

Developing from the South: South-South Cooperation in the Global Development Game

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What is South-South development cooperation?

- Cooperation between two countries in the South, emphasizing the transfer of knowledge, experience or technical capacity
 - Some project delivery takes place
 - Much major infrastructure work operates as commercial venture
- The countries most involved in South-South cooperation are Brazil, Chile, China, India, Mexico and South Africa
- Draws on first-hand practical experience in South
- Not a replacement for North-South development assistance



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Five Tentative Lessons From South-South Cooperation

1. Non-DAC development cooperation is not new
2. South-South Cooperation not as organized as DAC-member ODA
3. Development Cooperation provision is about interest advancement
4. Best practices and policies for development can be found in the South
5. Lessons on policy coherence for development may be in the South



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1. Non-DAC Development Cooperation is Not New

- China has been engaging in South-South Cooperation since early Mao years
- UNCTAD's 1978 Buenos Aires Plan of Action on South-South Cooperation
- Intra-South cooperation and collaboration part of message from CEPAL
- South-South cooperation is not necessarily about excluding the North
 - About mutual learning in two-way exchange, not giving and receiving

Estimated Development Cooperation Expenditures of Non-DAC Countries

Country	Assistance Volume
China	\$4,500 million (2008)
Saudi Arabia	\$2,000 million (2008)
India	\$1,000 million (2008)
South Africa	\$475 million (2006)
Brazil	\$437 million (2007)
UAE	\$249 million (2008)
Kuwait	\$159 million (2008)

ECOSOC valued 2006 South-South development work at \$9.5-\$12.1 billion



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2. South-South Cooperation is not as organized as DAC-member ODA

- Brazil and China unique for having large, well articulated development cooperation agencies
 - South Africa, Mexico and India planning agencies
- South-South cooperation often a small subset of activities run out of foreign ministry or treasury
- Often based in same directorates that coordinated incoming aid and technical cooperation
- Managerial capacity in DAC terms not always present
- Programming often responsive to requests, not suggested



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3. Development Cooperation provision interest driven

- Rhetoric behind South-South cooperation one of solidarity
- South-South cooperation is interest driven
 - Market/resource access
 - Regional security questions
 - Regional/international political support
 - Prestige of not being a 'poor developing country'
- Interest-based approach not a barrier to effective development programming
 - Rise of globalized view to national development that predicates national progress on advancement across the global South
- Attention to interests creates policy traction



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4. Best practices and policies can be found in the South

- Major emerging-market countries have made great strides in poverty reduction and human development
- South-South cooperation founded on domestic political realities making development the public policy priority
- Centers of applied expertise found in South
 - Agricultural, governance, health and social policy expertise and programs the result of decades of experimentation and success
 - Southern countries share climatic, geographic and governance conditions



5. Lessons on policy coherence for development may be in the South

- South-South cooperation grounded in political and economic factors
 - Development cooperation programming seen as extension and complement of national development strategies
- New economic geography is forming as South sees itself as a viable internal market
 - 20% World trade now South-South
 - South-South trade \$577 billion in 1995, \$2 trillion in 2007
 - China FDI in Africa \$0.49 (2003) to \$7.80 (2008)
- South-South groups multiplying
 - China-hosted summits, Latin America-Africa/Arab/Asia summits, IBSA, BRIC, SADC, SAARC, ASEAN, UNASUR, EU-pushed regions, etc.



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Implications for Doubling Aid

- AUSAID will encounter Southern-directed development programming
 - You have competition for access and influence
- Knowledge needed for success can be found in South
 - i.e., Conditional Cash Transfers, rural health programming, etc.
- Trilateral programming an important, but challenging option
 - Does not fit well into management/accountability frameworks of most DAC-member development agencies
 - Requires educating other Australian government bodies that competence, accountability, rectitude exists in the South
 - Branding issues will arise



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