

The 2016 Hangzhou G20 Summit: Has China Signalled a New Era of South-South Development Cooperation?

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International Media Centre – G20 Hangzhou Summit. When examining the literature on global development you will quickly find the phrase ‘South-South’ development and cooperation. In basic terms, the notion of South-South development relates to the idea that increasing collaboration, cooperation and knowledge sharing between countries in the ‘Global South’ leads to more development. Although the definition of what countries should be considered as part of the Global South lacks analytical exactness, in general terms, the signifier ‘South’ is meant to denote non-Western ‘developing countries’ who are primarily located in the southern hemisphere.

One interesting development of the Hangzhou G20 Summit has been the emphasis placed by the host country China

on the need to promote increased ‘South-South’ relations as part of a more effective global development strategy. Development was certainly a highlighted feature within the pre-published G20 agenda, where it occupied the first and second position on China’s [ten point agenda](#). It subsequently received strong and immediate promotion by Xi Jinping, who made explicit references to ‘South-South’ cooperation as a key driver for global development and as a means ‘[to break a new path for growth](#)’.

In particular, Xi used his [opening speech for the B20](#) the day before the G20 as a platform to stress the need for what he termed as a more ‘equitable’, ‘fair’ and ‘just’ development strategy. Moreover, Xi emphasized the need to create ‘[win-win](#)’ outcomes for developing countries

through innovative strategies which promote more inclusive and participatory policies that can foster better 'South-South' exchange and mutual cooperation.

[South-South cooperation](#) and development can be understood as 'a manifestation of solidarity among peoples and countries of the South that contributes to their national well-being, their national and collective self-reliance and the attainment of internationally agreed development goals, including the Millennium Development Goals' and now the Sustainable Development Goals (SDGs). As the United Nation's official statement on the concept suggests, 'the South-South cooperation agenda and South-South cooperation initiatives must be determined by the countries of the South, guided by the principles of respect for national sovereignty, national ownership and independence, equality, non-conditionality, non-interference in domestic affairs and mutual benefit.'

As a concept, the promising features of 'South-South' cooperation are the objective of enhancing the capacity of developing countries to find their own development solutions, opening communication channels between the 'South', exchanging best practices, sharing technical resources, formulating collective strategies, pooling resources and diplomatic efforts, improving effectiveness through knowledge exchange, strengthening economic integration, increasing participation in international economic activities, and strengthening the voice and bargaining power of developing countries in multilateral negotiations. According to advocates of 'South-South' cooperation, the concept holds the promise to reduce the reliance of developing countries upon existing financing structures led primarily by the 'Global North'. By doing so, it is often argued that this can help break the cycle of financial dependency of the 'Global South' on the 'North' and reduce the power dynamic inherent to this relationship. This in turn would allow for a more equitable

distribution of prosperity, control and, ultimately, power.

Although the idea of ‘South-South’ cooperation has been referred to before in G7/8 and G20 documents, and has underwritten a number of United Nations Development Programme (UNDP), World Bank and multilateral development strategies, the preliminary stress placed upon this form of cooperation at the 2016 G20 Summit is in many ways unprecedented. For one, nearly all of Xi’s opening B20 speech and G20 agenda was couched within statements about more equitable sustainable development and called for the creation of a new form of economic strategy that can move beyond current pro-growth mantras. Secondly, Xi placed the SDGs at the heart of the G20 Summit, effectively solidifying the ideational place of the SDGs as the master concept from which to measure development. This act not only creates an official link between the SDGs and the G20 agenda moving into the future, but in doing so, also links the SDGs to the 85 to 90% of world GDP represented by the G20 member states. Third, China as host invited

a record number of non-G20 developing countries to participate in the summit, again signaling a want to establish a more inclusive discussion on key matters of global policy. Fourth, Xi used the example of China’s development as a way to start a dialogue about ‘South-South’ learning and gave clear signals about the need to strengthen new development financing alternatives such as the [Asian Infrastructure Investment Bank](#) (AIIB) and the BRICS led [New Development Bank](#) (NDB). If followed through with action, then China’s backing of increased ‘South-South’ cooperation and its institutionalization within global governance structures could signal a new era of global development.

However, the final communiqué released by the G20 leaders in Hangzhou did not deliver the robust and unequivocal language triggered in Xi’s opening B20 speech. In fact, the final language within the communiqué remained vague and overly normative without clear action plans for how to make development policy more inclusive or how more equitable development could be secured through

clear governance mechanisms. In addition, although a commitment to ‘exploring ways to develop North-South, South-South and triangular cooperation’ was articulated within the communiqué, the details remained scant, with reference made only to the still to be determined G20 Initiative on Supporting Industrialization in Africa and LDCs. As a result, as has been the case for former G20 Leader Summit outcomes, the fruitfulness of these decisions will have to wait to be seen.

Nevertheless, it would be churlish to suggest that the above fully signals that ‘South-South’ development cooperation has been effectively sidelined. This is because the communiqué does launch the new G20 Initiative on Supporting Industrialization in African and LDCs, which at least provides some additional focus that offers the potential to significantly alter the development lexicon. In addition, the initiative also provides new governance processes where ‘South-South’ cooperation could be enhanced. Furthermore, the language of ‘inclusiveness’ and better distributive development that will ‘leave no one

behind’ was stressed in a number of key paragraphs within the communiqué. Although it might be possible to dismiss these words as merely the usual G20 rhetoric, it is important to remember that words do matter and that there are many examples of how norms diffuse in ways that often underwrite international law in uniquely powerful and unforeseen ways. As a result, the mere fact that China has been successful in getting a level of G20 normative agreement on examining new ways to think about global economics and development holds promise.

It is also important to understand that many of the other economic objectives presented by the host country China can advance global development as well as ‘South-South’ cooperation. For example, a clear success of the Hangzhou Leaders Summit was the adoption of the ‘Hangzhou Consensus.’ As mentioned above, this advocated increased cooperation, mutual benefit, global knowledge transfers, collaborative innovation and inclusive governance as part of global efforts to drive new growth. As part of this, the G20 agreed that the World Bank Group would

‘implement its shareholding review according to the agreed roadmap, timeframe and principles, with the objective of achieving equitable voting power over time.’ If actually broadened, then this would represent a significant departure from traditional World Bank governance, which could help to make inroads for more inclusive and representative global development financing. Lastly, the G20 embedded the SDGs as a master concept in the discussion on economic growth as well as development specifically. As suggested above, this normative commitment is a good signal in terms of long-term SDG commitments and thus could signal a more invigorated stance to ensure that the failures of the MDGs are not repeated. Since this is the first G20 since the SDGs were fully adopted, it also suggests that there is at least some consensus to get things moving quickly.

Yet, with all things summitry, the proof will be in the pudding and there are good reasons to remain healthily skeptical as to whether the 2016 G20 Hangzhou Summit will indeed herald a new dawn for global

development and ‘South-South’ cooperation. For one, the G20 has a history of making vague normative statements that don’t play out in practice. Thus, the real test of the communiqué will be in how the agreed initiatives come to pass in terms of financial commitments, political engagement and compliance. Moreover, although key normative language is used, and welcomed, the role of ‘South-South’ cooperation was not greatly expanded upon in terms of how to facilitate this form of cooperation. Thus, it remains a stated vehicle for greater development equity and self-determination, but continues to lack detail. In this regard, the concept represents an ambition and aspiration of the Chinese host and those who already champion ‘South-South’ cooperation, but we will have to wait to see if, and how, the concept drives future governance processes.

At the end of the day perhaps the most promising element of the 2016 G20 Summit is that incorporating a ‘South-South’ narrative into the growth lexicon, China has provided a normative principle to hold G20 members and other

institutional arrangements to account. In other words, if nothing else, the language of ‘South-South’ cooperation is now available within the governance lexicon to ‘name and shame’ as well as to demand that institutions like the G20 live up to their commitments and promises. In this way, perhaps if only in spirit, the notion of ‘South-South’ cooperation is in the summity air and, with all things deliberative, what begins as a discursive

spark can with time often become a diffused governance practice.

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