

# 8. NEED FOR SOUTH-SOUTH COOPERATION TO CONFRONT THE CHALLENGES POSED BY THE GLOBAL NORTH AS TO NORTH-SOUTH GAP

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## Abstract

About 160 developing countries of the "Global South", also called under the name and style the third world, are facing major development challenges, while Global north refers to the so-called developed countries of the west. Geographically, most of the countries of the 'Global South' are in the Southern hemisphere, while the so called developed countries, with the exception of Australia and New Zealand, are in the northern hemisphere. The historical genesis of the term third world lies in an approach based on preclusion, that is, after the Second World War and the advent of the cold war the countries of the world could be categorized as: I. the first world which consists of western, industrialised, capitalist democracies (pre-dominantly Christian) II. the second world which consists of the Socialist countries in Central and Eastern Europe including the erstwhile Soviet Union; and the third world consists of the rest. The problems to ameliorate the wretched condition of the four-fifth of the world population belonging to the South are diverse in nature. The South presents many drawbacks like mass poverty, paucity of capital, wealth, technology and other development resources that are essential ingredients in respect of self development. Because of these handicaps the countries of the South are helplessly dependent on North in respect of economy, finance, technology etc. By the result of which North has been able to exert undue pressures on the South and MNCs based on the North are able to exploit the weak bargaining power of the South. Why is the North -South issue becoming so important today? First of all the income gap between the North and the South is increasing. Income per head is being raised in the countries of the North .At the same time the problem of development of the developing countries soars up day-by-day. Now the question arises how can the countries of the South come out of such a miserable situation and accelerate the pace of development of their economies, making better utilization of their resource potential? The South Commission was established in 1987, with Julius Nyerere (former President of Tanzania) as the Chairman, and Dr. Manmohan Singh as member and General Secretary, pursued the scope for the South-South cooperation in the context of major development problems faced by developing countries. South Commission observed the crucial challenge that the developing countries face collectively is how to strengthen and diversify South-South cooperation. The development challenges faced by the countries of the South can lead South-South Cooperation a much needed strategy. Growing integration of the developed nations and signifying prosperity of such cooperation the need for SSC is reinforced.

## Key words:

North, South, Development, GDP, poverty, hungry, technology, revolution & South-South Cooperation.

## Introduction:

### THE NORTH-SOUTH GAP:

At the global level of analysis the North-South gap between the relatively rich industrialized countries of the North and the relatively poor countries of the South is the most important geographical element. The North includes both the West (the rich countries of North America, Western Europe and Japan) and the old East including the former Soviet Union (now Russia) and the *Commonwealth of Independent States* (CIS), a loose confederation of former Soviet republics excluding the Baltic States. The South includes Latin America, Africa, Middle East and much of Asia. After the Second World War and the advent of the cold war the South is often called the “third world” (third after the West and East). Countries of South are also referred to less-developed Countries (LDCs), underdeveloped Countries (UDCs), or developing Countries, in contrast to the industrialized, developed countries of the North. The Global North may be divided into North America (the USA and Canada); Western Europe (mainly European Union members); Japan/pacific (mainly Japan, North and South Korea, Australia and New Zealand); and Russia & Eastern Europe (mainly the former Soviet bloc). The global South is divided into China (including Hong Kong and Taiwan); the middle East (former North Africa through Turkey and Iran; Latin America (Mexico, Central America, the Caribbean, and South America); South Asia (Afghanistan through Indonesia and the Philippines); and Africa (below the Sahara desert).

### POVERTY:

Now we can discuss the gap in wealth and poverty between North and the South. The poverty of South can be viewed from several theoretical perspectives. IR scholars have no single explanation about the prodigious North-South gap in wealth & poverty or they do not all agree on the causes or implications of such poverty, or on solutions to the problem. Some search it as a part of natural process of uneven growth in the world economy. Others fasten it to the history of imperialism by European states, as well as by Russia, the United States, and Japan. Some observe the gap as a reflection of racism- the North is predominantly white while most of the South is non white. They also differ about the nature of North-South relations

The North-South issue was described by three different philosophical schools, which argued whether this gap could be reduced in the modern economic scenario. Liberal theory of economic development is the dominant theory in the International economy. It supports free trade as the only possible way to promote mutual growth of all parties involved. The Liberals say that the problems of the South lie in its resistance to adopt the market system and its incapability to conduct domestic economic policies in accordance with the free trade rules. Globalist or Marxist views see the problem in the present free trade system. Globalists focus on the economic exploitation of the South

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by the North, which is an essential element of capitalist system. Structuralists fall between liberals and globalists because they believe that the system is not ideal but can be peacefully reformed and reorganized. All theories can be criticized at some point, but all of them agree with the view that much of the global South is extremely poor.

Most of the world people live in poverty in the South. According to the UN Multidimensional Poverty Index, 2.2 billion people still live in abject poverty. About 1.4 billion people, the majority in the South, still have no reliable electricity, 900 million lack accesses to clean water and 2.6 billion do not have adequate sanitation.<sup>1</sup> Still the average income per person in South Asia (home to 2 billion people) is only \$4,000 per year and in Africa only \$2,300. Though people are rising out of poverty, because of population growth the number of very poor people nonetheless remains about the same.<sup>2</sup> Consequently, people live without safe drinking water, shelter, health care and other necessities because they cannot afford them. Safe water is another essential element of meeting basic human needs. In many rural areas people of the countries of the South walk miles every day to fetch water. Note that access to water does not mean running water in every house, but a clean well or faucet for a village. In 1990– 2010, the number without access fell by half, meeting the MDG target early, but one in six people worldwide still lack safe drinking water. And many among those with safe drinking water lack sanitation facilities (such as sewers and sanitary latrines). About 2.5 billion people, one-third of the world's population, do not have access to sanitation. As a result, epidemics and widespread diarrhea kill millions of children every year. Rural areas are worse than cities. In spite of the tremendous progress the world has made in improving water and sanitation with population growth there are still about 1 billion people lacking safe water and more than 2 billion without adequate sanitation.<sup>3</sup>

One in six people worldwide live in sub- standard housing or is homeless altogether, about a third are in malnutrition and one in seven is chronically under- nourished. Hunger is rampant in the third World. Today more than 800 million people are starving. In 2008 in the global South, according to UNICEF, one in four children suffered from malnutrition, one in seven lacked access to health care, and one in five had no safe drinking water.<sup>4</sup>

The UN in 2000 adopted the **Millennium Development Goals**, which set targets for basic needs measures to be achieved by 2015 and measured against 1990 data. The first of the eight goals

<sup>1</sup> Message of the Secretary-General of UN *On the United Nations day for south-south Cooperation*. 12 September, 2014.

<sup>2</sup> World Bank. *World Development Indicators 2006*. World Bank, 2006.

<sup>3</sup> World Health Organization and UNICEF. *Meeting the MDG Drinking water and Sanitation Target*. UNICEF, 2004. World Health Organization. *World Health Statistics 2010*. WHO, 2010.

<sup>4</sup> UNICEF. *The State of the World's Children 2009: Maternal and Newborn Health*. UNICEF, 2009

is to cut in half the proportion of the world's population living in "extreme poverty," defined as income of less than \$1.25 per day. This goal was met ahead of schedule in 2010, although Africa lagged far behind Asia in cutting poverty. Since 1990, 2 billion people have gained access to improved drinking water, but 1 billion remain hungry around the world.<sup>5</sup>

Globalization in the 1990 increased the gap between the North and the South. Currently incomes in the global North are five times as high, per person, as in the global South. Almost half the world (over three billion people) lives on less than \$2.50 a day.<sup>6</sup> In every five seconds, somewhere in the world, a child dies due to malnutrition. And in the same five seconds, the world spends \$270,000 on military purpose.<sup>7</sup>

The world has the capacity to produce enough food to feed everyone adequately. Yet despite progress made over the past two decades, at least 842 million people in the world, or one in every eight human beings, still suffer from hunger on a daily basis. Poverty in the third world countries is rampant. A huge number of people of South are not getting foods like vegetables, fruits, meat, fish etc. to get 2400 kilo- calories to take them above the poverty line. Most of the third world countries' people are not getting their minimum calories. As a result they are facing partial starvation. It is mainly because they do not have financial capacity to buy even this amount of food grain every day. As a proportion of growing population the rate of hunger dropped from 19 to 12 percent from 1991 to 2011.<sup>8</sup> Productive and gainful employment is the only sustainable way to alleviate poverty in these countries. But population and technological backwardness are the main causes of unemployment here. The adverse effects of increasing population on employment situation are quite obvious in the villages where agriculture is the main source of employment. But fixed agricultural land of South can provide employment to a limited number of individuals.

### **ECONOMIC ACCUMULATION:**

How would we explain the enormous gap of income between the North and the South? What are its implications in international politics? Here we will focus on two divergent theories of wealth accumulation, based on more liberal and more revolutionary world view. Capitalism and Socialism having different views on the process of moving from poverty to well-being requires the accumulation of capital. Capitalism emphasizes overall growth with considerable concentration of wealth, whereas Socialism gives emphasis on a fair distribution of wealth. Under Capitalism, the cycle

<sup>5</sup> UNO. *The Millennium Development Goals Report 2008*. UN, 2008.

<sup>6</sup> Shah, Anup Poverty Facts and Stats. (Jan 07,2013)<http://www.globalissues.org/article/26/poverty-facts-and-stats#src2>

<sup>7</sup> Goldstein, Joshua S. & Pevenhouse, Jon C (Tenth Edition,2013-14 Update), Pearson Education.P.425

<sup>8</sup> Food and Agricultural Organization. *The State of Food Insecurity in the World 2012*.FAO,2012

of accumulation is largely controlled by private individuals and companies. When a surplus is produced, it is the profit for the owners of the capital that produced the surplus to maximize. To the wealth, private owners encourage reinvestment of surplus. Capitalism concentrates wealth, promoting efficient and rapid accumulation but it does not seek of an equal distribution of wealth. On the contrary Socialism looks the North-South division as more of a Zero-sum-game in which the creation of wealth in the North most often comes at expense of South. In the political bargaining over the distribution of the world's wealth socialism sees economic classes rather than the states as the main actors. The Industrial Revolution hastened the process of wealth accumulation. But at the same time, industrialization has occurred very unevenly across the world regions. The North has accumulated vast capital. Though the South produces the spurts of wealth, its most areas remain a pre- industrial economy. For this reason North consumes nearly ten times more commercial energy per head than the South does.

Still now in the bargaining between the North and the South over the process of wealth accumulation, the two sides have very unequal power. Indeed it is basically in economic term that the Global South, where about 80% of the world's people live and which possesses only 20% of the total world's wealth, can be shown as follows.

### Comparison of World Regions, 2011

**Note: Data adjusted for purchasing-power parity. 2011 GDP estimates (in 2012 dollars)**

REGION	POPULATION(MILLIONS)	GDP(TRILLIONS\$)	GDP PER CAPITA (DOLLARS)
<b>The North</b>			
1.North America	350	\$16	\$45,000
2.Europe	530	17	31,000
3.Japan/Pacific	240	7	29,000
4.Russia/CIS	280	3	10,700
<b>The South</b>			
1.China	1,400	12	8,000
2.Middle East	480	5	10,000
3.Latin America	600	7	11,000
4.South Asia	2,250	9	4,000
5.Africa	870	2	2,300
<b>Total North</b>	<b>1,400(20%)</b>	<b>43(55%)</b>	<b>30,500</b>
<b>Total South</b>	<b>5,600(80%)</b>	<b>35(45%)</b>	<b>6,200</b>
<b>World Total</b>	<b>7,000</b>	<b>\$78</b>	<b>\$11,100</b>

**Source: 2010 GDP estimates (in 2011 dollars).<sup>9</sup>**

<sup>9</sup> Goldstein, Joshua S. & Pevenhouse, Jon C (2013-14 Update), Pearson Education.P-26

## THE GLOBALIZATION OF CLASS:

Marxists view the global North-South relations in terms of a class struggle, especially between the workers and the bourgeoisie that have different roles in society and different access to power. Many Marxists, since Lenin's time have attributed poverty in the South to the concentration of wealth in the North. Lenin's idea shapes a major approach to the North-South relations-the idea that industrialized states exploit poor countries through formal and informal colonization. Socialists see the North-South divide as more of a zero-sum game in which the creation of wealth in the North most often comes at the expense of the South. It also gives politics (the state) more of a role in redistributing wealth and managing the economy than does capitalism. But socialists see economic classes rather than states as the main actors in the political bargaining over the distribution of the world's wealth. Mercantilism promotes the idea of concentrating wealth (as a power element), whereas socialism promotes the broader distribution of wealth. Thus, whereas mercantilists see political interests (of the state) as driving economic policies, socialists see economic interests (of capitalists and of workers) as driving political policies.

## THE WORLD SYSTEM:

IR scholars in the world system argue that the North is a core region specializing in producing manufactured goods and the South is a periphery specializing in extracting raw materials through agricultural and mining. So, in the world system, class divisions are regionalized. The South mostly extracts raw materials (including agriculture) –work that uses much labour and little capital, and pays low wages. On the other hand, North mostly manufactured goods – work that uses more capital, requires more skilled labour, and pays workers higher wages. Today, the most important class struggle, in this view, is between the core and the periphery of the world system.<sup>10</sup> The core uses its power (derived from its wealth) to concentrate surplus from the periphery, as it has done for about 500 years. Conflicts among great powers, including the two world wars and the Cold War, basically result from competition among core states over the right to exploit the periphery. Between these two there are some semi-periphery states with light manufacturing. Eastern Europe and Russia and newly industrializing countries such as Taiwan and Singapore are considered to be semi-peripheral. The semi-periphery acts as a kind of political buffer between the core and the periphery.

## EUROPEAN COLONIALISM AND DE-COLONIZATION:

Today's North-South gap traces its roots to the colonization of the third world regions by Europe over the past several centuries. The history of having been colonized by Europeans is central to their

<sup>10</sup> Boswell, Terry, ed. *Revolution in the World-System*. Greenwood, 1989.

national identity, foreign policy, and place in the world. For these states— and especially for those within them who favor socialist perspectives—international relations revolves around their asymmetrical power relationships with industrialized states (Capitalist perspectives tend to pay less attention to history and to focus on present-day problems in the South such as unbalanced economies, unskilled workforces, and corrupt governments). But wherever there were colonies, there were anti colonial movements. After the Second World War, when the European powers were weakened, most of the countries of Asia, Africa and Latin America have emerged as independent states by decolonizing the western power. Through the 1960s, a wave of successful independence movements swept from one country to other of Asia and Africa.

### **POST COLONIAL DEPENDENCY:**

Following independence, third world sates were left with legacies of colonialism, including their basic economic infrastructure that made wealth accumulation difficult in certain ways. These problems still remain in many countries. One historical configuration of dependency is the enclave economy , in which foreign capital is invested in a southern country to extract a particular raw material in particular place usually a mine, oil or plantation. Here the cycle of capital accumulation is primed by foreign capital, is fueled by local resources, and completes itself with sale of products on foreign markets.

### **THE STATE OF THE SOUTH:**

Wealth accumulation of a country depends on meeting basic human needs such as access to food, water, education, shelter and health care. Third world sates have had mixed success in meeting their basic human needs. More than 80 percent of the world's population lives in countries where income differentials are widening.<sup>11</sup>The poorest 40 percent of the world's population accounts for 5 percent of global income. The richest 20 percent accounts for three-quarters of world income.<sup>12</sup>

Nearly a billion people entered the 21st century unable to read a book or sign their names.<sup>13</sup> Safe water is another essential element of basic human needs. In many rural areas of the third world countries people walk miles every day to fetch water. Some 1.1 billion people in developing countries have inadequate access to water, and 2.6 billion lack basic sanitation. 1.8 billion people who have access to a water source within 1 kilometre, but not in their house or yard, consume around 20 litres

<sup>11</sup> 2007 Human Development Report (HDR), United Nations Development Program, November 27, 2007.

<sup>12</sup> *Ibid*

<sup>13</sup> The State of the World's Children, 1999, UNICEF

per day. In the United Kingdom the average person uses more than 50 litres of water a day flushing toilets (where average daily water usage is about 150 liters a day. The highest average water use in the world is in the US, at 600 liters day.) Some 1.8 million child die each year as a result of diarrhoea .<sup>14</sup>Shelter is another important element .It is taken for granted in the third world countries that large families live in a single room. War in the third world (both international and civil war) has been a major impediment to meeting basic human needs and political stability. It may be single greatest impediment to economic development in the third world. Almost all the wars of the past 60 years have been fought in the third world.

## WHO`S HUNGRY?

### CHRONICALLY UNDER NOURISHED PEOPLE BY REGION 2012

Region	Number (millions)	Percentage of Population	20 Years Earlier
South Asia	300	18%	27%
Southeast Asia	65	11%	30%
China	160	11%	21%
Africa	230	27%	33%
Latin America	50	8%	15%
Middle East	30	10%	6%
Developing World	835	15%	23%

*Notes: Data are from 2010–2012 and 1990–1992. Chronic undernourishment means failing to consume enough food on average over a year to maintain body weight and support light activity.*

*Source: Based on Food and Agriculture Organization, The State of food Inequality in the World, 2012, FAO, 2011, pp 44–47.*

FAO's most recent estimates indicate that, globally, 842 million people(12 % of the world population ) were unable to meet their dietary energy requirements in 2011–13, down from

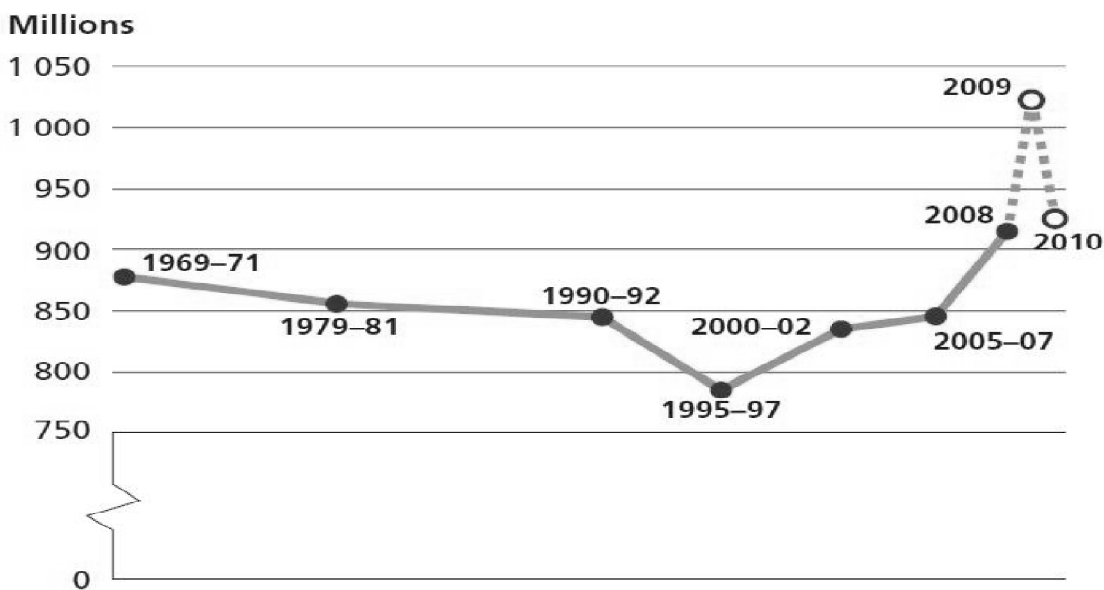
<sup>14</sup> 2006 United Nations Human Development Report, pp.6, 7, 35



868 million reported for the 2010–12 period in last year’s report. Thus, around one in eight people in the world are likely to have suffered from chronic hunger, not having enough food for an active and healthy life. The vast majority of hungry people (827 million out of 842 million) live in developing countries, where the prevalence of undernourishment is now estimated at 14.3 percent in 2011–13. A total of 842 million people in 2011–13, around one in eight people in the world, were estimated to be suffering from chronic hunger, regularly not getting enough food to conduct an active life. This figure is lower than the 868 million reported with reference to 2010–12. The total number of undernourished has fallen by 17 percent since 1990–92. Developing regions as a whole have registered significant progress towards the MDG 1 hunger target. If the average annual decline of the past 21 years continues to 2015, the prevalence of undernourishment will reach a level close to the target. Meeting it would require considerable and immediate additional efforts. Growth can raise incomes and reduce hunger, but higher economic growth may not reach everyone. It may not lead to more and better jobs for all, unless policies specifically target the poor, especially those in rural areas. In poor countries, hunger and poverty reduction will only be achieved with growth that is not only sustained, but also broadly shared. Despite overall progress, marked differences across regions persist. Sub-Saharan Africa remains the region with the highest prevalence of undernourishment, with modest progress in recent years. Western Asia shows no progress, while Southern Asia and Northern Africa show slow progress. Significant reductions in both the number of people who are undernourished and the prevalence of undernourishment have occurred in most countries of Eastern and South-Eastern Asia, as well as in Latin America.

Rural poverty and food insecurity continue to be serious challenges in developing countries. The majority of the hungry live in developing countries, but hunger also occurs in the industrialized world. Two-thirds live in just seven countries (Bangladesh, China, the Democratic Republic of the Congo, Ethiopia, India, Indonesia and Pakistan) and over 40 percent live in China and India alone. Asia and the Pacific is home to the largest number of hungry while sub-Saharan Africa has the highest prevalence of hungry, with one in three people being undernourished. The potential of South-South Cooperation to advance development and poverty reduction is increasingly evident, especially as emerging economies increase their investments in developing countries in Asia and Africa.

## Number of undernourished people in the world, 1969–71 to 2010



Note: Figures for 2009 and 2010 are estimated by FAO with input from the United States Department of Agriculture, Economic Research Service.

Source: FAO.

*FAO estimates that a total of 925 million people are undernourished in 2010 compared with 1.023 billion in 2009. That is higher than before the food and economic crises of 2008-2009 and higher than the level that existed when world leaders agreed to reduce the number of hungry by half at the World Food Summit in 1996.*

The fact that nearly a billion people remain hungry even after the recent food and financial crises have largely passed indicates a deeper structural problem that gravely threatens the ability to achieve internationally agreed goals on hunger reduction.

## TECHNOLOGY:

Technologically most of the third world countries are backward. Leonard Batton once said, “To emerge during the middle of the twentieth century as independent states and that too with technologically innocent is a traumatic enough experience.” In today’s globalized world the technological backwardness of the third world states practically is a part of the larger fact of their being under developed economically. Countries comprising the global South typically have been unable to evolve an indigenous technology appropriate to their own resources. Instead, they depend critically on powerful MNCs spawned in the North who transfer technical know-how from the world’s rich to the poor countries.

## REVOLUTION:

Many people of the South have turned to political revolution as a strategy for changing economic inequality and poverty. During the cold war era third world revolutionary movement was a communist insurgency based in the countryside and its targets were the state, the military forces and the upper classes whose interests the state served. Usually North was viewed as a friend of the state and against such revolution. The USA often tried to final third force, between the repressive dictators and communists revolutionaries. Soviet Union often armed and hatred train the revolutionaries, while United States support the anti-government rebels. Thus, the domestic politics of South became interlinked with great power politics in the context of North-South gap. Today the most potent third world revolutions are the Islamic revolutions in the Middle East. Even more than communist revolutions of the past, Islamic revolutions are directed against the North by rejecting the Western values of which the international system is based. Islamic revolutions draw support and legitimacy from the plight of poor people of the third world.

## NEED FOR SOUTH –SOUTH COOPERATION

South-South Cooperation (SSC) is about working together of the developing countries to find out solutions to common development challenges of the Global South. It is a broad framework for collaboration among third world countries in the political, economical,

social, cultural, environmental and technical domains. SSC can take place on a bilateral, regional, sub regional or inter-regional basis involving two or more developing countries. Developing countries can share knowledge, skills, expertise and resources to accomplish their development goals through concerted efforts. Recent developments in South-South cooperation have taken the form of increased volume of South-South trade, South-South flows of foreign direct investment, movements towards regional integration, technology transfers, sharing of solutions and experts, and other forms of exchanges.

The scope for economic co-operation among developing countries is immense. As South Commission observes: "South-South co-operation can provide important new opportunities for development based on geographical proximity on similarities in demand and tastes, on relevance of respective development experience : know-how and skills and on availability of complementary natural and financial resources and management and technical skills."

### **OBJECTIVES:**

The basic objectives of South-South cooperation are interdependence and mutual support among the third world countries for their all-round development.

The objectives of South-South cooperation are:

### **TO ACCELERATE THE PACE OF DEVELOPMENT**

One of the important objectives of South-South cooperation is to accelerate the pace of development of third world countries.

This can be achieved by some important ways:

1. The relatively developed countries of the South can help other, specifically; the least developed ones, by financial aid. Regarding this fact, the oil exporters, and capital rich South-East Asian Countries can play a very important role.
2. Transfer of technology among the developing countries can reduce the technological gap between the North and The South. Countries like India and newly industrializing countries of Asia, who are called the 'Asian Tigers' such as South Korea, Taiwan, Hong Kong and Singapore, can provide considerable technological assistance to other developing countries . Transfer of technology among the countries of the South is to be more suitable than the supply of technology from North to South.
3. Increasing of trade among the third world countries may help alleviate certain problems of South, likewise low price of the exportable, high price of the importables, inadequate demand for exportables, and balance of payments and foreign exchange problems.
4. To ensure food security South-South cooperation is also needed.

### **TO INCREASE ECONOMIC EFFICIENCY:**

SSC in certain areas can help increase the economic efficiency of development activities through collectivization of resources and by increasing the efficiency of resource utilization. There are a lot of scopes for development.

1. By collective efforts as pointed out by the South Commission, South can expand the range of the third world's developments. Jointly the South in certain strategic industrial sectors such as capital goods, fertilizer, agricultural machinery, pharmaceuticals, energy and petro-chemicals, as well as manufacturing goods can lead to better use of the productive potentiality of countries concerned and increase their trade.
2. Research is another area where joint efforts could have substantial benefits.
3. By jointly South can increase the scope of development in flood control, irrigation, transport, power generation communication etc.
4. Considerable economic benefits could increase from sub-regional and regional integration schemes.

### **TO STRENGTHEN THE STATUS OF THE SOUTH VIS-À-VIS THE NORTH**

These developments will help reduce the dependence of the South on the North and this would naturally enable the South to withstand the various sorts of pressures from the North. The solidarity of the South will increase the bargaining power the South vis-à-vis the North. It would lead better North-South relationship.

### **OTHER OBJECTIVES:**

1. To foster the self-reliance of developing countries by enhancing their creative capacity to find solutions to their development problems in keeping with their own aspirations, values and special needs;
2. To promote and strengthen collective self-reliance among developing countries through the exchange of experiences by transmitting their technical and other resources.
3. To strengthen the capacity of the developing countries by identifying and analysing their main development issues collectively and formulate the requisite strategies to address them;
4. To strengthen the existing technological capacities of the developing countries in order to meet their specific developmental needs;

5. To increase and improve communications among developing countries which will lead to a greater awareness of common problems as well as the creation of new knowledge to tackle the development challenges;
6. To Recognize and respond to solve the problems of the least developed countries, land-locked developing countries and the countries seriously affected by natural disasters.
7. To enable the developing countries to expand international cooperation for development.
8. To Environmental issue of today is a global issue to which South can exert effort collectively in negotiating and interacting with the North.

### **Benefits of South-South cooperation (SSC):**

1. strengthening the voice of the 'third world' in multilateral negotiations;
2. use of experience and capacity that already exists and the development of new capacities in developing countries;
3. opening of additional channels of communication among the countries of the South;
4. promoting and enhancing economic integration among developing countries;
5. enrichment of the multiplier effect of technical cooperation;
6. fostering of economic, scientific and technological self-reliance;
7. increased knowledge of and confidence in the capacities available in developing countries;
8. Coordination of policies among developing countries on development issues.
9. development of indigenous technology to meet local needs particularly in the field of agriculture;
10. promotion of:
  - social and economic planning;
  - linkage of research and development with economic growth;
  - national science and technology plans;
  - project planning ;
  - make use of human and natural-resource potential;
  - proper administration and management;
  - scientific, administrative and technical manpower; and
  - Accelerate professional training at different levels.

## EFFORTS, PROGRESS AND PROBLEMS OF SSC

SSC has involved in response to changes within the South, as well as in the world economy and South's relations with the North. Though many efforts have taken and organizational energy has been invested in SSC, but so far not much has been achieved. After the Sixth special session of UNO, the idea of ECDC has become very popular, when UN adopted the programme of action for establishing the New International Economic Order (NIEO).

The idea of collective effort had its origin in the liberalization and anti colonial movement after the Second World War. The Afro-Asian Conference at Bandung in 1955 was the first indication of the entry of a self-aware South into the world arena. Non Aligned movement in 1961, and Group of 77 in 1964 took collective actions to advance common interests of the South. The "Group of 77" (presently 133 members) , the economic negotiating caucus of the developing countries, was formed at the first UNCTAD(United Nations Conference on Trade and Development).SSC has expanded its subject in many forums like national, regional, sub-regional and global. Developing countries have turned to each other for mutual support in a bid to end their exclusive orientation towards North. In Latin America and sub-Saharan Africa a number of regional free trade associations have been established. Regional cooperations have been formulated in other parts of the South like the ASEAN and SAARC.

The concept of NIEO probably dates back to the formation of the Non-Aligned Movement in 1961 and the emergence of UNCTAD and the Group of 77 in 1964. The group of 77 (G-77) was created to act as a permanent political block representing the interest of the third world countries in the UN. The sixth special session of UN really marked the formal call for NIEO with the passage of resolutions 3201 & 3202 on May1, 1974.These resolutions consisted of a declaration of principle and a programme of action for developing and developed states to improve economic conditions and relations in the world. These demands were restated in stronger form, and for greater political effect, in the "Charter of Economic Rights and Duties of States" which was passed by the UN General Assembly in December 1974.Demands for restructuring world trade and industry in favour of the LDCs became identified with demands for NIEO. However, in discussions on the North-South New Economic relationship of the NIEO encompasses mostly a demand for the followings.

- I. Change in the marketing conditions of the World Trade in primary commodities.
- II. Improved access into the markets of the industrialized nations for manufactured exports from the South.
- III. Reform in the international monetary system.
- IV. Access by the South to the technology and capital markets of the North.
- V. Increased development assistance and debt relief.

The success of NIEO depended on the unity of the third world countries, credibility of their export products and understanding their vulnerability by the North. The NIEO failed because none of these three steps was completed.

The decade of 1970 was a period of self-confidence and hope for the South. This period was marked by the thrust of OPEC on the world scene. 1970 decade saw improving commodity prices, lower real interest rates, OPEC surpluses, and huge growth in many developing countries. Starting from low levels, South- South trade grew dynamically, nearly doubling its share in total world trade (excluding fuels) between 1970 to 1981. All OPEC members fall into high income growth, where standards of living, as measured GNP per capital, rival those, many countries in the global North. The role of the oil exporters in the world political economy is highly significant. In early 1970s the OPEC managed to increase price of oil on the global market. This has enabled them to undertake huge expenditure on development programme as well as expenditure on defense. The economic prosperity and capital surplus of OPEC members very significantly benefited a number of developing countries. From these countries, the aid flow to the developing countries far exceeded, as a proportion of their GDP, the levels reached by any developed country, before then or ever since. OPEC countries offered the opportunities of employment to other developing countries. The OPEC countries were peculiar because, while all developing countries are poor, they were developing countries which were rich in cash. The 1970s achievement gave rise to a spate of initiatives to enlarge SSC, as is evidenced by, the establishment of sub-regional organizations for economic cooperation in Asia, Africa and Latin America. The Newly Industrializing countries (NICs) have achieved self sustaining capital accumulation, with impressive economic growth. These states export light manufactured goods, posted strong economic growth in 1980s and early 1990s. These countries of Asia have raised hope of enlightenment and inspiration for South-South



cooperation. They are also called 'Asian Tigers' (South Korea, Taiwan, Hongkong and Singapore).

Many plans and programmes of SSC could not, however, be effectively implemented. There were several problems, including inadequate and ineffective situations, lack of resources; and insufficient political commitment on the part of governments etc. These weaknesses have been growing since their emergence. As a result the development fell suddenly in 1980s. Shortages of capital and government corruption are major obstacles to increase SSC. Disagreement, rivalries, and even war among third world countries limited the activities of important regional organizations of the South, such as NAM, OAU and SAARC etc. As a result South become weakened on global scene. All the members of the WTO should be treated equally in the same way. But practically, the countries of the South are being neglected by the developed ones through WTO. Within the WTO and other international economic bodies, a major split between the developed and developing countries gave birth to a debate on the terms of global free trade. Restricting the third world countries to their own markets, the developed countries demanded open access to enter into to the third world markets. The 9/11 attack provided a great opportunity to America to enter and have control over the oil-rich Middle-East. According to News Paper Report (The Guardian dated 5<sup>th</sup> September, 2006 & The Times of India dated 7<sup>th</sup> September, 2006) 75 Professors and Scientists of US believe that 9/11 was an inside job. So, the reinforcement of SSC is needed to tackle the new challenges of the globalised era.

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