

## **FOCUS SESSION 4:**

### **Locating South-South Cooperation within Emerging Development Cooperation Architecture**

Tuesday 8:00 – 9:15, Room 4

#### **Objective:**

Bring further conceptual clarity by demystifying SSC in terms of its context, objectives, scope and policy framework. Explore the practicalities of SSC by assessing their modalities and instruments and their effectiveness; Revisit specific experiences of SSC through empirical evidence and case studies; consider how existing cooperation frameworks, such as DAC, support, learn from, and build on these experiences.

#### **Session Format:**

The session will be of 1 hour and 15 minutes duration. It will take place essentially in a panel discussion format with provision for floor discussion. At the outset the session will be informed about the Delhi outcome to set the stage. Three-four eminent panelists representing different constituencies will then make short opening statements on different aspects of the theme. The moderator (chair) of the session will then instigate and manage an inter-active exchange between the panelists and other participants. The session will be rounded off with a set of closing statements from the panelists and a brief summary of the key messages from the moderator.

#### **Speakers/Panellists:**

- Debapriya Bhattacharya, Distinguished Fellow, Centre for Policy Dialogue (CPD), Bangladesh
- Mustafizur Rahman, Executive Director, Centre for Policy Dialogue (CPD), Bangladesh
- Fahmida Khatun, Research Director, Centre for Policy Dialogue (CPD), Bangladesh
- Shekhar Shah, Director General, The National Council of Applied Economic Research (NCAER), India

### **Background/Narrative:**

South-South cooperation (SSC) is increasingly gaining momentum. The focus on SSC received renewed attention since the fourth High-level Forum on Aid Effectiveness held in Busan in 2011. The focus session has been proposed to provide conceptual clarity and practical insights about SSC for the GPDEC in Mexico. The core objective of the proposed focus session is to seek ways and means to integrate the South-South cooperation resultatively in the global partnership of effective development cooperation (GPEDC). While South-South Cooperation is being thought as one of the important elements of the emerging global development cooperation architecture, there is a definite need to take a closer and rigorous look at this evolving phenomenon from multi-stakeholders' perspectives. The session has been developed from that vantage point.

### **Related Links:**

[http://southernvoice-postmdg.org/th\\_event/deconstructing-south-south-cooperation-a-south-asian-perspective/](http://southernvoice-postmdg.org/th_event/deconstructing-south-south-cooperation-a-south-asian-perspective/)

### **Organisers:**

- Southern Voice on Post-MDG International Development Goals
- Centre for Policy Dialogue (CPD), Dhaka

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# Locating South-South Cooperation within Emerging Development Cooperation Architecture

## A Concept Note

### 1. The Context

South-South cooperation (SSC) is increasingly gaining momentum, particularly in view of the challenges arising from the shifting global economic and political context. The share of developing countries' exports destined for other developing countries reached more than 50 percent in 2011. Trade among East Asian countries increased between 1995 and 2011 by 450 percent and among Latin American countries by 382 percent. In 2011 developing countries' share of inward FDI as percentage of GDP stood at 3.4% as opposed to developed countries' share which stood at 2.4%. Share of developing countries in FDI inflows stood very close to developed countries at 44.9 percent. Revolutionary changes are being witnessed by the world in the trends of cooperation in innovating newer technologies that are more appropriate to the needs of developing countries. Moreover, the share from developing countries in total imports of capital goods by other developing countries has increased from 35 percent in 1995 to 54 percent in 2010.

The focus on SSC received renewed attention since the fourth High-level Forum on Aid Effectiveness held in Busan in 2011. Recently the High-Level Panel on Post-2015 Development Agenda has highlighted measures to strengthen South-South cooperation as an issue which figured prominently at the thematic consultations. Brazil, Russia, India, China and South Africa (BRICS) are currently implementing a number of economic cooperation programmes in the areas of trade, investment, technology transfer, human resource development etc. Other initiatives such as Global South-South Development Expo held in Nairobi in 2013 demonstrated how global collective response facilitates South-South cooperation.

South-South cooperation usually means a process where predominantly middle income countries (MICs) engage with low income countries (LICs) in an unconventional way in contrast to North-South model of economic cooperation. However, South-South cooperation is not a substitution; rather it is complementary to North-South collaboration. The enthusiasts identify lessons from one country eliminating the need of trial and error in another, capacity-building, partnership development, lower transaction costs, stronger economic ties and amalgamation of economic, human, institutional, technological and infrastructural resources and networks as some of the advantages of South-South cooperation. However, many have questioned the effectiveness of South-South cooperation in view of the complications about ownership or management, lack of consensus on commercial policy recommendation, lack of well defined national policies, uneven shared benefits among developing countries, limited

documented information on South-South success stories, resource scarcity, trade barriers and political problems. Despite the skepticism, it is envisaged that South-South cooperation will enable countries to learn winning strategies, especially those who are not benefitting from globalization.

However, the scope of South-South cooperation still remains underexplored due to some critical challenges. Notwithstanding its wide use curiously, there is yet to be a universally accepted definition of South-South Cooperation in the policy circle. South-South Cooperation is by and large loosely represented as a broad framework for collaboration among countries and often embraces interdisciplinary undertakings. Such broad definitions have been criticized for lacking focus, clarity and definitiveness. Recent developments in South-South cooperation have heightened the need for reaching a common understanding of the concept. Therefore, formulation of a constructive operational definition of South-South cooperation is essential; also it may contribute to the promotion of a more efficient policy framework for international development cooperation.

Complications go beyond the conceptual and definitional issues. In fact, the distinguishing features of the South-South cooperation have also been vastly debated. While the well-known modalities of South-South cooperation demonstrate development of wide-ranging instruments (e.g. trade preference, investment promotion, educational scholarship and scientific training, cultural exchanges), what is not often evident is the comparative advantages of these instruments of cooperation, vis-à-vis the traditional ones. Lack of adequate transparency and accountability mechanism often create confusion about this mode of construction.

Moreover, contemporary global discussions on South-South co-operation are mostly inclined towards policy issues rather than realistic and feasible approaches to implementation. The practice of showcasing experiences at a large scale, which is crucial for advancing the mutual learning process, is yet to occur. Looking at concrete examples will initiate a systematic problem-solving approach. Therefore, calling for case stories on experiences that address South-South cooperation among two or more governments or organizations becomes indispensable.

South-South cooperation has also been largely dismissed as an ideologically motivated policy recommendation and criticized for not taking the conflicting interests among the developing countries into account. This necessitates a more practical methodological approach that will address the individualistic dimensions of local agendas and fit them into broader South-South priority objectives, keeping the conflicting interests in mind. Moreover, there exists very little mainstream consensus on the subject of implementation instruments. Hence, revisiting South-South cooperation paradigm seems to be the need of the hour.

Thus, while South-South Cooperation is being thought as one of the important

elements of the emerging global development cooperation architecture, there is a definite need to take a closer and rigorous look at this evolving phenomenon from multi-stakeholders' perspectives. The present proposal has been developed from that vantage point. In this context, it is being proposed that a "focus session" may be organized in the sidelines of the First Ministerial Meeting of Global Partnership of Effective Development Cooperation in Mexico (13-14 April 2014) to discuss the abovementioned and other related issues.

## 2. Objectives and Scope

The core objective of the proposed focus session is to seek ways and means to integrate the South-South cooperation resultatively in the global partnership of effective development cooperation (GPEDC). To this end, the initiative will seek to do the following.

The specific objectives of the panel will be the following:

- i. Bring about further conceptual clarity by demystifying SSC in terms of its context, objectives, scope and policy framework and consider whether this adds up to a set of general principles for SSC that can have wider utility
- ii. Explore the practicalities of SSC by assessing their modalities and instruments and their effectiveness; what value would the general principles under (i) have for assessing these practicalities?
- iii. Revisit specific experiences of SSC through empirical evidence and case studies; consider how existing cooperation frameworks, such as DAC, support, learn from, and build on these experiences.

## 3. Implementation modalities

The proposed focus session will build-on the process and outcome of the outreach meeting on "Deconstructing the South-South Cooperation: A South Asian Perspective" which is being organized by the *Southern Voice on Post-MDGS* along with the Centre for Policy Dialogue (CPD), Dhaka and National Council of Applied Economic Research (NCAER), Delhi in Delhi on 28 March 2014. The theme of the session will be "**South-South Cooperation in the brave new Post-MDG World: Opportunities and Challenges**". The session will take place during the First Ministerial Meeting of the GPEDC in Mexico during 13-15 April 2014.

### Session Format

The session will be of 1 hour and 15 minutes duration. It will take place essentially in a panel discussion format with provision for floor discussion. At the outset the session will be informed about the Delhi outcome to set the stage. Three-four eminent panelists representing different constituencies will then make

short opening statements on different aspects of the theme. The moderator (chair) of the session will then instigate and manage an inter-active exchange between the panelists and other participants. The session will be rounded off with a set of closing statements from the panelists and a brief summary of the key messages from the moderator.

### **Outreach**

The alert about the meeting will be actively disseminated by the session organisers and host of the main event (digitally). The member of the partner organisers of the *Southern Voice* present at the Mexico Ministerial will be mobilized for the session. An outcome document of the session based on its proceeding will be published later and widely disseminated.