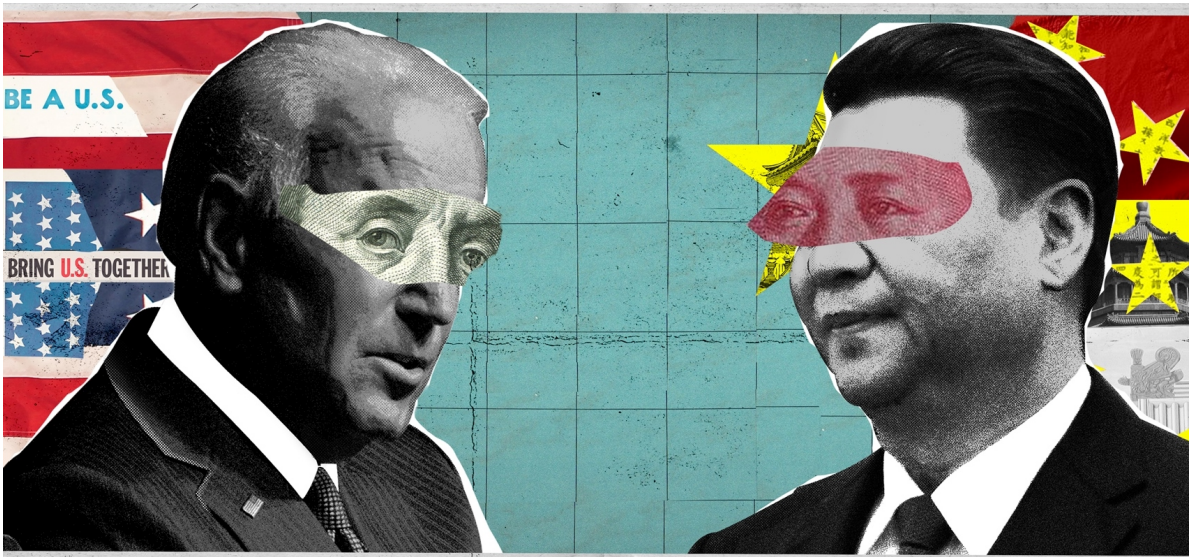


THE DEVELOPMENT COOPERATION SYSTEM BEFORE A CHANGING WORLD ORDER AND THE
GLOBAL CHALLENGES

Transformations in the world order and their impact on the evolution of development cooperation

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The post-war world and the origins of International Development Cooperation

The concept of International Development Cooperation (IDC) arose from the ashes of the Second World War. The configuration of a blossoming new world order, in which the United States and the Soviet Union emerged as the victorious powers, generated a new dynamic in international relations and forced traditional European powers to take the back seat. A new geopolitical chessboard was unfolding around the American and Soviet aspirations as to the world that needed to be built, in which international cooperation would play a crucial role.

At the heart of the American-Soviet rivalry were their differing ideologies, which they also used to justify their particular vision of what development and aid should look like. In this context, Official Development Assistance (ODA), which would eventually drive the broader

concept of International Development Cooperation, became an established international practice because the victorious powers needed to win allies, establish areas of influence and obtain political and economic advantages in the new bipolar order.

The Marshall Plan for the reconstruction of Europe was a precedent to some of the war-torn countries that signed up to the Organisation for European Economic Co-operation (OEEC) –the forerunner of the Organisation for Economic Co-operation and Development (OECD)–. The OEEC was a mechanism to discuss how to use the financial support offered by the United States for the post-war reconstruction. A couple of years later, in 1962, the Development Assistance Committee (DAC) was established as a mechanism for persuading economically advanced countries to provide development assistance.

After the Second World War, International Development Cooperation became an established international practice because the victorious powers needed to win allies and establish areas of influence in the new bipolar order

Faced with the US initiative to provide aid to Western European countries, the Soviet Union launched its own development aid programme for the countries in its area of influence. The initiative, known as the Molotov Plan, was carried out through a series of bilateral treaties and the establishment of the Information Bureau of the Communist and Workers' Parties (the Cominform), with the primary intention of establishing a common policy among the Communist Parties in Eastern Europe, exchanging information and experiences and coordinating mutual aid activities. However, in practice, the Soviet Union used the body as an instrument to combat the Western challenge embodied in the Truman doctrine and the Marshall Plan. By 1949, the Council for Mutual Economic Assistance (COMECON) had been established as the institutional means to support this cooperation.

Beyond the bipolar world: new actors and new dynamics of international cooperation

By the 1960s, International Development Cooperation was already well-established as an international norm. Slowly but surely, it ceased to be the exclusive domain of rich countries, and under the auspices of the United Nations, other actors signed up to the new dynamics of cooperation. These dynamics prompted the construction of a multilateral scenario beyond the limitations associated with bilateral assistance.

At the beginning of the decade, two simultaneous processes created a favourable scenario for the expansion of International Development Cooperation. On the one hand, the funding of the European reconstruction process enabled some countries to recover rapidly and get back to a place where they could provide development assistance; on the other hand, a plethora of countries had just become independent as a result of the decolonisation

processes. Gradually, these developments led to the formation of three different worlds in the collective consciousness. The first world comprised the developed capitalist countries clustered around the OECD; the second world contained countries with planned economies who convened at the Council for Mutual Economic Assistance, and the third world was made up of developing countries with both market and planned economies, predominantly those in the Group of 77. Gradually, the idea that the first two groups of countries should collaborate, through assistance, financial support and trade preferences, with the development of the so-called Third World countries, became the established rule of thumb.

The 1950s also saw the emergence, establishment and popularization of a paradigmatically different International Development Cooperation, based on the principle of mutual aid, under a horizontal cooperation scheme. The Bandung Conference in 1955, in which twenty-nine countries from Asia and Africa participated, represented an important milestone in the creation of the non-aligned countries movement, echoing a collective voice for the South. The objectives put forward by the conference were to promote Afro-Asian economic and cultural cooperation and oppose the colonialism or neocolonialism of any nation.

The 1950s also saw the emergence of an horizontal cooperation scheme, based on the principle of mutual aid: the Bandung Conference laid the foundations for South-South cooperation

The conference ended with a call to increase technical and cultural cooperation between Africa and Asia, establishing a fund for economic development administered by the United Nations. Beyond the political posturing of the countries participating in the conference, the meeting laid the foundations for South-South cooperation, and they remain in force to this day. 1978 was a crucial year in this process because a dedicated South-South cooperation unit was established within the United Nations development programme. Since then, South-South cooperation has been playing a vital role in the International Development Cooperation regime.

The end of the Cold War and the realignment of International Development Cooperation

By the 1980s, the level of aid being extended by donor countries began to shrink as they realised that poverty continued to be an inescapable reality despite the substantial donations and transfers made. At the same time, people began to question the mechanisms that, up until then, had served as models for promoting development, and the recipient countries began to voice strong objections to the aid programmes, which they considered to be overly welfare-orientated. In addition, the terrible economic debts raised profound questions about the foundations of the proposed formula for development and the International Development Cooperation regime on which it was based.

In another turn of events, the abrupt collapse of the Soviet Union brought an end to the Cold War geopolitical dispute. This made International Development Cooperation less attractive in some international political circles because it was no longer viewed as a tool they could use to rally support for a specific model of political and economic development. Under the illusion of the triumph of political liberalism and the founding of a world order where the United States established itself as the undisputed hegemon, International Development Cooperation underwent a process of reconfiguration.

Without the geopolitical rivalry of the two great superpowers, new, perhaps less ideological ways of understanding cooperation and development appeared. At the beginning of the new century, eight Millennium Development Goals (MDGs) and twenty quantifiable targets were established. These goals were derived from the agreements adopted in the previous decade, within the framework of different summits and conferences organised by the United Nations. Taken as a whole, they were intended to eradicate extreme poverty and hunger; achieve universal primary education; promote gender equality and empower women; reduce infant mortality; improve maternal health; combat diseases such as HIV/AIDS and malaria; guarantee environmental sustainability and foster a global partnership for development. The MDGs were, in turn, the precedent of the current dominant paradigmatic vision for development cooperation goals and mechanisms, the Sustainable Development Goals (SDGs), which were adopted in September 2015.

This context allowed the vision of international cooperation upheld by the main group of donor countries, grouped around the Development Assistance Committee, to be transformed into a new understanding of aid that culminated in the Paris Declaration in 2005. The demand for more effective development financing began to resonate with increasing force, prompting traditional donors to commit to increasing transparency in the use of development resources. The idea of aid effectiveness began to gain traction. Thus, concepts such as conditionality were adopted, which considers that aid is provided to the extent that certain conditions designed to increase capacities and establish institutional frameworks that support better governance are met.

At the end of the Cold War, without the geopolitical rivalry of the two great superpowers, new less ideological ways of understanding cooperation and development appeared. At the same time, new actors started to get involved

At the same time, the period saw involvement from new actors that would generate a new dynamic for International Development Cooperation. In 1987, the Brazilian government founded its international cooperation agency, the Brazilian Cooperation Agency. In 1990, Chile did the same by establishing its own International Cooperation Agency. By 1996, Colombia had founded the Colombian Agency for International Cooperation. Cuba had already promoted South-South Cooperation activities through its Cuba Coopera programme, which initiated medical cooperation, public health and disaster response

projects in the region. These agencies and programmes have clearly established identities and priorities, determining South-South cooperation, horizontal cooperation, the promotion of regional exchange and the link between regional exchange and integral development as one of their axes of action. In other words, they present an alternative vision to the ideas of development cooperation proffered by the dominant actors in the International Development Cooperation regime.

The rise of the BRICS and challenges for traditional donors

The emergence of the BRICS (Brazil, Russia, India, China, and South Africa) represented a paradigmatic challenge to the traditional International Development Cooperation regime. This group of countries, despite their enormous differences and rivalries, shared an interest in being recognised as regional or world powers.

The first formal meeting of BRICS foreign ministers was held in Yekaterinburg, Russia, in 2008. The fact that these countries were presented as emerging economies with a growing presence on the international scene led to the development of their own cooperation activities, which sought to reflect a new world reality shaped by their increasing economic weight. During the first decade of the twenty-first century, the growth rate of this group of countries, the significant increase in their contribution to global GDP and their increasing presence in international trade, foreign direct investment (FDI) and international financial flows allowed them to position themselves at the forefront of the transition towards a more multipolar international order, in search of new world balances.

The presence of these actors represented a significant challenge to traditional donors, not only in terms of the resource flows they granted but also because of how they conceptualised development and the mechanisms they used to consolidate it. Their emergence or resurgence led to further fragmentation of the International Development Cooperation regime, a decrease in aid effectiveness, a depletion of the development ideas reflected in the Washington Consensus, and a weakening of the conventional structures of the Development Assistance Committee (DAC).

However, despite this group of 'non-traditional' donor countries offering their partners a range of new development funding options, overall, the contributions provided are still low compared to the traditional donors. Nonetheless, their presence challenged the power and status of the Development Assistance Committee member countries. In addition, they ensured the visibility of their financial support by channelling a large part of it to infrastructure works and the construction of high-profile buildings like stadiums and hospitals. Moreover, the aid provided was theoretically free from political conditionalities, although it frequently came with the proviso that contractors, companies and goods from the donor countries should be used to carry out the work.

The increasing flow of development resources from non-traditional actors has been perceived with suspicion by traditional donors. For some members of the Development Assistance Committee, the narrative around cooperation used by them in international

forums is nothing more than an ideological evasion of their responsibilities. For their part, some of the non-traditional actors accuse the Development Assistance Committee countries of not taking the South-South cooperation paradigm seriously, which impedes true dialogue between the two different cooperation models and realities.

The emergence of the BRICS represented a paradigmatic challenge to the traditional donors and led to further fragmentation of the International Development Cooperation regime

One example of how these new donors have challenged traditional cooperation models is the establishment of the New Development Bank. The institution was an idea initially put forward by the government of India in 2012. After two years of negotiations, it was finally brought to fruition at the BRICS summit in Fortaleza, Brazil, by which time they were widely accepted as the most influential group of developing nations in the world. The bank aimed to address developing nations' need for money to build the infrastructure they required to boost their economies. Beyond this purpose, the new institution sought to respond to a bold idea: to create a development bank that would challenge the global architecture of development financing established by advanced countries after World War II. However, the internal priorities and international agendas of each of the countries involved meant that the high levels of cooperation originally foreseen failed to materialise.

COVID 19, the new geopolitical rivalry between China and the United States and the return of International Development Cooperation to the geopolitical chessboard

On the 31st of December 2019, the Wuhan Municipal Health Commission informed the World Health Organisation that they had detected an outbreak of 27 pneumonia-like cases. At first, it was claimed that the outbreak originated in the Hua Nan fish and seafood market in the city of Wuhan. Later, the Chinese government would admit that the first case of a patient with Covid-19 was identified on the 17th of November and that the novel coronavirus infected at least 266 people in 2019. The new disease, named COVID-19, was declared a pandemic by the World Health Organisation on the 11th of March 2020. The emergence of this novel coronavirus would alter the lives of millions of people on the planet and escalate tensions between the United States and China, taking geopolitical rivalry far beyond anything seen in the previous decades. It goes without saying that International Development Cooperation is far from immune to these rivalries.

The emergence and spread of the new disease accelerated the tensions between the United States and China, which had already intensified since Donald Trump took over the presidency of the United States in 2016. The measures employed by the United States government to contain the advance of China, and the Chinese government's desire to play a

leading role on the international scene, once again saw International Development Cooperation being used as a strategic weapon in geopolitical disputes.

China's perspective on international development is based on the idea that any donation should simultaneously further its own development. The Chinese bureaucratic elite believes that International Development Cooperation cannot be separated from either FDI or foreign trade. Therefore, the Chinese development model promotes both donations and the signing of bilateral and regional free trade agreements equally, as well as the establishment of new financial institutions, such as the Asian Infrastructure Investment Bank. As a result, the International Development Cooperation deployed by the Chinese government seeks to position the country as a world power.

The most important part of this strategy is the Belt and Road Initiative, which, to date, includes 140 countries, all of which have signed a collaboration agreement within the framework of the initiative. The idea is to put multiple, primarily infrastructure-related projects, such as highways, railways, ports, hydroelectric plants and sports centres in Africa, Asia, Europe and Latin America, at the very centre of the Chinese geopolitical agenda, establishing economic and political links in this new phase of cooperation.

During the health crisis generated by the COVID-19 pandemic, China engaged in active diplomacy to distance itself from the stigma of being responsible for the emergence of the new virus. The multitude of cooperation actions it undertook included donating masks, medical equipment and mechanical respirators, sending medical missions to advise on the containment of the disease and facilitating access to vaccines developed by Chinese companies.

Multiple, primarily infrastructure-related projects in Africa, Asia, Europe and Latin America are at the centre of the Chinese geopolitical agenda, establishing economic and political links in a new phase of cooperation

For its part, the Democratic Party's return to the White House under the leadership of Joe Biden has seen the United States return to the path of multilateralism, intending to promote a vision of the world and development based on the principles of liberal democracy. In this sense, President Biden has sought to offer a comprehensive response to the challenge of China's rise, including re-committing to the Paris Agreement to combat climate change. The geopolitical chessboard is back on the table, and despite International Development Cooperation's noble intentions to eradicate poverty, reduce inequalities, achieve quality education and establish sustainable communities and cities, in the years to come, it will be just another pawn in the game.

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