South-South Development Co-operation and Venues For North-South Co-operation

Gülşen Şeker Aydın*

This article explores the economic dimension of South–South co-operation and North–South dialogue – that is, co-operation and dialogue in the field of development. After introducing the significance of the issue, the study first explores South–South co-operation at bilateral, regional, and global levels. Second, the study examines North–South dialogue within the framework of the New International Economic Order (NIEO), the United Nations Conference on Trade and Development (UNCTAD), and the Group of 77 (G-77). As the main research question, the study addresses why the South–South co-operation and the North–South dialogue failed to deliver effective results until recently. The study concludes that the weakness of the South vis-à-vis the strong North prepared the ground for the eventual paralysis of the South–South co-operation and North–South dialogue starting with the 1980s. With the strengthening of the Southern actors such as China and the weakening of the Northern development ideology of the Washington Consensus, South–South co-operation has gained momentum and the North has experienced difficulties in repelling the new development discourses of the South, including the Beijing Consensus of China.

Keywords: South–South Co-operation, North–South Dialogue, Development, UNCTAD, NIEO, G-77

* **Gülşen Şeker Aydın** is an assistant professor at Ataturk University, Department of International Relations.

Introduction

Early efforts towards South–South co-operation date back to the First World War. As colonial powers intensified their oppression and exploitation of Africa and Asia for their war effort, this created an incentive for organizing to end colonialism. The Anti-Imperialist League and the Association of Oppressed Peoples (AOP) came to represent the early South–South co-operation efforts to emancipate the Global South. With the greater destruction it caused, the Second World War delegitimized colonial power even more and intensified the efforts at South–South co-operation for ending colonialism.[1] When twenty-nine African and Asian states convened to reflect on venues for the post-colonial world in Bandung, this came as a turning point for South–South co-operation.[2] The conference created the solidarity required for gaining real self-determination. It opened new diplomatic horizons for challenging the international order and creating a more equal and just one. The South was set to protect its sovereignty and territorial integrity through co-operation.[3]

Unleashed by the Bandung Conference, the dynamics of South–South co-operation had political and economic dimensions. Although the political dimension of co-operation included the Non-Aligned Movement, the economic co-operation developed over time to encompass the Group of 77 (G-77), named after the number of states present at the establishment of the United Nations Conference on Trade and Development (UNCTAD). The South would demand a New International Economic Order (NIEO) in its search for its demands to the North.[4] As a result, in addition to the East–West division, a North–South divide came to prevail in the world. Whereas the East–West division disappeared

1 Assie-Lumumba, N. D. T., "Behind and beyond Bandung: Historical and Forward-Looking Reflections on South–South Cooperation," *Bandung: Journal of the Global South*, Vol. 2, No. 11, 2015, p. 3.

2 C. J. Lee, "Between a Moment and an Era: The Origins and Afterlives of Bandung," in Christopher J. Lee (ed.) *Making a World after Empire: The Bandung Moment and Its Political Alternatives* (Athens: Ohio University Press, 2010), pp. 2–3.

3 Hongoh, J., "The Asian–African Conference (Bandung) and Pan-Africanism: The Challenge of Reconciling Continental Solidarity with National Sovereignty," *Australian Journal of International Affairs*, Vol 70, No. 4, 2016, p. 375.

4 Gray, K. and Gills, B. K. "South–South Cooperation and the Rise of the Global South," *Third World Quarterly*, Vol. 37, No. 4, 2016, p. 558.

with the end of the Cold War, the split between the affluent and industrialized North and the less advantaged, developing South tended to survive.[5]

Without ignoring the interaction between politics and economy, this article focuses on the economic dimension of South–South co-operation, or co-operation in the field of development. That South–South co-operation is difficult to understand in the absence of an examination of the North–South dialogue. Therefore, the study will also shed light on the venues for that North–South dialogue. This issue is quite important because, as the South realized from the start, economic development is a sine qua non for giving substance to formal independence, and economic co-operation is an essential way of realizing it. As reflected by the rising number of studies on the issue, the subject has even grown in importance today owing to the re-emergence of Southern actors in development and the challenge they pose to Northern actors and their economic development frameworks. The hegemonic decline of the USA in the face of the challenges posed by southern actors such as China will boost the salience of South–South co-operation and force the North to open up to Southern proposals and criticisms. As the main research question, the paper aims to shed light on why South–South co-operation stopped short of delivering effective outcomes until the late 2000s, and what has led to its recent success. To this end, South–South development co-operation at bilateral, sub-regional, and regional levels and the North–South development dialogue within the scope of UNCTAD, the G-77, and NIEO will be explored.

South–South co-operation

South–South development co-operation comprises the transfer and exchange of resources, technology, and experience among developing countries. It also includes aid or aid-like activities such as humanitarian assistance, scholarships, technical assistance, debt relief, grants, and loans.[6] The scope of co-operation, which initially centred on trade, has widened since

The scope of co-operation, which initially centred on trade, has widened since the early 1960s to include money, finance, production, and marketing.

5 Weiss, T. G. "Moving Beyond North–South Theatre," *Third World Quarterly*, Vol. 30, No. 2, 2009, p. 271.

6 Mawdsley, E. "Queering Development? The Unsettling Geographies of South–South Cooperation," *Antipode*, Vol. 52 No. 1, 2020, p. 227.

the early 1960s to include money, finance, production, and marketing. South–South co-operation has been carried out in different formats. It evolved from forming regional and sub-regional integration frameworks to the formulation of global co-operation.[7]

When some of the political aims of the Non–Aligned states had been satisfied or seemed no longer urgent in the 1960s, these countries shifted their attention to economic issues. The aim of self-reliance, previously followed in the political realm, was carried over to the economic area. Consequently, the meetings concentrating upon economic issues increased remarkably.[8]

South–South economic relations soon started to be formed at bilateral, sub-regional, and regional levels to explore alternative development opportunities free of Northern command.[9] In the early 1960s, Latin America and the Caribbean took the lead in this orientation, and Argentina, Brazil, Mexico, Paraguay, Peru, and Uruguay established the Latin American Free Trade Association in 1960. The sub-regional organizations such as the Central American Common Market, the Caribbean Free Trade Association, the Andean Group, and the East Caribbean Common Market followed this. In Africa, the East African Economic Community, the Maghreb Permanent Consultative Community, and the Central African Customs Union were founded in the same decade. While the Association of South East Asian Nations was in the process of establishment, the League of Arab States was trying to formulate development schemes. There were attempts to forge links among states in different regions. The Tripartite Trade Expansion and Economic Cooperation by Egypt, India and, Yugoslavia is a case in point.

The UN Economic Commission for Latin America and its chair, Raul Prebisch, laid the foundations of South–South co-operation

7 G. Corea, "Foreword," in Breda Pavlic, Raul R. Uranga, Boris Cizelj, and Marjan Svetlicic (eds.), *The Challenges of South–South Cooperation* (New York and Oxon: Routledge, 2019), p. IX.

8 K. P. Sauvant, "Organizational Infrastructure for Self-Reliance: The Non-Aligned Countries and the Group of 77," in Breda Pavlic, Raul R. Uranga, Boris Cizelj, and Marjan Svetlicic (eds.), The Challenges of South–South Cooperation (New York and Oxon: Routledge, 2019), p. 45.

9 The South Commission, *The Challenge to the South* (Oxford: Oxford University Press, 1990), p. 144–145.

at the global level.[10] Following their lead, developing countries started to show their solidarity at various UN platforms and, in 1962, they adopted the Resolution on the Permanent Sovereignty over Natural Resources at the UN General Assembly. In 1964, UNCTAD was also founded, despite the uneasiness of the North.[11] UNCTAD became a turning point in the institutionalization of South–South co-operation that would eventually create the G-77. The conference turned into the main forum for developing countries to coordinate their policies in their dialogue with the North.[12]

The South initially advanced its co-operation within the framework of already existing UN technical co-operation assistance programmes. Following the declaration of the NIEO at the UN General Assembly, the UN Conference on Technical Co-operation Among Developing Countries (TCDC) was convened in 1978 in Buenos Aires and a TCDC unit was established within the UN Development Programme (UNDP). This unit played a critical role in enhancing South–South co-operation.[13] It focused on improving the self-reliance and the capacity of developing countries to solve problems. At the end of the conference, Buenos Aires Plan of Action (BAPA), which used the concept of 'horizontal co-operation' for the first time, was adopted. This concept would be used to differentiate the South–South co-operation from the 'vertical' North-South co-operation under the auspices of the Organisation for Economic Co-operation and Development (OECD).[14]

Despite the optimism created by BAPA, the dept crisis overshadowed South–South co-operation in the 1980s. The developing countries' search for solutions moved them away

10 Gosovic, B. "The Resurgence of South-South Cooperation," *Third World Quarterly*, Vol 37, No. 4, 2016, p. 732.

11 Venzke, I. "Possibilities of the Past: Histories of the NIEO and the Travails of Critique," *Journal of the History of International Law*, Vol 20, 2018, p. 277.

12 De Renzio, P. and Seifert, J. "South–South Cooperation and the Future of Development Assistance: Mapping Actors and Options," *Third World Quarterly*, Vol. 35, No. 10, 2014, p. 1862.

13 Gosovic, B. "On the Eve of BAPA+40-South–South Cooperation in Today's Geopolitical Context," Vestnik RUDN: *International Relations*, Vol. 18, No. 3, 2018, p. 462.

14 Esteves, P. and Assunção, M. "South–South Cooperation and the International Development Battlefield: between the OECD and the UN," *Third World Quarterly*, Vol 35, No. 10, 2014, p. 1779.

from international organizations such as UNCTAD and towards a focus on financial ones such as the International Monetary Fund (IMF). The formidable economic challenges that the developing countries faced forced them to give up their solidarity with the other countries of the South and strengthen their bilateral ties with creditors.[15] The Caracas G-77 High Level Conference on Economic Co-operation Among Developing Countries (ECDC) in 1981[16] and the emergence, in the late 1980s, of the G-15, comprising Algeria, Argentina, Brazil, Egypt, India, Indonesia, Jamaica, Malaysia, Mexico, Nigeria, Senegal, Peru, Venezuela, Yugoslavia, and Zimbabwe, were exceptions to this rule. The 1990s were also far from being conducive for multilateral action for the South, since many developing countries were wrestling with economic and fiscal crises.[17]

The new millennium ushered in a new era for South–South co-operation. In 2004, the Special Unit for TCDC was renamed the Special Unit for South–South Co-operation. This new name has become a sign of increased significance and widened scope of co-operation among developing countries. The Group of 8 (G–8) Summit in 2005 drew attention to the changing geography of trade, investment, and intellectual connections that included southern countries such as Brazil, China, India, Malaysia, South Korea, South Africa, and Thailand. These developing countries' leaders tacitly accepted that the UN Millennium Development Goals could not be attained without the intensification of South–South links and assistance, even under the conditions of increased levels of official development assistance (ODA) and debt relief from the North.[18]

China, India, and the big oil-exporting powers of the Middle East have co-operated with other developing countries for a long time.[19] As early as 1964, China offered an important amount of development aid to Tanzania and undertook the financing and

15 Sridharan, K. "G-15 and South–South Cooperation: Promise and Performance," *Third World Quarterly*, Vol 19, No 3 1998, p. 358.

16 Gosovic, B. *op. cit. in footnote 11*, p. 734.

17 De Renzio, P. and Seifert, J. *op. cit*., p. 1862.

18 For a broader discussion of this development please see The United Nations Office for South–South Cooperation (UNOSSC), "About UNOSSC", 2020, Available at: https://www.unsouthsouth.org/about/about-unossc/ (Accessed: June 27, 2020).

19 Quadir, F. "Rising Donors and the New Narrative of 'South–South' Cooperation: What Prospects for Changing the Landscape of Development

building of the Tanzam Railway.[20] The Indian Technical and Economic Cooperation programme has sought to enhance the skills and capacities of Third World people since 1964 by assisting 158 countries. Saudi Arabia has been an important aid donor and provider of ODA since 1973.[21] However, the 2000s saw an intensification of South–South co-operation in the field of development. The global financial crisis of 2008 further strengthened this trend, as providers in the North suffered budgetary constraints.[22] Some countries of the South that used to be net recipients of aid have turned into net providers. Brazil, South Africa, Thailand, and Turkey joined the Southern donors discussed above.[23] The countries from the South have both improved their presence in other countries of the South with an increasing number of new development projects and boosted their influence in traditional development co-operation fields.[24]

The formidable economic challenges that the developing countries faced forced them to give up their solidarity with the other countries of the South and strengthen their bilateral ties with creditors.

The OECD's Development Assistance Committee (DAC), which has formulated a range of norms, principles, and procedures, is challenged by Southern actors.[25] Southern donors do not abide by the rules of traditional hierarchical donor–recipient relations.[26] A new development regime is emerging, and global development policy is not being exclusively directed by Northern states

Assistance Programmes?", *Third World Quarterly*, Vol. 34, No.2, 2013, p. 323.

20 Bailey, M. "Tanzania and China," *African Affairs*, Vol. 74, No. 294, January 1975, pp. 40–41.

21 Reality of Aid Network, "South–South Development Cooperation: A Challenge to the Aid System?" in *South–South Cooperation: A Challenge to the Aid System?* ed. The Reality of Aid (RoA) Network (Manila: The Reality of Aid (RoA) Network, 2010), pp. 3–6.

22 Abdenur, A. E. and Da Fonseca, J. M. E. M. "The North's Growing Role in South–South Cooperation: Keeping the Foothold," *Third World Quarterly*, Vol 34, No. 8, 2013, p. 1476.

23 Emma Mawdsley, *From Recipients to Donors: Emerging Powers and the Changing Development Landscape* (London: Zed Books, 2012), p. 1.

24 Alvaro Moreira, "From The Paradigmatic to the Practical Battlefield: Southern Development Cooperation Practices in a Traditional Aid Hosting Context," *Revista Brasileira de Política Internacional*, Vol. 63, No. 2, 2020, p. 1.

25 Abdenur, A. E. and Da Fonseca, J. M. E. M. *op. cit*., "The North's Growing Role in South–South Cooperation: Keeping the Foothold," *Third World Quarterly*, Vol 34, No. 8, 2013, p. 1475.

26 Quadir, F. *op. cit*., p. 323.

anymore, or by international organizations including the IMF and the World Bank.[27]

China's overwhelming economic growth in the 2000s has made its development model, which is known as the Beijing Model, attractive. Its main building blocks are a free market instead of a planned economy, an export-driven economy, and technology and foreign capital imports. Since the Beijing Consensus is different from the Washington Consensus, which was promoted by international organizations such as the IMF and World Bank, it is perceived as a threat to the North's approach to development.[28]

China's overwhelming economic growth in the 2000s has made its development model, which is known as the Beijing Model, attractive. Its main building blocks are a free market instead of a planned economy, an export-driven economy, and technology and foreign capital imports.

Most of the South–South development co-operation schemes, except for China's Tanzam Railway, were small in scale, only symbolically important, and limited to localized or individualized settings. From the 2000s, this started to change. A remarkable growth in funds, projects, and international presence has been observed.[29] Southern actors, among which China is the most prominent, increased the amounts they devoted to debt relief, loans on favourable terms, technical and humanitarian aid, and investment. While the Northern donors follow this change with varying degrees of admiration, surprise, anxiety, and bitterness, the Southern recipients welcome the new resources, ideas, methods, and approaches.[30] New institutions and high-level meetings – for example, the India, Brazil and South Africa (IBSA) facility, the BRICS grouping composed of Brazil, Russia, India, China, and South Africa, The Forum on China–Africa Cooperation (FOCAC), and the India–Africa Forum Summit (IAFS) – accompanied this growth. While many such forums existed previously, as discussed, this time South–South co-operation was more result-oriented and pragmatic.[31]

Most of the South–South development co-operation schemes, except for China's Tanzam Railway, were small in scale, only symbolically important, and limited to localized or individualized settings.

27 DeHart, M. "Remodelling the Global Development Landscape: the China Model and South–South Cooperation in Latin America," *Third World Quarterly*, Vol. 33, No. 7, 2012, p. 1363.

28 *Ibid*., p. 1364.

29 Mawdsley, E. "South–South Cooperation 3.0? Managing the Consequences of Success in the Decade Ahead," *Oxford Development Studies*, Vol. 47, No. 3, 2019, p. 261.

30 Mawdsley, E. "Queering Development? The Unsettling Geographies of South–South Cooperation," *Antipode*, Vol. 52, No. 1, 2020, p. 230–232.

31 Mawdsley, E. *op. cit. in footnote 30*, p. 261.

Venues for North–South co-operation in the development area

Having different economic needs than the North, the developing states tended to question the suitability of liberal economic development programmes. Starting in the 1950s, the dependency school argued that, if the Southern countries embraced liberal economic policies, they would be trapped in endless dependency. The South called for an alternative development model defined by UNCTAD, the G-77, and the NIEO to overcome its dependency.[32] This section will first examine UNCTAD and the G-77, and then the NIEO.

UNCTAD and the G-77

The South had important development problems related to trade. Developing countries suffered from insufficient export earnings and weaknesses in importing essential capital goods and technical services. Their export earnings were rising very slowly compared with their import needs. Moreover, the terms of trade were unfavourable to these countries. Although the prices of primary products were decreasing, the prices of industrial goods were on a steady rise.[33]

Following the abortive efforts to ratify the Havana Charter and establish the International Trade Organization, many Southern countries were discontented with the provisional setting for negotiating trade matters, namely, the General Agreement on Tariffs and Trade (GATT). In 1957, GATT established a group to identify the trade problems of the developing countries. The report emphasized that developed countries' tariffs and other protective measures were creating problems for developing states. As a result, it became harder to neglect the trade-related problems of developing countries.[34]

In the early 1960s, the increasing anxieties of developing countries over their position in international trade led them to organize a

32 M. P. Karns and K. Mingst, *International Organizations: The Politics and Processes of Global Governance* (London: Lynne Rienner Publishers, 2010), p. 393.

33 Gosovic, B. "UNCTAD: North–South Encounter," *International Conciliation*, No. 568, May 1968, p. 6.

34 Toye, J. "Assessing the G77: 50 Years after UNCTAD and 40 Years after the NIEO," *Third World Quarterly*, Vol. 35, No. 10, 2014, p. 1759.

conference to discuss their problems and find solutions to them. The first UNCTAD was held in Geneva in 1964. In the face of the broad scope and complexity of the problems, the conference was institutionalized to convene every four years.[35]

The first meeting of UNCTAD was important for two reasons. It created a new chapter on trade and development in GATT, which for the first time acknowledged that the South needed benefits on non-reciprocal terms.[36] At this very first session, the G-77 was also founded by 77 developing countries through signing the Joint Declaration of the 77 Developing Countries. Starting with the first Ministerial Meeting of the G-77 in Algiers, the group acquired a permanent institutional structure. Although its membership eventually reached 134, its original name has been kept because of its historical importance. The G-77 has proved to be the biggest intergovernmental organization of the Southern countries in the UN. It has aimed to offer developing states the means to voice and defend their economic interests and strengthen their negotiating capacity at the UN.[37]

The G-77 had no programme of its own and, instead, rested on the guidance that Raul Prebisch provided for UNCTAD. This programme was based on three essential pillars.[38] The first was a general structure for international commodity treaties. The second was new types of supplementary finance – supplementary, that is, to the Compensatory Finance Facility of the IMF available at that time. The third were the provisional preferences for the industrial exports that the South exported to the North. All these were viewed as remedies to the balance of payments problems that the developing countries suffered.

Until 1977, UNCTAD remained a central issue in the North–South dialogue. The negotiations under the auspices of UNCTAD can be regarded as the first important attempt to build NIEO. The South's search for a greater share of the income and wealth from

35 UNCTAD, "History", 2020, Available at https://unctad.org/en/Pages/About%20UNCTAD/A-Brief-History-of-UNCTAD.aspx (Accessed: June 29, 2020).

36 Venzke, I. *op. cit.*, p. 277

37 The Group of 77, "About the Group of 77", 2020, Available at https://www.g77.org/doc/ (Accessed June 29, 2020).

38 Toye, J. op. cit., p. 1762.

trade was the main motivation for the negotiations. The reaction of the North to these demands represents its understanding of the entirety of North–South relations.[39]

In the years between the first and second UNCTAD, the United Nations General Assembly established UNCTAD as a new international organization and its first Secretary General, Raul Prebisch, formed an independent secretariat for the organization.[40] Prebisch's views became quite influential in setting the trajectory of the organization. His focus on declining terms of trade that were to the detriment of the South led the developing countries to demand reforms in international trade to help their development. Following his guidance, developing countries tried to enhance their import competitiveness, export manufactured goods in addition to primary products, and to improve their chances of access to the Northern markets.[41]

UNCTAD became a platform for the South to express its demands from the North, which it sought to have accept that it was responsible for creating and maintaining the unfairness in the economic order. The first UNCTAD (Geneva, 1964) stated the South's expectations from the North as the stabilization of product prices, alongside the amount of and conditions on assistance and preferences. The hopes for the realization of these expectations were largely dashed, however, and the gap between North and South continued to widen.[42]

Convened in these circumstances in New Delhi in 1968, the second UNCTAD became the scene of disagreement between the developed and the developing countries on preferences. The North accepted the lifting of the high tariffs that blocked the entrance of goods from the developing world into the markets of developed states only after the extended negotiations that followed the conference.[43] However, through employing a lot of restrictions and

39 Rothstein, R. L. *Global Bargaining: UNCTAD and the Quest for a New International Economic Order* (Princeton: Princeton University Press, 1979), p. 3.

40 Robertson, C. L. "The Creation of UNCTAD," in *International Organisation: World Politics*, ed. Robert W. Cox (London: MacMillan, 1969), p. 258.

41 Blake, D. H. and Walters, R. S. *The Politics of Global Economic Relations* (New Jersey: 1987), pp. 39–49.

42 Mehta, S. S. "Non-Alignment, and New International Economic Order", *Foreign Trade Review*, Vol 15, No. 2, 1980, pp. 140.

43 *Ibid*., 140–141.

formalities, those preferences were made meaningless.[44]

At the third UNCTAD, which was held in Santiago in 1972, the G-77 called for sweeping changes in the monetary system. It urged linking monetary issues to general trade problems, such as trade deficits, and utilizing the Special Drawing Rights of the IMF as a new reserve for impoverished countries. A reform in the decision-making structure of the IMF was also demanded. As it avoided granting any important concessions to the South on these matters, the third UNCTAD was a victory for the North.[45]

Because of the intransigent attitude of the United States and other leading countries of the North, the North–South negotiations on reforming the world economic order turned out to be largely futile. While the nature of the economic relations remained intact, the South still lacked decision-making power. To give momentum to the dialogue between the North and the South, the developing countries suggested, in 1979, opening a new round of negotiations in the UN to reach a consistent and well-organized approach to North–South economic relations in the fields of raw materials, energy, trade, development, money, and finance. To this end, the UN General Assembly adopted a resolution. However, to a great extent, the efforts of the developing countries did not bear fruit, and even the North–South Summit in Cancun in 1981 fell short of revitalizing the North–South Dialogue.[46]

Because of the intransigent attitude of the United States and other leading countries of the North, the North–South negotiations on reforming the world economic order turned out to be largely futile.

The frustration that the Cancun Summit created was just the beginning of the hard times for the South. The debt crisis weakened the negotiating power of the South considerably. This change characterized the trade negotiations between the North and the South in the 1980s. In the Uruguay Round, the North was still calling shots to advance its global interest. The developing countries were not able to voice their development concerns.[47]

---

44 Hveem, H. "UNCTAD III: The Victory of Continued World Injustice and the Need for a New Approach," *Bulletin of Peace Proposals*, Vol. 3, No. 3,1972, p. 266.

45 *Ibid.*, p. 268.

46 Xiu-Ying, C. "North–South Negotiations and the New International Economic Order," in *The Rich and the Poor: Development, Negotiations and Cooperation-An Assessment*, ed. Altaf Gauhar (New York and Oxon: Routledge, 2019), p. 70.

47 Therien, J. P. "Beyond the North–South Divide: The Two Tales of World Poverty," *Third World Quarterly*, Vol. 20, No.4, pp. 725–726.

The early 1980s also saw a striking change in the development discourse. That promoted by Prebisch and the dependency school throughout the two earlier decades came to be overwhelmed by an international development discourse shaped by free-market approaches that proposed a minimal role for the state in the economy. Slow growth in the North in that decade also decreased the North's contribution to critical development co-operation areas such as the ODA.[48]

The collapse of the Soviet Union, the weakening of solidarity within the G-77, the ascent of neoliberalism, the boosted domination of the USA in international organizations, and the establishment of World Trade Organization in 1994 ushered in a challenging era for UNCTAD.[49] At the Cartagena (1992) and Midrand (1996) Conferences, the authority and functions of UNCTAD were dramatically weakened.[50] The organization lost its negotiating power and its role was limited to consensus building, not only in the field of trade, but also in money, finance, restrictive business practices, and transfer of technology. Its research and analysis capacity waned as its resources were reduced and its ideological framework became exposed to outside interference. It is not allowed to formulate an alternative development approach anymore. For the sake of coherence, it is required to agree with the conventional approaches of the developed countries and the international organization controlled by them, such as the IMF and the World Bank. As a result, its role has been limited to helping developing countries to integrate with the international organizations controlled by the North.[51]

The New International Economic Order

The South also tried to establish a dialogue with the North for its development objectives through its call for an NIEO. The

48 Ghaebi, M. R. "The Role of South–South Cooperation in Realization of the Right to Development: The Way Forward," *International Studies Journal*, Vol. 14, No. 4, Spring 2018, p. 172.

49 R. Bielschowsky and A. C. M. e Silva, "The UNCTAD System of Political Economy," in Erik S. Reinert, Jayati Ghosh and Rainer Kattel (eds.), *Handbook of Alternative Theories of Economic Development*, (Cheltenham and Northampton: Edward Elgar Publishing, 2016), p. 297.

50 B. Boutros-Ghali, *Reinventing UNCTAD* (Geneva: The South Centre, 2006), p. 5.

51 *Ibid.*

developing countries demanded NIEO because they were of the opinion that the existing economic order and their contacts with developed countries worked to their disadvantage.[52]

The call for an NIEO was made at the Sixth Special Session of the General Assembly in 1974, and a Declaration and Programme of Action for its formation was accepted. While the International Development Strategy for the Second Development Decade had been adopted in 1970, it proved to be largely ineffective. The economic predicament of that time, illustrated by monetary chaos, rising inflation, and food and energy crises, blocked the chances for developing countries to attain the objectives set out in the International Development Strategy and motivated them to search for new solutions.[53]

As a commodity cartel trying to ensure general and commodity-specific changes in trade relations between the North and the South, the Organization of Petroleum Exporting Countries (OPEC) became a source of inspiration in the search for an NIEO.[54] The success of OPEC in increasing and keeping oil prices high emboldened the developing countries to believe that solidarity among countries producing primary products could deliver changes in terms of trade. Moreover, it helped to overcome the fears that the North would retaliate by using military and financial measures.[55]

At the centre of the NIEO concept, there were certain interconnected reform demands: an exclusive right of developing countries to manage the extraction and sale of their domestic natural resources; the creation and recognition of state-controlled cartels to stabilize (and increase) the prices of commodities that the developing countries sell on international markets; regulation of the activities of transnational companies; non-conditional technology transfers from the North to the

52 Mehta, S. S. *op. cit*., pp. 138–140.

53 Corea, G. "UNCTAD and the New International Economic Order," *International Affairs*, Vol. 53, No. 2, April 1977, p. 177.

54 I. W. Zartman, "Introduction: North–South Relations," in I. William Zartman (ed.), *Positive Sum: Improving North–South Negotiations* (Oxon and New York: 1987), pp. 2–3.

55 Gilman, N. "The New International Economic Order: A Reintroduction," *Humanity: An International Journal of Human Rights, Humanitarianism and Development*, Vol. 6, No. 1, Spring 2015, p. 3.

South; the granting of preferential (non-reciprocal) trade preferences to the developing countries; more foreign aid and better terms and conditions; and the cancellation of some debts that the South owed to the North.[56] The South also tried to gain more power in the decision-making structures of the international organizations that governed the economic order, such as the IMF and the World Bank.[57]

Among these demands, the South was able to realize the adoption of the Generalized System of Preferences by GATT in 1971. However, this success would eventually be meaningless, as discussed. The developing countries were also successful in ensuring some favourable terms in commodity price stabilization, but the North rejected negotiating most of the other issues.[58] As far as reforms in the decision-making structures of the IMF are concerned, the latest IMF quota review bringing about changes in quotas, the 14th General Quota Review, was concluded in 2010, and the quota changes became effective in 2016. More than six percent of quota shares have been channelled to four rising economies: Brazil, China, India, and Russia. As a result, these countries are now among the 10 ten largest members of the IMF alongside the USA, Japan, France, Germany, Italy, and the United Kingdom.[59]

The strengthening position of developing countries in the world economy has led to a debate on the future of global governance, and the role of the South in shaping international organizations and norms. The developing countries, which were regarded as norms takers previously, have come to attract attention thanks to their role in framing new ideas and norms.[60] People from the developing world have articulated some of the most significant recent ideas in the field of development. Pakistan's Mahbub ul Hak and India's Amartya Sen introduced the concept of human

56 *Ibid*., p. 3.

57 I. W.. Zartman, *op. cit.,* pp. 2–3.

58 M. P. Karns and K. Mingst, *op. cit*., p. 394.

59 IMF, "Press Release: Historic Quota and Governance Reforms Become Effective," 27 January 2016, Available at: https://www.imf.org/en/News/Articles/2015/09/14/01/49/pr1625a (Accessed: August 8, 2020).

60 Fukuda-Parr, S. and Muchhala, B. "The Southern Origins of Sustainable Development Goals: Ideas, Actors, Aspirations," *World Development*, Vol. 126, 2019, p. 1.

development, and Kenya's Wangari Maathai received a Nobel Prize for her studies on sustainable development.[61]

Conclusion

The examination of South–South co-operation at bilateral, regional, and global levels has shown that the South–South co-operation gave birth to many conferences, declarations, and international organizations at the global level, along with the emergence of an alternative development discourse thanks to UNCTAD and its chair, Raul Prebisch. However, beginning in the 2000s, South–South co-operation has experienced a real resurgence with the strengthening of Southern actors such as China. Therefore, the study concludes that the real momentum in South–South co-operation has been created by the strengthening of Southern actors vis-à-vis Northern actors in terms of supplying credits, carrying out major development projects, and formulating and defending their development discourses with the international organizations, which have shown some early signs of restructuring in the face of the rise of the South.

The study also examined North–South dialogue within the framework of the NIEO, UNCTAD, and the G-77. It concludes that it is evident that the South fell short of ensuring the reforms in the economic order it demanded from the North, apart for a brief period following the Oil Crisis of 1973–74. As the North had nothing to lose by rejecting the demands of the South, the North–South dialogue produced no important gains for the South. With the triumphant of the Washington Consensus and neoliberalism all over the world, the alternative development discourse of the South was overshadowed in the late 1980s, the 1990s, and the 2000s. However, thanks to the financial crisis of 2008, the new development discourses of the South, including the Beijing Consensus of China, today enjoy more chances of gaining success.

61 Acharya, A. "Idea- Shift: How Ideas from the Rest are Reshaping Global Order," *Third World Quarterly*, Vol. 37, No. 7, 2016, pp. 1157–58.