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## Restoring and Transforming Multilateralism: Role of South-South Cooperation



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Given the lack of international cooperation witnessed during the COVID-19 pandemic, a growing number of actors are questioning the state of multilateral order and warning of the implications of a ‘crisis of multilateralism’. This has been quite evident as countries such as South Africa and India have raised their voices and taken diplomatic efforts against vaccine nationalism and efforts to block a waiver of certain sections of the TRIPS Agreement at the World Trade Organisation (WTO) by mostly countries of the Global North. This has exposed a real weakness in the multilateralism system, that even during a pandemic, countries and corporations have favoured narrow nation interests and profits over the collective good. The broader effect of this lack of cooperation has been to serve immediate interests of some countries of the Global North, but to the detriment of the collective interests of the global population. Indeed, the short sighted strategies of countries and corporations in the Global North have fostered the conditions for more variants of COVID-19 to emerge, which invariably come back to hurt countries and populations in the Global North. The experiences of COVID-19 point out towards the deviations between what multilateral institutions and their agencies were created for, and the practices at play.

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As countries in the Global North have deviated from the principles of multilateralism, the conversation has also focused on the potential demise of the Western-dominated order, with leaders and foreign policy establishments in the West growing increasingly anxious about the future and potential role of non-Western countries in shaping the future of multilateralism. Instead of seeking to prevent the rise of Southern powers, as has been seen in the efforts of the United States to contain the rise of China, it will arguably become more important to seek to build bridges that create greater mutual understanding of the reformist agenda of Southern countries within multilateral institutions and agencies.

Southern powers have called into question various practices in the multilateral order and their utility in advancing an inclusive development agenda within a stable international order. While traditional donors and powers in the Global North have often sought to project their development cooperation as advancing the interests of recipients, it is often recipients themselves that have argued that the practices of donors work against their interests and erode valuable policy space due to the various conditionalities. This brings to mind important questions about reciprocity in international cooperation and the key drivers of cooperation in the international system.

Robert Keohane (1986) defines 'diffuse reciprocity', as a cultural norm within a community where one commits and does things with and for others without demanding or expecting an immediate payback or

return, knowing that it will be done later and that all will be better off in the long run as a result. 'Diffuse reciprocity' is thus an attitude, a willingness to give without demanding a precise accounting of equivalent benefits for each action. 'Specific reciprocity', on the other hand, is described as an exchange mechanism based on immediate equivalence of values in a strictly delimited sequence. Going back to the example of the COVID-19 pandemic, one could argue that Southern countries such as South Africa and India, who are calling for a TRIPS Waiver are calling for a diffuse reciprocity approach in tackling the pandemic in efforts to ensure that all are able to benefit in a more equitable manner that brings long term returns. On the other hand, countries in the North have, more often than not, followed a model of specific reciprocity, focusing on short term gains, which has negative repercussions for all as profits and narrow national interests are privileged.

South-South cooperation, with its set of non-negotiable principles, has bound much of the global South in relationships of diffuse reciprocity. However, many countries beyond the South are getting more and more engaged in practices that can be characterised as specific reciprocity, leading to increasing inequality and slowing global economic growth amidst rising indebtedness and unemployment. The world is now witnessing a rising lack of trust among the nations, often justifying a shift to strong nationalist strategies that shun cooperation. The spread of global pandemic and rising concerns about the prospect of an irreversible threat of climate change are the immediate threats to humanity.

Recourse to nationalism would only contribute to such possibilities further since it would diminish any prospects of enhanced international cooperation to a challenge affecting all of humanity.

What has been particularly alarming in recent times is how countries that played an integral role in conceptualising and establishing the multilateral order are shunning many of its key prescripts and embracing elements that hark back to economic nationalism. The following article seeks to address the role of SSC in enhancing the strength of diffuse reciprocity in order to tackle the various emerging global threats to multilateral cooperation. It is particularly focused on whether SSC can lead to a restoration and transformation of multilateralism given its strong experience of practicing diffuse reciprocity for more than half a century. Indeed, it is quite important, given that a world starkly divided into those exercising specific reciprocity and those exercising diffuse reciprocity would not bode well for the development prospects of many developing countries. With this in mind, and in the midst of a pandemic, it is ever more important to assess what role South-South cooperation can play in re-establishing the centrality of multilateralism and international cooperation.

## **Towards a More Fragmented Global Order: Assessing the Role of the Global South**

While many agree that the multilateral order is under great strain, it is unclear whether the world is moving towards a more fragmented order or whether countries in the Global South working

with counterparts in the Global North can assist in building greater resilience and cooperation within multilateral institutions. In building resilience within these structures, it will also be necessary to proactively bring in new ideas on reform measures, which is needed to ensure that these institutions remain central areas of engagement in the world. This is made even more important given the unilateral initiatives and actions by the United States (US) and some of its European allies, particularly towards China and Russia. An inclusive reform oriented process involving all the relevant stakeholders will be important in order to ensure that the multilateral order does not disintegrate and usher in a more fragmented global order with a growing trend towards the pursuit of narrow national interests rather than longer term development objectives that work in the interests of the collective. Indeed one of the key drivers of South-South cooperation has been the importance of countering the urge towards a zero-sum game in international relations, one which many countries in the global South have been at the receiving end of.

While countries of the Global North have been generally expected to dedicate a greater portion of their resources towards development cooperation, countries in the Global South have not been expected to do so and yet have continued to grow their footprints as sources of development cooperation. They have also continued to be of great importance to shaping many of the key modalities of cooperation in various multilateral fora. They have done this by either establishing or reforming their own

development cooperation architecture, which comes with various modalities such as extending concessional finance, training counterparts in the developing world to build up their self-reliance and state capacity, and through various other forms of cooperation including volunteer programmes in the developing world. Indeed countries of the South are no longer only playing an important normative role in advancing the principles of South-South cooperation, but have also established various new development finance institutions such as the various export and import banks, and through structures such as the BRICS New Development Bank. These new and reformed structures give Southern countries an opportunity to not only call for a diffuse reciprocity model of cooperation, but to demonstrate its benefits in a practical manner.

In the past the US and European countries have largely dominated multilateral institutions, however in future, they will have to become more accommodating in accepting the views and practices of non-Western countries such as the member states in the Global South. Multilateral institutions will, thus, have to ensure they are able to accommodate the co-existence of a whole range of schools of thought instead of a consensus enforced through the economic and military power of a hegemonic power. Indeed while some practitioners and scholars from the global North have argued that heterogeneity is a weakness in South-South Cooperation, it is arguable that the opposite is true. Heterogeneity has been an important strength of South-South Cooperation, with countries not having

strong impulses to impose a particular modality of cooperation as long as it is aligned to the key tenets and principles of South-South Cooperation. Rather than a one size fits all model, multilateralism in a multipolar world will thus see some countries having greater policy space in their own regions while maintaining mutual relations with the rest of the world. This will be important in order to avoid a fragmented global order characterized by a zero-sum game. What will be an important pillar is the idea of mutual respect for countries to choose their own paths. However, multipolarity may not necessarily guarantee practices of diffuse reciprocity within institutions of global governance.

### **Will Multipolarity Favour Practices of Specific Reciprocity or Diffuse Reciprocity?**

Following the fall of the Soviet Union, the US emerged as the sole superpower in global politics, ending years of bipolarity in the global political and economic system (Krauthammer, 1990). However, much has since occurred to dispel the notion that unipolarity would be the dominant post-Cold War configuration of global order. Indeed the rise of Southern powers has gradually ushered in an increasingly multipolar world order that requires new thinking, global governance reforms, and new institutions to solve the most pressing problems of the day. The role of Southern powers in their respective regions and on the global stage can already be felt in various areas of the global political economy, with some of them even surpassing the economic size and military prowess of Northern counterparts such as France

and the United Kingdom (Mthembu, 2018).

Due to the increasing number of actors within and outside of the state centric system all applying different types of pressure, the exercise of global governance will increasingly have to factor in the inclusion of non-traditional actors in problem solving. This is crucial not only because of the growing issue of lack of skill set needed in areas in international relations that state actors are not always in possession of, but also because they bring in greater legitimacy and a diversity of voices and options in resolving tensions in the multilateral system. Attempts to not only involve more state actors, but to also create spaces for think tanks and the research they produce have become more evident in recent years. The business community and various civil society stakeholders have also increasingly been granted the space to engage with policy makers on the sidelines of major international summits. This has been evident under the cooperation mechanism created by the BRICS grouping (Mthembu, 2019).

Using their growing economic clout individually and as a collective, Southern powers have thus been able to push for gradual reforms to the existing global institutions while also applying pressure in the form of creating new structures such as the New Development Bank of the BRICS, the Asian Infrastructure and Investment Bank (AIIB) led by China, the Shanghai Cooperation Organisation (SCO), and the IBSA, which all exert pressure on the various reform processes while championing key principles of South-South cooperation (Mthembu, 2019).

Southern powers, along with calling for reforms to existing multilateral institutions and establishing new ones, are also faced with the arduous task of building bridges and indentifying countries in the global South and North that are receptive to the notion of incorporating new actors and ideas into existing structures. This will help in building greater resilience and usher in an era of greater cooperation, especially pertinent in the wake of the cooperation failures seen prior to and during the COVID-19 pandemic.

## **Future of South-South Cooperation**

It should not come as a surprise once again to observe a growing interest in South-South cooperation in contemporary global politics as leading countries of the developing world reignite the tradition under vastly different and more favourable conditions. Previously, one could argue that these countries possessed very little material resources at their disposal to impact the international system and realise their ideas, they can today apply a lot more resources towards their ideas.

The central tenets of SSC are self-reliance among developing countries, most of which have been subjected to colonialism and other means of foreign domination. As an idea and principle, it is multifaceted and strongly informed by the notion of developing the South through equitable access to trade, investment and technology within a multilateral institutional framework.<sup>1</sup> Developing countries have consistently argued that they have limited policy



<b>Key Goals of South-South Cooperation</b>
1. To take advantage of existing complementarities within developing countries by developing direct cooperation and eliminating intermediaries from the North
2. To create new complementarities and interdependence through coordination of development planning and achieving better scale economies
3. To introduce some of the major principles of the New International Economic Order (for example, mutual benefit and solidarity) into transactions among developing countries' cooperation partners
4. To strengthen the bargaining positions of the South vis-à-vis the North through selective delinking and greater collective self-reliance

space when it comes to issues such as trade and development, and consistently made efforts to increase their policy space and have a relative autonomy over decision making and the use of indigenous resources. The Harare Summit (1986) of the NAM<sup>2</sup> expressed the key goals of SSC as follows:<sup>3</sup>

Operating under vastly favourable conditions, leading countries from the global South find themselves in a position where they have made progress in achieving many of the key tenets of South-South Cooperation. They have thus been able to build up their individual and collective capacity and agency in international relations, shaping normative and operational modalities of international cooperation through the growing development cooperation and through existing and new structures of global governance. In order to continue and give greater momentum to their efforts to transform multilateral structures, leading countries of the global South will have to ensure that instead of acting only in their individual capacity, they put emphasis on bringing along their various regions

and their cooperation structures. This will build greater resilience and ensure that the ideals of South-South cooperation have a greater opportunity to shape international practices. This may create the conditions for more diffuse reciprocity given that the key tenets of diffuse reciprocity would be well established in the various regional cooperation settings. Southern powers will also have to ensure that triangular cooperation programmes and projects are implemented in keeping in view the key tenets of South-South Cooperation.

### Endnotes

- <sup>1</sup> G77, Joint Declaration of the Seventy Seven Developing Countries made at the Conclusion of the United Nations Conference on Trade and Development, Geneva, June 15, 1964
- <sup>2</sup> Political Declaration of the 8<sup>th</sup> Summit Conference of Heads of State or Government of the Non-Aligned Movement, Harare, Zimbabwe, 1-6 September 1986
- <sup>3</sup> Research Centre for Cooperation with Developing Countries (RCCDC), Challenges and Prospects of South-South Cooperation: Synthesis Study, Ljubljana and Harare, RCCDC and Zimbabwe Institute of Development Studies, 1987

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## INDIA-US STRATEGIC PARTNERSHIP DISCUSSIONS HELD IN WASHINGTON

India-US 2+2 Intersessional Dialogue was held in Washington on September 1, 2021. Indian and US defence and foreign ministry officials met to discuss development in South Asia and the Indo-Pacific and discussed ways to enhance cooperation in counter-terrorism and maritime security. "They also considered possibility of enhancing collaboration in areas of counterterrorism, HADR (Humanitarian Assistance and Disaster Relief) and maritime security," the external affairs ministry (India) said in a statement.

Various aspects of India-US strategic partnership were considered and deliberated upon, including defence, global public health, economic and commercial cooperation, science and technology, clean energy and climate finance, and people-to-people ties. Opportunities for increasing cooperation in the above mentioned fields based on mutual interests, and a possible collaboration in contemporary areas such as space, cyber security and emerging technologies were explored.

India was represented by Vani Rao, Joint Secretary (Americas), Ministry of External Affairs and Somnath Ghosh, Joint Secretary (International Cooperation), Ministry of Defence; and the US delegation was led by Ely Ratner, Assistant Secretary, Defence for Indo-Pacific affairs and Ervin Massinga, Principal Deputy Assistant Secretary, State for South and Central Asian Affairs, State Department in the bilateral 2+2 intersessional meeting of officials.

Source: Ministry of External Affairs, GOI. (2021, September 2). India-US 2+2 Intersessional Dialogue [Press Release]. Available at <https://mea.gov.in/press-releases.htm?dtl/34211/IndiaUS+22+Intersessional+Dialogue>