
Towards A Common Definition of South-South Cooperation: Bringing together the Spirit of Bandung and the Spirit of Buenos Aires



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The BAPA+40 Conference, which will take place early next year, gives us a unique opportunity to revise and update our understanding of South-South Cooperation (SSC). In the forty years that have passed since the adoption of the Buenos Aires Plan of Action (BAPA), the world has changed almost beyond recognition. Even if we do not change our SSC principles, our narrative and concepts need to keep up with the times. One of the most important challenges is to arrive at a common definition of SSC, which is currently lacking. This would help us, among other things, to better advance towards our common objective: the fulfilment of the SDGs. BAPA+40 is not the place to discuss and negotiate technical details. But it is an opportunity to arrive at a consensus about the big picture of a definition of SSC. Here I discuss what this picture may look like.

Bandung and Buenos Aires: different approaches.

Today it is fair to say that broadly speaking we have two broad concepts or definitions of South-South Cooperation (SSC): one Asian and one Latin American.

The Asian approach takes a holistic perspective in which all types of SS linkages (economic, financial and even cultural) are prone to count as SSC; a view that was coined at a time when the world was organized around a centre-periphery opposition and when SSC links practically did not exist. This approach may be traced back to the 1955 Bandung Conference, and is thus inspired by the *Bandung Spirit*. It still underpins

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the standard broad definition of the United Nations Office for South-South Cooperation. One might say that India and China are today its main advocates; Sachin Chaturvedi (Chaturvedi, 2016) and Justin Yifu Lin (Lin and Wang, 2017) are among its main intellectual backers.

The Latin American view of SSC, on the contrary, focusses mainly on Technical Cooperation. This view may be traced back to the 1978 Buenos Aires Conference on “Technical Cooperation among Developing Countries”. The *Buenos Aires spirit* shapes the way that development agencies such as ABC in Brazil or AMEXCID in Mexico conceive their cooperation and are institutionally organized. The main exponent of this view today is the Ibero-American General Secretary (SEGIB), which for the last 10 years has published an annual report of SSC among Latin American countries focused on Technical Cooperation.

SDG 17: the need for a common definition of SSC

In an op-ed a couple of years ago, Thomas Fues observed that the institutional future of SSC and even its success depended on bringing these two traditions together into a coherent framework (Fues, 2016). Indeed, arriving at a common broad definition of SSC that brings together these two approaches will be a major challenge for BAPA+40 and, to an important extent, it will be key to its success.

At Delhi 4¹ Jorge Chediek, Director of the United Nations Office for South-South Cooperation, underlined that BAPA+40 was strongly linked to the SDGs agenda, particularly SDG goal 17 on means of implementation. Indeed, while

the MDGs only took North South aid into consideration, the SDGs also bring on board SSC:

SDG goal 17.3 calls for the mobilization of financial resources for sustainable development, including SSC. It is monitored among other things by indicator 17.3.1, which is defined as total SSC as a proportion of total domestic budget. This indicator obviously requires a common definition of SSC in monetary terms

SDG goal 17.9 calls for SSC providers to increase their technical assistance to support capacity building. It is monitored by indicator 17.9.1 which measures the “dollar value of financial and technical assistance supplied through SSC”. This indicator also demands a universal definition of SSC in monetary terms.

In short, if we want to implement the SDG agenda and its monitoring framework, we need a common definition of SSC.

Bandung and Buenos Aires: a proposal to bring them together.

In my view, there is a way of merging Bandung and Buenos Aires together and arrive at a broad common definition of SSC at BAPA+40 (technical details would come later):

The basic point of *Buenos Aires* is that countries should share their knowledge and experiences for free, basically without charge. This implies a definition of *aid or cooperation* in the sense that we use these words in everyday language: as a gesture that denotes an *effort* from the provider; after all, countries could

in principle sell at market prices their knowledge and experiences as if they were private consultants. This suggests that cooperation is an activity that can be grounded on mutual benefit but that *it is not driven by the profit motive or the market*. The key concept here is **concessionality**. From this perspective, the key lesson from Buenos Aires is that *actions* that involve two or more southern countries could count as SSC if they involve some concession or effort from the provider².

The main point and strength of **Bandung** is its broad scope that goes much beyond technical cooperation. The standard broad definition of the United Nations Office for SSC captures well this spirit when it considers SSC as a “broad framework of collaboration among countries of the South in the political, economic, social, cultural, environmental and technical domains”, without considering if such “exchanges” are concessional or not³. No doubt that this broad definition where all *links* or *exchanges* are branded as *cooperation* made political and even economic sense when they were truly scarce in the early Post-War era. But with the rise of the Global South and the multiplication of normal profit oriented economic links among southern countries, which rival North–South ones without intrinsically differentiating themselves from them, such broad loose definition of SSC seems no longer as useful and relevant as it once was.

The next step to merge the Buenos Aires and Bandung approaches would be thus to apply the principle of *concessionality* to the broader range of resources and activities included in the holistic Asian vision of SSC, taking as a starting India’s vision of a “Development Compact” (Chaturvedi, 2016 p45-74). Not only financial resources

(grants and loans) would have to have a concessional element (however low). But the other elements of this compact should have such concessional element as well.

As with North-South Official Development Assistance (ODA), this common definition of SSC would be grounded on concessionality. But it would differ from ODA in a very crucial way that would capture much of the historical aspirations of the South. ODA is only about *flows* of resources: money but also monetized in-kind resources, mostly technical cooperation and knowledge sharing. However, following the Development Compact vision, the new common definition of SSC would also be about *concessional policies* adopted by SSC providers that provide an advantage or concession to other developing countries. Examples include policies in *trade* (e.g., lower tariffs), in *intellectual property rights* (e.g., preferential and better access to technology), or *prices* (e.g., buying exports from developing countries at “higher” agreed prices). Indeed, by bringing flows and development policies together, all five elements of the Development Compact – Capacity Building, Trade and Investment, Development Finance, Grants and Technology – could be incorporated through the concessional lens into a broad concept of SSC that brings together the spirit of Bandung and the spirit of Buenos Aires⁴.

From its origins in 1960, the Development Assistance Committee of the OECD (DAC), the Northern club of donors, recognized that the public policies of its members, external *and* domestic, often strongly impinge (positively or negatively) on the development prospects of developing countries. This idea

lies behind the Policy Coherence for Development agenda (PCD) that the DAC itself has pursued. However, from the beginning also, the DAC refused to bring this agenda into its definition of ODA. The reason is more related to entrenched economic and political interests than to technical complexities –e. g., the difficulty of adding straight-forward monetary flows and the monetised effort implied in certain public policies. Traditional donors have been more willing to handle out aid than to make concessions (or even allow a fair game) in areas such as trade and technology transfers.

In contrast, also from its origins during the 1950s, the political movement of the South has insisted that it prefers fairer trade and more access to technology than aid. Battles at UNCTAD on trade, at the WTO on property rights, at the UN on migration, capital flight, brain drain and other areas, witness how the South has cared more about PCD issues than aid. In this sense, the concept of a Development Compact basically encourages the main Southern providers to put themselves in practice what they have been preaching for decades to the North. Finally, a new broad common definition of SSC would also be amenable to bring on board other issues or other actors that are not explicitly included in the Development Compact. Here I am thinking of flows such as contributions to multilateral bodies geared for development and contributions to UN peace keeping forces; or actions/flows of non-State (executive) actors such as private firms and foundations. To classify as SSC these flows, actions or policies would need to comply only with two criteria: have a concessional element and be geared towards the SDGs.

Monetising SSC and complying with SDG 17.

The next step would be to find a way to account, in monetary terms, for the different components of SSC. This would allow us to sum them up and arrive at an overall view of the SSC effort. It would also increase the transparency and accountability of SSC and would give us a good benchmark to assess its effectiveness. Crucially so, it would allow us to comply with the relevant indicators of SDG 17. In the case of flows, this accounting operation would be easy. True, Latin Americans have been reluctant to monetize their technical cooperation arguing that it would tend to be grossly undervalued in relation to similar N-S flows; basically, though not only, due to large difference in average wages. This valid concern could be tackled, for example, if we use UN wages for all southern experts and technicians as a common unit of account. In this case we would be mixing effort with impact; but in an exceptional and clearly legitimate and transparent way. Cuba, to mention one case, would come out as the large SSC provider that it really is.

In contrast, it would be more difficult to account for the *monetary value* of the impact of policies that have the explicit purpose of supporting, in one way or another, the development of other southern countries or the generation of public goods. Not being a statistician, I would not know how to extract a monetary value on lowering tariffs or giving special access to technology. But now days, we are able to generate indicators for almost anything; so, it is likely that we could come with proper models for measuring the developmental impact of these policies in an objective and legitimate way.

Conclusion

Agreeing at BAPA +40 on a *holistic* and *concessional* definition of SSC (technical details would come later) would have a number of advantages. First, it would advance the SSC agenda in a decisive way; helping us to avoid the trap of simply repeating the old BAPA narrative, with no “plus 40” to speak of. Second, it would help us comply with SDG 17 with a common definition of SSC needed to bring indicators 17.3.1 and 17.9.1 to life. Moreover, it would allow us to monitor more accurately our compliance with SDG goals on trade (17.10 .11 and .12) and technology transfer (17.6 .7 and.8). Third, it would allow us to modernize the SSC narrative and better connect it to its own history; in particular to the struggle for a “New Economic Order” more conducive to development that has never materialized, but that is still very much needed if we want to achieve the SDGs. Fourth, a broader definition of SSC that keeps within the boundaries of concessionality and at the same time broadens its scope beyond flows, would exert pressure on the traditional donors to follow suit and engage more seriously with the PCD agenda. Finally, it would bring together, under the same narrative and framework, very different SSC practitioners: the Asians and the Latin-Americans; the spirit of Bandung and the spirit of Buenos Aires.

Endnotes

¹ Delhi Process IV was held on 13-14 August, 2018. The conference aimed to strengthen the theoretical nuances of SSC and expanding the global understanding of development cooperation - its conceptual frameworks and relevant empirical validations.

² This view does not of course imply that only concessional exchanges or links contribute to development. Following Adam Smith, selfish profit motive driven ones, the bread and butter of our economic system, also usually do --- though not always so.

³ Indeed, the UN office goes on to argue that “recent developments in South-South cooperation have taken the form of increased volume of South-South trade, South-South flows of foreign direct investment, movements towards regional integration, technology transfers, sharing of solutions and experts, and other forms of exchanges” (www.unsouthsouth.org/about/about-ssstc/).

⁴ I would argue that China already applies in practice a broad concessional definition of SSC, though one restricted to flows. It tends to give packages that mix investment, trade and aid. But as it is clear from its *white papers*, China considers as aid only the concessional resources it provides. Even when it combines them, China does not equate investment and trade with aid.(China’s White Papers 2011 and 2014).

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