of joint research and development. Furthermore, the South African Government expressed appreciation for the training provided by India on UN Peacekeeping and operations of modern submarines.

For further reference, the full text of The Tshwane Declaration on Reaffirming the Strategic Partnership between South Africa and India can be found in Appendix 4.

Therefore it is self evident, both from the text of the Tshwane Declaration and the expanded categories of cooperative efforts, that the Tshwane Declaration is a vast improvement on the original Red Fort Declaration's vague efforts to produce a working strategic partnership.

It is from this point on that the vast majority of the tangible cooperation within the strategic partnership begins to emerge. Evidence of just how this has successfully been undertaken will be outlined in the following sections, each of which will deal with a specific thematic issue, as was mentioned at in the introduction to the chapter. The aim of this process will be to relate the sweeping themes and grand gestures that have been extracted from the Red

[259] Loc cit.
[260] Loc cit.

Fort and Tshwane Declarations, back to real world examples of concrete cooperation between India and South Africa. Following on from this will be the final section which will determine to what extent cracks may have formed within the strategic partnership, by exploring areas of possible tension and disagreement.

The dissertation will now turn to the first most important major theme within the strategic partnership, which is that of trade and other associated economic cooperation.

3.4 The Strategic Partnerships Economic and Political Dimensions

3.4.1 The Economic Dimensions: Trade, Investment and Economic Cooperation

It was during the cold war, which provides us with some of the earliest examples of strategic partnerships, or 'strategic relationships' as they were known back then, that one factor managed to dominated the formation of these partnerships above all others. This factor was defence. It was during this period when most strategic partnerships were primarily predicated on mutual defence, or uniting against a common external threat, that trade, investment and economic cooperation often ended up being subordinated to these more pressing issues. The US-Israeli 'strategic consensus', mentioned in chapter 1 serves as an ideal example of this type of strategic partnership. Gulshan elaborates[261]:

> The first time that the US-Israel alliance was formally articulated was in an assurance on the occasion of the Sinai Agreement of September 1975. It was basically a one-way assurance in which the US promised Israel that because of the "long standing US commitment to the survival and security of Israel the US government will view with particular gravity threats to Israel's security or sovereignty by a world power" and would give "support, diplomatic or otherwise or assistance ... ".

He goes on to mention the memorandum of understanding, signed by both parties on November 30, 1981, which formalised the 'strategic relationship'[262]. He quotes certain key passages from this memorandum which illustrate the importance of military cooperation even further[263]:

[261] Gulshan, D., Op Cit., p. 2156.
[262] Loc cit.
[263] Loc cit.

> The published text of the memorandum has six articles; the operative part of which is "to provide each other with military assistance to cope with threats to the security of the entire region caused by the USSR or Soviet-controlled forces introduced from outside the region into the region". In addition to the joint air and naval exercises, it also calls for "co-operation for the establishment and maintenance of joint readiness services, as agreed upon by the parties".

It is only once he has dealt with the provision relating to direct military assistance that he goes on to describe how the strategic relationship had only been made of true global significance, by the inclusion of a commitment to enhanced cooperation in 'defence trade'[264]. The policy makers at the time were clearly so obsessed with issues of defence that the only component of the treaty which made, in Gulshan's own words, "...the two countries partners at the global level"[265], also had to be framed in military terms.

Thankfully in the post-cold war era this type of thinking has largely been abandoned. Conventional forms of trade, investment and economic cooperation are now the driving force behind contemporary strategic partnerships, and as such often form the bedrock of a strategic partnership. It is from this practical and tangible base that many strategic partnerships are able to fabricate additional spheres of cooperation on a much wider variety of issues. This is largely due to the fact that the post-cold war era has seen the triumph of neo-liberal inspired economic globalisation, and the decline of the traditional realist driven defence based partnerships. As a result economic globalisation now occupies the top spot as the driving force behind most state to state interactions. The result of which is that trade, investment and enhanced economic cooperation dominates the global environment, as never before.

India and South Africa's strategic partnership is as a result no different. Commercial activity tends to be a major focal point within the partnership, so much so that it often receives a greater share of the collective attention. That said, prior to the signing of the Red Fort Declaration very little trade had occurred on a regular basis between India and South Africa. The following section will now move on to exploring the burgeoning trade component of the strategic partnership.

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[264] Loc cit.
[265] Loc cit.

3.4.1.1 Trade

Turning briefly to India's historical trading relationship with South Africa to further contextualise current activity one makes some important discoveries. Recalling that India had led the international movement to overthrow the Apartheid government, it is important to realise that this came at a quite significant cost to India. This was because of the fact that South Africa accounted for around 5% of India's exports prior to 1947 when India took the decision to sever ties with Apartheid South Africa[266]. It comes as no surprise then that during the 1980's trade linkages between the two countries were effectively non-existent[267]. These linkages only began to be repaired during the period between 1993 and 1995, but in spite of this, total imports into India during this period amounted to less than US$1 billion[268]. As a point of reference, during the same period, other African countries such as Egypt, Nigeria and Morocco all individually exported more than that to India[269].

However since the signing of the Red Fort Declaration, trade between India and South Africa has made mammoth leaps forward. In 1997, the year the Red Fort Declaration was signed South African exports to India amounted to R1, 333 Billion, but in contrast in 2010 exports to India had reached a record high of R22, 223 billion[270]. Imports similarly went from R 1,542 Billion in 1997 to R20, 749 Billion in 2010[271]. However significant these improvements may be, there almost always remains a partner who will gain an overall net benefit from the trade.

This benefit is expressed in terms of the balance of payments which is calculated by subtracting the total imports figure from the total export figure. However what concerns the analysis here is not if a positive or negative figure results, which indicates either a positive balance of payments or a negative balance of payments, but rather if there is a pattern to these figures which clearly favour one partner over the other. Therefore if either partner consistently enjoyed a significantly high balance of payments surplus throughout the

[266] Beri, R .p. 177
[267] Chaturvedi, S. & Mohanty, S., "Trade and Investment: Trends and Prospects", in *South African Journal of International Affairs*, Vol. 14, Iss. 2, Winter/Spring, 2007, p. 55.
[268] Loc cit.
[269] Loc cit.
[270] The South African Department of Trade and Industry, South African Trade-India, http://apps.thedti.gov.za/econdb/raportt/R100446.html, 5 May 2011.
[271] Loc cit.

relationship, it would mean that they are the dominant trading partner. However the nature of the country's export profile and the size of their economy would generally tend to indicate who will enjoy the balance of payments surplus, most analysts would tend to favour India in this calculation; in that it is a far larger economy than South Africa and it exports a far wider range of products and services.

However in order to effectively judge the net gains from this process one has to view the aggregate balance of payments figures which will provide an measure as to which partner this might be. These figures are found in the table below. A positive figure of course indicates that in a given year South Africa has had a favourable balance of payments with India.

South Africa and India Balance of Payments during the Strategic Partnership[272]:

Balance of Payments (Rands'000)

1997	1998	1999	2000	2001	2002	2003
-209,266	-15,030	837,485	1,176,068	1,169,565	1,072,617	211,694
2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
-863,323	1,243,240	-5,555,697	-3,278,060	-747,081	2,710,550	1,474,172

It may therefore come as somewhat of a surprise to learn that on average, South Africa has enjoyed a positive aggregate balance of payments with India. This is mostly to do with the export profile of South Africa, in that India buys significant amounts of gold from South Africa and it is often this single commodity that distorts the balance of payments in South Africa's favour[273]. The reason for this is that India possesses a vibrant jewellery industry, and Indian culture places a high degree of importance on gold[274]. In addition, prior to 1994 India sourced its gold imports from a variety of sources, but now gets the bulk of its gold from South Africa[275]. The end result is that the balance of payments between India and South Africa tends to be somewhat skewed in South Africa's favour.

[272] Loc cit.
[273] Alves, P., Op Cit., p. 96.
[274] Loc cit.
[275] Ibid., p. 97.

Alves provides a detailed overview of the composition of South Africa's trade with India[276]:

> Exports of gold to India are now well over half of the total (averaging 68% between 2003 and 2006). Stripping this out reveals that South Africa's non-gold market share in India grew to a high of only 1.5% in 1999, and has since lost these gains, drifting back to the 1994 level of about 0.6%. This picture does not change when using multi-year averages (to smooth out any single-year anomalies): South Africa's non-gold market share in India is lower now than when bilateral relations normalised. Ignoring gold also means that South Africa's trade surplus with India is misleading- South Africa in fact runs a small trade deficit with India, which averaged $230 million between 2003 and 2006.

He goes on to explain further[277]:

> The gold trade necessarily means that exports are extremely concentrated. Just nine products out of a possible 65 accounted for 94% of India's average imports from South Africa between 2003 and 2006. Yet, even if gold is excluded, South Africa's export profile *vis-å-vis* India is still highly concentrated in natural resource based product groups (14 product groups accounted for 90% of exports between 2003 and 2006). The main products here are coal, chemicals, metals, paper products and other minerals.

It is important to realise that the levels of trade that have been achieved throughout the lifetime of the strategic partnership have been varied. For instance prior to the signing of the Tshwane Declaration in 2006, the volume of trade between the two partners was in reality, tiny[278]. As a result the combined total of their bilateral trade in 2002 was just over 1% of the total trade of both countries[279]. However following the signing of the Tshwane Declaration, with its calls for significant increases in bilateral trade volumes, there has been some measure of improvement. If one recalls this particular component of the declaration[280]:

> They urged the private sectors of both countries to gain better awareness of each other's strengths and to set themselves ambitious targets. It should be possible at least to treble the volume of bilateral trade by 2010.

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[276] Loc cit.
[277] Loc cit.
[278] Soko, M.: South-South Economic Cooperation: The India-Brazil-South Africa Case, The South African Institute of International Affairs, Trade Policy Report No. 12, May 2006, p. 7.
[279] Loc cit.
[280] The South African Department of International Relations and Cooperation, The Tshwane Declaration on Reaffirming the Strategic Partnership between South Africa and India, http://www.dfa.gov.za/docs/2006/india1006.htm, 02 October 2006.

It is this bold call for results which perhaps inspired what followed. In 2006, the total trade volume between South Africa and India, calculated by totalling their imports and exports, was R 16.3 billion[281]. To treble this figure by 2010 as the Tshwane Declaration had called for, would mean that their total trade volume in 2010 would have to be R 49 billion. In 2010 the actual total trade volume was R 42.9 billion[282]. This serves to effectively demonstrate that both partners were not far off from achieving their stated goal, and that the trading relationship they now enjoy is quite a substantial one.

The important part from here though is to provide further context, by comparing this performance with that of other countries, some of which also have signed strategic partnership agreements with South Africa, such as China, and those which have not, in order to determine if there are any irregularities or special features of South Africa's economic performance with India. It may be the case that this trade profile is considerably normal for a young trading partnership between two emerging economies. To do this first we shall first briefly examine China's bilateral trade volumes with South Africa, before moving on to compare it with that of Japan.

Beginning with China, one must immediately realise that the People's Republic only resumed full diplomatic relations with South Africa a little later than India did, in 1998[283]. They have also signed a 'strategic partnership agreement' with South Africa, which makes their trade profile a good comparative benchmark by which to asses India's bilateral trade with South Africa. In some ways it is less useful as China now enjoys a 'comprehensive strategic partnership' with South Africa, which elevates its relative importance above that of the one India and South Africa share[284]. However, it still remains a largely valid example for the purposes of comparison.

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[281] The South African Department of Trade and Industry, South African Trade-India, http://apps.thedti.gov.za/econdb/raportt/R100446.html, 5 May 2011.
[282] Loc cit.
[283] The Embassy of South Africa in the People's Republic of China, Political Relations with The People's Republic Of China, http://www.saembassy.org.cn/sa_china_b.html, 8 May 2011.
[284] The South African Department of International Affairs, Annual Report 2009-10, http://www.dfa.gov.za/department/report_2009-2010/part%204%20annual%20report%202009-10-4.pdf, 2009, p. 59.

China's total trade volume with South Africa therefore reached an astounding R 142.6 billion in 2010[285]. Although this is a significantly larger total trade volume than the one South Africa and India share, it is entirely in the favour of China. This is because South Africa continues to run a huge balance of payment deficit with China, which in 2010 meant that South Africa imported R 25.5 billion more than it exported to China[286]. Therefore even though China is both South Africa top export and import destination in 2010, in terms of balance of payments, China ranks in at a lowly 247th place[287]. In 2010, India on the other hand ranks as South Africa's 6th most important export and 8th most important import destination[288]. As was previously noted, this means that India and South Africa's balance of payments are far more favourable to South Africa, placing India as South Africa's 18th most attractive trading partner in terms of balance of payments[289].

We now turn to Japan, who resumed formal relations with South Africa in 1992[290], at about the same time that India did. Japan however does not have a strategic partnership with South Africa, and unlike China is a fully developed economy. This therefore enables Japan to serve as an ideal comparative reference point, as its trading relationship with South Africa is not prioritised by a strategic partnership, nor is it a member of the 'developing South'. This simply means it possesses few of the ideological similarities that South Africa might share with India and China. Of course is not to imply that Japan and South Africa are estranged in anyway, far from it in fact, but simply that it is sufficiently different enough to enable a representative comparison to be made.

Overall trade volume between Japan and South Africa in 2010 reached R 77.3 billion, which although not as large as China's volume, is comparatively higher than that of India's[291]. As a result in 2010 Japan ranked as South Africa's third most important export and fourth most

[285] The South African Department of Trade and Industry, South African Trade-China, http://apps.thedti.gov.za/econdb/raportt/R100483.html, 8 May 2011.
[286] Loc cit.
[287] The South African Department of Trade and Industry, South African Trade by Country, http://apps.thedti.gov.za/econdb/raportt/rapcoun.html, 8 May 2011.
[288] Loc cit.
[289] Loc cit.
[290] The South African Embassy in Japan, South Africa/Japan Relations, http://www.sajapan.org/embassy.html, 8 May 2011.
[291] The South African Department of Trade and Industry, South African Trade-Japan, http://apps.thedti.gov.za/econdb/raportt/R100491.html, 8 May 2011.

important import destination[292]. In the same year, in terms of balance of payments, Japan ranked as South Africa's first placed trading partner[293]. The implications of which is that South Africa received a greater overall benefit from trading with Japan, than it did with any other of its 248 trading partners, during 2010[294].

Clearly then in comparison to both China and Japan, India's trading relationship with South Africa leaves much to be desired. Yet some observers may still be somewhat surprised to discover that after 14 years of strategic partnership, and given the fact that India is a country with a population of over a billion people and an economy that passed the US$1 trillion mark in 2007[295], that the total trade volume between the partners in 2010 only reached R 42 billion, in comparison to China's R 142.6 billion, and Japan's R 77.3 billion.

The reasons behind this will go a long way towards evaluating the partnership, and as such will be returned to in the following chapter. For now the dissertation will turn to the issue of investment.

3.4.1.2 Investment

One aspect of international commerce which is often closely related to trade is that of foreign direct investment. It therefore forms an important component of most bilateral commercial relationships, and as a result is often encouraged with vigour. India and South Africa are no different and as a result the have both made this an important issue within the economic component of the strategic partnership.

Before going any further, we first need a brief understanding of why this is the case. The traditional assumption as to why it is 'a good thing' is because it injects new capital into a country's domestic market, which expands the overall size of the market. Although this is the case, it does not paint a complete picture. Wei and Liu provide an explanation which fleshes out this basic assumption[296]:

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[292] The South African Department of Trade and Industry, South African Trade by Country, http://apps.thedti.gov.za/econdb/raportt/rapcoun.html, 8 May 2011.
[293] Loc cit.
[294] Loc cit.
[295] Sarkar, R. & Reddy, B., India's Economy is now worth $1 trillion, http://www.hindustantimes.com/India-s-economy-is-now-worth-1-trillion/Article1-218843.aspx, 26 April 2007.
[296] Wei, Y. & Liu, X., "Productivity Spillovers from R&D, Exports and FDI in China's Manufacturing Sector", in *Journal of International Business Studies*, Vol. 37, No. 4 (Jul., 2006), p. 546

> The most important reason why countries try to attract FDI is perhaps the prospect of acquiring modern technology, interpreted broadly to include product, process, and distribution technology, as well as management and marketing skills. FDI is a package of capital, technology and managerial skills, and has been viewed as an important source of both direct capital inputs and technology and knowledge spillovers.

Therefore the reason why both partners have encouraged their domestic firms to invest in each other's economies is because foreign investment can produce significant benefits for developing economies, which Wei and Liu outline below[297]:

> FDI contributes to efficiency by breaking supply bottlenecks, introduces new know-how by demonstrating new technologies and training workers who later take employment in local firms, breaks down monopolies and stimulates competition, transfers technologies to local suppliers, and forces local firms to increase their managerial efforts.

South Africa generally has tended to support this type of thinking since its re-emergence following the end of Apartheid. Gelb provides an overview of the South African attitude towards foreign investment[298]:

> The onset of constitutional negotiations in South Africa in 1990 ended the disinvestment pressures which foreign investors in South Africa faced in the context of international opposition to apartheid. Foreign investors began to invest in the country again and attracting new foreign investment has been a major thrust of official economic policy since the installation of the country's first democratically elected government in 1994. Investment promotion agencies have been established, a variety of tax incentive schemes have been put in place, and the single most important economic policy statement since 1994 – the Growth, Employment and Redistribution (GEAR) policy announced in June 1996 – made increased levels of FDI one of its central objectives.

South Africa therefore actively seeks to attract foreign investment, whereas India on the other hand has traditionally tended to adopt a far more cautious approach towards allowing it to enter its domestic market. This reluctance stems from the period prior to the 1991 economic reforms which began the liberalisation of India's economy. As is to be expected, adjusting to the new reality, and abandoning long held beliefs about the negative effects of

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[297] Loc cit.
[298] Gelb, S. DRC Working Papers No. 8; Foreign Countries in South Africa: Entry, Performance and Impact, The London Business School's Centre for New and Emerging Markets & The Edge Institute, http://www.dfid.gov.uk/R4D/PDF/Outputs/CNEM/drc08_south_africa.pdf, March 2003, p. 3.

foreign investment remained persistent for several years. Ganesh provides an excellent overview of these widely held negative perceptions[299]:

> Foreign direct investment in India has been on the upswing after 1991. For local industry this is felt as another body blow; following as it does the impact of other measures taken by government to reduce protection and increase the play of market forces. The fear is being expressed that the wave of foreign investment will sound the death-knell for indigenous industry.

Clearly then, the comparison between South Africa and India reveals that two vastly different approaches were initially taken to foreign direct investment. Ganesh further outlines the performance of early foreign entrants into the Indian market, and offers an explanation as to why many of these early entrants failed to make substantial headway[300]:

> Foreign firms have had a mixed record of performance in India, prior to the 1991 liberalisation. In certain sectors they performed well, but in others they have not been able to consolidate their position. Government's hostility is only one factor which contributed to the failure of foreign firms. Many foreign-owned firms could not face up to the competition in India, a pattern which can be seen also in the post-1991 period. As a consequence, Indian-owned firms have a dominant presence in many sectors, primarily covering non-branded industrial goods. In some sectors, primarily branded consumer goods, foreign firms have built up strengths. The pattern of new FDI varies across sectors, depending on the required entry strategy. In high technology industries, and where investment levels are high, foreign firms are taking equity positions. Foreign equity is also flowing in where brand names are involved.

It would therefore seem that South Africa and India, with their differing emphasis on investment, may still have a long way to go in order to cultivate a healthy bilateral investment portfolio. However the reality is in fact quite different. Currently India and South Africa, or rather Indian and South African firms, have invested quite heavily on the back of their government's strategic partnership. This is partly because even though many Indians still dislike the idea of allowing investors into India, they are more than happy to invest in foreign markets. It is also partly due the fact that the aversion Ganesh described above, is starting to soften somewhat now that considerable time has passed since the Indian economy was liberalised.

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[299] Ganesh, S., "Who is Afraid of Foreign Firms? Current Trends in FDI in India", in *Economic and Political Weekly*, Vol. 32, No. 22 (May 31 - Jun. 6, 1997), p. 1265.
[300] Loc cit.

It is therefore quite understandable that one would be hard pressed to find another emerging economy which is investing as heavily as India is in South Africa[301]. Likewise South African firms are turning ever more towards India as one of their chief investment destination. The reasons behind this, and the extent of the bilateral investment, will form the basis of this section.

Following an invitation by the President of India Pratibha Devisingh Patil, Jacob Zuma, President of the Republic of South Africa, paid a State Visit to India from June 2-4, 2010"[302]. During this recent visit, investment featured prominently as a central component of the economic aspect of the strategic partnership. Iqbal Meer Sharma, deputy director-general of South Africa's department of trade and industry, who was part of the South African delegation, noted in an interview with the Indian newspaper Business Standard, that, "...India features among the top 10 countries investing in South Africa, with current investment estimated at $6 billion"[303].

This estimated $6 billion worth of investment between the two countries is as a result of several prominent deals which both Indian and South African firms have managed to secure within each other's domestic markets. For instance, some of the major Indian firms which have invested in South Africa to date include: The Tata Group, Cipla, Apollo Tyres, Godrej, Genpact, Aegis, Mahindra & Mahindra, Ashok Leyland, Aurobindo Pharmaceuticals, Ranbaxy, Dr. Reddy's Laboratories, The State Bank of India, ICICI, Bank of Baroda, Nalco and JSW Energy[304].What is important though is that these firms are spread out across a wide variety of economic sectors, thereby increasing the likelihood that South Africa will receive positive spillovers, alongside capital investment.

One of the most notable of all the Indian investors is the huge multinational Tata Group. This is because it is actively involved in a wide variety of sectors, and its many group companies maintain a significant presence in the South Africa market. The three most important Tata group companies operating in South Africa include Tata Steel, Tata Motors

[301] Alves, P. Op Cit., p. 100.
[302] The High Commission of India in South Africa, Joint Declaration on the Occasion of the Visit of the President of South Africa, http://www.indiainsouthafrica.com/fact-file/keydocuments5.html, June 2010.
[303] Jog, S., Bright Prospects for Indo-South African Investment, Trade, http://www.business-standard.com/india/news/bright-prospects-for-indo-south-african-investment-trade/396908/, 3 June 2010.
[304] Loc cit.

and Tata Consultancy Services. However, it is the motor sector which is one of the more promising areas for companies such as Tata, as well as several additional major Indian vehicle manufacturers. The result of which is that Tata Motors, Mahindra & Mahindra and Ashok Leyland, "...are all actively pursuing plans to set up a manufacturing base in South Africa"[305]. Tata Motors is keen to produce its flagship small car, the Indica, while Mahindra & Mahindra wish to manufacture their tractors and Ashok Leylands is aiming to produce buses for the US, European Union and several African countries[306]. According to Sharma all of these companies are reportedly interested in taking advantage, "...of the quota-free and duty-free regime of South Africa to make entry into these markets,"[307].

Much of this positive attitude demonstrated by Indian investors is due in no small part to the fact that South Africa is viewed not only as an ideal gateway towards the rest of Africa, but also because it scores so highly in the World Bank ease of doing business rankings, placing 34th in the world in 2011[308]. Many Indian companies also report that the South African tax regime did not offer any additional challenges, as it was in keeping with global tax systems[309].

Testimony to just how strong the investment climate for Indian firms in South Africa really is can be found by looking at the proliferation of commercial entities which are catering their services towards expanding this field even further. One such company is the South African branch of the world famous Price-Waterhouse Coopers who specialise in providing financial services such as tax consultancy to a variety of clients. They are so keenly aware of the potential for Indian investment in South Africa, that they have established a dedicated 'India Desk', which their company website claims will help Indian investors to find potential investments in South Africa and to facilitate the Indian investors business by handling the South African regulatory framework[310]. Clearly if a reputable firm like Price-Waterhouse Coopers is dedicating an entire department to facilitating Indian investment in South Africa, there is more than enough potential for future investment.

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[305] Loc cit.
[306] Loc cit.
[307] Loc cit.
[308] The World Bank, Ease of Doing Business in South Africa, http://www.doingbusiness.org/data/exploreeconomies/south-africa/, 2011.
[309] Jog, S., Op Cit.
[310] Price-WaterhouseCoopers, India-Cross-border solutions for South Africa and India businesses, http://www.pwc.com/za/en/india-desk, 10 May 2011.

This of course does not mean South Africa is without its own set of unique drawbacks. Indian firms regularly face many challenges in South Africa, which include[311]: A range of regulatory issues, such as complicated Black Economic Empowerment (BEE) rules; strict and complicated labour regulations; delays in obtaining licences for certain products; and infrastructural challenges, particularly in the energy and telecommunications fields. Price-Waterhouse Coopers also list crime, health and safety issues and the perceived high corporate and individual tax rates, as additional challenges[312]. On balance Indian firms have an easier time of investing in South Africa than South African firms do investing in India. As a result, the majority of the bilateral investment within the partnership arises from Indian firms investing in South Africa.

Having just seen how many Indian firms are either currently active within South Africa or aim to establish their operations there in the near future, the chapter will now take a brief look at the extent to which all of the activity by Indian firms has been reciprocated. As was noted previously there tends to be limitations towards investing in India, which would once again understandably mean the volume of investment by South African firms in India is less than it almost certainly should be.

Alves reports that South Africa firms have identified the following challenges as being dissuasive when considering India as an international investment destination[313]: India still places restrictions on foreign investment in certain sectors; it often tends to have opaque licensing procedures and other regulations; the fact that rules differ across state borders; India has an overburdened legal system; suffers greatly from inadequate infrastructure, especially when it comes to transport and energy; and that India only formally adopted a competition commission as late as 2002.

Yet these setbacks are tempered by the fact that India possesses a large consumer market with massive potential for growth and development. It is also easier for South African firms to conduct their operations in India because if we recall from the previous chapter, English is widely spoke throughout the country. When this is combined with the fact that The Indian

[311] Alves, P. Op Cit, p. 102.
[312] Price-WaterhouseCoopers, India-SA Business Relations set to Soar Despite Some Challenges in both Directions, http://www.pwc.com/za/en/press-room/archives/india-sa-business-relations-set-to-soar-despite-some-challenges-in-both-directions.jhtml, 10 May 2011.
[313] Alves, P. Op Cit., pp. 101-102.

workforce is also highly educated, and India's legal system similar to that of South Africa's[314], we begin to understand that India does indeed hold many possibilities for South African investors. Moreover, it is also no small benefit that India is a large and successful democracy as well[315].

Perhaps one final consideration which interests many large firms, such as South Africa's Sasol who has invested $10 billion into a technologically sensitive joint venture partnership with the Tata Group[316], is that when investing in India the threat of intellectual property theft is far lower than in many alternative investment destinations[317]. This means that despite its sometimes severe shortcomings, India's high degree of similarity with South Africa allows South African investors to understand India far more than they do other key emerging economies of the south such as, China and Brazil[318]. Understandably, because of this, most forward looking South African firms include India in their long term growth plans, alongside China[319].

India holds significant potential for South African investors in the infrastructure, financial services, retail, tourism, automotive and mining[320]. In light of this, the South African firms which have made inroads into India include: Tiger Brands; The Airports Company of South Africa; Bidvest SAB Miller; First Rand Bank[321]; Sasol who opened an office in Mumbai in January 2007[322], Old Mutual which in 2001 launched a joint venture partnership to create Old Mutual Kotak Mahindra Life Insurance[323]; and Shoprite[324].

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[314] Ibid, p. 101.
[315] Loc cit.
[316] The Economic Times, Sasol-Tata JV to invest $10 Billion in India, http://articles.economictimes.indiatimes.com/2010-06-03/news/27620792_1_coal-to-liquids-coal-block-power-plant, 3June 2010.
[317] Alves, P. Op Cit, p. 101.
[318] Loc cit.
[319] Loc cit.
[320] Loc cit.
[321] Subbu, R., South Africa Seeks $10 billion Bilateral Trade by 2012, http://www.thehindu.com/business/Economy/article445790.ece, 3 June 2010.
[322] Alves, P., Op Cit., p. 101.
[323] Old Mutual, About Old Mutual, http://www.oldmutual.co.za/about-us/company-profile/company-history.aspx, 10 May 2011.
[324] The South African Department of International Relations and Cooperation, Minister Dlamini Zuma to host Indian Foreign Minister for the South Africa – India Joint Ministerial Commission, http://www.dirco.gov.za/docs/2008/indi0220.html, 20 February 2008.

As we have seen, the investments between the two nations are in-fact substantial. The governmental efforts which have heavily promoted investment at the national level have gone a long way towards ensuring that this not only occurred in the first place, but will continue to grow over time. The processes through which both governments established the resulting investment friendly environment, is by using the South Africa Business Forum, the Indo-South African CEO forum and the Joint Ministerial Commission. Through these initiatives, the economic component of the strategic partnership has been guided and shaped by the blending of state and private sector efforts.

Beginning with the South Africa Business Forum, we find an institution which expends significant energy towards developing the commercial ties between South Africa and India. It aims to, "...provide a platform for South African business leaders and companies with a semi-permanent, permanent or joint-venture presence in India to address issues of interest to them"[325]. It also serves as a liaison between South African business interests in India, and the South African Mission to India, as well as the International Marketing Council of South Africa and South African Tourism[326].

The next high level initiative which has done much to facilitate greater trade and investment ties between the two partners is the Indo-South African CEO forum. The forum was established in 2006 under the leadership of Ratan Tata, the CEO of Tata Group and South African business leader Patrice Motsepe. The CEO's forum has not been very active over the last few years, but received a new impetus during the South Africa state visit to India in June 2010. According to a joint statement issued at the time, both parties welcomed the reconstitution of the CEO forum the year before, as it would be able to act as an institutional mechanism for closer business interaction, and would do so with full governmental support[327]. Moreover to improve coordination the CEO's had agreed in 2009

[325] South Africa Business Forum (India), About Us, http://sabusinessforum.org/aboutus.html, 10 May 2011.
[326] Loc cit.
[327] The High Commission of India in South Africa, Joint Declaration on the Occasion of the Visit of the President of South Africa, http://www.indiainsouthafrica.com/fact-file/keydocuments5.html, June 2010.

that they would conduct formal meetings twice a year from then on, hosting one in South Africa and the other in India[328].

The final mechanism which serves as a high-level forum for South African and Indian representatives to voice issues relating to the economic component of the strategic partnership is the joint ministerial commission. The commission itself has been in operation for several years, and continues to serve the interests of both nations in a variety of areas, including investment. As an example of how the joint commission facilitates these ties, we turn to a report back on the most recent commission held from the 6 to 7 March 2011 in New Delhi. In the report back, an ANC spokesperson Maite Nkoana-Mashabane describes how the South African government[329]:

> ... used the opportunity of our interactions to invite more Indian companies to come to South Africa to assist us - in the creation of jobs, especially investment in the tourism, mining, infrastructural development, green economy and agriculture. We also used this opportunity to impress on our Indian counterparts that South Africa has embraced a New Economic Growth Path which is aimed at enhancing growth, prioritising value addition (beneficiation), creating employment and working towards the achievement of equity in all aspects of the economy. Republic of South Africa (RSA) targets the creation of five million jobs over the next 10 years).

The end result of this process of exploring investment between South Africa and India means that we are keenly aware that this is quite an active sector, and although it stands to be expanded, it requires far less effort and attention than the more important trading relationship. It therefore becomes increasingly self-evident that investment forms one of the most crucial component of the strategic partnership, not only because of the volume of bilateral investment, but because there are so many efforts being made both in the private and public sectors to facilitate its growth. As such investment holds great potential and promises to continue to produce significant benefits for both partners. The dissertation will therefore now move on to the final economic component of the partnership, which is economic cooperation. This is a smaller component that trade and investment, but it

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[328] Hassen, F., India-South Africa CEO forum to Boost Bilateral Ties, http://www.thaindian.com/newsportal/business/india-south-africa-ceo-forum-to-boost-bilateral-ties_100237549.html, 25 August 2009.

[329] Nkoana-Mashabane, M., Whither the Moral Regeneration Movement, ANC Today, Vol. 11, No. 9, http://www.anc.org.za/docs/anctoday/2011/at09.htm, 11-17 March 2011.

requires some mention in order to establish a holistic picture of the economic dimensions of the strategic partnership.

3.4.1.3 Economic Cooperation

Economic cooperation is in a sense a broad term that refers to South Africa and India's non trade or investment linkages. Most of the activity here is driven by a desire to assist one another with developmental issues, such as providing education and expertise which will enhance each other domestic capabilities.

So far most of these types of efforts have been driven by India, as it helps South Africa by funding job creation efforts and provides additional training opportunities for South African's in India. The flagship South African enterprise which dealt with these types of issues was the Joint Initiative on Priority Skills Acquisition (JIPSA). The JIPSA initiative, "...was established in March 2006 as a high level partnership between government, business and organised labour to accelerate the acquisition of priority skills in order to meet the demands of Accelerated and Shared Growth Initiative for South Africa (AsgiSA)"[330]. However[331]:

> In March 2009, Cabinet approved the revised Human Resource Development Strategy for South Africa (HRD-SA). Cabinet's decision marked the migration of work initiated under JIPSA into the HRD-SA and the incorporation of the JIPSA secretariat into the Human Resource Development Support Unit. With the migration, the JIPSA secretariat will be known as the Human Resource Development Support Unit.

What JIPSA aimed to do though was to focus its attention on skills development. Therefore[332]:

> The JIPSA strategy had rested on the assumption that skills acquisition was not merely a numbers challenge, but a systems challenge. It involves broadening the training pipeline, retaining people in skilled employment, and training them more effectively and to higher quality standards. Along with the setting of targets, it is equally important to address the systems blockages and inefficiencies and problems of quality that impede the acquisition of relevant, high-quality skills to sustain growth over the medium to longer terms.

[330] The South African National Business Initiative, Human Resources Development Strategy for South Africa (formerly JIPSA), http://www.nbi.org.za/welcome.php?pg=206, 10 May 2011.
[331] Loc cit.
[332] Loc cit.

The significance of JIPSA then was that it saw significant interest from India and acted as a vehicle through which India was able to further its economic cooperation with South Africa. As a result, prior to JIPSA being incorporated into the HRD-SA, India played an important role in funding several JIPSA programmes. It also provided South Africans with training opportunities in India. The following paragraphs from the Tshwane Declaration illustrate the extent of India's approval of the initiatives[333]:

> Lauding the efforts of the South African Government for promoting broad-based economic and social development through the Accelerated and Shared Growth Initiative of South Africa (ASGISA) and the Joint Priority Skills Acquisition Initiative (JIPSA), Prime Minister Singh reaffirmed that the Indian Government was ready to be a partner in these initiatives and to provide assistance in building up scarce and critical skills identified by the South African Government.
>
> President Mbeki welcomed the growing co-operation within the framework of the Indian Technical and Economic Cooperation (ITEC) Programme and Prime Minister Singh's indication that India would increase the number of ITEC slots allocated to South Africa from 55 to 100, with 50 of these slots earmarked specifically for the JIPSA Initiative.

Additional efforts to assist South Africa with JIPSA are mentioned in a press statement released by the South African Department of International Relations and Cooperation, on the occasion of the visit of the Indian Foreign Minister Pranab Mukherjee, for the Joint Ministerial Commission meeting held in Pretoria in February 2008. In it there are three distinct categories of AsgiSA and JIPSA programmes, they are as follows[334]:

- Government-sponsored Programmes

This programme focuses mostly on the 100 ITEC (Indian Technical and Cooperation) slots that are made available to South African public servants through the Indian Ministry of External Affairs.

- Programmes driven by Institutions

These programmes have the potential of being the most significant contributions towards skills development in South Africa because of the size and extent of projects. These projects are driven by the Confederation of Indian Industries (CII) in co-operation with BUSA. The focus is on developing skills of artisans (electricians, plumbers, bricklayers, etc); and the objective is to

[333] The South African Department of International Relations and Cooperation, The Tshwane Declaration on Reaffirming the Strategic Partnership between South Africa and India, http://www.dfa.gov.za/docs/2006/india1006.htm, 02 October 2006.
[334] Loc cit.

provide training to large numbers of South African apprentices, in order to address the skills-deficit at the operational level in these trades.

- Private Sector Initiatives

Major Indian corporate companies (like TATA, Sahara, Satyam, etc) are training young, unemployed South African graduates in the fields of tourism and ICT. These programmes last for an average of 3-4 months and involve "on-the-job training" at major centres in India. These same companies' forays into the SA economy, makes these opportunities they provide a case of enlightened self-interest on their part rather than pure altruism.

The statement also mentions that India is one of the biggest contributors to South Africa's AsgiSA and JIPSA related programmes[335]. Since JIPSA has been incorporated into the HRD-SA, it seems highly unlikely that India's commitments thus far will evaporate, as India has a solid existing foundation on which to continue its support for this crucial component of the strategic partnership.

Moving on now to more political issues, the dissertation will examine the phenomenon known as South-South Cooperation, as it is one of the major arena within the strategic partnership, after the partnerships economic ties.

3.4. 2 The Political Dimensions: South-South Cooperation and Global Institutional Reform

3.4.2.1 South-South Cooperation

South Africa and India tend to cooperate closely on issues derived from South-South Cooperation. This may be surprising, as South Africa is far inferior to India when it comes to India's rising global influence as derived from economic and demographic potential that South Africa could never hope to match[336]. That said, as we witnessed earlier on in chapter 2, South Africa generally tends to exert more influence than one might consider appropriate given its relative size.

This is demonstrated by the very fact that India signed a strategic partnership agreement with South Africa, for if South Africa had been inconsequential there may never have been

[335] Loc cit.
[336] Alves, P., Op Cit., p. 93.

one in the first place. Therefore as a result of the strategic partnership, it is fair to say that South Africa and India, "...share a grand vision of a more just and equitable world and better mechanisms for governing it"[337]. In light of this both India and South Africa have made enhancing South-South Cooperation a priority. It is an issue which is given specific mention in the Red Fort Declaration[338]:

> Concerned at the uneven impact of globalisation on developing economies, South Africa and India are convinced that the success and sustainability of the globalisation process depends on its ability to bring equal benefits to developing countries. They agree to consult and collaborate with one another in forums such as the United Nations and the World Trade Organisation and to make full use of their partnership within the Non-aligned Movement to articulate this concern. They also agree to coordinate their efforts in their mutual endeavour to capture the new opportunities for South--South cooperation and to help build capacities among the Least Developed Countries.

The nature of South-South Cooperation is that it brings together a series of developing states, all of whom are attempting to carve out new niches and new political space within the broader international system. They therefore are beginning to challenge the leading nations of the North, through the reassertion of the growing North-South divide. The result of this process is that Southern states, many of whom are middle powers, have tended to club together to deal with the issue cooperatively within multilateral forums. Cooperative efforts are as a result the hallmark of South-South cooperation because as Alden and Vieira point out[339]:

> The established discourse on middle powers is fixed within a relational dynamic that is essentially derived from a materialist account of states and power set within the framework of the international system as a whole. From this perspective middle powers are understood to be committed multilateralists as a means of overcoming their material deficiencies in terms of structural power.

South Africa and India are no exception. They have both actively embraced these moves which now allow them to assert their views on global challenges as never before. It is as a result of this type of thinking that multilateralism has become almost entirely synonymous

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[337] Loc cit.
[338] The High Commission of India in South Africa, **T**he Red Fort Declaration On A Strategic Partnership Between South Africa And India, http://www.indiainsouthafrica.com/fact-file/keydocuments2.html, March 1997.
[339] Alden, C. & Vieira, M., "The new diplomacy of the South: South Africa, Brazil, India and trilateralism", in *Third World Quarterly*, Vol. 26, No. 7, p. 1078.

with the concept of South-South Cooperation. That said, India and South Africa demonstrate slight differences in their approach, often as a result of their standing within their respective regions, and by virtue of their domestic situations. The dissertation will now outline both partners' positions with regard to South-South cooperation.

Beginning with South Africa's, we soon see that its approach to South-South cooperation embraced the concept of multilateralism wholeheartedly, and as such it became a central component of Pretoria's foreign policy. Alden and Vieira comment on these developments[340]:

> The impulse towards multilateralism in foreign policy, reinforced by negative responses to Pretoria's unilateralism among African states, mirrored aspects of classic middle power strategy as the new government sought to leverage its material deficiencies through recourse to international organisations. Where it differed from established middle powers was that Pretoria sought to position itself, first and foremost, within the institutional and ideational framework of Southern international organisations such as NAM, the Organisation for African Unity (AU) and UNCTAD.

Under the Mbeki presidency South Africa took the concept of utilising multilateralism to galvanise further more ambitious thinking. Mbeki himself announced that he wanted to create a 'G-7 of the South', and by 2001 this thinking had been adopted by the South African Department of Trade and Industry policy[341]. He said[342]:

> In relation to possible future rounds of the WTO, our policy will be to seek to bring developing countries around a common agenda—the so-called G-South. It is evident that only a co-ordinated response from the South will be able to secure sufficient concessions from the powerful industrialized countries.

India's position is somewhat similar. It is not quite as assertive as the call by Mbeki to create a G-South, which incidentally was never fully embraced by other Southern actors, but did mirror South Africa's position to a large extent. India's position is largely founded on Jawaharlal Nehru's national philosophy. As we have seen this not only informs India's ideological approach to the strategic partnership but also its approach to South-South cooperation. It was Nehru's foreign policy goals that most influenced South-South cooperation, which were, "...the improvement of the international economic and political

[340] Ibid., p. 1082.
[341] Ibid., p. 1083.
[342] Loc cit.

order, independence in foreign relations, equal treatment among states, independence of colonies and many others—which placed a premium on the building of peace and co-operation in the world"[343].

A few decades before the broader South-South movement began to take shape, Nehru's thinking had helped India carve out a unique space in the international system, with the creation of the Non-Aligned Movement. In some ways this served as an Indian precursor to South-South cooperation, and could be credited at the very least with being part of the inspiration behind its eventual emergence onto the international stage.

Furthermore India as a global power, is more attune to a wider Southern audience, meaning it has to posture itself somewhere between the prevalent issues within its own South Asian region, and the wider international South-South movement which deals with a far larger set of issues.

Having witnessed the similarities between their two national positions, a few of the more prominent concerns that the South-South movement has to face should first be noted. These common issues addressed by the broader South-South movement come from a document released by the Group of 77 (G77)-to which both partners are active members, entitled the Marrakesh Framework of Implementation of South-South Cooperation[344].

This document broadly lists education, information sharing, global institutional reform, the promotion of investment, improving market access for developing nation's exports through the WTO, food security, agriculture, improving health, poverty alleviation and enhanced South-South dialogue within the UN, as some of the most prominent concerns that South-South cooperation should address[345].

Turning now to South-South cooperation within the strategic partnership, we see a similar concerns shared by both partners. One of the most recurring themes throughout all official statements and the academic literature on South-South cooperation deals with the issue of global institutional reform. This will as a result be dealt with separately in the following sub-

[343] Ibid., pp. 1086-1087.
[344] The G77, The Marrakesh Framework of Implementation of South-South Cooperation, http://www.g77.org/marrakech/Marrakech-Framework.htm, December 2003.
[345] Loc cit.

section. First though we will examine the practical aspects of their commitments to furthering South-South cooperation.

Perhaps the most recognisable manner in which the strategic partners have taken practical steps to deepened South-South Cooperation, has occurred through the June 2003 launch of The India–Brazil–South Africa (IBSA) Dialogue Forum[346]. According to the IBSA website[347]:

> The establishment of IBSA was formalized by the Brasilia Declaration, which mentions India, Brazil and South Africa's democratic credentials, their condition as developing nations and their capacity of acting on a global scale as the main reasons for the three countries to come together. Their status as middle powers, their common need to address social inequalities within their borders and the existence of consolidated industrial areas in the three countries are often mentioned as additional elements that bring convergence amongst the members of the Forum.

White remarks that[348]:

> IBSA is best described as an alliance of like-minded countries that share similar interests, skills and needs. It is a geopolitical arrangement underpinned by political symbolism, which has provided a unique negotiating caucus in multilateral fora.

It is naturally understandable then that although this is a trilateral forum, including Brazil, it often is utilised as the vehicle through which both India and South Africa coordinate on issues relating to South-South cooperation. Therefore a great deal of their efforts relating to South-South cooperation derived from actually cooperating with themselves and other Southern partners, or it is conducted within the confines of multilateral institutions. The strategic partnership therefore usually simply endorses these efforts and encourages further discussion in multilateral settings, such as that of IBSA.

To reinforce this assertion it is worthwhile noting that according to the G77's assessments following the Eleventh Meeting of the Intergovernmental Follow-Up and Coordination Committee on Economic Cooperation among Developing Countries, which was held during March 2005 in Havana, Cuba[349]:

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[346] India-Brazil-South Africa Trilateral Forum, About IBSA, http://www.ibsa-trilateral.org/, 11May 2011.
[347] Loc cit.
[348] White, L., IBSA:A State of the Art, http://www.ipc-undp.org/ipc/doc/ibsa/papers/ibsa3.pdf, 2006, p. 1.
[349] The Office of the Chairman of the Group of 77, Current and Emerging Trends in South-South Cooperation, http://www.g77.org/ifcc11/docs/doc-10-ifcc11.pdf, March 2005, p. 5.

> Most South-South and North-South activities occurred within the framework of regional and sub-regional arrangements. Regional groups were oriented predominantly towards the promotion of South-South flows of trade among developing countries. By the end of 2002, the World Trade Organization had recognized nearly 250 regional and sub-regional free-trade arrangements intended to promote economic and social development.

Although it has to be said the two partners do coordinate their positions of South-South cooperation through the Joint Ministerial Commission, which we previously saw played a key role in promoting investment. Both partners use this forum to discuss a variety of issues, and as such released this statement to that effect[350]:

> On the Joint Ministerial Commission (JMC), we agreed that it provides a platform for government-to-government interaction over a broad spectrum of issues with a view to further deepening and expanding our bilateral relations. We jointly reiterated that the JMC stands as a reaffirmation of our commitment to the strategic partnership that we have with India, based on our shared vision and common values - key amongst which are democracy, development, justice, respect for human rights and equity, and the quest for a better life for all our people in a just and peaceful world.

Their specific South-South concerns are constantly shifting, as new issues arise and changes in the emphasis of their efforts are required. Understandably therefore concrete points are difficult to find, but as usual will inevitably rest somewhere within the ambit of the major themes that the South-South movement generally embraces, which were outlined above by the G77 document.

As economic cooperation has been dealt with already, cooperation on the one major South-South issue which the strategic partnership specifically mentions will now be explored. This issue which features strongly on the political side of the partnership is global institutional reform.

3.4.2.2 Global Institutional Reform

As was mentioned above, the concept of global institutional reform is one that is very closely related to South-South cooperation. As a result many states within the developing South often frame their efforts at reforming these institutions as a concern of South-South cooperation.

[350] Nkoana-Mashabane, M., Op Cit.

Alden and Vieira describe these efforts at reform as being the result of a crisis of legitimacy for many of the world's global governance institutions[351]:

> The crisis of legitimacy facing international institutions underlies much of the conduct of developed and developing states in the aftermath of the Cold War. While the Northern countries have tended to emphasise issues of UN credibility in the light of significant operational failings, cost-effectiveness and other policy dilemmas, the Southern critique has been rooted in a deeper structural analysis. For the established powers situated within these institutions the question of legitimacy is seen through issues of activism and state-invested interests.

They continue by outlining the position and concerns of the developing states[352]:

> In contradistinction, for developing countries the crisis is fixed less in activism and interests per se and more in terms of structural concerns. Participation in the UN was, for many newly independent states of Asia and Africa, a triumph of faith over experience. Indeed, Sukarno's initial ambition for the Non-Aligned Movement (NAM) was to create an alternative world order to that of the Western-dominated UN. This impulse for reform of international institutions did not, however, disappear, but became a renewed source of contention in the waning days of the Cold War. The South Commission, authorised by the NAM and funded primarily by the Malaysian government, launched a study in 1988 in which it called for reform of the Security Council and the Bretton Woods Institutions (BWI) to better reflect the concerns of the developing world. The Commission for Global Governance, whose report was issued in 1995, set out the general case for significant reform of international institutions to take into account the changing dynamics of the international system, as did a number of UN commissions. The focus of structural reform remains the UN Security Council, with its permanent membership and veto privileges, and the BWI. The weighted voting system of the IMF and World Bank, based upon what is in effect a politically negotiated interpretation of relative economic standing dating back to the second world war, is particularly contentious for developing countries, given BWI influence over many of their economies.

Turning now to South Africa and India's commitment to this aspect of the partnership, we find that both the Red Fort and Tshwane Declarations make specific reference to the importance of these processes. It is given specific mention in the Red Fort Declaration as far back as 1997, when the idea of a strategic partnership had only just emerged. In the Red Fort Declaration one sees the first inklings of the holy grail of institutional reform, that being the reform of the UN and particularly the Security Council, being mentioned[353]:

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[351] Alden, C. & Vieira, M. Op Cit., p. 1081.
[352] Ibid., pp. 1081-1082.
[353] The High Commission of India in South Africa**, T**he Red Fort Declaration On A Strategic Partnership Between South Africa And India**,** http://www.indiainsouthafrica.com/fact-file/keydocuments2.html, March 1997.

> Convinced that the United Nations' structures need to be more representative of the concerns and diversities of the developing world, South Africa and India re-emphasize their belief in the need for UN reforms. They stress, in particular, the need for an equitable balance in the composition of an expanded Security Council to provide a constructive voice to the aspirations of the developing countries. They believe that piecemeal and discriminatory approaches to such expansion will be inconsistent with the objectives of that world body.

Obviously these are strong words which have been carefully chosen to reflect just how robust both partners' feelings are when it comes to this issue. This is most likely due to the fact that they came at a time when both nations were buoyed by idealistic fervour following both the end of Apartheid and the rise of Neo-Liberalism. However references to UN reform in the strategic partnership do not end here. The Tshwane declaration contains additional comments on the process of furthering the reform agenda[354]:

> They reaffirmed the need for a decision regarding the expansion of the Security Council, without which no reform of the United Nations would be complete. They reiterated their conviction that the Security Council must be expanded to include developing countries from Africa, Asia and Latin America in both its permanent and non-permanent categories, so as to reflect contemporary realities and make it more democratic and representative, and resolved to continue to pursue a decision in this regard.

Extracts from the recent comments made by South Africa's representative to the General Assembly, Dire Tladi during the 48th & 49th Meetings from Sixty Fifth General Assembly Plenary on 11 November 2010, reveal an important portion of the South Africa's perspective in this regard. South Africa[355]:

> ...aligning with the Non-Aligned Movement and the African Group, called on the Council for greater engagement with non-members, especially those parties directly affected by or involved in a specific conflict.

[354] The South African Department of International Relations and Cooperation, The Tshwane Declaration on Reaffirming the Strategic Partnership between South Africa and India, http://www.dfa.gov.za/docs/2006/india1006.htm, 02 October 2006.
[355] The United Nations Department of Public Information, Solution to Reform of Security Council 'Is in your Hands', General Assembly President says as the Member States begin Annual Debate on Long-Standing Issue, http://www.un.org/News/Press/docs/2010/ga11022.doc.htm, 11 November 2010.

Additionally[356]:

> Welcoming the thematic debate on protection of civilians, among others, as well as increased cooperation with the African Union, he said Council reform remained a top priority. There was no going back into the mode of endless consultations. Now was time for meaningful give-and-take negotiations. To that end, he said that a streamlined text that identified areas of convergence was required, with deletion of redundancies in the current text taken as a first step to preparing such a text. Proposals that offered no prospect for an outcome must be identified and discarded, while those offering the best prospects for a solution should be consolidated. Progress could be achieved based on a convergence of views that reforms would require expanding both membership categories. Efforts to build on the convergence of views on working methods and the relationship between the Council and the Assembly were also needed.

From the same document we find India elaborating its own position, which was delivered by Bhubaneswar Kalita a member of the Indian Parliament[357]:

> Next, he expressed his gratitude that countries and leaders around the world had articulated their support for India as a permanent member of an expanded Security Council, noting the United States' recent affirmation of its support, and called on other nations to extend their support to his country. Further, he called for the expansion from the current 15 members to a "figure in the mid-twenties" with a mandatory review after a period ranging from 8 to 15 years. The G-4 position on the question of veto was unambiguous and constructive, and stressed the need for an outcome that ensured the democratization of decision-making within the Council. India associated itself with the growing clamour for early reform of the Council's working methods.

He continued[358]:

> Regarding the issue of regional representation, India supported a Charter-based distribution of seats that addressed the lack of representation of African, Latin American and Caribbean countries and Asian countries in permanent membership and non-permanent membership of developing counties, including the least developed, landlocked countries and small island States. In closing, India called for the Assembly and the Council to respect each other's distinct roles to secure the effective functioning of the United Nations. India was ready and willing to reach out to work in close cooperation with other countries. In that regard, the Council must shorten the negotiation text and proceed wholeheartedly into real negotiations.

As these statements reveal both countries are largely in keeping with their South-South cooperative themes, emphasising greater inclusivity and coordinated efforts. References to the issue in the confines of the strategic partnership can be found in the joint press release

[356] Loc cit.
[357] Loc cit.
[358] Loc cit.

on the occasion of President Zuma visiting India, to meet with Prime Minister Pratibha Devisingh Patil, from 2-4 June 2010[359]:

> The two Leaders emphasized the need for the reform of the United Nations (UN) to render it more democratic and consistent with the priorities of the developing world. They emphasised that no reform of the UN would be complete without the reform of the UN Security Council, including an expansion in both permanent and non-permanent categories of membership, with increased participation of developing countries in both, for the Security Council to have the representativeness and legitimacy it needs to face contemporary challenges. The two leaders undertook mutual support for their candidature for non-permanent Security Council seats for 2011-2012.

Now that it has been demonstrated that both partners, within the confines of the strategic partnership and without, are keen to prioritise the issue of UN reform, we can now move on to further efforts they have taken in this regard. This is because the concept of reforming global governance institutions does not stop here; in fact they are expanded even further as was alluded to earlier on. A core tenet of the partnership, as far as global institutional reform is concerned, is that all global institutions should be more representative of the current realities within the international system. The process of reform is therefore also extended to the global financial institutions, particularly the Bretton Woods institutions. This is further evident from the joint declaration of 4 June 2010, in which[360]:

> The leaders stressed the need to reform the Bretton Woods Institutions to increase their effectiveness and to enhance their accountability, credibility and legitimacy. They underlined the importance for a greater voice and participation by developing countries in these institutions. The two leaders stated that a positive outcome of the Doha Round of trade talks within the World Trade Organisation would be instrumental in economic recovery, particularly in job creation, as international trade has experienced its sharpest decline in several decades. A development oriented, balanced and successful conclusion of the Round at an early date would bolster the credibility of the multilateral trading system in the face of increased protectionist pressures. The Leaders confirmed their intention to continue to work to strengthen the alliances of developing members that have effectively changed the negotiating dynamic in the World Trade Organisation, placing developing countries, for the first time in the history of the global trade system, at the centre of the negotiations.

India and South Africa have therefore been somewhat successful at reforming the Bretton Woods Institutions, as their collective voice has helped to drive the process forward. They still have some way to go, but it seems increasingly likely that they will continue to make

[359] The High Commission of India in South Africa, Joint Declaration on the Occasion of the Visit of the President of South Africa, http://www.indiainsouthafrica.com/fact-file/keydocuments5.html, June 2010.
[360] Loc cit.

their presence felt. However, due to previous failures during the Doha Round, and the vast number of inputs from variety of developing and developed nations it is understandable that the process of reform is slow. That is not to say that it is non-existent, as recent developments seem to be encouraging.

One development in particular was the formation of the core group at the sixth ministerial conference of the World Trade Organisation, on the issue of Non-Agricultural Market Access (NAMA)[361]. India used its dominant position in world trade talks to establish the core group, and invited South Africa to act as co-chair of the group[362]. The group was originally composed of nine members, but soon expanded to become a key developing voice at the WTO[363]. The expanded group is now commonly known as the NAMA-11, and its membership includes[364]: Argentina, Bolivarian Republic of Venezuela, Brazil, Egypt, India, Indonesia, Namibia, Philippines, South Africa and Tunisia. At the time the formation of the core group was seen by experts as an important development[365]:

> According to Milind Murugkar, agri-policy researcher from India, the G-20 helped correction to a "great extent" the imbalance in the agricultural negotiations. However, there was no such movement of NAMA. The need for such a coalition on NAMA arises especially in the backdrop of E.U's demand for greater market access in the developing countries for its industrial goods in exchange of any market access for agricultural products from the developing countries. The formation of the core group would give these countries a better bargaining power while dealing with Europe on agriculture.

This provides a clear practical demonstration by India and South-Africa of their commitment to the issue of reform, and as a result contains practical steps towards furthering these goals, rather than simply committing to their principals with vague statements of support. The NAMA-11 group has gone on to actively campaign, under South Africa and India's leadership, on issues such as[366]: Placing development concerns at the heart of the negotiations; ensuring "less than full reciprocity in reduction commitments" for developing

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[361] Kumar, N. India forms Core Group on Non-Agricultural Access, http://www.hindu.com/2005/12/14/stories/2005121406211200.htm, 14 December 2005.
[362] Loc cit.
[363] Loc cit.
[364] Trade Observatory, NAMA 11 Ministerial Communiqué, 29 June 2006, Geneva, http://www.tradeobservatory.org/library.cfm?refID=88375, 11 May 2011.
[365] Kumar, N. Op Cit.
[366] Trade Observatory, Op Cit.

countries; comparable level of ambition with agricultural market access; and appropriate flexibilities to manage adjustment costs and address development needs.

India and South Africa have met with less success with regard to reforming the United Nations Security Council. Obviously since the UN Security Council in particular has yet to be incorporate the changes many nations would like to see. These measures would include offering new permanent seats and veto rights, to those who find themselves as non-permanent members of the Security Council.

That said, South Africa and India have managed to do is raise their profiles within the UN and as such have both been offered non-permanent positions on the Security Council. In fact at present India and South Africa are both acting non-permanent members of the UN Security Council, incidentally along with Brazil, their partner from the IBSA dialogue forum[367]. India and South Arica were elected on 12 October 2010, while Brazil was elected the previous year[368].

Turning now to the final component which needs examining before moving on to evaluating the strategic partnership, the dissertation will look at tensions which have appeared over the years within the partnership. This is because no matter how close the partners are, they will never be able to agree on all matters, all of the time. Therefore it is these disagreements or tensions, no matter how minor that often provides valuable insight into the true state of the strategic partnership.

3.5 Emergent Tensions

Since both partners are so closely aligned in both their broader world view and their ideological similarities, while also enjoying such strong historical ties it would be natural to assume that there are almost no areas in which they would disagree on how best to approach any given issue. However this has not always proven to be the case.

[367] The IBSA Dialogue Forum, Press Statement on the Non-Permanent Members Election of the UNSC, http://www.itamaraty.gov.br/temas-mais-informacoes/saiba-mais-ibas/documentos-emitidos-pelos-chefes-de-estado-e-de/press-statement-of-the-ibsa-forum-on-the-occasion-of-the-election-of-india-brazil-and-south-africa-as-non-permanent-members-of-the-un-security-council/at_download/file, New York, 12 October 2010.
[368] Loc cit.

Both India and South Africa have disagreed on certain approaches to issues, as well as aspects of one another's conduct within the international system. For the most part these have not come to much, and remain minor points of contention which would in no real way divide or threaten to end the partnership.

However they need to be discussed none the less in order to produce a truly balance picture of the two nations dealings within the strategic partnership and will contribute significantly to the analytical component that will follow in the final chapter.

Beginning then with one of the most significant issues which have arisen within the confines of the strategic partnership, we will now explore the nuclear issue. If anything has produced potential tensions, it is most likely this. The nuclear issue has arisen because India, which became a recognised nuclear weapons state after its first weapons test in 1974, and subsequently never signed either the NPT or the CTBT, has potentially distanced itself from one of South Africa's fundamental foreign policy positions.

In a 2009 interview with India's External Affairs Minister Pranab Mukherjee, he told India Today Group Editor Prabhu Chawla, that , "We will not sign CTBT or NPT and we have made it absolutely clear to the US that we are bound by the bilateral agreement with it and India-specific safeguards with the IAEA"[369]. This however is not something South Africa is likely to be pleased to hear. The specific safeguards mentioned by Mukherjee were negotiated between India and the International Atomic Energy Agency (IAEA), represented by IAEA Director General Mohamed ElBaradei and Ambassador Saurabh Kumar of India, and culminated in the signing of the *Application of Safeguards to Civilian Nuclear Facilities agreement* in Vienna on 2 February 2009[370]. Accordingly[371]:

> The IAEA currently applies safeguards to six nuclear reactors in India under safeguards agreements concluded between 1971 and 1994. In the future, additional reactors are expected to be under IAEA safeguards under the newly-signed agreement.

[369] Chawla, P., India will not sign CTBT or NPT: Pranab Mukherjee, http://www.nation.com.pk/pakistan-news-newspaper-daily-english-online/Politics/17-Jan-2009/India-will-not-sign-CTBT-or-NPT-Pranab-Mukherjee, 17 January 2009.
[370] The International Atomic Energy Agency (IAEA), India Safeguards Agreement Signed, http://www.iaea.org/newscenter/news/2009/indiaagreement.html, 2 February 2009.
[371] Loc cit.

Yet even though South Africa undoubtedly will have welcomed the signing of these safeguards, which represented a significant departure from India's traditional position of remaining outside the NPT and the CTBT, India's nuclear reality still has the potential to drive a wedge between the two partners.

This is especially true if one considers that under the agreement with the IAEA India will place its civil nuclear facilities under the supervision of the agency, but in return gains the ability to obtain access to the international nuclear fuel market[372]. However, if these foreign fuel supplies should be interrupted, the agreement allows India to 'take corrective measure' to remedy the loss of supply[373]. This essentially means India can now buy fuel from foreign suppliers, but also produce it domestically if these foreign producers are unable to honour their commitments. That is therefore the worrying part.

To therefore understand why South Africa might be concerned about India's new found nuclear legitimacy, while it continues to remain outside of the NPT and the CTBT, we need to understand South Africa's history with regard to nuclear weapons. This history is well documented. Purkitt, Burgess and Liberman reveal the early beginnings of South Africa's nuclear Weapons programme[374]:

> With the start of negotiations in Geneva in 1964 on the Nuclear Nonproliferation Treaty (NPT), Prime Minister Hendrik Verwoerd decided against South African participation. In 1970 his successor, B.J. Vorster, rejected the NPT and instead announced the creation of a new South African uranium enrichment process and invited collaboration by "non-Communist countries" in developing it." While emphasizing the peaceful aims of the program in parliament, Vorster also proclaimed that South Africa would not be limited to promotion of the peaceful application of nuclear energy.

Yet evidence suggests that[375]:

> Prime Minister John Vorster had already decided in 1974 to proceed with developing nuclear explosives and a test site, although this was still purportedly aimed at commercial 'peaceful nuclear explosives'. The government officially decided to acquire nuclear weapons only in 1977 or 1978.

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[372] The IAEA Board of Governors, The Conclusion of Safeguard Agreements and Additional Protocols: An Agreement with the Government of India for the Application of Safeguards to Civilian Nuclear Facilities, http://www.isis-online.org/publications/southasia/India_IAEA_safeguards.pdf, 9 July 2008, p. 2.
[373] Loc cit.
[374] Purkitt, H., Burgess, S. & Liberman, P., "South Africa's Nuclear Decisions", in *International Security*, Vol. 27, No. 1 (Summer, 2002), pp. 187-188.
[375] Harris, V., Hatang, S. & Liberman, P., "Unveiling South Africa's Nuclear Past", *in Journal of Southern African Studies*, Vol. 30, No. 3 (Sep., 2004), p. 461.

South Africa had from here undertaken a top secret nuclear weapons programme which ended up producing six and a half Hiroshima-type bombs[376]. In the end there came an announcement by South African President F. W. De Klerk in March 1993, following significant international and domestic pressure, that South Africa had already completed the dismantling of both its weapons and the weapons programme[377]. This made South Africa the only nation in history to relinquish its nuclear weapons capability.

This of course sets quite a precedent, and later formed the basis of South Africa's staunch support for the global anti-nuclear weapons movement, which saw it become a signatory to both the NPT and the CTBT. Its position on nuclear weapons is best described by a statement by the South African Minister of Foreign Affairs, before the South African National Assembly, following two questions asked by Mr. D Sithole of the ANC in 2006. His questions related to the future of the NPT, and whether South Africa should convince the powers in the world to disarm and sign the NPT. A portion of the Minister's response provides powerful insight into South Africa's opinion on disarmament and nuclear proliferation[378]:

> At the relevant disarmament and non-proliferation fora, South Africa has consistently reiterated its principled positions on nuclear disarmament. These include our strong conviction that nuclear weapons and other weapons of mass destruction are not a source of security, but only serve to further increase insecurity. The continued retention of these weapons, as well as the development of new types of nuclear weapons also means that significant resources that can be used for development purposes are diverted towards the maintenance and further development of these instruments of destruction. As we enter the next review cycle that will lead up to the 2010 NPT Review Conference, South Africa, together with like-minded partners in the Non-Aligned Movement and other groupings such as the New Agenda Coalition, will continue to urge the nuclear-weapon States to reaffirm their commitments and unequivocal undertakings made at the previous Review Conferences to systematically and progressively eliminate their nuclear arsenals. As President Mbeki said just prior to the 2005 NPT Review Conference, "The situation should not be allowed to continue that the Nuclear Weapons States oblige everybody merely to focus on the issue of non-proliferation, while completely ignoring the demand of the overwhelming majority of humanity for the complete abolition of WMDs, an objective which our country has already achieved". This remains our primary focus as we enter the next review cycle of the NPT.

[376] Ibid., p. 458.
[377] Loc cit.
[378] The South African Department of International Relations and Cooperation, Future of the Non-Proliferation Treaty (NPT) and South Africa's Position to convince Powers of the World to Disarm and sign the Treaty, Internal Question Paper No. 35 of 24 October 2006, http://www.dfa.gov.za/docs/2006pq/pq313.htm, 24 October 2006.

> South Africa will also continue to work towards the universalisation of the Treaty by encouraging those that have not yet joined the NPT to do so without delay.

India and South Africa's strategic partnership may come under some strain because of the seemingly diametrically opposed viewpoints they hold on this issue. Evidence to suggest that this has been the case in the past, and as a result may be once again in the future, comes from President Nelson Mandela. At the 1998 12th summit of the Non-Aligned Movement held in Durban, it was reported by Frontline, a publication produced by the publishers of one of India's premier newspapers, the Hindu that[379]:

> Although Mandela spoke only a few words on issues relating to nuclear proliferation, South Africa tried behind the scenes to push a critical statement on the proliferation scenario in South Asia in the wake of the nuclear tests by India and Pakistan in May. Mandela and his party, the African National Congress, have strong views on proliferation. South Africans said that Mandela felt let down when India conducted its tests and that he refrained from criticising the tests publicly because of the great respect he had for India. At the NAM conference, Mandela said "the critical question of nuclear disarmament" had to remain high on the list of NAM's priorities.

However the Tshwane Declaration contains an important passage on this very issue, which as we know comes from a much later period[380]:

> President Mbeki and Prime Minister Singh reiterated the unwavering commitment of South Africa and India to the goal of the complete elimination of nuclear weapons in a comprehensive, universal, non-discriminatory and verifiable manner and expressed concern over the lack of progress in the realisation of that goal. They emphasised the necessity to start negotiations on a phased programme for the complete elimination of nuclear weapons with a specified framework of time to eliminate nuclear weapons, to prohibit their development, production, acquisition, testing, stockpiling, transfer, use or threat of use, and to provide for their destruction.

Evidently then, despite India's nuclear weapon status and South Africa's heavily anti-nuclear weapons stance, the two may make progress on the issue, but only if South Africa continues to have faith in New Delhi's policy of no-first-use. Even so, it seems like this is an aspect that

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[379] Cherian, J., New Momentum for NAM, Frontline, Vol. 15, No. 19, Sep. 12 - 25, 1998, http://www.hinduonnet.com/fline/fl1519/15190280.htm, September 1998.

[380] The South African Department of International Relations and Cooperation, The Tshwane Declaration on Reaffirming the Strategic Partnership between South Africa and India, http://www.dfa.gov.za/docs/2006/india1006.htm, 02 October 2006.

the partnership that both South Africa and India will try not to focus too closely on, because of the inescapable reality of their respective nuclear capabilities.

Turning now to another area of possible tension; the issue of human rights. This may seem to be an area in which neither partner would be even remotely concerned about each other commitments to the cause of advancing human rights in the world. Their common histories are almost entirely composed of a human rights based approach to the struggle for independence from foreign rule, or freedom from racial oppression. Their shared history also abounds with examples of human right champions, in the form of Mahatma Gandhi, Jawaharlal Nehru and Nelson Mandela. In addition to this both partners welcomed the creation of the UN Human Rights Council (UNHRC) in 2006, and expressed positive feelings about it in the Tshwane Declaration. They also served together on the UNHRC together throughout the period from 2006 to 2010, at which point their membership was passed on to alternative fellow UN member states[381].

Therefore they both possess substantial pro-human rights credentials and have actively worked together through the UNHRC towards promoting the concept of human right throughout the international system. This is why it seems almost completely uncharacteristic that they should have grounds to express concern over one another conduct with regard to human rights. Yet both partners have room to do so, despite what one might think. This of course does not mean that they have, nor that they will, but rather that the inherent moral and principled nature of the strategic partnership, as well as their individual stance on human rights at home, could see tensions emerge in future if the incidents this section describes start becoming a trend.

South Africa's potential for concern stems from various issues. These include India's recent treatment of a prominent domestic human rights activist, Dr. Binayak Sen. According to CNN[382]:

> Sen and two others were found guilty of sedition and conspiracy in December for helping India's Maoist Naxalite movement, outlawed as terrorists and considered by the government

[381] The United Nations Human Rights Council, Membership 2006-2012, http://www2.ohchr.org/english/bodies/hrcouncil/past_current_members.htm, 13 May 2011.
[382] Basu, M., Court Grants Bail for Indian Doctor Convicted of Sedition, http://articles.cnn.com/2011-04-15/world/india.doctor.bail_1_maoist-rebels-red-corridor-maoist-guerrillas?_s=PM:WORLD, 15 April 2011.

> as India's greatest internal security threat. Sen, a pediatrician, had been working for three decades in the eastern state of Chhattisgarh, where he was considered a pioneer of public health in one of India's poorest areas. He gained international recognition as a human rights defender and won several accolades including the Jonathan Mann Award for Global Health and Human Rights. He was detained in 2007 for colluding with Maoist rebels and has been behind bars since then. Twenty-two Nobel laureates from around the world appealed for his release to the Indian authorities. The government said he had met Naxalite leader Narayan Sanyal in jail and that he had taken his passion for helping people a step too far by serving as a conduit between Naxals.

He has since then been granted bail, and will be released from jail while he appeals his case[383]. This incident saw India come under international pressure and as far as many are concerned is a blight on India's human rights record.

South Africa could also take further exception to India's conduct in an important region, much closer to home. One example of questionable conduct comes from India's Oil and Natural Gas Corporation (ONGC) decision in 2003, to purchase a 25% stake in Sudan's Greater Nile Oil Project[384]. What makes this important, is not simply that India bought a stake in the oil industry of a heavily criticised and oppressive Africa state such a Sudan, but rather that one of the only reasons they were able to do this was because the Canadian firm who had attempted to negotiate on the stake before ONGC received it, Talisman Energy Inc., was forced to pull out of the deal due to intense pressure from Canadian human rights groups[385]. India therefore went in knowing full well that to do so would be at the very least, unethical.

This is why many analysts are beginning to recognise that there are substantial shifts being made within India's foreign policy and its energy security policy. "There is now far less emphasis placed on non-alignment principals and on an 'ethical' foreign policy and far more on narrowly defined national interests"[386].

That of course does not mean that South Africa was not at fault either. India had a clear opportunity to criticise South Africa on its handling of the crisis in Zimbabwe, particularly

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[383] Loc cit.
[384] Sharma, D. & Mahajan, D., "Energising Ties: The Politics of Oil", in *The South African Journal of International Affairs*, Vol. 14, Iss. 2, Winter/Spring 2007, p. 46.
[385] Loc cit.
[386] Alves, P. Op Cit., p. 105.

during the Mbeki presidency. President Mbeki, during his time in office adopted a policy approach known as quiet diplomacy. Adelmann recalls the situation at the time[387]:

> Despite, and because of, the apparent failure of their own response to the crisis, the Western world increasingly turned their attention to South Africa. As the direct neighbour, regional leader and Zimbabwe's major trading partner, it was strongly felt that South African peer pressure was the key to the crisis. But unlike the Western world, South Africa's President Thabo Mbeki has not applied sanctions against Zimbabwe, but has instead chosen a strategy of quiet diplomacy and constructive engagement. In Europe and South Africa, this approach soon attracted high attention and widespread criticism. On the one hand, international leaders such as George W. Bush and Gerhard Schroeder appreciated (during their visits to South Africa) Mbeki's quiet diplomacy, because it kept open a channel of communication between Mugabe and the outside world. On the other hand, the policy was criticised as being too soft on Mugabe and inconsistent with Mbeki's own democratic ideals.

India therefore would have been perfectly able to criticise South Africa's handling of the process at the time.

Therefore the real issue here is more about pragmatic foreign policy approaches. India's as we have seen is increasingly turning towards this way of perusing its foreign policy goals, by defining its action more and more through its national interest. South Africa on the other hand claims it desires to adopt a pragmatic and flexible foreign policy[388]. So would this shift in foreign policy styles and agendas, as we have witnessed above through the above practical examples relating to human rights which is a fundamental ideological position both partners are supposed to support, going to draw them together or push them apart in the future? Time alone will reveal if values and their expression through the lens of foreign policy would be sufficient to create noticeable tensions within a strategic partnership, where both parties are used to such close cooperation and enjoy so many positive benefits from their overall engagement.

The final issue which will be looked at before moving on to the analytical component in the following chapter is that of something which may develop into a possible tension, but has yet to do so.

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[387] Adelmann, M., "Quiet Diplomacy: The Reasons behind Mbeki's Zimbabwe Policy", in *Africa Spectrum*, Vol. 39, No. 2 (2004), pp. 251-252.
[388] Alves., P. Op Cit., p. 105.

This issue is derived from the fact that we have said all along how India is so much larger and more powerful that South Africa in nearly every sphere imaginable, including those of the economic strength, military prowess and political clout. However what we have not done is assess the extent to which this may become the biggest division of all. Some believe there is a real danger that India may leave South Africa behind.

As India continues to grow in importance across the board, and gains newfound respect for its opinions and aspirations, it is possible that India will come to so outshine South Africa that the smaller of the two strategic partners will become less relevant to the other. India is already making significant forays into Africa right behind China, establishing itself as a political force on the continent, which also possesses far more capital and potential for African nations than South Africa does. This may see India dealing with Africa on its own more and more, without having to worry about consulting with South Africa first.

However the more realistic threat for the strategic partnership is that India will simply be too busy in its own region, and on the international stage, to pay much real attention to South Africa. This is not to suggest that the partnership would dissolve, but rather that India could possibly start to neglect it while its attention is focused elsewhere. Therefore if it should occur it would most likely be as a result of practical considerations, and not through malicious actions.

One must not forget India is now forging close strategic partnerships with both the United States, the world's sole superpower, and The People's Republic of China, the world's second largest economy. Therefore balancing relations with the world's two most significant nations, one of whom India has had somewhat distant historical relations with, which will require additional effort, means India will be focusing the bulk of its activity and attention on matters other than its strategic partnership with South Africa. This seems even more likely when one attempts to construct a rough cost-benefit analysis between the benefits derived from its strategic partnerships with America and China, in comparison to its strategic partnership with South Africa. The amount of effort and capital it would have to put in to expand its relationship with South Africa to achieve anywhere near the existing benefits India receives from China and the U.S., is nothing short of monumental. The political benefits of ongoing ties with South Africa are also far less prominent that one might

expect as South Africa is rapidly being dwarfed by not only India itself, but other developing nations such as China who has a UN Security Council seat already, and other nations like Brazil who are closely following behind as leaders within the global South-South framework.

That said, the partnership is still on solid ground, and the bonds between the two are highly significant to both partners. It is on the back of this future possibility that we now turn to the final chapter, which will begin a holistic evaluation of the strategic partnership and its future direction.

Chapter 4

4. Assessing the Strategic Partnership

The best way to begin this chapter which deals with the task of assessing the strategic partnership and its long term prospects is to make reference to the statements which Mansingh uses to open her discussion on the Indio-US strategic partnership. They are as follows[389]:

> Phrases such as 'strategic partner-ship', 'strategic relations', 'strategic dialogue', trip off the tongue these days so easily as to deprive them of significance. One or the other of these fashionable phrases is used to describe diverse relationships, as between India and Iran, India and the European Union (EU), India and China, the United States (US) and Russia, the US and Uzbekistan, and most recently, the US and India. The common thread appears to be one of intent rather than of content. Two governments agree to raise the level of their regular interactions to embrace levels from the lowest to the highest, to deal with the great variety of issues that concern each of them in a cordial and holistic manner seeking cooperation or understanding, and to make long-term commitments for mutual benefit and furthering their respective goals, but do not enter into alliance. The substance of any strategic relationship, and its possible transformation from 'dialogue' to 'partnership', however, depends on the depth and span of interactions, the actual congruence of interests and objectives, and the amount of effort each party consistently devotes to accommodating the other's concerns and winning support for its own positions.

Evidently Mansingh has grasped the difficult nature of the task, and has struck right to the very heart of understanding how to asses any ‘strategic partnership’. His insight that it takes more than simply signing an agreement to elevate relations to the strategic level, demonstrates a brilliant understanding of the fundamental problem of assessing strategic partnerships.

This is that they are a product of political processes, and as such there is a tendency to forget that a strategic partnership can make significantly bold claims and commit to any course of action on paper, but when it comes to reality, it is actions that count. Substance is one thing, but results are quite another.

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[389] Mansingh, S., “India and the US: A closer Strategic Relationship?”, in *Economic and Political Weekly*, Vol. 40, No. 22/23 (May 28 - Jun. 10, 2005), p. 2221.

The critical issue here then is, determining to what extent the strategic partnership is a partnership of substance, rather than simply being a way to pay homage to South Africa and India's common history. Unfortunately when examining the text of the Red Fort and Tshwane Declarations which established and then reaffirmed the strategic partnership between India and South Africa, the outlook appears grim.

Both documents contain language which is filled with allusions to the significant potential that exists for cooperation, and even sometimes goes so far as to list several areas of mutual understanding where the partners commit themselves to action. However what they both tend to do more often than not is lack specificity. The Red Fort Declaration was signed early on in the bilateral relationship between the two, and as both states were still emerging into a rapidly changing world, it is perhaps understandable that it contains few specific issues or proposals as to how the areas identified should best be approached by their collective efforts.

However the Tshwane Declaration was signed at a time of relative stability and prosperity in the International system. India was well on its way to establishing itself as a leading international actor with its phenomenal economic growth, its military prowess and its substantial voice on global issues. South Africa too had enjoyed remarkable domestic stability, moderate economic growth and some success in the international arena, such as seeing the launch of NEPAD and being a leading figure in the African Union. As such neither party to the strategic partnership was politically naive, and as such both had begun to assert themselves throughout their respective spheres of influence.

It comes as somewhat of a surprise then that the Tshwane Declaration in 2006 contained so much vague language and terminology. It was definitely a more comprehensive and detailed document than the Red Fort declaration, but it had failed to push beyond the boundaries of the hollow diplomatic language it was written in. It provides large amounts of detail, but little in the way of specifics and even less in the way of a recognisable plan of action for the foreseeable future.

For example, take this passage from the Tshwane Declaration which appears early on in the document[390]:

> Conscious of the need to make the partnership more result-oriented and of greater direct benefit to the peoples of South Africa and India, President Mbeki and Prime Minister Singh have today decided to intensify co-operation and committed themselves to raise the existing level of friendship and partnership between South Africa and India to even higher levels.

Clearly the two heads of state are committed to the concept of a partnership, and even admit publicly that they desire cooperation to deepen, but do not give any real indication of how they will translate this desire into reality. The following paragraph in the declaration makes any mention of neither what these higher levels of cooperation are, nor how they plan to reach them. However the language in the text of the Tshwane Declaration which illustrates this point the best is the following, which incidentally happens to be the final paragraph in the document[391]:

> In conclusion, President Mbeki and Prime Minister Singh reiterated their deep conviction that peace and development are indivisible and that good governance was the best-known way to ensure both. They emphasised that under-development could not be addressed in isolation, but that its eradication was a factor of numerous social and environmental influences, including education, health care, basic infrastructure and amenities, capacity building and skills enhancement, political participation at all levels, advancement of indigenous culture and social organisation and access to natural resources, clean water and air for all. They emphasised further that the right to freedom had an important economic dimension, as it embraced not only political freedom but also the freedom to lead a life with dignity, unfettered by domination and discrimination. They noted that the strategic partnership between South Africa and India was guided by the common vision of a global order marked by peace, security and equity. To tackle these multiple challenges, they reaffirmed their commitment to enhance their co-operation bilaterally as well as multilaterally, to build a better, safer and more prosperous world for present and succeeding generations.

The fact then that none of the issues they raise here are given individual attention serves to reinforce the vague and even haphazard nature of the Declaration. In order to really make these issues stand out there should have been an announcement following their

[390] The South African Department of International Relations and Cooperation, The Tshwane Declaration on Reaffirming the Strategic Partnership between South Africa and India, http://www.dfa.gov.za/docs/2006/india1006.htm, 02 October 2006.
[391] Loc cit.

commitment to deal with under development through a simple gesture, such as announcing the formation of a body or instrument that would be responsible for implementing the commitment. For instance, the announcement of a presidential fund to promote education could have been included in order to make the issues far more immediate and would have served as a goodwill gesture to start the rest of the partnership off on a good note.

It is somewhat of a shame then that the strategic partnership lacks apparent focus and direction. It in some ways tries to do too much. The Indo- US strategic partnership for instance is defined by military cooperation and India becoming a responsible nuclear weapons state. Therefore these two issues at a glance tell one exactly what their partnership is predicated on, and how they intend to take action in order to achieve its stated objectives. Where therefore is the South Africa and Indian's strategic partnerships nuclear and military deals, or to be more specific, where are the defining issues which can galvanise the partnership? The language of the partnership should be improved to include far more specifics and tighter references to a handful of primary, and practical real world issues.

However it can be pointed out that the Tshwane declaration does indeed contain specifics, at points, and that it is overly hasty to cast such doubts on the rigor of the partnerships legal basis. This is in fact true, and one specific area of cooperation which has to receive a mention is that of trade. Trade makes it into one of the only components of the document that not only sets a target for the parties to aim towards, but also specifies a timeframe in which the objectives of improving that aspect of the relationship are to be achieved by. This of course is referring to the call to treble trade volumes by 2010. Incidentally however the language of the document lets the process down here, yet again. If we pay close attention to the component which calls for the trebling of total trade[392]:

> They urged the private sectors of both countries to gain better awareness of each other's strengths and to set themselves ambitious targets. It should be possible at least to treble the volume of bilateral trade by 2010.

[392] Loc cit.

This is highly misleading at it leaves the responsibility of increasing economic ties between the partners in the hands of the private sector, and calls for ambitious targets but provides no indication of what they might be. Furthermore note how it mentions that, "It should be possible", when calling for trade volumes to treble, this is not a very convincing statement either. In some ways it is implied that this desire to treble trade is obviously within the bounds of possibility and as such the trebling is not nearly as dramatic a target as it first sounds.

This is because at the time of signing the agreement, if one recalls from chapter 3, the trade volume between the two economies was only R 16.3 billion[393], and to improve on that volume across a three year period it should almost achieve a trebling organically, it is so low. Therefore we need now to examine the trade component of the strategic partnership in depth. The best place to start with this is where we left off in Chapter 3, which was where we were in the process of comparing the performance of two of South Africa's trading partners against that of the performance of India's and South Africa's trade.

Again if we recall in 2010 India's trade volume with South Africa only reached R 42 billion, in comparison to China's R 142.6 billion, and Japan's R 77.3 billion. So this begs the question, why does a rising global power with a population of a billion plus individuals and a trillion dollar economy only manage R 42 billion worth of trade with South Africa. The answer to this lies partly with the continued failure of South Africa and India to negotiate either their Preferential Trade Agreement (PTA), or the follow on from that, a Free Trade Agreement (FTA), and partially with the diversity or the mix of goods and services they export and import between one another.

The most important point here is that in spite of a strategic partnership which has been in existence for 14 years, South Africa and India have failed to make progress on the economic side of the partnership, which as we once again recall form the previous chapter is the most significant portion of all contemporary strategic partnerships. It could be fair to ask why any state would bother engaging in a strategic partnership in the current global climate if not for

[393] The South African Department of Trade and Industry, South African Trade-India, http://apps.thedti.gov.za/econdb/raportt/R100446.html, 5 May 2011.

one of two reasons; there are clear economic or political gains to be had. Military cooperation is still relevant but in increasingly limited situations, and in many ways military cooperation between strategic partners is becoming part of the wider commercial consideration rather than the defensive ones.

To deal first with the trade agreements it is necessary to explore India's trade policy, as it is this which has largely prevented concrete progress on either the PTA or the FTA from emerging. First however the background to these trade agreements has to be outlined. South Africa began trade talks with India as far back as 2001, and managed from here to sign a framework agreement in 2002[394]. However progress from here was not forthcoming, and when the time finally came to negotiate the trade agreement, South Africa's trading partners from the Southern African Customs Union (SACU) expressed a strong desire to be included in the negotiations[395]. In June 2004 SACU trade ministers agreed to open negotiations with India, and it is from this point on that very little progress has been made on drafting an actual agreement[396].

The agreement itself is separated into two stages, the first stage will compromise a PTA which covered trade in goods and the second stage would be the FTA which covers a broader agenda[397]. However one must be aware that even though these agreements stand to benefit both the SACU nations and India, they will not generate substantive gains for either. This is because even though market-access related opportunities for exporters in both regions do exist, SACU and India are not natural trading partners[398]. This already would indicate that India is in-fact not that serious about the commercial benefits from the negotiation of a trade agreement with SACU, and that the entire arrangement is mostly a politically motivated one.

Alves reinforces this notion by revealing that for India, the point of the trade agreements is not to secure preferential market access, but rather to use them as a tactic which will in

[394] Alves, P., Understanding Indian Trade Policy: Implications for the Indo-SACU Agreement, The South African Institute of International Affairs (SAIIA), Trade Policy Report Number 5, November 2004, p. 1.
[395] Loc cit.
[396] Loc cit.
[397] Loc cit.
[398] Ibid., p. 2.

essence, 'buy' India support in other arenas. It is the political implications of these agreements which are truly valuable to India. This is because it helps India foster cooperation in the trading arena. What this does then is translate existing cooperation on trade issues into a natural affinity within the multilateral trading arena, effectively allowing India to cement alliances with a number of developing countries at the WTO. India recognises that as a still highly protected economy, it will have to make large concessions in multilateral trading negotiations. However bi-lateral trade negotiations with smaller partners do not pose these types of risks, as the concessions India will have to make in the grand scheme of things are limited in comparison to the concessions it will have to make with major trading nations such as the U.S., Europe or Japan[399].

South Africa likewise has been aware from around 2000 when it first began negotiating trade deals with India that India as both a strategic partner and a South Asian economic dynamo would be able to produce significant levels of economic growth[400]. Therefore South Africa attempted to get involved with India in trading terms because as India's high tariffs fell gradually over time, it would have already established a successful track record with India and then would be able to exploit this history to its advantage[401].

Ultimately this thinking did not pay off for either side, as the PTA and the FTA are still yet to emerge. India managed to secure the necessary alliances at the WTO through alternative means, such as its strategic partnership with South Africa which meant it could hold off on making trade concessions as the two nations would support each other anyway, and because it found additional trade deals much closer to home in the ASEAN region far more helpful in this regard. This is why it was during president Zuma's recent visit to India that it was announced that the agreement was on track once again and would be 'wrapped up' as soon as possible[402].

[399] Ibid., p. 37.
[400] Ibid., p. 41.
[401] Loc cit.
[402]

If we look at the issue of investment next we see that unlike trade, there has been some significant success in this area. However it still begs the question as to how much of this success is as a result of government policy and cooperation through the strategic partnership, and how much is down to private investor's simply seeking opportunities abroad. This forms another area in which solid economic benefits are open to India, yet it fails to grasp them due to its protectionist measure which it uses to shield its domestic economy from foreign competitors. Once again it demonstrates that the strategic partnership itself is of little use in producing this outcome.

Additional research would have to be done to determine if investment inflows were directly attributable to government policy and coordinated efforts through the partnership or simply as a result of South Africa's relative openness. It begs questioning how much of the investment success has been attributable to the CEO's forum, which although has state backing, is a grouping of private individuals who facilitated investment on their own terms.

In addition if we recall the 'India Desk' established by Price Waterhouse Coopers, which acts as a sort of clearing house for foreign investors, facilitating actual specific investments far more readily than undoubtedly any measures taken by the governments of India and South Africa. Once again, it would appear that there is a distinct possibility that the apparent achievements the partnership has produced are not necessarily attributable to the partnership itself. It seems that the strategic partnership is not living up to its full potential.

Undoubtedly however South Africa stands to gain far more from the strategic partnership. It is interestingly always going to be a partnership not of equals, but of Indian dominance. South Africa could never hope to compete with the sheer size of India's highly educated population, and incredible growth rates. However it does not necessarily have to. Should South Africa continue to maintain the strategic partnership as is, it would most definitely not damage South Africa's future prospects or international standing. The only advisory note though would have to be that South Africa would need to remain conscious of its own limitations and what is realistically achievable.

Therefore it is quite obvious from the apparent lack of results on several fronts that neither partner is particularly concerned with altering the *status quo*. It would appear that both

partners recognise that they face significant domestic challenges, as we witnessed in chapter two. India inevitably will be concerned with first dealing with its reducing poverty and maintaining its current growth path, while also working towards maintaining its security and projecting itself within its immediate region. South Africa on the other hand has the issue of Zimbabwe to deal with, along with migration, crime, unemployment and maintaining its leading role in Africa.

If these factors are taken into consideration, and the notion that the partnership is more and more a political construct and not designed with any specific benefits in mind, but rather serves as a diplomatic and status multiplier, then there is no reason why it should not be used as such. The political bias within the strategic partnership serves both partners well. It enhances their South-South profile, provides them with a type of diplomatic safety net which is always there in the back ground should it be needed. This in turn frees up resources and time, allowing India to concentrate on more important issues and its other strategic partnerships with the United States and China, while South Africa can continue its work with NEPAD and derive the tangible benefits of a strategic partnership from the one it enjoys with Beijing.

The future direction therefore is likely to be one of closer ties, but ties which maintain consistency with what we have already seen. There should be no radical departure from the levels of cooperation we have seen so far, not unless there is a change in attitude, particularly on India's end. South Africa would arguably seek more meaningful engagement but Delhi will most likely be concentrating on alternative options, from the ASEAN region and its main international partners, or with challenges such as dealing with a growing Islamic militancy and security threat from Pakistan. In many ways therefore South Africa is just too small to entice New Delhi into making the type of effort South Africa would like to see.

However that remains the extent to which the cooperation we have seen within the partnership is likely to progress in the future. What remains then is the direction in which it will go. Perhaps the most important direction will be that of coming together to deal with climate change. Climate change is a distinctly political issue, and falls right in the ambit of

the strategic partnerships established norms, and practises, which as we have seen are closely centred on South-South cooperation. Climate change is one of the most potent issues at the moment within the international system which is serving to unite the developing 'South' against the developed 'North'. It is also something which is surprisingly not given any mention within the Tshwane Declaration.

Masters explains the South African approach to climate change[403]:

> South Arica's response to the issue remains unequivocally linked to the idea of sustainable development. Derived from the 1987 Brundtland Report, this concept is defined as 'development that meets the needs of the present without compromising the ability of future generations to meet their own needs'.

India arguably will share similar views on the issue, as it is constantly aware of the challenge of meeting the infrastructural and energy needs of its growing population. It will also be an area of international cooperation which will be, and is already becoming an inescapable part of global governance. It is the perfect issue around which India and South Africa can focus their efforts by building on their existing cooperative base. In doing so they will be able to ensure they make reasonable concessions on emissions targets and improve their ability to jointly compel developed nations to make bigger concessions on theirs.

There is also an additional arena in which India and South Africa are likely to work closer together in the near future. This is within Africa. The strategic partnership, with its history of collaborative effort in multilateral institutions will most likely play a decisive role in guiding joint efforts within Africa. India has begun to assert itself in the region, somewhat behind China, but it is doing so none the less. The pre-existing strategic partnership and India's democratic nature will enable close cooperation on issues which arise in South Africa's region, which it has ever since 1994, taken a special interest in. Mbeki's African renaissance established South Africa as being a nation which held the interests of Africa close to heart, and now instead of feeling threatened by the presence of a significant player in its backyard,

[403] Masters, L., The Road to Copenhagen: Climate Change, Energy and South Africa's Foreign Policy, Occasional Paper No. 47, http://www.saiia.org.za/images/stories/pubs/occasional_papers/saia_sop_47_masters_20091020.pdf, October 2009, p. 7.

India and South Africa will be able to work together in Africa, offering each other mutual support and capabilities they would not otherwise posses if they went it alone.

Sidiropoulos provides a perfect summation of the situation that confronts the two nations[404]:

> India and South Africa are both competitors and potential partners; they are developing countries playing a leadership role in the South, but in fact also display substantial differences in interests compared with other, smaller developing countries, for example in the World Trade Organization (WTO) or climate change negotiations. Their engagement in Africa can be explained as much by the shifts in global power and realpolitik as by their desire to be seen to be playing a positive developmental role, exerting influence and shouldering global responsibilities – which many in the United States and elsewhere in the North regard as an essential criterion for permanent membership of the UN Security Council.

She goes on to remark that[405]:

> For cooperation to occur there needs to be an element of trust and underlying commonality of values and interests. Both India and South Africa would agree that since the resumption of relations in 1993 the political and economic potential of their relationship has not been fully realized. This is partly because of capacity constraints on both sides, as well as a lack of clarity or misunderstanding on where each country sits on certain issues, and the fact that, for all the rhetoric about South-South cooperation, they are potential rivals or competitors, especially on the African continent. While cooperation may well be possible in certain areas, therefore, in others it may be too politically sensitive for them to be perceived to be working together.

These revelations however do not by any means preclude the possibility of cooperation, particularly within Africa. Their rivalry in many ways could serve as a driving force behind greater efforts to engage with one another on the continent. If the partners are able to find common ground, this does not have to become a decisive issue, what remains to be seen then is whether or not they will be able to do so.

Therefore the future direction of the partnership and the questions surrounding the possibility that the benefits it is able to provide either partner have been maximised and there is not much more that can be done, are proving to be false. There is plenty more for the strategic partnership to come to grips with, it just depends on the extent to which both sides are prepared to commit themselves to this shared endeavour.

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[404] Sidiropoulos, E., India and South Africa as Partners for Development in Africa?, Chatham House, http://www.saiia.org.za/images/stories/research/extn/india_sa_chatham_house_paper_march_2011.pdf, March 2011, p. 2.
[405] Loc cit.

Overall therefore one gets the distinct impression that despite their best efforts India and South Africa's strategic partnership is in reality akin to an elaborate exercise which simply serves to pay homage to their shared ideals, rather than to the concerns of global *realpoitik*.

In spite of this however the strategic partnership will inevitably continue to progress forward, as it appears that both partners rely on one another for their mutual support and the fact that they offer each other a sounding board for their efforts. Provided therefore that the domestic challenges and possible tensions which were covered in the previous chapters are maintained at acceptable levels, there is no reason why the strategic partnership should not continue on as before, or even grow to new heights if the required political will and the right mix of issues present themselves .

Appendix 1:

South Africa in Figures

- **Total land area: 1.2-million square kilometres[406].**
- **Population (2010 Mid-Year Estimate): 49 991 30[407].**
- **Gross Domestic Product (2010): US$ 354.414 Billion[408].**
- **Per Capita Income (2010): US$ 7,100.81[409].**
- **Ease of Doing Business Ranking (2011): 34 out of 183[410].**
- **Income Gini Coefficient (2000-2010): 57.8[411].**
- **Human Development Index Ranking (2010): 110 out of 169 countries[412].**
- **Percentage of Population at risk of Multidimensional Poverty (2000-2008): 3.9 %[413].**
- **Gender Inequality Index Ranking (2008): 82 out of 138 countries[414].**
- **Life Expectancy at Birth: 53.3 Years (Males), and 55.2 Years (Females), as of 2010[415].**
- **Infant Mortality Rate (2010): 46.9 per 1 000 live births[416].**

[406] Author Unknown, South Africa's Geography, South Africa. Info, http://www.southafrica.info/about/geography/geography.htm, 14 March 2011.
[407] Lehohla P., Mid-Year Population Estimates South Africa, Statistics South Africa(StatsSA), http://www.statssa.gov.za/publications/P0302/P03022010.pdf, 14 March 2011, p. 4.
[408] Author Unknown, South Africa Economic Statistics and Indicators, Economy Watch, http://www.economywatch.com/economic-statistics/country/south-africa/, 14 March 2011.
[409] Loc cit.
[410] The World Bank, Ease of Doing Business in South Africa, http://www.doingbusiness.org/data/exploreeconomies/south-africa/, 2011.
[411] The United Nations Development Programme, Human Development Report 2010, http://hdr.undp.org/en/media/HDR_2010_EN_Complete_reprint.pdf, 2010, p. 154.
[412]Ibid., p. 142.
[413] Ibid., p. 162.
[414] Ibid., p. 158.
[415] Lehohla, P., Op Cit., p. 3.
[416] Loc cit.

Appendix 2:

India in Figures

- **Total Land Area: 3.3-million square kilometres[417].**
- **Population (2001): 1,028 million[418], the next census is set for 2011.**
- **Gross Domestic Product (2010): US$ 1,430.02 Billion[419].**
- **Per Capita Income (2010): US$ 1,176.06[420].**
- **Ease Of Doing Business Ranking (2011): 134 out of 183[421].**
- **Income Gini Coefficient (2000-2010): 36.8[422].**
- **Human Development Index Ranking (2010): 119 out of 169 countries[423].**
- **Percentage of Population at risk of Multidimensional Poverty (2000-2008): 16.1 %[424].**
- **Gender inequality Index Ranking (2008): 122 out of 138 countries[425].**
- **Life Expectancy at Birth: 63.9 years (Males), and 66.9 years (Females), as of 2005[426].**
- **Infant Mortality Rate (2010): 53 per 1000 live births[427].**

[417] Author Unknown, India at a Glance, The Government of India-National Informatics Centre (NIC), http://india.gov.in/knowindia/india_at_a_glance.php, 14 March 2011.
[418] Ibid., "India at a Glance".
[419] Author Unknown, India Economic Statistics and Indicators, Economy Watch, http://www.economywatch.com/economic-statistics/country/India/, 14 March 2011.
[420] Loc cit.
[421] The World Bank, Ease of Doing Business in India, http://www.doingbusiness.org/data/exploreeconomies/india/, 2011.
[422] The United Nations Development Programme, Op Cit., p. 154.
[423] Ibid., p. 142.
[424] Ibid., p. 162.
[425] Ibid., p. 158.
[426] India at a Glance, Op Cit.
[427] Author Unknown, Citizens-Health, The Government of India-National Informatics Centre (NIC), http://india.gov.in/citizen/health/health.php, 14 March 2011.

Appendix 3:

The Red Fort Declaration On A Strategic Partnership Between South Africa And India, March 1997[428].

- Gathered at the historic Red Fort in the fiftieth year of India's independence and with the emergence of a new South Africa, South Africa and India look ahead with faith and optimism to journeying together towards the larger goals of their political freedoms: economic development and social justice. As a new millennium draws near, they also pledge to work for a global order that is marked by peace, security and equity.
- In the knowledge that their shared mass struggles began with initiatives against racial discrimination launched in South Africa by Mahatma Gandhi, the two countries look back with pride and gratefulness at their creative partnership through decades of struggle. They rededicate themselves to the ideals and vision of the Mahatma which have inspired them and which are powerfully symbolised by their common commitment to the preservation of the Gandhi heritage sites in South Africa, Phoenix Settlement and Tolstoy Farm.
- Recalling the spirit of the Asian Relations Conference held at the Red Fort fifty years ago and the Asian-African Nations' Conference held at Bandung in 1955, South Africa and India reaffirm their commitment to the goal of universal human freedom and equality among nations.
- Convinced of the need to retrieve their historical ties in fulfilment of an Afro-Asian destiny, they resolve to coordinate efforts to make the Indian Ocean Rim Association for Regional Cooperation an instrument of substantive economic partnership towards the development of a regional identity.
- India appreciates the role being played by South Africa within the Southern African Development Community with the sensitivity to political and economic imperatives that such a role calls for. South Africa welcomes India's recent initiatives to promote friendship and good-neighbourliness in the South Asian region.
- Reiterating their respect for each other's independence, sovereignty and territorial integrity, South Africa and India agree to mutually consult on matters relating to regional and global security and to support each other's efforts to promote good-neighbourliness and cooperation in their respective regions. In particular, they reaffirm their adherence to the bilateral Treaty on the Principles of Inter-State Relations of January 1995.
- The economies of South Africa and India have certain comparative advantages, complementarities and resources which can be optimally used to promote economic development through cooperation. For example, India has valuable skills, technologies and experiences in the fields of small and medium enterprises development and employment generation programmes; South Africa has skills and technology in the fields of mining and infrastructure development.
- South Africa and India recall with satisfaction the healthy growth in their bilateral relations in the political, economic, defence, scientific, technological and cultural spheres, constituting a firm basis for the launch of a concrete and mutually beneficial programme of cooperation in the twenty first century. They recognise South Africa's

[428] The High Commission of India in South Africa**,** T**he Red Fort Declaration On A Strategic Partnership Between South Africa And India,** http://www.indiainsouthafrica.com/fact-file/keydocuments2.html, March 1997.

geostrategic location as a trans-shipment point between Asia, Africa and Latin America in the development of South-South relations.

- Concerned at the uneven impact of globalisation on developing economies, South Africa and India are convinced that the success and sustainability of the globalisation process depends on its ability to bring equal benefits to developing countries. They agree to consult and collaborate with one another in forums such as the United Nations and the World Trade Organisation and to make full use of their partnership within the Non-aligned Movement to articulate this concern. They also agree to coordinate their efforts in their mutual endeavour to capture the new opportunities for South--South cooperation and to help build capacities among the Least Developed Countries.
- Convinced that the United Nations' structures need to be more representative of the concerns and diversities of the developing world, South Africa and India re-emphasize their belief in the need for UN reforms. They stress, in particular, the need for an equitable balance in the composition of an expanded Security Council to provide a constructive voice to the aspirations of the developing countries. They believe that piecemeal and discriminatory approaches to such expansion will be inconsistent with the objectives of that world body.
- Recognizing that the end of the bi-polar world has re-defined global equations, South Africa and India reaffirm their belief in the vitality and crucial importance of the Non-aligned Movement as a vehicle for safeguarding the independence of thought and autonomy of action of its members-, as an instrument for extending the principles of democracy and freedom in international affairs; in promoting the objective of a world free of nuclear weapons; and as a mechanism for furthering the impulse for an equal world. South Africa and India therefore resolve to work for NAM's increasing effectiveness in the promotion of political and socio-economic justice and disarmament. They do so because they believe that peace, freedom and prosperity are, each one of them, equally indivisible.

Appendix 4:

The Tshwane Declaration on Reaffirming the Strategic Partnership between South Africa and India, 02 October 2006[429].

1. In commemorating the centenary of the launch of Satyagraha, and in the spirit of the strategic partnership that was established during the historic visit of South Africa's first democratically elected President, Nelson R Mandela to India in March 1997 and carried further by the visit to India by President TM Mbeki in October 2003 and the visit to South Africa by President APJ Abdul Kalam in September 2004, South Africa and India reaffirm their commitment to a global order of peace, equality and justice.

2. President Thabo Mbeki and Prime Minister Manmohan Singh paid tribute to the global role played by Mahatma Gandhi through the implementation of the principles of truth, non-violence and self-sacrifice, as enshrined in the philosophy of Satyagraha. Gandhi's influence was felt throughout the world and inspired numerous leaders and renowned personalities like Martin Luther King, Albert Luthuli, Oliver Tambo, Nelson Mandela and Desmond Tutu. It was the unflinching spirit of Mahatma Gandhi that contributed decisively towards the demise of the British Raj; similarly it inspired the struggle against apartheid, particularly during the Defiance Campaign. Above all, it was the strong message of non-violence contained in Gandhi's Satyagraha that helped to bring about a peaceful transformation in South Africa and the realisation of truth and reconciliation between the destructive human divisions that had been spawned by apartheid.

3. In sharing the fundamental values espoused by Mahatma Gandhi, President Mbeki and Prime Minister Singh stress their continued and unfaltering belief in the peaceful resolution of disputes and the recognition of the rights of nations to self-determination and freedom.

4. President Mbeki and Prime Minister Singh express their belief that South Africa and India draw their strength and inspiration from the diverse, multi-cultural societies constituting their respective nations; and that the best assurance for continued peace and prosperity lies in the adherence to democratic governance that is rooted in the respect for human dignity and the fundamental rights of all people, as laid down in the Universal Declaration of Human Rights.

5. The two national leaders furthermore reaffirmed their belief in the growing partnership with the signing of the following bilateral agreements/MOUs:

- Co-operation in the Field of Education
- MOU between Spoornet and Railways

They furthermore noted that the following agreements will be signed imminently, once the regulatory procedures have been completed:

[429] The South African Department of International Relations and Cooperation, The Tshwane Declaration on Reaffirming the Strategic Partnership between South Africa and India, http://www.dfa.gov.za/docs/2006/india1006.htm, 02 October 2006.

- Exemption of Visa Requirements for Holders of Diplomatic and Official Passports
- Programme of Co-operation in Science and Technology.

6. Conscious of the need to make the partnership more result-oriented and of greater direct benefit to the peoples of South Africa and India, President Mbeki and Prime Minister Singh have today decided to intensify co-operation and committed themselves to raise the existing level of friendship and partnership between South Africa and India to even higher levels.

7. Both leaders noted that the political interaction between India and South Africa, marked by an exceptional degree of understanding, mutual trust and confidence, had gathered further momentum and substance. The number of Ministerial visits exchanged had increased significantly since the milestone visit of President Mbeki to India in 2003. They expressed their satisfaction at the continued and steady consolidation of bilateral relations. Besides the deep political bond that was first forged more than a century ago, the partnership now extends to the economic, human resources development, public administration and governance, urban and rural settlement, health, defence, cultural and science and technology fields.

8.1 Recalling that the Red Fort Declaration had recognised that the economies of South Africa and India have certain comparative advantages, complementarities and resources which can be exploited to mutual benefit through trade, investment and transfer of technology, they noted with satisfaction the progress that had taken place in these areas, resulting in more than doubling of the total bilateral trade since 2003 and a significant increase in investments in both directions. They acknowledged, however, that the full potential in this regard was yet to be tapped and reaffirmed their determination to explore these opportunities to their optimal extent, particularly in the following priority sectors: energy, tourism, health, automobiles and auto components, chemicals, dyes, textiles, fertilisers, information technology, small and medium enterprises and infrastructure.

8.2 They urged the private sectors of both countries to gain better awareness of each other's strengths and to set themselves ambitious targets. It should be possible at least to treble the volume of bilateral trade by 2010. In this context, they welcomed the scheduled third meeting of the India-South Africa CEOs' Forum in Johannesburg on 2 October 2006, which would contribute towards this goal.

9.1 Recognising the major priority attached to the health sector in both countries, they agreed that the Agreement on Co-operation in Health and Medicine should be implemented expeditiously.

9.2 Further, South African and Indian companies providing health services, including diagnostics and medical care, would be encouraged to work jointly to provide affordable health care to nationals of both countries as well as in third countries.

10. Recalling the important Agreements, which were signed in October 2003 to promote co-operation in the fields of hydrocarbons, electricity and power, they agreed that these should be implemented at the earliest.

11. They noted the progress made in bilateral defence co-operation as reflected in the report of the India-South Africa Defence Committee, which met in June 2006 in Pretoria. They agreed that South Africa and India should work towards closer co-operation in the defence sector, including the possibility of joint research and development. Furthermore, the South African Government expressed appreciation for the training provided by India on UN Peacekeeping and operations of modern submarines.

12.1 Lauding the efforts of the South African Government for promoting broad-based economic and social development through the Accelerated and Shared Growth Initiative of South Africa (ASGISA) and the Joint Priority Skills Acquisition Initiative (JIPSA), Prime Minister Singh reaffirmed that the Indian Government was ready to be a partner in these initiatives and to provide assistance in building up scarce and critical skills identified by the South African Government.

12.2 President Mbeki welcomed the growing co-operation within the framework of the Indian Technical and Economic Cooperation (ITEC) Programme and Prime Minister Singh's indication that India would increase the number of ITEC slots allocated to South Africa from 55 to 100, with 50 of these slots earmarked specifically for the JIPSA Initiative.

12.3 Noting with satisfaction that the visit of the Deputy President of South Africa to India from 9 to 13 September 2006 had helped identify further avenues through which India could contribute to ASGISA and JIPSA, the two leaders decided that a Programme of Co-operation addressing growth and skills would be drawn up by designated co-ordinators from both sides.

12.4 To identify means of co-operation in capacity building and skills enhancement in the key ICT sector, they requested the Working Group set up under the MOU on Information & Communication Technologies to convene as a matter of priority.

13. They expressed satisfaction at the increasing cultural exchanges between the two countries and decided that the Cultural Exchange Programme, which expires in 2006, would be renewed; and that academic exchanges between the two countries, particularly through University-to-University linkages, would be promoted.

14. President Mbeki and Prime Minister Singh expressed their satisfaction on the opening of the South Africa Tourism office in Mumbai in 2005 and reaffirmed their belief that increased tourism would not only bring commercial benefits to both countries, but also enhance the warm people-to-people relations between South Africa and India. In this context, they welcomed the imminent opening of an office of the International Marketing Council (IMC) of South Africa in Mumbai.

15. In the critically important field of Science and Technology, President Mbeki and Prime Minister Singh agreed that a more extensive and active network between relevant institutions of the two countries would be promoted by the concerned Departments.

They noted that President Abdul Kalam had delivered the second Philip Tobias Lecture at the invitation of President Mbeki and had called for greater co-operation between scientists

of South Africa and India in meeting the challenges of development, including in partnership in the Pan African e-Network and the World Knowledge Platform.

16. In addressing wider areas beyond the bilateral realm, the two leaders agreed that every effort would be made to conclude the India-Southern African Customs Union (SACU) Preferential Trade Agreement as soon as possible since it would provide a significant incentive to the business communities of the two countries to explore mutually beneficial commercial opportunities and contribute to the growth in bilateral trade.

17. President Mbeki and Prime Minister Singh welcomed the launching of the Southern African Development Community (SADC)-India Forum in the Republic of Namibia on 28 April 2006 to promote technical co-operation between SADC and the Government of India in all fields of economic activity with the empowerment of the people in the SADC region and in India as a key priority.

18. The two leaders agreed that the consolidation of the African Union (AU) held the key to the development of the continent. South Africa welcomed India's willingness to support the objectives of the New Partnership for Africa's Development (NEPAD), the AU's primary programme aimed at consolidating the African agenda.

19. The two leaders expressed satisfaction at the outcome of the first IBSA Summit held in Brasilia on September 12, 2006. They welcomed the emergence of IBSA as an effective instrument for promoting ever-closer co-ordination on global issues between these three influential and diverse democracies of Africa, Asia and South America. Both sides also agreed to intensify consultations and co-operation at multilateral forums such as NAM, Commonwealth, G-77, G-20 and the New Asian-African Strategic Partnership (NAASP) with a view to jointly addressing global challenges.

20. The two leaders shared the view that international economic relations continue to be characterised by inequities and inequalities with large sections of the world yet to reap the benefits of globalisation, which has led to economic crises and instability in several developing countries. The two leaders agreed that to be sustainable and successful, the globalisation process must address, not perpetuate or aggravate the existing inequalities. They, therefore, deeply regretted that the Doha Development Agenda negotiations had been suspended which had pitted the interests of corporate agriculture and large industrial enterprises of the developed countries against those of small and the vulnerable producers that predominate in developing countries. This constituted a grave setback to the development promises of the Round and a serious disappointment for developing countries. Failure to conclude the negotiations in accordance with the mandate will deprive developing countries of fair and equitable conditions for fully realising their comparative advantages across agriculture, industry, and services. Both leaders emphasised that substantial and effective reductions in all forms of trade-distorting domestic support provided by the major subsidisers is an unfinished agenda and must be secured to meet the agreed aim of establishment of a fair and market-oriented trading system in the global agricultural sector.

21.1 Convinced of the vital importance of the role of the United Nations in promoting world peace, stability and development, the two leaders welcomed the creation of the Peacebuilding Commission and the Human Rights Council, as well as the progress made in the areas of UN Secretariat and management reform. The leaders noted the importance of increased focus on development and the alleviation of poverty.

21.2 They reaffirmed the need for a decision regarding the expansion of the Security Council, without which no reform of the United Nations would be complete. They reiterated their conviction that the Security Council must be expanded to include developing countries from Africa, Asia and Latin America in both its permanent and non-permanent categories, so as to reflect contemporary realities and make it more democratic and representative, and resolved to continue to pursue a decision in this regard.

22. The two leaders expressed their deep concern over international terrorism, extremism, trans-border organised crime and illicit trafficking in humans and in arms and drugs. They viewed terrorism as a serious threat to sovereign states, international peace, security and development. They agreed that counter-terrorism efforts by the international community under the auspices of the United Nations should be global, comprehensive and in conformity with international law, human rights and humanitarian law. The ultimate objective is the total eradication of this scourge, so that barbaric attacks, such as the ones carried out on 11 July 2006 in Mumbai and other parts of the world, do not recur. To this end, South Africa and India would continue to work towards the early adoption of a Comprehensive Convention on International Terrorism (CCIT) in the UN General Assembly.

23. President Mbeki and Prime Minister Singh reiterated the unwavering commitment of South Africa and India to the goal of the complete elimination of nuclear weapons in a comprehensive, universal, non-discriminatory and verifiable manner and expressed concern over the lack of progress in the realisation of that goal. They emphasised the necessity to start negotiations on a phased programme for the complete elimination of nuclear weapons with a specified framework of time to eliminate nuclear weapons, to prohibit their development, production, acquisition, testing, stockpiling, transfer, use or threat of use, and to provide for their destruction.

24. They agreed that nuclear energy could play an important role in ensuring safe, sustainable and non-polluting sources of energy to meet the rising global demands of energy, particularly in developing countries. They reaffirmed the inalienable right of all States to the peaceful application of nuclear energy, consistent with their international legal obligations. They agreed to explore approaches to co-operation in the peaceful uses of nuclear energy under appropriate IAEA safeguards. They further agreed that international civilian nuclear co-operation, under appropriate IAEA safeguards, amongst countries committed to nuclear disarmament and non-proliferation objectives could be enhanced through acceptable forward-looking approaches, consistent with their respective national and international obligations.

25. In conclusion, President Mbeki and Prime Minister Singh reiterated their deep conviction that peace and development are indivisible and that good governance was the best-known way to ensure both. They emphasised that under-development could not be addressed in

isolation, but that its eradication was a factor of numerous social and environmental influences, including education, health care, basic infrastructure and amenities, capacity building and skills enhancement, political participation at all levels, advancement of indigenous culture and social organisation and access to natural resources, clean water and air for all. They emphasised further that the right to freedom had an important economic dimension, as it embraced not only political freedom but also the freedom to lead a life with dignity, unfettered by domination and discrimination. They noted that the strategic partnership between South Africa and India was guided by the common vision of a global order marked by peace, security and equity. To tackle these multiple challenges, they reaffirmed their commitment to enhance their co-operation bilaterally as well as multilaterally, to build a better, safer and more prosperous world for present and succeeding generations.

(signed)
President
The Republic of South Africa

(signed)
President
The Republic of India

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