

Remembering BAPA and Way Forward*

Recordando el PABA y el camino a seguir

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KEYWORDS

South-South Cooperation; BAPA+40; Global Value Chains; Southern-led innovation.

ABSTRACT The Buenos Aires Plan of Action 40th anniversary is getting closer, and the Second United Nations Conference on South-South Cooperation to be held in the main city of Argentina would build bridges between critical elements of Sustainable Development Goals and financing, the Paris Climate Change Agreement and the South-South Cooperation. As a consequence, to focus on technical cooperation won't be enough to maintain South-South cooperation relevance: the BAPA+40 conference has to strategize the role of global South in the emerging structure of global value chains and promote a Southern-led and Southern-focused responsible research and innovation effort.

PALABRAS CLAVE

Cooperación Sur-Sur; PABA+40; Cadenas globales de valor; Innovación liderada por el Sur.

RESUMEN El 40º aniversario del Plan de Acción de Buenos Aires se acerca, y la Segunda Conferencia de las Naciones Unidas sobre Cooperación Sur-Sur, que se reunirá en la capital de Argentina, deberá construir lazos entre los elementos claves presentes en los Objetivos de Desarrollo Sostenible y su financiación, el Acuerdo de París sobre Cambio Climático y la Cooperación Sur-Sur. Como consecuencia. Centrarse en la cooperación técnica no será suficiente para sostener la relevancia de la Cooperación Sur-Sur: la conferencia del PABA+40 deberá crear estrategias sobre el papel que debe desempeñar el Sur global en las nuevas cadenas globales de valor y promover un esfuerzo de innovación e investigación liderado por el Sur y enfocado en sus necesidades.

* The paper is an expanded version of a paper by Chaturvedi published in *Development Cooperation Review*, 1 (1), April 2018.

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MOTS CLÉS

Coopération Sud-Sud; PABA+40; Chaînes de valeur mondiales; L'innovation dirigée par le Sud.

RÉSUMÉ

Le 40^{ème} anniversaire du Plan d'action de Buenos Aires s'approche et la deuxième Conférence des Nations Unies sur la coopération Sud-Sud, qui se réunira dans la capitale argentine, devrait créer des liens entre les éléments clés des Objectifs de développement durable et leur financement, l'Accord de Paris sur le changements climatique et la coopération Sud-Sud. Par conséquent, se concentrer sur la coopération technique ne suffira pas à maintenir la pertinence de la coopération Sud-Sud: la conférence PABA+40 devrait créer des stratégies sur le rôle du Sud dans les nouvelles chaînes de valeur mondiales et promouvoir l'innovation et la recherche menées par les pays du Sud et axées sur leurs besoins.

Introduction. The Post-1978 Scenario: a changed context for BAPA+40

As the world is getting set for celebrating 40th Anniversary of Buenos Aires Plan of Action (BAPA), the Global South is looking forward for greater integration and accomplishment of goals with which the journey started. Capturing some of the movements which contributed to the genesis and the evolution, what is now popularly called as BAPA, the United Nations General Assembly has agreed to celebrate it through an international conference to be held in 2019. The idea is to bring the key elements of Sustainable Development Goals, Addis Ababa Action Agenda and our collective commitments to Paris Climate Change Agreement upfront for contributing to richer, deeper and pragmatic South-South Cooperation, which is going beyond the equator divide.

As may be recalled, many of the developing countries which came out of the World War II, needed global support to overcome impediments of those years. The Third World solidarity got all the key developing countries together and created forums through which they could work to create a more level playing field to promote their interest in the international economic order. Non-Aligned Movement (NAM) became the initial vehicle for that purpose, and later the G-77 emerged as the key grouping of the developing countries. It is worth recalling that the economic and trade interests of developing countries at the United Nations and other such fora were largely seen in direct conflict with the West. The third wing institutional mechanisms also contributed to the rise of G-15, out of NAM, as a means for engaging the G7 developed countries in a dialogue over reforms of the international economic order.

There were certainly some progress in promoting economic cooperation among the sovereign countries and the Western economies for wider global gains. Process,

negotiations and international arrangements evolved further with the end of the cold war around 1990. Against this backdrop, South-South Cooperation and its evolution has to be viewed from two distinct but often interlinked perspectives. While the first perspective throws light on a small group of developing countries that emerged as significant economies with financial, technological and management capabilities and expanded the reach and scope of development cooperation in a spirit of South-South Cooperation, the second perspective underscores the creation of development cooperation administrations – of different nomenclature and diversified portfolio of activities – across a number of Southern countries. The list of countries includes many developing countries that do not enjoy the tag of “emerging countries” in the existing literature. For example, Thailand International Cooperation Agency was established in 2004. The Agencia de Cooperación Internacional de Chile (AGCI) became a formal part of Chile Ministry of Foreign Affairs in 2005. Azerbaijan set up its cooperation agency: Azerbaijan International Development Agency (AIDA) in 2011. The Palestinian International Cooperation Agency (PICA), was established in 2016 and serves a public diplomacy mechanism of the State of Palestine and as a development cooperation arm of Palestinian foreign policy.

At this juncture, it will be worth looking into some detail of the activities of PICA, perhaps the latest entrant in the field of active participants vis-a-vis South-South Cooperation. PICA, using the Palestinian know-how in multiple sectors, aims to deliver aid development and technical assistance to developing countries with the aim of promoting South-South Cooperation. By now PICA has trained medical students from Zimbabwe, PICA disaster response team reached Venezuela with support after the disastrous hurricane Maria in 2017. In September 2017, PICA and Strategic Enterprise Management Agency (SEMA) of Sri Lanka signed an Memorandum of Understanding to initiate actions between the parties to establish the mutual understanding of their two organizations for establishing and operating cooperation and programmes of development in the fields of agriculture, peace-building and rule of law, communication and information technology, education, health, environment and other fields of common interest. Chile and Palestine signed a memorandum of understanding in December 2017 in order to establish and manage cooperation through development projects.

The *Ibero-American General Secretariat* report on South-South Cooperation reports that 19 Latin American countries participated in a total of 721 Bilateral South-South Cooperation projects and 155 actions in 2015 and most of the countries involved in providing development support to other Southern nations are not included in the list of “emerging economies”.

A relook at BAPA+40 has to be contextualized against these two distinct features that emerged post-1978 — the increasingly visible participation of emerging economies in contributing to the South-South Cooperation process and commitment of other developing nations to add to this effort. In addition, the United Nations System has

also geared up to effectively consider South-South Cooperation as a capable vehicle of facilitating global development. The latest Report of the Secretary-General of the United Nations on the State of South-South Cooperation, published in August 2018 notes, “close to 30 United Nations entities have designed policies and programmes that draw on the expertise, experience, technology and many other resources that are available in the developing world. Increasingly, Member States receive the support of United Nations organizations for the convening of South-South policy dialogues, which are the wellspring of ideas on how best to eradicate poverty, hunger and other deprivations based on the policy solutions that developing countries have devised and found effective”¹.

BAPA: A look down the history

The BAPA agenda focused on Technical Cooperation among Developing Countries (TCDC). This particular institutional arrangement provided scope for partnership across the board. The very idea behind TCDC actually reflected the central elements of South-South Cooperation, vis-a-vis self-reliance and self-help. The conceptual premise for BAPA was provided by Raul Prébisch and Hans Singer, which was subsequently elaborated by the likes of Andre Gunder Frank and Samir Amin.

The crux of the idea was the identification of the centre in terms of the northern developed nations surrounded by a periphery comprising of the global South who were obliged to supply raw materials to the centre and receive finished products produced out of them. Needless to add, the terms of trade was heavily tilted against the Southern countries as they had received a lower price for their imports and ended up paying a higher price for what they exported. The idea has also been referred to in the literature as “Dependency Theory”. BAPA called for a strategy to be pursued by the global South to come out of such a dependency trap. It was rightly believed that advantageous level of capacity to innovate and thereby easier access to technology facilitated to the creation of such a Centre-Periphery network. The call espoused by BAPA was to facilitate access to technology through sharing of whatever is available with and generated within the Southern economies with relative ease and obviously, in a less costly, if not in a costless, manner.

Thus technology occupied a major place in this arrangement. The BAPA proposed reshaping and transforming of proper economic sphere, whereby South-South Cooperation could create a congenial environment for joint development and mutual benefit among development partners. The joint development efforts were directed towards finding out common solutions for common problems through peaceful engagement. The support of the United Nations facilitated to obliterate the distinction

¹ Available at http://www.un.org/ga/search/view_doc.asp?symbol=A/73/321&Lang=E

between North-South and South-South Cooperation. That the idea of “moral” power has a basis for cooperation was largely appreciated by all the actors involved.

It was way back in 1961 at the NAM Summit in Belgrade, Nehru said: “That the power of nations assembled here is not military power or economic power, nevertheless it’s a power called moral power”. In the recent times the spirit has been reinforced. Prime Minister of India Narendra Modi while launching the International Solar Alliance (ISA) talked about the economic growth and potential cooperation among developing countries. He said: “A dream that we saw in 2015 during COP-21 in Paris has become a reality in Delhi today. I thank all the nations of the world who have become part of the ISA family”.

The idea of change in the global order evolved with greater emphasis when the United Nations Conference on Trade and Development (UNCTAD) floated the idea of improving terms of trade and its articulation in the New International Economic Order (NIEO). This was a phase during which larger investment linkages within the South acquired larger importance in the national economic policies of developing countries along with added political significance to the pursuit of a reformed global economic architecture with Southern perspective. In this process, the South explored for complementarities in skills and resources, and for evolving different practical modalities for implementing the action plan in this regard for them. Two important examples for this are the Economic Cooperation among Developing Countries (ECDC) and Technical Cooperation among Developing Countries (TCDC) that followed the adoption of Buenos Aires Plan of Action launched in 1978.

BAPA+40: In the lookout for a new phase

As developing countries look forward to for deeper cooperation among themselves, they very much realize the rationale for partnership and economic cooperation across the board. The United Nations System has also geared up to contribute to this process in a meaningful way. In the days to come, there would be more conferences and seminars, discussion papers and other substantive publications. The world would await many such and other efforts to shape and concertise the new institutional arrangements wherein “no one is left behind”. The leading global economies have the moral obligation to ensure this, though there may be innumerable global challenges to face. BAPA+40 would be a great opportunity for North, South, East and West to combine their efforts for a better world for all.

However, the need of the hour is to look forward to a new phase in BAPA. More technical cooperation is not enough to keep flying the spirit of cooperation initiated by BAPA. Global commitment to achieve the sustainable development goals within a specified timeline, collective efforts at combatting climate change challenges, consensus in finding a new way of financing the global development needs, have created an opportunity to move beyond the ideas conceptualized four decades ago.

Ever since the last decade of the previous millennium, with the conclusion of the World Trade Organization agreements in Marrakesh, signed by 124 nations on 15 April 1994, the global economy opened up to the call for liberalization, privatization and globalization. Strengthening of global value chain or global production network became the foundation of new global order. The developing countries, so far tied to the idea of “self-reliance” had no alternative but to open up their economic systems to the demands from such emerging value chains. The contestations between the North and the South notwithstanding, as exemplified by the failure to conclude the Doha Round of negotiations since 2001, Southern countries also engaged themselves in the expanding global value chains (GVCs). A report by the World Bank² finds: “Roughly one-third of international trade is ‘traditional’ trade, in which all of production happens in one country and all of consumption happens in another. About two-thirds is either a ‘simple’ global value chain, in which ‘value added crosses national borders only once during the production process, with no indirect exports via third countries or re-exports or re-imports’ or a ‘complex’ global value chain, in which the value-added crosses national borders at least twice”.

However, it is observed that the benefits of the expanding trade through global value chains are not shared in an equitable way between the Northern and the Southern partners. As Dollar would argue, “GVCs provide new opportunities for developing countries to increase their participation in global trade and to diversify their exports” (World Bank, 2017: 1). However, the available data suggests of a tendency of relatively larger shares in the value chain getting created in the developed countries and consequently, a smaller share being realized by the developing nations—an idea well represented by the “smiling curve” that features the share of value across different stages of production in a value chain. The segments of “product development” and “product marketing” capture higher share of global value compared to the segment of “production”. Incidentally the high yielding segments of GVC are generally located in the developed world, while the rest—labour intensive in general—are spread across the global South. The emergence of protectionist sentiment in the developing countries also has a potential to reduce the share of GVC to the southern nations.

BAPA+40 has to strategize the role of global south in the emerging structure of GVCs. Two strategies are necessary to be developed. Firstly, it is imperative that the segment of “product development” gets entrenched into the developing world through effective cooperation in “responsible research and innovation” (RRI) under the rubric of South-South Cooperation—an area hitherto kept outside the purview of it. The second strategy on realizing value through marketing efforts will follow albeit automatically, once the first strategy is effectively realized. South-South Cooperation so far concentrated heavily on capacity building of younger generations through several training programmes, both *ex situ* and *in situ*. The programmes catered to the need

² Global Value Chain Development Report 2017 available at https://www.wto.org/english/res_e/booksp_e/gvcs_report_2017.pdf

of skill building across a number of specialized activities to facilitate absorption in southern countries of advanced technologies transferred from other countries —both developed and developing.

They also helped develop the internal capacity for managing and governing resources. Such skilling measures, apparently, contributed, in return, to expansion of a part of the GVC into the global South. It is also heartening to note that the share of South-South trade in overall global trade has been persistently rising over the last couple of decades. BAPA+40 has now to show ways to transcend the prevailing emphasis on capacity building and South-South trade to South-South investment, especially in the domains of innovation and knowledge that can pave the way for product development activities within global South —a phenomenon almost entirely missing in the Southern nations, excepting in some of the emerging countries from the South. The desired focus on RRI thus becomes relevant.

The innovation system developed so far has often bypassed the Southern actor till date. The debate linked to institutionalizing innovation through a robust intellectual property regime (IPR) signifies the North-South divide in the global innovation space. The insignificant role of Southern participants in the GVCs also points to the same malady. A new institutional mechanism, that encourages and facilitates development of an innovation system that is, of the South, for the South and by the South is perhaps the need of the hour. The number of development cooperation agencies dotting the global South may join hands together and create an effective platform in pushing this agenda forward. Different United Nations agencies spearheading the cause of South-South Cooperation may also contribute to this effort. BAPA+40 can provide the right opportunity in paving the way for the emergence of this desired platform. Such a platform can also help fine tune several other challenges facing South-South Cooperation today.

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