

The Evolution of South-South Cooperation: A Personal Reflection

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Abstract

This brief analysis discusses the evolution of South-South cooperation and examines the current practice in this regard and the challenges facing countries of the South that wish to use the mechanism as a means of boosting development assistance, private sector development and trade.

Policy Implications

- Developing countries stand to gain from South-South cooperation in particular when confronting a common problem, even if the countries concerned are at different stages in tackling the problem.
- Because of the growing economic diversity and vast difference in the size of the countries of the South, no standard models of South-South cooperation have emerged. Some of these countries – notably the larger economies – have begun to see South-South cooperation as a component of their foreign and economic policy in their relations with the smaller economies of the South.
- South-South cooperation would seem to be most successful when it focuses on technical cooperation and knowledge transfer rather than more traditional donor-based projects, programmes or budget support.
- For the smaller countries, South-South cooperation is not a substitute for North-South cooperation, but a useful complement for promoting development and trade.

Introduction

South-South cooperation – both the theoretical notion and its practical application – is now a commonly accepted component in discussions of international development policy. However straightforward the concept of South-South cooperation might appear, the term is not without ambiguity. In fact, as commentators have noted, there is no agreed definition (Davies 2010). This is partly because, in recent years, the notion of “developing countries” has expanded to include countries originally part of the former Soviet Union which in no sense are part of the South but are in Europe. According to Gurria (2010), the providers of South-South cooperation largely regard themselves as peers in mutually beneficial relationships and reject the traditional relationship of “donor and recipient”. Perhaps the least divisive definition of South-South cooperation is as a relationship between and among the developing countries.

As a working definition, we may take it that South-South cooperation is essentially a process whereby two or more developing countries pursue their individual or collective development objectives through a cooperative exchange of knowledge, skills, resources and technical knowhow. In addition, it is axiomatic that South-South cooperation should be initiated, organized and managed by developing countries themselves, possibly with the support of a donor country or multilateral institution such as a UN agency, acting as a third partner in the configuration known as “triangular cooperation”.

However defined, South-South cooperation has steadily gained momentum since its initiation at the United Nations Conference on Technical Cooperation among Developing Countries, held in 1978 in Buenos Aires. At that conference, participants identified certain areas for such technical cooperation and placed special emphasis on the needs of the least developed countries (LDCs), landlocked developing countries and small island

developing states. This form of cooperation, which at that time was perceived as a form of economic solidarity, has expanded from a negligible level to a combined value of trillions of dollars per year, with the largest increases taking place in activities between Africa and Asia and between Africa and Latin America and the Caribbean.

This solidarity has been further fed by the trade barriers faced by developing countries, in particular those in Africa, in exporting to Europe and North America. As de Sá e Silva (2010) notes, most developing countries, Africa included, have found that there is something quite different about South-South cooperation. It places more emphasis on technical cooperation and knowledge transfer than on the conditions of donor-based projects, programmes or budget supports. One of the several reasons for this is that developing countries are much more comfortable working with other countries like them. The relationships between African countries and China have expanded because the Chinese are seen as friends and are therefore trusted. Agreements between China and Africa come with few if any conditions, in contrast to the financial support from the North, which is almost invariably subject to a range of stringent and taxing conditions.

Successes and benefits

As these trends continue, it is vital that the international community take a long hard look at South-South cooperation, with a view to identifying its real advantages, alongside its costs, in both absolute and relative terms, and its shortcomings, with a view to making the best possible use of what is, undeniably, a valuable element in the development toolbox.

First and perhaps most significantly, South-South cooperation benefits countries by instilling in them a sense of ownership of the activities and projects undertaken. A case in point is the campaign against river blindness in West Africa, which started in 1974 and ended in 2002. The campaign was a success,

not only because it was underpinned by a strong political commitment, but also because the participating countries willingly shared information, expertise and research facilities and took responsibility for the campaign activities by contributing to their implementation both in cash and in kind. Success fed upon success and drew in more funding and support from many donors and partners: in the process the participating countries began to feel that they were partners in the war to eradicate river blindness. Ownership is a critical ingredient of South-South cooperation.

A second major advantage of South-South cooperation is participants' willingness to share experiences and best practices with neighbours and other countries within the South. During the Fourth High-level Forum on Aid Effectiveness held Busan, Republic of Korea, in 2011, several cases studies of South-South cooperation were presented. One described how Beninese farmers learned from their Costa Rican counterparts how to grow organic pineapples, while the Costa Ricans learnt from their colleagues in Benin how to use edible insects to feed cattle. The simple message from this Netherlands-funded programme was that it was highly effective for beneficiaries to witness at first hand the success of other farmers using the same techniques that they were teaching: for them this was so much more convincing than any amount of empirical evidence.

Third, South-South cooperation can also be advantageous where developing countries share a common problem. This applies regardless of the relationship between the countries in question: for example, an outbreak of a communicable disease or of a pest infestation such as locusts or army worms, has forced neighbouring countries to come together to sign agreements, protocols and share costs, pesticide and relevant information to solve the problem. A typical

example of such convergence was observed in early 2002 when a number of countries in West and North-West Africa were affected by locusts (FAO, 2002). To combat the locusts the countries shared not only information but also the aircraft that sprayed the affected areas. According to FAO (2012), many countries in the region maintain pesticide stockpiles to ensure a rapid response to any unexpected event. Moreover, these countries have established a mutually beneficial arrangement, in which those who can afford to maintain the stockpiles share them with those who need them.

Fourth, in some areas, notably that of technical assistance, South-South cooperation is unquestionably cost-effective. Following the 1994 genocide in Rwanda, the country badly needed secondary school science teachers and sought assistance from Kenya: the governments of Rwanda and Kenya agreed on a memorandum of understanding to help them implement the teaching assistance programme. The total costs of the teachers' resulting remuneration package was reasonable for a country like Rwanda, in particular when compared to the costs it would have faced if it had had to recruit teachers on the international market.

Even where a developing country has sought technical assistance under a triangular cooperation arrangement, with a third party footing the bill, the costs are still reasonable. An example of this may be seen in the agreement between the Gambia and Cuba for medical professionals to fill gaps in the Gambia's health sector. Cuba agreed to send staff on the understanding that the Gambia would cover their salaries. Instead, however, the government of Taiwan, which had diplomatic relations with the government of the Gambia, agreed to pay the salaries, leaving only the costs of their accommodation and local transport to be covered by the Gambia. As a result, the cost to the Gambia of this

assistance by Cuban professionals was very reasonable and the programme remained in operation for as long as the government of Taiwan was willing to pay.

Fifth, South-South cooperation has undoubtedly worked particularly well in the area of trade. According to Kwa (2010), exports from the South reached US\$ 4.5 trillion in 2006, or 37 per cent of world trade. Of those, in 2009, according to UNCTAD, South-South exports amounted to US\$ 2.5 trillion. South-South trade has been boosted by a number of factors, one being the effect of regional integration, whereby sub regions come together to eliminate tariffs among themselves so that goods and services can move more freely. It has also fared well through the normal trade channels. Thus, while most WTO members are bound by tariffs, in the case of developing countries these are usually much lower (Kwa, 2010). Accordingly, over the past decade South-South trade has expanded more quickly than North-South trade (Kwa, 2007), as investors from the South have taken advantage of their regional knowhow and the use of appropriate technologies and have proved more willing to take business risks in a difficult environment (Chahoud, 2007).

Added to this, the major emerging economies – China, India and Brazil – have fuelled a growth in trade, especially in Africa. In consequence, China has been accused of neo-colonialism but the president of Angola has a different view. He acknowledges that the Chinese want Angola's natural resources, but this suits his country, which, in return, wants development – in an exchange arrangements described by the World Bank as “resources for infrastructure” (Vines, 2010).

Challenges of South-South cooperation

As suggested above, however, South-South cooperation is not a panacea for all developmental ills and it often comes at an

unacceptable cost, or is fraught with other unwelcome consequences.

Thus, one of the major challenges faced by South-South cooperation is that the middle income countries in the South that provide their developing country partners with technical assistance often project a conventional donor-recipient relationship. The major developing countries such as China, India, Brazil, Turkey and others are inclined to the view that they have nothing to learn from other developing countries. Ironically, however, some of these countries, notably China and India, themselves have huge populations of poor people who could benefit immensely from cooperation with other developing countries. There are many areas where these countries could still work together to deepen South-South cooperation: salient among these are joint research programmes in food security and public health.

Another possible impediment to the success of South-South cooperation is posed by an occasional lack of clear purpose. Before a country participates in South-South cooperation, it should be very clear what it is hoping to achieve. It needs to identify, for example, precisely where it's comparative advantages lie and the areas in which it needs assistance. Interestingly, Rwanda (through, for example, its cutting-edge internet facilities expanding the provision of health services to underserved areas) and Benin (through the Songhai Centre, which promotes entrepreneurship in agriculture), although categorized as LDCs, are doing extremely well in the areas of information and communications technology and rural development, respectively. Accordingly, other developing countries, especially from within Africa, are consulting them for their insights and expertise in these two domains. Visitors from other African countries are eager to find out what has made these programmes

successful and what lessons they can take away for their own benefit.

In addition, the process of South-South cooperation suffers from a lack of publicity: more attention should be given to its success stories. If these stories were more readily available, they would promote a deeper understanding of the benefits of South-South cooperation and how it can be scaled up. As Gurria (2010) argues, although research on South-South cooperation is increasing, it appears to be largely focused in financial flows or on a limited number of emerging economies.

But the principal shortcoming in South-South cooperation is the lack of funding. As a rule countries are unable to implement South-South cooperative ventures without financial assistance from a third party. This normally means a UN agency or a bilateral donor and the resulting configuration is one of triangular cooperation. There are a few developing countries which can now perform this third party function: Argentina and Brazil supported the civil components of the UN mission in Haiti (Herman, 2010) and, as noted by M'cleod and Kebbay (2010), the provision of 30 Cuban doctors to the government of Sierra Leone was funded by South Africa.

The truth, however, is that, unless developing countries meet – even only partially – the financial costs of the technical assistance provided under South-South activities, it will be difficult for them to claim ownership of that assistance. Although the advocates of South-South cooperation argue that it is cost-effective, it is well-nigh impossible for a country such as the Gambia to pay for Cuban medical doctors, without the support of a third party – a UN agency, a bilateral donor or an emerging economy. In view of the above, it is hard to determine whether or not South-South cooperation is cost-effective, however, because only a handful of countries provide detailed information about funding and

resources they are receiving or spending. As Sanahuja (2010) notes, in reference to the Latin American and Caribbean region, “little is known about the real scope and effectiveness of South-South cooperation”.

Continuing shortfalls and impediments

South-South cooperation has yet to meet the objectives set for it in Buenos Aires. Apart from certain areas, such as trade, which has expanded over the last 20 years, results have been mixed. The concept of South-South cooperation should be carefully revisited as countries of the South are now starting to manifest differences between one another: emerging economies of the South, such as Brazil, India, Chile and South Africa, are pursuing an agenda which goes much further than traditional South-South cooperation. Stolte (2010) observes that, for Brazil, South-South cooperation with Africa is an evolving process, moving from the realm of political solidarity, to a more conventional market-based relationship. Moreover, she argues that, like other emerging economies, Brazil is looking at Africa as a promising market for its goods and services, especially manufactured or semi-manufactured products. The resulting interactions will of course be commercial and not true South-South cooperation. Interestingly, Stolte concludes that, in its engagement in Africa, Brazil has discarded its status as an aid-receiving developing country and joined the prestigious club of donors. Whether it has really achieved this status remains debatable, however.

From the available information, there is little evidence demonstrating that South-South cooperation is cost-effective in absolute terms. Case studies do not give the real costs of the technical assistance by comparison with international market costs. Moreover, as Sanahuja (2010) points out, it would be naïve to ignore the argument that South-South cooperation in Latin American countries is partly motivated by foreign policy objectives.

For Brazil, this means upholding its aspirations as a regional leader and global actor. This is also the case with Chile: engaging in South-South cooperation is a way of arrogating to itself an elevated status in the region's development rankings. In addition, Smith (2013) agrees that even South Africa is now perceived by developed countries as a regional and emerging power.

Clearly, to participate in South-South cooperation countries should prepare a compendium of their needs and the areas where they have a comparative advantage. Currently there is no such practice, although this information should form part of all national development policies. Given the financial constraints of many developing countries, proper needs assessments would help them to prioritize and seek the necessary and relevant assistance from other countries of the South. In addition, they should set aside funds of their own to cover some of the expenses, especially local costs.

Summary

As M'cleod and Kebbay (2010) argues, South-South cooperation is promising, but it should be viewed with care. Its potential benefits are multiple and considerable: by helping one another, developing countries can also help themselves, taking advantage of geographical proximity, and trading local strengths. Countries must avoid the emergence of new donor-debtor relationships, by ensuring that cooperation remains reciprocal and that, if there is an imbalance, it is offset by third party contributions, in a triangular cooperation scenario. The criterion of cost-effectiveness should be rigorously applied, to prevent unviable South-South cooperation ventures being mounted as vanity exercises or for purely political advantage.

In consequence, a new and more sustainable form of South-South cooperation is needed, especially for those countries which do not

belong to the new emerging economies. Ultimately, given the challenges that it is facing, it is fair to say that South-South cooperation complements North-South cooperation but is not a substitute.

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