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The South-South Predicament

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Abstract

Historically, most prominent channel of economic penetration of the third world has been through the regulation of aid and investment; it's purpose no greater than of a revolving credit and its fate almost always, swayed in the favour of the provider. On the eve of India's debut at expanding assistance to developing countries, the tenets of developmental politics as described under the aegis of the 'South-South' cooperation paradigm, certainly provide speculative hope, but not without cause for concern. The authors of this paper begin by investigating Aid and its effectiveness in Africa, followed by an analysis of the traditional aid-to-investment-to growth linkages. Following an investigation of the impact of economic relations on cultural capital to explore symbolic violence, this paper will finally question the idealistic assumptions surrounding South-South cooperation while in a larger context also questioning the discursive regime of Aid and Investment.

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Keywords: Aid, Investment, Symbolic Violence

1. South-South Cooperation: The Journey So Far

On UN Day for South-South cooperation Rebecca Grynspan, Associate Administrator of the UN Development Programme (UNDP), delivered a message on behalf of the UN Secretary-General, commending the laurels of the programme of this collective self-reliance of the global South. She declared: *"... the South has assumed a greater role in the global development landscape. South-South cooperation offers real, concrete solutions to common development challenges. Sharing best practices, funding pilot projects in far-flung locales, providing the capital to scale-up successful projects, supplying regional public goods, developing and adapting appropriate technologies —*

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these are the opportunities that the international community needs to better leverage."

The notion of South-South cooperation (SSC) has since been internationally embraced, and celebrated especially by those, who have recognised its promise in combating the ‘common development challenges’. The authors of this paper identify with and commend this notion of *“...cooperative efforts among individuals, institutions, peoples and governments of countries that have been labelled poor, and/or developing”* (Alden &Vieira, 2005). Curiously, South-South Cooperation is used interchangeably with South–South Transfer wherein ‘transfer’, is actually understood in the domain of comparative policy and “focuses specifically on the study of policy transfer experiences among countries of the South”, exploring further the multidimensional nature of this developmental strategy (Chisholm& Steiner-Khamsi, 2008). The mechanisation of the idea by the development practitioners to implement South–South cooperation in the form of an active policy tool to instigate local, regional and international development has led to that interchangeable usage. (Sade Silva, 2008)

The United Nations had promoted incentives for such cooperation since 1959, when the term 'technical assistance' was replaced by 'technical cooperation', signalling a fundamental paradigm-shift from relationships based on an assumed inequality to an mutual relationship based on the exchange of mutual interest. Soon, the academia swayed its discourse on the egalitarian South-South cooperation over the North-South because of its emphasis on the unequal relationship of a developed country ‘helping’ a developing country. Consequently, it was suggested that the cooperation would lead to international organizations fostering the idea of collective development and international relations would find a more comprehensive platform for discussions based on interest over leverage.

The approach however, stood on following assumptions: first, that all developing countries are equitable; second, that the nature of socio-economic struggle in each is the same; and third, that the ‘South’ countries are more likely to ‘help’ each other than the ‘North’ due to their shared exploitative experience in the past. This paper scrutinises these assumptions of equality, struggle and mutual help, in context of current discourse on Aid and Investment. Financial flows to developing countries take two main forms—aid that comes from foreign governments, often called official development assistance and investment from foreign private companies, known as private capital flows. Both when introduced, are usually accompanied with explicit conditions (E.g.: Structural Adjustment Policies, in the case of India) and several others come with implicit conditions that require elucidation to form a cautionary note before one supports south-south cooperation whole heartedly. In exploring Aid to Africa, the paper focuses on the nature of Aid as revolving credit. It further explores the facade of foreign investment in Africa through anecdotal insight, and its profit-oriented underpinnings. The paper also seeks to indentify aid-investment linkages to highlight the need for a more in-depth scrutiny of governmental policies on the South-South paradigm. More thought requires going into understanding the ‘South’ and the assumption of these countries being equitable. The paper concludes in questioning the impact of international economic interaction on cultural knowledge and explores the unmitigated symbolic violence (Bordieu, 1984) that occurs when cultures of unequal communities interact, rendering in peril the notion of South-South cooperation.

Up to the 1980s, the initiatives upholding South-South cooperation among the South centred on emerging regional and sub-regional arrangements towards economic integration, trade and cooperation on political matters such as the Central American Common Market, the Central African Customs and Economic Union, and the Association of South East Asian Nations. At the global level, the UN established the United Nations Conference on Trade and Development (UNCTAD) in 1964 to assist the South in the area of trade policy and promotion. The Commission for Science and Technology and the UN Fund for Science and Technology in Development (UNFSTD) were also established. In 1972, the UN General Assembly set up a Working Group to examine ways of intensifying technical cooperation among developing countries (TCDC). This led to the establishment in 1974 of a Special Unit within UNDP to promote TCDC (SU/TCDC) (Ohiorhenuan and Rath, 2000) In their paper, ‘The New Diplomacy of the South: South Africa, Brazil, India and Trilateralism’, Alden and Vieira begin to evaluate the workings of such organizations to evaluate the aid and investment dynamic, as perpetuated in the ambition of the South-South cooperation. Their initial insights have inspired the authors of this paper, to divulge into the independent workings of foreign aid and investment in Africa.

2. Foreign Aid in Africa: Dead and Dangerous

Aid to Africa has been subjected to debate on almost every occasion that it is referred to. It is a widely admitted understanding that political ambitions and economic imperatives rarely converge. Foreign Aid, often veritably understood as financial assistance is usually, as blatantly as William Easterly, professor of Economics at New York