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South-South Cooperation and Western aid: learning from and with each other?

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The Current Column

of 6 September 2010

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Bonn, 6 September 2010. Besides the Western donors, newly industrializing countries are also – and increasingly so – active in development policy. These new donors, such as for example China, India, Brazil or South Africa are appearing on the stage at a time when the Western donor community is working hard to live up to its commitment in the developing world. The Paris Declaration from the year 2005, an agreement by donor and recipient countries to increase the effectiveness of the aid, is the yardstick for this. Many see the standards of Western development policy to be in danger through the growing commitment of the new donors, since their South-South cooperation follows other, non-Western principles and mechanisms. Against this background, the question is raised whether developing cooperation between traditional and new donors is possible and appropriate for the good of poorer developing countries? Can they learn from each other, maybe even with each other during such cooperation?

What exactly is South-South cooperation?

The “new” donors – many have already been supporting poorer developing countries for many decades – see their aid in a different context than Western development aid. They understand their growing commitment not as a mere financial transfer and they link their aid to trade preferences and the promotion of foreign direct investments by their companies.

From the perspective of the South-donors, the connection with investment (and thus the tying to deliveries from the donor country) already gives an answer to the question about the effectiveness: “We placed our companies – and were effective for this reason”. Not altruism is the determining characteristic of this commitment, but the mutual benefit, i.e. the attempt to promote development in both countries. This principle of South-South cooperation has been held in very high regard by developing countries since the Conference of Non-Aligned States in Bandung in 1955.

And yet a clear definition of South-South cooperation has still not been made. When is it export promotion and when is sufficient *mutual* benefit established? In other words, the criterion when the cooperation goes beyond mere export promotion is lacking.

From development aid to a global development policy

However, a new discussion about the significance of development cooperation beyond the Paris Agenda is obviously necessary in the “North” as well. After a few leading African economists have already caused quite a stir with demands for the abolition of development aid, Jean-Michel Severino, the former head of the French development agency, is now calling for the “end of ODA” in the midst of efforts to find a shift of emphasis of development policy. This should not be understood as a capitulation in the face of the challenges, but as a contribution to a change in thinking about the issue, Severino said. Relationships between donors and recipients – whether North-South or South-South – are always characterized by inequality: one gives and the other takes. Increasingly more countries of the South are rejecting this basic philosophy.

After 2015, i.e. the appointed date for the millennium goals, the aim must be to place the creation of global development partnerships at the centre of the discussion. These development partnerships should make joint contributions to the creation of public goods such as peace and a clean environment. Aid alone is insufficient for this; the partnership must be broader. Since this cannot be accomplished without the large newly industrializing countries, they should be spoken to about forms, contents and standards of such cooperation.

Trilateral cooperation as a way to a joint goal?

Currently, trilateral or triangular cooperation is being intensively discussed i.e. cooperation with new donors in a further developing country. This also occurs in order to be able to exert influence on the practice of China, India or Brazil in developing countries.

By contrast to this position, the greatest potential of trilateral cooperation lies in the fact that it can serve as a strategic bridge between Western development policy and South-South cooperation. In practice, however, there are only a few small-scale projects above all with Latin-American countries such as Mexico or Chile in third countries of the region. To date, China and India have hardly been interested in three-way cooperation, since it is regarded as a vehicle by which the West is at-

tempting to export its standards. Western donors emphasize advantages of trilateral cooperation such as cost reductions, joint learning or recourse to the specific knowledge of the partners. At the same time, trilateral cooperation cannot be expected automatically to lead to a better effectiveness of the aid: the large number of small-scale projects is absolutely problematic according to the current effectiveness criteria.

In view of the already widespread scepticism of the new donors towards the Paris Agenda – understood as a Trojan horse of the West – “Paris” should not set the tone of the debate. The North-South opposition does not absolutely have to be continued with the current global change, as was shown by an international exchange on the potential of trilateral cooperation in August 2010. It took place in the context of the *Global Governance School** at the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE), and was attended by researchers and practitioners from China, India, Brazil, South Africa and other newly industrializing countries. Joint discussions and the conduct of specific research cooperation between DIE and Chinese, Indian or South African partners lead to new perspectives on both sides.

Trilateral cooperation is not a one-way street, through which the emerging donors are “integrated” in order to learn our standards. If the global partnerships are to become effective, the old North-South thinking must be overcome, which all-too-often still sets the tone of the debate. Joint problem solutions must be the central focus here. And this occurs on equal terms of partners with different experiences. Both sides, the “West” and the “South”, must attempt to learn from and maybe even with each other in the interest of the developing countries.

* The Global Governance School is the scholarly part of the Training and Dialogue Programme 'Managing Global Governance' (MGG), an initiative of the German Ministry for Economic Co-operation and Development (BMZ), implemented jointly by the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) and InWEnt. The programme is aimed at highly qualified young professionals from currently eight anchor countries (Egypt, Brazil, China, India, Indonesia, Mexico, Pakistan and South Africa), who work in government bodies, policy-oriented think tanks and research institutions.



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