



## **South Africa: an international actor and partner for the EU**

**South Africa is the only African state to date to have signed a Strategic Partnership Agreement with the EU. The Summit, to be held on Friday in France, is the first Heads of State meeting since the establishment of the Partnership in May 2007. The summit will build on the discussions that have been held since November 2004 in the six EU-SA Ministerial Troika meetings. President Thabo Mbeki and Foreign Minister Dlamini-Zuma will meet with French President Nicolas Sarkozy and current chair of the European Council, Secretary General of the Council and High Representative for the Common Foreign and Security Policy, Javier Solana, as well as Jose Manuel Barroso, President of the European Commission.**

But how different is a strategic partnership from the ongoing bilateral engagements between the EU and South Africa?

The EU's engagement with key states through Strategic Partnerships is part of its external repositioning aimed at strengthening its relations with important, emerging powers, especially in the developing world.

These developments reflect recognition by the EU of the changes in the global geopolitical landscape, as well as the need to explore broader areas of engagement with new partners on issues of international concern. China, India, Brazil, Russia, Mexico, and now South Africa, are becoming increasingly significant actors on global issues. The EU is in the process of initiating strategic partnerships with all of them.

The European Security Strategy (ESS) of 2003 speaks specifically of the establishment of strategic partnerships with China, Japan, Canada and India, as well as with other countries that share the EU's value systems and goals. The Strategy calls for an effective and balanced partnership with the US, and mentions Russia as another strategic partner, subject to respect for common values.

The EU Commissioner for External Relations and European Neighbourhood Policy, Ferrero-Waldner recently reiterated ‘the growing interconnectedness of the global economy and a shift towards emerging economies, with China and India soon to become the world’s second and sixth largest economies’. He said “The EU has to adapt to this, not by creating “fortress Europe”, but by seeing the opportunities this offers. It is building up strategic partnerships with these economies, and has, for example, made concrete progress in negotiations with China and Russia on issues such as market access, energy and human rights”.

Europe is both a “soft” and a “smart” power. Its new external strategy attempts to address the twin challenges of bridging the gap between Europe’s substantial economic weight and its more modest international influence. The global dimension is also crucial for the Union: dealing with issues such as climate change, the need for energy and other raw materials, immigration and trade and investment flows – all critical aspects of the Joint EU-Africa Strategy (and accompanying Action Plan) signed in December 2007, as well as in Euro-Mediterranean Partnership agreements.

### **The economic importance of EU-SA relations today**

Bilateral relations between the EU and South Africa are not new and have deepened substantially since 1994. South Africa is an important emerging power and a key strategic partner to the EU by virtue of its dominance and engagement with its region – politically, economically, and militarily. For example, South Africa contributes approximately 50% to sub-Saharan Africa’s GDP and nearly 75% of SACU’s. South African foreign direct investment (FDI) in the rest of Southern Africa represents 49% of the region’s total.

Today, the EU is South Africa’s biggest trade and investment partner, accounting for over 40% of its imports and 30% of its exports, as well as for 66% of foreign direct investment (in December 2006). Total trade has increased five-fold, from R56.5 billion in 1994 to R313 billion in 2007<sup>1</sup>. The EU is also South Africa’s principal development partner representing approximately 80% of all Overseas Development Assistance (ODA) in 2005. South Africa is earmarked to receive €80 million for 2007-2013 – a substantial amount but which represents less than 1% of South Africa’s national budget<sup>2</sup>.

Due to the EU’s long-standing historical and cultural ties with the continent, Africa remains a focal area for the EU. The EU has revised its Africa strategy, taking into account changing global realities, new partnerships on the continent and good practices. The EU, therefore, regards South Africa as a vital ally in Africa because of its willingness to become involved in regional and continental matters.

### **Revisiting existing bilateral political, economic and development cooperation: EU-SA Strategic Partnership and Summit**

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<sup>1</sup> ‘SA-EU Summit strategic in forging partnership’. TRALAC. 21 July 2008

<sup>2</sup> Please note that this relationship is asymmetrical - less than 2% of EU trade is with SA

Following the visit of President Mbeki to the EU in 2004, the European Commission felt that relations with South Africa needed to be elevated beyond the framework of the SA-EU Trade and Development Cooperation Agreement (TDCA)<sup>3</sup>, into a more coherent and substantive Strategic Partnership along the lines of those the EU has with countries such as India, China and Brazil<sup>4</sup>.

This elevated bilateral partnership is supposed to represent a fundamental shift and rearrangement of the nature, structure and basis of past relations between the EU and SA. Despite existing cooperation mechanisms, both partners agree that it is necessary to intensify dialogue at all levels of cooperation, with all relevant stakeholders. This elevated partnership will move *beyond* existing areas of cooperation, to include new issue-areas that take changing global scenarios into account, and accommodate the political and economic realities of both continents today.

Primarily a political statement on the status of the bilateral relationship between EU and South Africa, the revised Strategic Partnership attempts to move relations from regular political dialogue to intense, strategic cooperation at Summit level<sup>5</sup>. The Joint Action Plan for the establishment of the EU-SA Strategic Partnership, adopted at their Ministerial Troika on 10 October 2007, revised the structure of current EU-SA relations to include a holistic approach of all *existing* sectoral cooperation, as well as to include seven *new* areas of dialogue.<sup>6</sup> Areas of ongoing collaboration include trade, development, science and technology, as well as a progress report of the revision and implementation of the TDCA. However, this will broaden substantially to include cooperation efforts on peace and security, migration, energy, environment and climate change, as well as transport, customs and social dialogue, food security.

These new items have quickly moved the dialogue forward, identifying priority issues in each new cluster, and in many instances establishing terms of reference for working groups. These areas will be discussed at the Summit and Troika meeting on 25 July 2008. For example, South Africa has submitted a draft proposal to the EU regarding collaboration on migration. South Africa has proposed that the EU revise some of its migration and asylum policies, and that it re-visit its approach and procedures for visa applications for South African business people. The Summit will also address EU

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<sup>3</sup> The TDCA was signed in 1999 and became fully operational in May 2004. The TDCA includes provisions for a Free Trade Area (by 2012), financial assistance and development cooperation, cooperation in trade related issues, economic cooperation, social and cultural cooperation and political dialogue. The trade provisions of the TDCA have been in effect since 2000, and cover approximately 90% of bilateral trade between the two partners. The TDCA remains the legal basis for bilateral relations.

<sup>4</sup> SA-EU relations would thus hold similar importance to those held by the US, Canada, China, Russia, India and Brazil - all of whom have special agreements with the Europeans. However, it must be noted that South Africa does not constitute an 'anchor country' in the same sense as countries like China, India and Brazil do. For example, it does not represent the demographic or/and economic weight of its fellow-Southern partners.

<sup>5</sup> Currently the EU and SA have a mechanism for dialogue up to Ministerial level through the TDCA. The Summit is the cornerstone of the EU-SA Strategic Partnership.

<sup>6</sup> This umbrella approach is referred to by the SA government as the Mogôbagôba Dialogue. The Mogôbagôba is the national tree of South Africa, symbolising a place for discussion.

capacity building measures like migration management, (particularly combating illegal migration), smuggling and trafficking, data capturing, transfer of technology and financial assistance.

In terms of the progress to date on climate change and environment, the EU-SA Energy Dialogue Forum has set up three working groups that deal with Clean Coal Technology, Carbon Capture and Storage, and Clean and Efficient Energy. One of the options under discussion is nuclear generation. This was most notable during President Sarkozy's visit to South Africa in February this year. As President of the European Council during the second half of 2008, France has prioritised nuclear energy as a response to South Africa's energy crisis.

At the Summit this week progress is expected on the following items:

- ❑ the establishment of a Peace and Security Forum;
- ❑ the beginning of a Maritime Transport Dialogue;
- ❑ a framework for bilateral EU-SA space cooperation;
- ❑ announcement of an Erasmus Mundus Window for SA education promotion and a Project Plan for customs cooperation; and
- ❑ new flagship initiatives to strengthen cooperation, which also includes a the contribution to science and technology development in SADC.

A key element of the relationship – and an issue which underlines South Africa's entire approach to the establishment of the Strategic Partnership – is that both parties declared themselves as fully committed to the development goals of Africa. In fact, the EU-SA Joint Action Plan makes specific reference to “the EU's full support of South Africa's commitment to the African Agenda”. Both partners have also agreed that the Strategic Partnership will be supportive of regional integration in SADC and continental peace and security initiatives, as well as the proposed Joint EU-Africa Strategy. This is in line with South Africa's foreign policy priorities in the continent, and consistent with its wishes not to be misconstrued as being covertly ‘imperialist’ by prioritising its Western partners above continental challenges<sup>7</sup>.

Zimbabwe will be discussed at the Summit, particularly important for certain European member states. The G8, at the beginning of July, called for financial and travel sanctions to be placed on the incumbent and his regime. The UK and Germany, who were very vocal at this Summit, will use this opportunity to discuss with Mbeki the progress made in the recent SADC negotiations and mediation efforts. The EU's announcement this week that more members of Zanu-PF would be added to the list may make the discussion a little tense, given South Africa's position on imposing sanctions while mediation is ongoing.

### **Moving the relationship forward:**

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<sup>7</sup> Chevallier, FRIDE discussion paper. <http://www.fride.org/publication/306/the-eu-africa-summit-strategy-and-partnership>

There are some notable areas of contention between the EU and South Africa, particularly with regard to trade, integration and protectionist agricultural policies. While the rest of SADC has signed an interim Economic Partnership Agreement (EPA) on goods with the EU, South Africa has not. The EPA negotiations have created tensions in the relationship, and have impacted on the mutual trust between the two parties. These issues, unless resolved fundamentally, have the potential to slow substantive progress, and will also no doubt have some impact on regional integration, whether intentional or not. There has also been slow progress in the revision of the TDCA's trade provisions that have been underway since 2000 – with the aim of establishing a Free Trade Area between South Africa (SACU) and the EU by 2012.

It is imperative that the EU and South Africa move beyond the good sentiment of a bilateral partnership, to take full advantage of the opportunities presented by the new strategic nature of their relationship. This Strategic Partnership, its Joint Action Plan and the on-going high-level meetings present significant opportunities for South Africa to constructively engage with the world's biggest trading bloc and largest ODA contributor to Africa, and with individual EU member states in a coordinated fashion<sup>8</sup>, while hoping to address socio-economic and development challenges at home and on the continent.

This strategic alliance also constitutes a new set of criteria in the nature and basis of the relationship - one very different to the post-apartheid EU-SA partnership that was focused primarily on a development agenda. The real value-add for SA is the lessons from EU best practices, innovation, pilot programmes, capacity building, skills and knowledge development.

The other major significance of this Strategic Partnership for South Africa is that it reiterates South Africa's influential role in Africa, and highlights its role in pursuing African development objectives on the international stage.

Despite this very ambitious agenda, the main focus of the meeting will be largely political in content and symbolic in nature. There will be few economic agreements/outcomes from the Summit that will assist in moving the EPA negotiations forward or work towards the implementation of a revised TDCA agreement. Although essential to the relationship, this political intent must be translated into a real dialogue, concrete plans of action, and stricter timeframes for implementation. This will require a fundamental mindset shift from both partners. Both parties are accountable for managing the relationship and moving it forward. This mindset shift must also extend to the reciprocity of non-governmental actors such as private sector, civil society and academia.

*- Romy Chevallier, EU-Africa researcher at the South African Institute of International Affairs (SAIIA). SAIIA's EU-Africa project is funded by the Konrad-Adenauer-Stiftung.*

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<sup>8</sup> The Strategic Partnership makes particular reference to a 'single and coordinated framework' between EU member states, the European Community and South Africa.