Conclusions
CONCLUSIONS

For developing cooperation, during the sixties and the early seventies, the political considerations like peaceful co-existence were of primary interests for the developing countries. But since the beginning of seventies, the political considerations subsided and the economic imperatives became more vital. In the early seventies the countries from South got together vis-à-vis North in demanding international economic reforms. By seventies the entire hope for North-South cooperation got jilted. However, the South-South cooperation emerged as a result of the stiffening of economic links with the North. It became a compulsion. From seventies, there is a strong believe on the South-South cooperation by the developing countries and there is a growing realization that, in the fiercely competitive era of globalisation, the compulsions of enhancing bilateral cooperation among the southern countries is imperative for finding solutions to the problems of development and sustainability. Thus the South-South cooperation could provide to the developing countries an important opportunities for development and economic cooperation based on complementarity of resources, similarity of developmental status and as a correction to historical necessity of horizontal cooperation.

In the prevailing world environment, South-South cooperation offers the developing countries a strategic means for pursuing additional path to development suited to the needs and aspirations of their peoples. It also
constitutes an important element of international economic cooperation and a viable strategy for greater collective self-reliance and development of the countries as a means of ensuring their full integration into the global economy. There is a firm conviction that among developing countries that South-South cooperation should be actively pursued and vigorously strengthened, as it is the only hope for the developing countries to achieve sustained economic growth.

The realization of the full potentials of and opportunities offered by South-South Cooperation is inextricably linked to a favourable external economic environment which enables the developing countries to play a more active role in international policy and decision-making processes, improves their terms of trade and access to international market, promotes their commercial and industrial competitiveness, provides a durable solutions to their external debt problem, and supports their efforts in achieving sustainable development. In short, South-South cooperation holds the key to speeding up the development process in the third world.

The South-South cooperation, which encompasses both technical and economic cooperation among the developing countries, emerged as a universal principle during the 1970s both as a strategy in support of development efforts of the developing countries and as an instrument for promoting collective self-reliance in order to achieve their effective
participation in the international economic system. It's philosophical rationale is derived from the recognition that the traditional structure of international economic relations was dominated by vertical North-South relations and therefore, the strengthening of South-South cooperation was a necessary to create a more truly interdependent global economic order. It is also emphasized that South-South cooperation is evolved in addition to North-South cooperation.

By exploiting these opportunities for cooperation, the South as a group can also became stronger in its negotiations with the South and self-sufficient enough to realize their development needs. This is also reflected in the Indo-South African economic relations, which has been analysed in this thesis.

For understanding the Indo-South African relation in the context of South-South cooperation, there are certain important aspects, which have to be considered even for advancing the Indian or South African cause of South-South cooperation. One can call the Indo-South African economic relations a structurally different relationship from the North-South, because in structure both South Africa and India belong to the South. From the study of the Indo-South African economic relations (1994-1999), the evidence for South-South cooperation also visible. Firstly, both have complementarity of resources and similarity of developmental status. Besides in the economy, both have also experienced similar political set
up. Secondly structurally as both belongs to South, they have the strong
desire for playing a vital role in the matters of South and trying to help
South to achieve self-reliance and to reduce the vertical gap of North and
South. Thirdly, the production complementarity is strengthened in trade and
investment relations.

Although the evidence for South-South cooperation are being
observed but their historical linkages with North is also further
strengthening and more especially in the era of globalisation. After analysis
of their functional aspects of economic relations, it is found that the North-
South linkage is also strengthened because of various reasons. Firstly, the
dominance of North such as U.K. USA, Japan etc. in the foreign economic
relations this could leave little room for maneuver and independent
initiatives to assert the value and aspiration of like minded countries of
South. Secondly, since they have attained relatively higher degree of
economic and industrial development, both are trying to maximize the
exports of value added items and manufacture goods and imports of
primary and raw based items. This is the trend of North-South linkages.
Thirdly, both look for North for investment, as huge amount of investment
are from North not from South. Besides the flow of investment, the vital
areas of production cooperation are not being explored to test the South-
South cooperation. Fourthly, the multilateral forums are not successful in
fulfilling the aspiration of the South in the international economic system
through discussion. Rather these forums are dominated by debate over
intra-member conflicts. This has not only resulted the failure to achieve NIEO but also failure of the South to be in a group. Lastly during this era of globalisation India and South Africa are more dependent on North for money and technology. As the latest technologies are increasingly concentrated in few science based multinational firms in a manner that favoured the North not to the South. Their external as well as internal monetary policy is being influenced by North. For example IMF, World Bank, WTO are the major economic institutions which favours to North rather than South. At the same time, in the era of globalisation the South has no alternative rather their economic polices are influenced by these institutions.

After gaining political independence, the developing countries strive to achieve their economic independence. In such journey, their economic development got inexorably meshed with developed countries. There are some countries with the help from developed countries and through the process of industrialisation became the regional economic powers. India and South Africa are the examples of such development. The cooperation among the developing countries came not to bridge the historical gap of horizontal cooperation, but also as an alternative to meet the growing disillusionment with the North-led development strategy. India and South Africa, both being from third world, witnessed these significant development. During the pre-colonial and colonial period, India and South Africa had very good economic relations. India was the major trading
partner for South Africa. During the colonial phase, India played a distinguished role in South Africa for decolonisation. Subsequently, during the apartheid period, India has showed full commitment and provided moral as well as material support to South Africa for ending apartheid. India in this regard, is the first country to raise the issue of apartheid in various meetings of UN, and also first country to impose the total ban with South Africa, as matter of the objectives of its foreign policy till they revive their relations in 1993, after an agreement signed to have politico-diplomatic and economic ties.

It is also seen that the migration of Indian people to the South Africa through various phases helped South Africa to gain the economic development out of the tremendous contribution of Indian settlers. It is also observed that there was the transfer of human capital during those historical phases from India to the East Africa and South Africa in specific. This has been found after the detailed analysis of the role and contribution of the Indian settlers in South Africa with the facts and figures in this work also. Therefore, it is also observed that Indian settlers have not only contributed to the South African struggle for independence, but also contributed much for the economic independence. This has proved the fact that Indo-South African economic relations have further strengthened by the South African Indian, besides the maritime trade during those historical phases.
The formal relationship was restored with the signing of a treaty in 1993. But the subsequent visits of dignitaries, exchange of official and business delegations laid the foundation for stronger relations. The most significant among all the agreements so far concluded between India and South Africa during the period of analysis is the historic "Red Fort Declaration" signed during the visit of the then South African President Nelson Mandela to India in 1997, which reflects the genuine desire of both countries to transform close alliance of the past into a "strategic partnership" for future. Therefore, it is observed that, there is a radical shift in India's foreign policy orientation from "isolation" to 'integration' towards South Africa during the period of analysis.

However, with the beginning of the nineties both have emerged as regional hegemons in their respective regions. South Africa after apartheid became the leader of Africa with full potential of a developed country. India during the nineties also emerged as a leader and an economic giant in South Asia after the end of an era of economic crisis. South Africa considered as a country with full potential of a developed country with much advancement in its economic fundamentals such as degree of industrialisation, poverty, per capita income, foreign trade, etc. South Africa has achieved a higher degree of industrialisation and sophistication in technology in comparison to India. But, it is seen that India and South Africa, both with similarities and
dissimilarities in economic structure, have unlimited scope and potential for mutually beneficial economic relations driven by comparative advantage.

The Indo-South African economic relations (1994-99), could be examined in the context of a triangular theoretical framework of international relations, consists of North-South linkages, South-South cooperation and the globalisation. It is also observed that the five-year period of analysis is too short to appropriate the real economic potential in the Indo-South African economic relations, but it is important for tracing the foundations, which could be analysed in the context of above theoretical framework of international relations.

There is increasing trend of trade relation with the prominent trading partners of the North by the both during the period of analysis. Moreover, their trading system operating under the WTO principles, which is propelled by highly inequitable North-South divide and traps the South into a structural dependency. But it is also observed from the Indo-South African trade relations (1994-99) that the structure of trade i.e. commodity composition, reveals that in the share of India's export, the primary commodities constitutes not so huge per centage, where as the value added commodities constitutes a big share. Similarly South Africa's export to India where the value added items too constitutes a big share. This trend confirmed that the growing element of production complementally in the
economics of the two countries. This is a case, which confirms South-South cooperation framework in trade relations between India and South Africa.

Investment or production cooperation is another vital area where the South-South framework is also being tested in Indo-South African economic relations during 1994-99. Although there is an increasing trend in Indo-South African investment relation, but each don’t comes under the top ten investors in other. Despite of having all potential of a top investor, South Africa became the nineteenth largest investor in India and India is also not in top ten investor in South Africa during the period of analysis. Similarly, the mutual potential areas are not been fully explored in their production cooperation, where they have greater expertise and technological sophistication in comparison to other developing countries. Besides, the important sector of the investment in Indo-South African economic relations is the setting up of small-scale industries in South Africa for mass production of low cost consumer items as well as accessories for machinery. This will help not only to strengthen the weak industrial base in the countryside, but also provide employment and income generation opportunities for a huge section of the population, which is still to rise above the poverty line in South Africa. But, this remains a weak area of production cooperation in Indo-South African economic relations during 1994-99. Similarly the construction of low cost houses in which India could provide and contribute by a way of consultancy, expertise and projects. Therefore, India’s experience is building up her own economy into a
modern economy are not materialized in Indo-South African economic relations, in catering the needs of the South African economy.

In the private entrepreneur driven production cooperation during the era of globalisation, the Indo-South African potential areas of investment in economic relations (1994-99) have not been fully explored. But, there are other important sectors that are being explored in the production cooperation between India and South Africa. From Indian side, the sectors are manufacturing of engineering products, health care products and medicinal products and fertilizer etc. and from South African side, mining, manufacturing of industrial goods and infrastructural development are the promising sectors of investment, which could helped both to achieve the production complementarities and self-reliance in such areas.

The analysis of the role of multilateral forums like NAM, UN, WTO, IOR-ARC etc. in the chapter five confirmed the fact that, these forums are not so effective during this era of globalisation since globalisation marginalized the role of the regional and international forums, except WTO. Under such forums, the third world countries failed to achieve the NIEO rather victimized by economic subjugation. During the various summits and meetings of such forum, the political issue becomes the issues of debate and the economic imperative becomes secondary. Besides, the intra-member conflicts, lack of sufficient fund to cater the needs of member
countries in tune with their economic agenda etc are making such forum as important for political consideration but not for economic imperatives. Therefore, such forums do not have direct impact in promoting the Indo-South African economic relations, rather indirectly it promotes their bilateral relations by infusing a feeling of South-South unity.

A prominent feature of the nineties has been the increasing globalisation of the world economy. Therefore, globalisation has emerged as another theoretical framework for reworking of relations among the nations. This has greater impact in the existing bilateral or multi-lateral economic relations. Thus, it provides another framework to analyse the Indo-South African economic relations. The India and South Africa has decided to forge stronger relations, after the break of more than thirty years, during the last decade of the 20th century when the globalisation has been the clarion call for integrated world economy. Therefore, globalisation rather remains as a dominant factor in their economic diplomacy with other country. One feature of such globalisation is the trend of merging of South with the North. This is because the South remains economically linked mainly to the market economy countries of the North.

This also been reflected in both India's and South Africa's external economic linkages, where the developed North is the dominant partners for them in trade, investment and other spheres of economic activities. Thus
this has not only sustained legacy of the colonial past by the North’s relative economic strength but also a consequence of the development strategies adopted in South. Besides, the globalisation phenomenon translated into the economic diplomacy meant an attractive partner for the North. By doing so, both aspire to transform their economies into a neoliberal style capitalist systems. Hence, this further dilutes both India and South Africa from the background of South-South cooperation. Such open and free or global economy dilutes them from the path of sustainable, self-reliant and cooperative endeavour under the framework of South–South cooperation to the discriminatory and dependent path of realising their developmental needs by seeking conditional assistance from the North.

However, from the analysis of overall picture that emerges the current status and the future development in the Indo-South African economic relation is an encouraging one. Although we cannot out rightly reject the Indo-South Africa economic relations (1994-99) as a fit case for South-South cooperation, but various dimensions of South-South cooperation are manifested in their economic relations. It is observed from the work, that there is a higher degree of production complementarities, which could help both in realizing their potentials to emerge as a developed country in the developing world, since both are at relatively developed stage of the economy, with higher industrialization and relatively more advanced technology. The “strategic partnership” signed between India and South Africa is too a reflective vision of exploring the sectors which could
enable them to achieve mutual cooperation for self-reliance without much dependence on the North for help. But features of North-South relations and globalisation too have influenced their economic diplomacy.

Therefore, the cumulative impact of all these frameworks in Indo-South African economic relations makes the impression that their economic relations are the mixture of above discussed theoretical foundations of international relations. Besides, during nineties, with the globalisation as a phenomenon of the world, its dominating influence on the Indo-South African economic relations, also makes the impression that Indo-South African economic relations is supplementary and complementary to North-South relations. This is because, globalisation (under the directives of WTO, IMF, and World Bank) is also a supplementary and complementary to the North-South relations. Therefore Indo-South Africa economic relations could not be categorized as a full-fledged and a model case for South–South cooperation at this stage. It is rather a case of lower order South-South cooperation. In order to promote this relation into a model for South-South cooperation, many sectors, which are identified needs to be explored. However, the analysis of the economic relations between India and South Africa during the period under study offers a positive impression of their relations as a promising beginning of South-South cooperation.

Therefore, it is not a question of merely monitoring trade expansion, investments and other forms of production cooperation. Much would
depend upon how both countries will go about building structural linkages and connected institutional technologies to obtain a lasting basis of mutually beneficial relations. Thus, there is a need to adopt step-by-step approach avoiding contentious issues and systematically identifying priority areas of cooperation. Besides the revival of forums of developing countries such as NAM, G77, IOR-ARC etc. is needed for optimum utilization of such forums for maximizing their development needs through mutual cooperation. In addition, it is equally important to solicit relevant non-economic factors as well, such as political motivation, social milieu, third world aspirations etc. It could be said that the prospects of enhancing economic interaction between India and South Africa lies in understanding significance of each other beyond their mutual economic interests. The "strategic partnership" provided an opportunity to both for more closer in more than one way and in a way created foundations for stronger ties in coming years. The consolidation of Indo-South African economic cooperation, bilaterally as well as multilaterally, can go a long way to usher in a new era of meaningful South-South cooperation. To put in the words of Thabo Mbeki, the then Deputy President of South Africa while receiving the Doctorate of Law from Jawaharlal Nehru University, New Delhi, on December 6, 1996, said:

“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".