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## STRENGTHENING INDO-SOUTH AFRICAN RELATIONS IN THE CONTEXT OF BRICS (BRAZIL, RUSSIA, INDIA, CHINA, SOUTH AFRICA)

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### Abstract

Within the context of BRICS, India and South Africa occupies a pivotal position that makes them interesting cases to have an eye on them. The main point between these two emerging powers is the rich history, which both countries have witnessed with the increasing contribution of global resources along with other emerging nations in the current era of globalization. The present paper highlights the position of India and South Africa within the BRICS alliance. Both countries within the framework of BRICS could enable the greater investment flows in educational and skilling sectors through the joint collaboration. It will offer the fruitful outcome for creating the sustainable economic development trajectories. The attention on the travel and tourism by the both countries could play the vibrant role in the cultural exchange which will bring the two countries closer. India and South Africa are capable of playing an active role as engines for economic growth and prosperous future, as both the countries are set to establish various companies in exchange. India has also set its foot on the space and satellites mission and wants to see South Africa as a partner for collaboration in this regard. In the earth sciences also, India has a vast scope to collaborate at the international level and is ready to help South Africa to move forward. There is another opportunity for both the nations to explore the public-private partnerships in order to finance the new programs and projects, be it the micro, medium and the small enterprise sector.

**Keywords:** India, South Africa, BRICS, FDI, IBSA

“India and South Africa are two countries held so closely by bonds of sentiment, common values and shared experience, by affinity of cultures and traditions and by geography”.

- Nelson Mandela

### Introduction

India's relations with South Africa are not something new. India's contribution in the battle against apartheid in South Africa developed from historical links that started from nineteenth century with the arrival of first indentured laborers from India to Natal area of South Africa. India was also at the fore front in the fight against the unkind racial discrimination on the South Africans by the successive governments of South Africa. No doubt, Mahatma Gandhi had done a lot in the Struggle for South Africa but at the same time, the essential role played by Jawahar Lal Nehru to keep the movement against apartheid energetic after Gandhiji's death must be kept in mind (Reddy, 1991).

Furthermore, India was the first country to break the trade and diplomatic relations with Pretoria in 1946, which was the proof of opposing the unkind policies of racism continued in South Africa. The issue of apartheid was raised by India in agenda of the United Nations also. Diplomatic relations with South Africa were again started, when the then Foreign Minister of South Africa named Pik Botha visited India in 1993. The office of the high commission of India was inaugurated in Pretoria in May, 1994 which was coincided with the inauguration of the multi-racial government under the President ship of Nelson Mandela (Berl, 1998). In 20<sup>th</sup> century, some countries took the shape of some selective mini-lateral groupings, which were generally comprised of rising powers from the South. The dawn of IBSA Dialogue Forum, which brought India, Brazil and South Africa on one platform in 2003 and the BRICS (Brazil, Russia, India, China, South Africa) Forum in 2008 are some of the most important of such efforts. The aim of these groups is nothing but to converse their own agendas and to redress the different world wide issues in the joint manner (Kohndou, 2013).

### Brief about BRICS

In 2001, the research report paper entitled 'Building Better Global Economic BRIC' was presented by the former Chief Economist and Chairman of the Goldman Sachs Asset Management at the Investment Banking Group in London named Jim O'Neil. He used the acronym 'BRIC' to highlight Brazil, Russia, India and China as the then fast rising economic powers in the world. It was also predicted that their size will be half the size of the G-6 by 2025 and will become a major force in the world economy by 2050 (Singh and Dube, 2014). BRIC was created not only for economic reasons, but the banking crisis of 2008 that had spillover effects globally was also one of the reasons behind the formation of BRIC. With the inclusion of South Africa in 2011, the acronym was extended from BRIC to BRICS alliance and the bloc became more powerful than before. One of the reasons to include South Africa out of 54 countries of Africa was that the alliance saw itself as the group of emerging nations, so the voice from Africa was needed in the group. South Africa was also credited with the gateway for whole Africa in terms of investment and development. Though, the entry of South Africa in the alliance was criticized by many African quarters and countries, but was welcomed by Brazil, Russia, India



and China (Khan and Karodia, 2014). Within context of BRICS alliance, India and South Africa occupies the pivotal position that makes them interesting cases to have an eye on them. The main point between these two emerging powers is the increasing contribution of global resources along with other emerging nations in the current era of globalization. Both the countries came closer in order to shape the institutional structures of international politics (Beri, 2011).

These are some facts, on the account of which, India and South Africa have engrossed the intellectual attention for their active role in the global governance within BRICS alliance. As the former Prime Minister of India, Dr. Manmohan Singh pointed out that the foreign investment is required in India and India will be proven as favorable for South Africa in the social and infrastructure sectors. It was abided by all the BRICS nations that the trade will be followed by local currencies and not in the US dollars for making the alliance more powerful. In order to advance the growing relations, both India and South Africa agreed that joint naval exercises will also be taken into consideration.

### Collaboration for Growth

The contemporary period has witnessed growth in the trade relations between India and South Africa. As the primary focus of every country is on the growth and development, so is the case with India and South Africa. One is well known to the fact that it is trade relations between the countries that act as determinant factor in deciding their economic relations. Both India and South Africa are the rising economies in the world scenario today. Keeping expansion of economic ties between India and South Africa in view, the target of increasing bilateral trade volume from US\$ 10 billion to US\$ 20 billion by 2019 was somehow achieved. Major Indian exports to South Africa constitute the transport equipment, pharmaceutical and petroleum products as well as the chemical products. South Africa exports coal, wood pulp, gold, diamond, uranium etc. India has invested so much in South Africa that it got third rank amongst the top ten investing nations in South Africa (Seema, 2015).

As India has an eye on 'Focus Africa Program' also, it has offered incentives to import the products from India. South Africa is the largest market in Africa for India as it has witnessed around more than 20% of India's goods exported to Africa. If one looks historically, one will find South Africa as second largest imports supplier with the average rate of 20% of India's total imports during 2015-19. From the South African side, the investment is seen in the service and retail industries. The good news for India is that it is well placed to grab the budding potential of infrastructure in South Africa. One of the reasons for such placement is that both countries have witnessed the same history along with strong entrepreneurship ability with the cost-effective operating models. Since the period of inclusion of South Africa in the BRICS Forum, India is taking advantage of the available opportunities in the African continent. So far as energy needs and demands are concerned, India is approaching the nuclear energy as solution for meeting the demands. India has set its target to produce about 25% of its electricity through nuclear power by 2050. South Africa is also one of the top exporters of Uranium to India. India has also presented opportunities for renovation, modernization of the aged power plants, grid infrastructure and training opportunities to the African countries, particularly in South Africa (<https://www.eximbankindia.in>, retrieved on 01/05/2019).

The growth and upsurge in the relations between India and South Africa could also be seen in the areas like health sciences, biotechnology, green chemistry and human immune virus (HIV) research project. Both countries have agreed to carry on their research relations in these areas with co-funding to the tune of \$1 million from both sides. It is seen that South Africa is regularly assisted by India in the space science, agriculture, food security and pharmaceuticals. So far as the strengthening relations between the two countries in space science are concerned, Dr. Harsh Vardhan, former Minister of Science and Technology made it crystal clear by saying that Astrosat satellite for space probe has been launched by India and would be happy to provide necessary assistance to South Africa in this regard. Astrosat is India's first dedicated multi-wavelength space observatory. It was launched on a PSLV-XL on 28th September, 2015. India has a number of international collaborations in earth sciences centric research and services projects and India would be happy to help South Africa in this area (<https://pib.gov.in/newsite/PrintRelease>, retrieved on 10/06/2017).

### Prospects and Developments

Indian companies have been fascinated by the vibrant financial architecture, system of banking, solid infrastructure, stable government and worldly recognized stock exchange of South Africa. There are many Indian banks that are trying to flourish their business programs with South Africa, while many of them are already setup in South Africa. India has not left any stone unturned to back South Africa in each and every possible area with the hope to expand their trade and investments, which automatically would have contribution in the development of their economies at the regional and international level. There is no doubt that South Africa will see India as the next Foreign Direct Investment (FDI) driver in the near future. In more specific terms, the existing alliance between India and South Africa has also been witnessed with challenges in some areas, as the development of whole Africa has always been a priority for both. There are many opportunities for India to acquire South Africa's proficiency in the development of production, risk administration and above all, talent to provide the customer base in an assorted manner. There is a need to focus not only on the travel and tourism, but also on the process of rules and regulations of visa and travel. There is a possibility of more formal engagements with already existing leadership initiatives between the two countries. India is also known for its skilled manpower and



the low-cost operations like, infrastructure of information and technology. As the demand of African trade is increasing, so it is the high time for Indian and South African companies to have collaboration in terms of commercial services. Public Private Partnership (PPP) is another field, where the two countries have a chance to stand on a common platform so as to further boost their growing relations. Indians have a chance to act as transaction advisers and project financiers in the companies of South Africa (<https://assets.kpmg/content>, retrieved on 25/03/2017).

In the limelight of 'Make in India' initiative, India has decided to focus on dependency of the natural resources, like solar and wind energy. In this case, South Africa could join hands with India to make her a focal point for all the research and development activities. Finally, if these suggestions would be properly redressed, it is hoped that such actions will likely build the more soft links between India and South Africa, which could be proven as fruitful to bolster cooperation and for the collective attainment of long term vision of two countries.

### Conclusion

After going through the detailed study of relations between India and South Africa in the light of BRICS Forum, it could be said that having the interlinks amongst the individual members of Forum, it could act as a catalyst in making the strong ties, as seen in the context of India-South Africa relations. Though, much has been achieved in this process, but still much is left to be done with. Both India and South Africa are the developing countries and historical friends too. Both countries could also coat the multiple avenues and could be proven as a boon for their economies to strengthen, deepen and diversify their relations in future.

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