

Celebrating BAPA+40

# **DELHI Process - IV**

## **South-South and Triangular Cooperation: Theoretical Perspectives and Empirical Realities**

13-14 August 2018

India Habitat Centre, Lodhi Road, New Delhi

### **CONCEPT NOTE**

#### **I: CONTEXT**

South-South Cooperation (SSC) and recent efforts at conceptualizing Triangular Development Cooperation (TDC) have come a long way with an humble beginning during the middle of the previous century and emerged, by now, as an important contributor to the global development architecture. The history of SSC, however, took an interesting turn by the beginning of the present millennium where some Southern economies, thanks to their impressive growth rate, started playing a decisive role in development cooperation. The onslaught of recession in 2008 made their importance all the more visible. The apparent shift in global centre of gravity towards the East During this period helped the practitioners of SSC exert their influence in shaping and re-designing multilateral platforms, engage in meaningful contributions to international agreements and contribute to formation of several effective regional blocks like African Union, Mercosur, ASEAN, Indian Ocean Rim Association, IBSA, BRICS and many others.

Establishment of institutions like New Development Bank, Asia Infrastructure Investment Bank, International Solar Alliance, etc. also bears testimony of the growing impact of SSC in the global arena. A strong bilateral relation created between Southern partners is also an important hallmark of the spread of SSC. The icing on the cake is, of course, the adoption of Addis Ababa Action Agenda (AAAA), Sustainable Development Goals (SDGs) and Climate Change Agreement all in 2015.

The recent IBSA Declaration on SSC made in Pretoria on the 4th June, 2018 further reiterated the principles of SSC as the cornerstone of development cooperation by the

members of the group. The forthcoming United Nations Commemorative Buenos Aires Plan of Action (BAPA+40) Conference also rests on this checkered and proactive history of SSC.

According a prominent role to the importance of SSC in realizing the 2030 Agenda also speaks volume of the role and relevance of SSC in shaping the development architecture in the future. Increasing commitment to contribute to development finance – against the contested background of the principles of Common But Differentiated Responsibility (CBDR) – is also putting the Southern nations in positions of responsibility to achieve the Sustainable Development Goals (SDGs) within a specified timeframe so that “no one is left behind”.

The evolving and expanding nature of SSC and TDC has also been accompanied by series of debates and contestations about their nature and structure. Theoretical formulation and their empirical validation are necessary to facilitate effective operationalization of the spirit behind them and ensure the desired impacts on global development processes.

## **II: EVOLUTION OF SSC**

Even though BAPA signals the beginning of the institutionalization of the spirit of SSC through a global platform the idea had been in practice since the countries of Asia and Africa attained freedom in late 1940s and throughout the 50s and 60s with the aspiration of a better future. A remarkable initiative in this regard was the Asian Conference held in April 1947 in Delhi. Twenty eight countries sent their representatives which included still colonised countries of Malaya, Indonesia and Vietnam; China and Tibet were represented separately; seven Asian ‘republics’ of the Soviet Union and Korea; and the Arab League were represented too, along with a Jewish delegation from Palestine. Few months before the conference in September 1946, the interim Indian government established a fellowship programme for trainees from China and Indonesia.

The Afro-Asian conference of Bandung, popularly known as Bandung Conference in 1955 and subsequent emergence of its development offshoot (SSC) must be seen under the wider sphere of global IR as it was for the first time that a framework of enquiry in all its diversity, especially with due recognition of the experiences, voices and agency of non-Western peoples, societies and states, who were marginalised in the discipline of economics, development and international affairs, came to limelight. The achievements of BAPA were further consolidated through resolutions adopted by the High-level United Nations Conference on South-South Cooperation, held in Nairobi from 1 to 3 December 2009. The Fourth High-Level Forum on Aid Effectiveness in 2011 in Busan, in spite of associate contestations, identified a formal space for SSC in global architecture of development cooperation, a resolve that was reiterated in the Addis Ababa Action Agenda in 2015.

The initiation of this Southern solidarity was a response only after the South was left highly challenged and frustrated with its dealing with the North. However, owing to financial, technological and informational challenges faced by the South, solidarity driven SSC was

low on flow of tangible resources across the Southern world in its early years. The geographical expanse of SSC was limited with Southern countries generally, engaging only with their immediate neighbours. It was only with the emergence of some Southern nations that posted significant growth in their productivity and output during the last couple of decades, that SSC attracted attention as being engaged in transfer of tangible resources across Southern partners.

The establishment of United Nations Office for South-South Cooperation (UNOSSC) dedicated to take the spirit forward is a clear indication of what lies in future for this parallel idea in development cooperation. An effective collaboration among India, Brazil and South Africa to form a coalition for pursuing SSC and set up IBSA is also a clear indicator of intents to institutionalize a Southern perspective of developmental efforts that honour the principles of access, equity and inclusion.

### **III: THEORETICAL FRAMEWORK FOR SSC**

These events were taking simultaneously with intellectual upsurge of the South, where academicians produced literature explaining the problems of poverty and destitution in the developing world. The seminal work by Raul Prebisch in late 1950s, entitled. “Terms of Credit Deterioration for the Primary Producers” was considered path breaking. Other interesting studies in the Latin American region lead to the Centre-Periphery Theory and the Dependence Theory which were also postulated around the same time. Riding on this academic and intellectual base, the leaders of developing world started to work together with the intention of narrowing the gap vis-s-vis developed countries.

Taking a cue from the powerful Prebisch-Singer “Dependency Theory”, BAPA looked at ways to reduce the level and extent of dependence of South on its northern counterparts. The solution was more in terms of creating a political solidarity in helping one another through building capacity of the Southern citizenry to facilitate import substitution. Sharing of experiences, knowledge and technologies in fostering a higher level of productivity that is achieved through augmentation of human capital was the intended strategy. The strategy fit well with the evident scarcity of physical and financial resources plaguing the South then and their undeniable dependence on Official Development Assistance (ODA). On its part, BAPA primarily aimed at creating a platform for political solidarity that would simultaneously

- Enlarge the bargaining power of the South vis-à-vis the prevailing global order and
- Create enhanced human capital in the Southern nations that would also contribute to crafting of domestic social and institutional capitals capable to help them shrug off the yoke of dependency.

The call for “Technical Cooperation and Economic Cooperation” (TCDC) was then positive strategy in the right direction. The non-negotiable principles of SSC that subsequently emerged there from are still honoured today by the practitioners of SSC.

Lewis model of development in a dual sector economy published in 1954 also added theoretical strength to the ideas of SSC. There have been some sporadic efforts for example,

by Chaturvedi (2016) while espousing the idea of development compact, Chakrabarti (2016) that looked at SSC deriving positive externalities to the participants and Acharya (2007) who argued in favour of formulating a theoretical framework of Global International Relation as opposed to that of Western International Relations Theory, not much efforts have been made to take the ideas of Prebisch-Singer and Lewis further and capture the present day realities to strengthen the conceptual framework for SSC – both theoretically and empirically.

Over the years there has been an increase in quantum, sectoral specificities and geographical expanse of SSC. The first Afro-Asian Conference, also known as the Bandung conference is worth mentioning to exemplify the thought of SSC from a development perspective. Southern leaders in Bandung Conference (1955) called for structural changes in the world economic order and expressed their willingness to partner to gain more bargaining power on the global stage. Following years saw establishment of the Non-Aligned Movement (NAM, 1961); the United Nations Conference on Trade and Development (UNCTAD, 1964) and the Group of 77 (G-77, 1964) to achieve the aforementioned purposes. United Nations established a working group towards technical cooperation among developing countries in 1972.

However, these historic events could not attract more scholars from the South adequately to frame a theoretical foundation for SSC. Northern scholars often assessed SSC in the light of the extant model of NSC, by now evidenced as a working model of cooperation with numbers of empirical support from across the globe. Needless to add, their efforts have been mainly confined to finding deviations of SSC from the so called standardised features of development cooperation as referred to as the OECD/DAC model from a critical angle.

Under this situation the practitioners of SSC are hard pressed to lean on some available theoretical models and empirically validate the impact of SSC on the developmental outcomes. The issue of impact assessment of development partnership interventions is also debated across the stakeholders. While the idea of “Development Compact” is gradually taking root as a possible tool capable of capturing the plurality of interventions across the Southern partners, its empirical validation requires attention from researchers. The Agenda 2030 also requires incisive attraction from researchers – theoretical and empirical alike – in the same vein.

## **KEY QUESTIONS**

RIS initiated an effort to put India’s development cooperation activities in a structural framework of what is now termed as ‘Development Compact’. According to this, India’s ‘development compact’ rests on five action pillars: capacity-building and skills transfer, concessional finance (further divided into grants and lines of credit), preferential trade, investment, and technical cooperation. It implicitly depends on the principle of equitable accesses to trade, investment, and technology in SSC initiatives. India’s deployment of a broad portfolio of modalities allows for flexibility that makes it much more attractive and appropriate for partner countries in the South. India and other emerging (BRICS) nations have a broader concept of development cooperation that goes beyond giving hand-outs, and generates economic activities in the recipient country. Significantly, this ‘compact’ rests

solidly on the concept of mutual gain. ‘Development Compact’ is, therefore, something less than the articulated policies of the DAC members, but more than a string of unrelated aid programmes, and intimately related to broader economic strategies of the recipient country.

RIS intends to embark on organising the fourth Delhi Process on SSC in August, 2018. An account of the previous Delhi Processes (three held so far) is given in the Annexure. The focus of this conference is to strengthen the theoretical nuances of SSC and expanding the global understanding of development cooperation – its conceptual frameworks and relevant empirical validations. The theoretical construct is to be deliberated in this year’s Delhi Process with focus on the non-negotiable principles of SSC and emergence of development compact as theoretical modelling of the modalities involved in SSC. Even though, there have been significant advancements in identifying the spirit and operational tools of SSC, their empirical validation have been very few. Delhi Process IV aims to fill this knowledge gap. Strengthening and validating the theoretical understanding of SSC becomes all the more important in the era when the global community has negotiated the SDGs and Paris Climate Change Agreement. The South-South community is also looking forward to the 40<sup>th</sup> anniversary of BAPA process. Delhi Process will go a long way in richly contributing to the understanding of SSC and in bringing about a clear way forward for SSC towards achievement of global goals. In the process, it would engage stakeholders in extensive dialogues to concretise the ideas on impact assessment, facilitate policy discourse and inform the present practices of SSC.

The issues to be highlighted during the forthcoming Delhi Process would include:

- Alternative South-led financing models for Development Cooperation;
- Conceptual frameworks for Triangular Cooperation models;
- SSC-SDG linkages – theory and practice
- Necessity or otherwise in practicing the pluralities in modalities and accounting processes of SSC;
- Technology Facilitation Mechanism and RRI to facilitate South-South technology transfer and
- Extension and/or revalidation of Prebisch-Singer Hypothesis vis-a-vis the rising trends in South-South Trade and Investment.

## A SHORT NOTE ON DELHI PROCESS

### **Why Delhi Process?**

South-South Cooperation (SSC) has fast emerged as an important pillar of development cooperation. Complemented by its diversity in forms, modalities and practices, and moving away from the traditional ‘one size fits all’ approach, SSC operates on the principles of mutual sharing and solidarity. The five founding principles of India’s development cooperation broadly include: capacity building, trade and investment, development finance, grants and technology cooperation. These are collectively known together as the ‘development compact’.

However, despite growing volumes of development partnerships around the compact in the Southern world, there remains an absence of detailed information and analyses about global developments related to it. RIS has conceptualised ‘Delhi Process’, a series of conferences that aspires to fill an important knowledge gap in terms of theorizing and understanding the concept of SSC. The necessity of ‘Delhi Process’ that analyses the development cooperation landscape through a Southern lens cannot be over emphasised, given the prevailing practice of looking at SSC with a typical Northern perspective.

### **What all has been achieved?**

RIS has conceptualised and organised three major conferences on SSC till date. The **first conference** was organised in 2013 with the aspiration of discussing the issue of Southern providers and various challenges associated with them. It was more of an exploratory conference which aimed to start a dialogue on the nature and contours of SSC. It was also to explore as to how such a discussion could be made purposeful and sustainable while building on the individual and collective accomplishments of the respective countries. The first ‘Delhi Process’ was conceptualised largely by the Forum for Indian Development Cooperation (FIDC) established in early 2013.

The **second conference** on SSC was held in 2016 and it took the discussion on the topic further to initiate sectoral dialogue in SSC. Various parallel sessions were conceptualised with topical discussions on SSC’s role and challenges in sectors of agriculture, health, education and science and technology. It went a step further in situating SSC within the ambit of global aid architecture and as a problem solver towards achieving Sustainable Development Goals (SDGs) that were adopted in 2015. It was a multi-stakeholder gathering with participants from academia, policy makers, civil society and private sector. The actionable outcome from Delhi II was the establishment of Network of Southern Think Tanks (NeST) with RIS as its founder member and secretariat. The other think tanks involved are South Africa Institute of International Affairs, Chinese Agricultural University and Institute of Applied Economic Research (Brazil).

The **third conference** on SSC was organised in August, 2017 with focus on triangular development cooperation (TDC). By this time RIS through its sustained effort towards SSC at home and abroad was able to generate considerable interest and attracted enhanced attention from both domestic and foreign stakeholders. One of the major focuses of the conference was to specifically deal with ways to interlink SDGs, SSC and TDC and suggest possible “institutional” structures that can effectively help achieve desired targets. This has attained special focus given the global consensus about achieving the SDGs by 2030 so that no one is left behind. An outcome in documenting the South-South process has already taken shape in form of a monthly periodical – Development Cooperation Review (DCR).

Regional consultations organised by FIDC from time to time across the length and breadth of India allowed sensitisation of potential stakeholders in India’s development cooperation about the issues and challenges involved therein. Participants elicited keen interest in collaborating in efforts at building genuine people to people contact across global South.

### **Way Forward for Delhi Process**

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