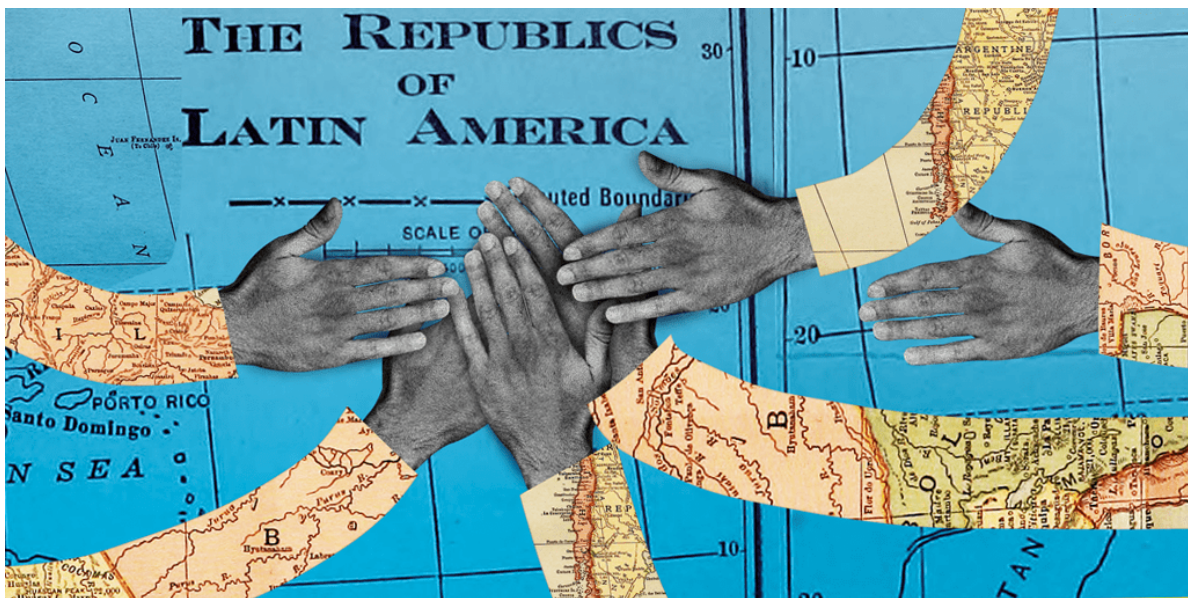


CRISIS IN DEVELOPMENT COOPERATION: RISKS AND OPPORTUNITIES

International cooperation in the unequal neoliberal global system

A historical-critical analysis from the South

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The United Nations Day for South-South Cooperation (SSC) was celebrated on 12 September. The event, which was first commemorated on 19 December 2004 and since 2011 has been moved to the current date, is one of the events held to reiterate the revisionist history of SSC as technical cooperation, associated with the so-called spirit of Buenos Aires: the Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries, which was approved on 12 September 1978 at the United Nations Conference organised by the UNDP Special Unit for Technical Cooperation among Developing Countries, hosted by the genocidal Argentine dictatorship.

Two competing development and cooperation strategies

In addition to this revisionist legacy, the United Nations, through the United Nations Office for South-South Cooperation created in 2013 and heir to the UNDP Special Unit dating

back to 1974, is currently attempting to offer an inclusive narrative of SSC which is in reality a transformist discourse which seeks to evade and/or overcome three perfectly evident realities when applying historical and international political economy analysis with a critical approach to the international aid/cooperation regime:

1) that the history of SSC has its origins in anti-colonial struggles dating back to the inter-war period, which after World War II demanded political and economic self-determination (based on the Maoist concept of self-reliance) on the basis of a new, fairer and more balanced international economic order;

2) that SSC—in terms of strategies, financial resources and results— transcends technical cooperation and was, since the Bandung Afro-Asian Conference (1955), an attempt to build bridges of economic and political cooperation between the countries of the region in order to change the international rules of trade, development financing and technology transfer, which were designed to defend the interests of the core capitalist countries that blocked demands for economic development (as structural change domestically, and as economic convergence internationally) from the so-called first underdeveloped countries and then, in a Myrdalian exercise in diplomacy through the use of terminology, developing countries;

3) that the US (with the help of the other members of the OECD's Development Assistance Committee) is currently engaged in a dispute with China in which not only two conceptions of SSC (which I have elsewhere called subaltern and autonomous, respectively), but also two conceptions of international development cooperation, are at odds with each other [1].

DAC 'donors' promote subaltern SSC limited to technical cooperation and disciplined through triangular cooperation (as the central tenet of the spirit of Buenos Aires) and a development agenda with a human face (human development) and a green face (sustainable development), based on the conceptions of the methodological individualism of neoclassical economics and its neoliberal translations of public policy which glorify the market and denigrate the state. According to these conceptions, the unit of analysis and action is individuals (leaving *no one* behind) and companies (it is precisely from this corporate approach to ecological modernisation that the notion of the triple economic, social and environmental sustainability of the 2030 Agenda stems). Meanwhile, China promotes an autonomous SSC with the declared objective of development as industrialisation (structural change) and as convergence to achieve moderate levels of welfare and prosperity (no one in China is considering convergence with the per capita income, or indeed the unsustainable levels of CO2 emissions per capita, of the US), with a strategy in which the developmental state governs the market.

The United Nations is attempting to offer an inclusive narrative of South-South Cooperation which is a transformist discourse to evade the critical approach to the international aid and cooperation regime

Within the academic aid industry, a section of “critics” of Chinese and other emerging donors/providers has been formed. These analysts seek to attribute to China the set of ills that historically characterised the DAC aid regime, which were perfectly identifiable at the time [2]—aid in exchange for geopolitical alignments and tied aid that created debt traps—but conveniently forgotten thanks to the presentism of the dominant problem-solving approach that considers the DAC a current paragon of good cooperation practices. In convergence, post-developmental meta-narratives advocate for developing countries (as a surreptitious academic export from the North) supposedly emancipatory alternative discourses to development that romanticise the past and design a National Geographic future for the most vulnerable countries and people. With all this in mind, it is worth specifying why autonomous SSC is an opportunity to achieve the moderate levels of well-being and prosperity that China has already achieved, as opposed to the dependent or sluggish development promoted by the usual suspects of the DAC and its institutional and academic environment. Historical-critical analysis is fundamental to this task.

The true and sad history of South-South Cooperation

SSC originated at the Bandung Afro-Asian Conference (1955), but the two Bandung blocs took shape from a process (the true prehistory of SSC) that began in 1927 with the 1st International Congress against Colonial Oppression and Imperialism in Brussels, and continued with the 5th Pan-African Congress in Manchester (1945), the New Delhi Asian Relations Conference (1947), the India-China Summit on Tibet which resulted in the Five Principles of Peaceful Coexistence laid down by Zhou Enlai in 1953, as well as the Five Nations Conference (India, Pakistan, Ceylon, Burma and Indonesia) in 1954, where it was finally decided to convene the Asian and African leaders’ conference for the following year.

From this point onwards, and after the international tensions behind the scenes of the Cold War due to the Sino-Soviet split, SSC was promoted by the two main organisations that played a leading role in the international actions of the countries of the region, redefined in the 1970s as the Third World and in the following decades as the countries of the South: the direct geopolitical actions promoted by the Non-Aligned Movement, a genuine countervailing power against the developed capitalist countries of the OECD; and the indirect or geo-economic negotiation actions carried out by the G77 within UNCTAD, which later tried to overturn the G7, which was created specifically for this purpose.

Both Third World organisations converged in the 1970s in the push for economic cooperation between developing countries as a means to achieve collective self-sufficiency, and it was at that time that some think tanks promoting other or alternative development began to use the term “South-South cooperation”. In 1980, Fidel Castro himself also spoke of “insufficient South-South cooperation” in his opening speech to the Second Congress of Third World Economists [3]. Economic cooperation was the term that described the concept of SSC before this new slogan came into circulation in the 1980s, in the face of the failure of the New International Economic Order (NIEO) agenda, the abrupt ending of the North-South Dialogue and the subsequent paralysis of the Global Negotiations returned to the UN framework *sine die*.

Thus, the Non-Aligned Movement, which initially envisaged direct geopolitical action, ended up supporting the objectives of geo-economic cooperation pursued by the G77 through negotiations at UNCTAD. However, in turn, Cuba's integration into the G77 in 1971 and, above all, China's incorporation into the United Nations in 1971 and into Group A (Afro-Asian regional bloc) of UNCTAD III in 1972 made the G77 the collective bargaining body of the NIEO in the UN system; but it also became part of the International Monetary Fund (Group of 24) and the World Bank, and of the Paris Conference on International Economic Cooperation (1975-1977), known as the North-South Dialogue (Group of 19), and its devalued version in Cancun 1981, which, unlike the former, was attended by China, following the re-establishment of diplomatic relations with the United States in 1979.

In the meantime, the G77 Committee on Economic Cooperation among Developing Countries organised, outside the UN framework, the High-Level Conferences on Economic Cooperation among Developing Countries in Mexico (1976) and Caracas (1980); and the Fourth Ministerial Meeting of the G77 adopted in 1979 the Arusha Programme for Collective Self-Reliance and Framework for Negotiations, which China retrospectively viewed as the beginning of "a new era of South-South cooperation" [4]. In Caracas, an ambitious Programme of Action was adopted in the areas of trade, technology, food and agriculture, energy, raw materials, finance, industrialisation and technical cooperation; in terms of finance, the Programme of Action took up the proposal for the creation of the Bank for Developing Countries, which had been launched in Mexico and ratified in Arusha, as well as the establishment of inter-regional and regional commercial development banks and an Export Credit Insurance Facility.

The failure of the Cancún Conference on International Economic Cooperation in 1981 and the blocking of the Global Negotiations by the United States (which sought to make them conditional on the prior filtering of IMF, World Bank and GATT recommendations) combined to rapidly change economic cooperation among developing countries from being considered the main strategy to implement the NIEO to a second-best option. The literature that began to use the term SSC made this point very clear [5].

This South-South economic cooperation was no longer so much the collective self-sufficiency movement aspired to by some theorists for the disconnection of the Third World from the international capitalist economy (especially Samir Amin), but rather an attempt to create an autonomous force for economic growth, in which the key players would be China and India, accompanied by others such as Brazil, Nigeria, Mexico, the Philippines, Thailand and South Korea [6].

During the 1980s and 1990s, economic South-South cooperation encountered numerous obstacles: the relative economic weakness of China and India, the frontal opposition of the United States and the G7, the colonial heritage that had led to the consolidation of a centre-periphery international division of labour and the lack of

communication and financing infrastructures to promote South-South trade

During the 1980s and 1990s, economic SSC—although it resisted being domesticated for political neutralisation as UNDP-promoted technical cooperation among developing countries under the control of developed countries—encountered numerous obstacles. In addition to the relative economic weakness of China and India at the beginning of this period, three institutional elements contributed to the fragility of South-South economic cooperation. The first was the frontal opposition of the United States and the G7 countries to autonomous SSC; some neoliberal think tanks, such as the Heritage Foundation, proposed marginalising UNCTAD, which was seen as an instrument at the service of the G77. In 1996, the G7 discussed the dismantling of UNCTAD and the United Nations Industrial Development Organisation (UNIDO) and questioned the very relevance of the regional economic commissions, particularly ECLAC. The second obstacle was the colonial heritage that had led to the consolidation of a centre-periphery international division of labour and the consequent technological gap sustained in the international monetary, financial, trade and aid regimes that systematically benefited the countries of the North and their transnational corporations. Finally, the third obstacle was the lack of communication and financing infrastructures to promote South-South trade, which recommended starting to intensify SSC through regional cooperation and, in particular, financial cooperation for the joint renegotiation of foreign debt, the harmonisation of legislation on foreign direct investment and the operations of transnationals, and the coordination of programmes for receiving international aid.

Taking South-South cooperation and its financial DNA seriously

Of course, financial cooperation also required the creation of the Bank of the South, an idea that the G77 Economic Cooperation Committee tried to keep alive after Cancún, based on a design in which the new institution would be allocated an initial capital of USD 20 billion, focusing on the needs of the least developed countries. China enthusiastically supported the idea, once it accepted the term South to the detriment of the Third World after 1981, although it continued to link SSC to the vision of the NIEO. This was the official position at the 1st South-South Conference in Beijing, which took place under the auspices of the Chinese Academy of Social Sciences in 1983. The conclusions of the Conference recalled the high priority of creating a Bank of the Developing World to finance commodity stabilisation programmes, natural resource extraction projects, export diversification efforts and reserve insurance schemes. However, the Third World Bank, as it also came to be known, was aborted when, shortly afterwards, Saudi Arabia expressed its opposition to contributing capital to the project, and behind it 106 other G77 countries put their membership on hold. The idea was put back on the agenda by the South Commission, which emerged from the Second South-South Conference in Kuala Lumpur (1986) and produced its final report in 1990. Although it was a long-term project that had to be examined on the

basis of a realistic assessment, the Bank of the South had become an imperative necessity. This explains the coherence of President Hugo Chávez when, at the 15th Summit of the G15 (an offshoot of the existential crisis of the Non-Aligned Movement after the fall of the Berlin Wall) in 2001, he recalled the importance of the Report of the South Commission and some of its recommendations, in particular the creation of the Bank of the South.

The rest of the history of autonomous SSC is already more widely known. The G77 Economic Cooperation Committee continued to hold annual meetings until 1988, which were spaced out thereafter (1993, 1996 and 2001). It organised the last High Level Conference on Economic Cooperation in Bali (1998) and, from 2000, adopted the terminology of Southern Conferences (Havana 2000 and Doha 2005) with a new High Level Conference on SSC (Marrakesh 2003) in between, in a context where the resurgence of SSC was driven by China in a geo-economic key until the launch in 2013 of the One Belt One Road project reintroduced the geopolitical component. It was from this resurgence of autonomous SSC, with China as the main actor promoting cooperation, that developed countries began to take SSC seriously once again and proceeded to downplay it as technical cooperation through triangular cooperation, appealing to the spirit of Buenos Aires. That is why, after the G77 called for the convenience of organising an International Conference on SSC in 1994 (which the UN General Assembly approved to be held in 1996, twenty years after the Mexico Conference), it took fifteen years to give the go-ahead for Nairobi 2009 and then they prepared for its innocuous (and totally contrary to the spirit of autonomous SSC) re-edition as BAPA+40 in Buenos Aires 2019.

The latest frontier of the ‘critics’ of South-South cooperation is to attribute to China’s international relations and cooperation what the US was once criticised for: China would be becoming a new imperial centre and the driving force behind a Beijing Consensus, heir to the Washington Consensus

This time, however, attempts to neutralise the Global South through the UN failed due to the high priority given to SSC by China and other countries such as India, Iran, Venezuela and Cuba. In fact, after the outbreak of the international financial crisis, the UN General Assembly approved in December 2008 (resolution 62/224) to take up ‘the principles set out in the Declaration on the Establishment of a New International Economic Order and the Programme of Action on the Establishment of the New International Economic Order’; in 2009 he initiated cooperation among the BRICS members; and in 2013 Xi Jinping announced the creation of the Asian Infrastructure Investment Bank and the Silk Road Fund for financing the Belt and Road Initiative, which would become operational three years later along with the BRICS New Development Bank. In 2014, Xi Jinping announced at the 60th Anniversary Conference of the Five Principles of Peaceful Coexistence that China was already actively involved in building the contemporary international system and cited the New Silk Road as an example of the willingness to intensify South-South cooperation.

This is how the prediction of Moroccan economist Mahdi Elmandjra [7] at the dawn of SSC (“the North will take the South seriously... when the South takes itself seriously”) came true thanks to China.

‘Move over, it’s my turn now’: a *coda* for sceptics

The latest frontier of the ‘critics’ of the academic aid industry in the face of the unstoppable advance of China-led SSC and the regressive isomorphism of the DAC in its existential climacteric is to attribute to the nature of the People’s Republic’s international relations and cooperation what the US was once criticised for: China, which was supposed to be a capitalist country, would be becoming a new imperial centre and the driving force behind a Beijing Consensus, heir to the Washington Consensus. However, this projection of reverse ethnocentrism could be a mistaken one once again with China, since the new power—based on market socialism and centralised state planning—this time seeks to challenge the international order not by trying to change it from within, as so many analysts believe, but by doing so from Beijing.

In this sense, the updating of the concept of *Tianxia*, which is part of an age-old tradition of Chinese governance characterised by harmony and cooperation without hegemony, based on maximising cooperation and minimising conflict, is a pertinent one. Against the backdrop of the New Silk Road and from the academic reaches of the Communist Party, this is envisaged as an ideal type of global system that includes all and belongs to all. It is about building a much more inclusive governance, which is what inspires China’s international policy, to create the conditions for the possibility of a new NIEO alternative to the unsustainable, lumpen development agenda of the neoliberal international order, heir to the liberal order that so many of those who lament its end prefer not to remember the destructive effects it has historically had on the countries of the South with the help of the international aid/cooperation regime.

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