

PROSPECTS FOR SOUTH-SOUTH

by Gamini Corea

The South Commission was established two years ago as an independent commission of individuals from developing countries. There are about 298 members on the Commission all of them working in an honorary capacity and coming from Asia, Africa and Latin America. Julius Nyerera the former President of Tanzania has been asked to chair the Commission. The Commission is not made up of government representatives, members are independent and they can work and speak in their own capacity. The Commission is funded by the South mostly by the governments. A decision was taken very early by the Commission that it would not seek funding from outside the Third World for its regular budget although it would undertake joint activities like Seminars and so on financed by outside donors. But for its regular budget the Commission insisted that it would confine itself to voluntary contributions made from the South.

A Secretariat has been established in Geneva, because of the proximity to the international organisations and representatives of developing countries and for reasons of conveniences. From the outset there was a feeling that the Commission should begin by encouraging the developing countries to look inwards. The Commission decided that it should first look at the development experience of the countries of the South to see what lessons were to be learned. Much of the initial

work of the Commission was centred on this self examination of development experiences and a lot of ideas have come out of that discussion.

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The Commission also turned its attention to the question of cooperation between developing countries – that is South-South Cooperation. In a way this was the main objective. The Commission looked at the experience in South-South Cooperation over the past few decades. It noted the fact that many institutions for cooperation among developing countries have come into being – such as the group of 77, Non-aligned movement, the Organisation of African Unity, and the various regional groupings all over the developing world. All these are relatively new occurring in the last few decades, and are encouraging signs. but progress in strengthening linkages within the South has been slow. It received some momentum during the 70's when the world economy was expanding but in the context of the recession of the 80's South-South trade and other links have had a set back.

Dr Gamini Corea scans the last two decades and looks at the progress made in Economic Cooperation among Developing Countries. He also discusses prospects for the Nineties in the context of the South Commission's agenda. Dr Gamini Corea was former Secretary General of UNCTAD and is currently Chairman of the Institute of Policy Studies.

This is partly because of the weakness of the South, the need in such situation to curtail imports, the inability of Southern suppliers to offer the same terms as the more competitive Northern suppliers could.

South-South Cooperation embraces not just sub-regional cooperation amongst neighbouring countries like ASEAN and SAARC, but has another very important dimension and that is global or inter-regional cooperation amongst the countries of the South – across the board.

World Environment

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COOPERATION

these have already been identified but not all have been implemented. What the South Commission tried to do was to suggest a set of priorities — particularly in terms of time — which developing countries might adopt in further pursuing the goal of South-South Cooperation. What came out strongly was the hard fact that given the trends and projections for the next two decades the South cannot rely on the North to be a locomotive for the growth and development of the Third World or even to the World economy. This locomotive is losing momentum and has lost momentum. So the South has to look within itself to see to what extent it can draw on its own strength and release its own latent impulses and supplement whatever impulses that are coming from the North with indigenous impulses generated within the South. This will not take place to the extent desired spontaneously but it has to be pursued consciously through policies, programmes, arrangements, agreements and negotiations within the South. So the theme of South-South Cooperation is one of the important themes of the South Commission.

We have to look at the issue of North South relations in the context of a world economy dominated by the North and by many of the institutions which are controlled by the North. The South often participates in these institutions but its influence is generally marginal or secondary. The developing countries no matter how strenu-

ous the efforts they make internally would continue to require a global economic environment which is supportive of their developing efforts. No matter how much developing countries try to mobilise their own savings or to increase their own employment, they would be frustrated in this process if in the world outside the prices of the things they sell keep falling; if resources needed for new investments are difficult to find, if the repayment of debt takes the bulk of their external financial payments; if their access to markets is blocked by protectionism and other barriers. So the development of the South is contingent on a strong and expanding global environment. Such an environment can only be brought into being through negotiations and discussions with the developed countries and the countries in the North. This is the rationale of the North-South Dialogue. But unfortunately the dialogue has in recent years come to a virtual halt.

There is a need now to resume the North South Dialogue, to begin to get the international community to focus on the international dimensions of the development issue, to begin a process of restructuring the international economic system

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in a way that makes it more conducive to the objective of development. Although the North South dialogue has been in a deadlock in the recent past, there have been profound changes taking place in the World Economy suggesting that the scenario for the 90's might indeed be different. It has some promising elements and some dangers as well. With the ending or the weakening of the cold war and the deceleration of the arms race, the relaxation of international tensions, the ending of regional conflicts, it is possible that an opportunity may be created to renew the focus on development. On the other hand, there are other developments whose impact is still uncertain. The changes in Eastern Europe may result in the industrialised North shifting its own political priorities away from North South issues to the problems of Eastern Europe and that this may have an impact on the availability of aid and other resources for the countries of the South.

Environment

It is possible that improvement in East West relations could be the precursor to an improvement in North South relations. The environment issue is one in which there is a common interest now in North South East and West. But the question is how this common interest could be translated into an environmentalist supportive development process in the South. It is too easy to use the

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environment argument to slow down the tempo of development in the South by saying that it is a bad thing to cut forests and use of non-renewable resources and so on. Again there are vast strides in the area of science, technology, genetic engineering which can benefit productivity in the South. But on the other hand it is being said that because of the march of science and technology, the countries of the South might lose some of their historical comparative advantages. Cheap labour may be of less importance in a world in which robots and other substitutes for labour are being increasingly used. It is felt also that the world of tomorrow requires a great degree of scientific literacy and the countries of the South which do not keep pace with the growth of scientific knowledge can be left behind. I mean there are people who are already talking about the possibility of a global apartheid in which the developed countries more and more do business with each other, more and more be self reliant, less dependent on the developing countries for even raw materials and primary products.

As a result the developing countries would not only linger on the periphery but be increasingly marginalised. This of course is a danger which can, if it occurs, have very profound consequences for world peace because the vast populations of the South will not be content to be marginalised. So, if economic, scientific and technological process are pushing in that direction then of course, there are great dangers ahead, unless some concrete actions are taken to prevent this marginalisation in the South.

So in this whole area of North South relations there are both old issues and new issues and the South Commission is trying to identify these and bring them to the attention of the developing countries so that they can forge a united common platform in their negotiations with the North. If the South is going to play an independent role, it has to have its own platform and build up its own unity. Now all this leads to what I would say the last of the major themes of the South Commission – the need for an organization.

Institutional Capability

Today there is a void and it can only be filled through the establishment of some kind of an organisation of the South. The North has the Organisation of Economic Cooperation and Development, (OECD), the Socialist countries have the CMEA, but the developing countries have nothing. I think the South Commission will try to recommend the creation of an institution and organisation for the South. In the past attempts to set up a secretariat for the developing countries or even the non-aligned movement did not materialise. One should not take for granted that the establishment of an organisation will be easy. But it is absolutely imperative that such an institution be set up, because without organisation, without institutional capability we will just be whistling in the wind. So the idea of an institution for the

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South to help build Southern consciousness, to establish linkages, to map out common negotiation processes, to bring about contacts not only between governments but between non-governmental groups, academic groups, scientific groups, media groups in the South so as to create within the South a awareness of the South I think is a must and high priority issue for the 90's.

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The South Commission gives a lot of attention to the debt issue, it feels that it is too difficult to envisage a revival of the process of growth and development in any Third World country, particularly in Africa and Latin America, unless there is some solution to the debt problem and in the way of reduction of debt not just rescheduling of debts. The South Commission quite early issued a special statement on the debt issue in which it made a very modest suggestion for the establishment of what is called a "debtors forum," – a forum for the developing countries to exchange information and acquaint each other with their problems as the creditors have several opportunities of meeting and forging common questions, exchanging information and the South Commission thought that it would be helpful for the developing countries to have a similar vehicle or mechanism. Unfortunately the debtors forum never came into being because most of the debtor countries are placing their hopes

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on successful bilateral negotiations with creditors, rather than with any multilateral approach to the debt problem. The development process in the 90's will not get off the ground, unless there is some significant relief on the debt front.

The South Commission has pointed to the dangers of a repetition or a replay of the 80's during the coming decade. It will urge that international action be taken to change this not just in the interest of the South but in the interest of world political and economic stability. To what extent it succeeds of course depends on the response from the North as well, and it is too early now to say how things will develop. As explained above there are some positive developments in the international scene which may create a new environment, a new framework, but there are also dangers of negative developments.

So it is difficult to anticipate how these would emerge in the 90's but the South Commission would urge that the 90's be made consciously a decade of renewed vigorous development, and not a decade of stagnation. At this point at the beginning of the 90's there are no indications of a concentrated attention on the development problem by the international community. But the South Commission hopes that sooner or later, sooner rather than later, there would be a renewed focus on the development problem in the interest of global peace.