Unctad and the Challenges of South-South Cooperation

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Abstract

The birth of the cooperation between nations of the Global South became a turning point in world politics, in that, it marked the first time that nations of the Southern Hemisphere collaborated in virtually all spheres of human endeavor. Using the secondary and multidisciplinary approaches, this study examined the United Nations Conference for Trade and Development, and how it affects the South-South Cooperation. The study utilized the Dependency and Modernization theories in the explanation of these relations. It revealed that the South-South Cooperation (SSC) was a child of necessity, given that it came at a time when nations of the Third World needed a lift in their political, socio-cultural cum economic lives. The study further revealed that the creation of the UNCTAD did facilitate the cooperation between Third World nations, however, this relations, was also fraught with several challenges like the lack of resources, lack of trust, lack of shared vision and language barrier among other. The study concluded that the establishment of the South-South Cooperation has helped to coordinate cooperation among nations of the Global South, however, if these challenges confronting it are to be surmounted, and if progress is to be achieved, then, South-South nations must dedicate and commit themselves to a more realistic vision. They must eliminate any form of obstacle and support each other, so as to promote a more inclusive cooperation.

Keywords: UNCTAD, South-South, Cooperation, United Nations, Relations.

Introduction

The primary objective for the creation of the United Nations Conference on Trade and Development (UNCTAD) was to address the specific requirements of countries in the Global South and concentrate on the fundamental economic issues that impact nations worldwide, particularly those in the Third World. Established within a multilateral institutional framework under the auspices of the United Nations (UN) Secretariat, the United Nations Conference on Trade and Development (hereinafter, UNCTAD) aimed to attain the status of a regulatory body for global collaboration, with the goal of expediting the economic advancement of developing nations (Toye and Toye, 2004). Rubens (1995) asserted that a notable accomplishment of the UNCTAD Conference was its ability to provide a coherent theoretical framework about the functioning of the global economy, specifically from a developmental standpoint. The basic argument put forth, was that the global economy operated as a "center-periphery" system, characterized by uneven exchange and asymmetric financial linkages. These dynamics had detrimental effects on the economic development, industrialization, and growth prospects of countries in the global South.

The United Nations Conference on Trade and Development (UNCTAD) has prioritized the examination of international trade through a lens that emphasizes the perspective of developing nations, which are primarily engaged in exporting commodities. These economies have experienced a long-term decline in the relative value of their terms-of-trade compared to industrial exports. Finance, for example, played a crucial role within the framework due to the persistent decrease in prices over time. This fall posed a growing challenge for developing nations in acquiring Net revenues, which are globally traded currencies necessary for obtaining capital goods to support industrialization and overall growth (Rubens, 1995).

Due to the global financial system's reliance on the US dollar as its anchor, supplemented by a broader range of reserve currencies from other major economies, countries in the developing world have been compelled to increasingly depend on external debt and face heightened future payment obligations. This has exposed them to additional vulnerabilities and further exacerbated the existing dynamics of center-periphery relations. The significance of South-South

cooperation in the intellectual foundation of the United Nations Conference on Trade and Development (UNCTAD) can be traced back to the declaration of a New International Economic Order (NIEO) by the United Nations General Assembly (UNGA). Within this framework, South-South cooperation was seen as a means of achieving collective self-reliance. This research, thus, aims to identify the obstacles that the United Nations Conference on Trade and Development (UNCTAD) has encountered in the context of South-South Cooperation.

Methodology

In their study, Hokmabad and Khezri (2013) noted that the examination of South-South cooperation is a burgeoning area of scholarly inquiry aimed at comprehending the intricacies of cooperative and collaborative interactions among nations within the Global South. The field is still developing, and there is no single agreed-upon methodology. However, for the purpose of this research, the secondary and multidisciplinary approaches was employed.

Conceptual Clarification

- **UNCTAD**

The United Nations Conference on Trade and Development (UNCTAD) is a United Nations agency that was established in 1964 to promote the interests of developing countries in the global economy. UNCTAD's main goals are to promote trade, investment and development, and to ensure that the benefits of economic growth are shared equitably between developed and developing countries (UNCTAD, 2012). UNCTAD has been a key proponent of South-South cooperation, and has played a role in promoting and facilitating this form of cooperation.

- **South-South Cooperation**

According to Toye & Toye (2004), South-South cooperation is often conceptualized as a form of international development cooperation that focuses on the exchange of knowledge, technology, and resources between countries in the Global South. This form of cooperation is seen as an alternative to traditional development aid, which is often provided by the Global North to countries in the Global South. South-South cooperation is viewed as more equitable, as it is based on the principle of mutual benefit and shared development goals. It is also seen as more

sustainable, as it focuses on building the capacity of countries in the Global South to meet their own development needs.

The United Nations Development Program (UNDP) (n.d) defined South-South Cooperation as a mechanism aimed at facilitating development effectiveness via the exchange of best practices and technology among developing nations. The concept of South-South Cooperation entails the notion of nations in the southern hemisphere assuming responsibility for development initiatives and assuming a leadership role in technical collaboration. This objective is widely endorsed by development organizations on a global scale. It facilitates the exchange of practical knowledge across many contexts that, despite their distinctiveness, frequently exhibit common features and limitations (Rosseel, et al. 2009).

Theoretical Framework

- **Dependency Theory**

When contemplating a theoretical framework that might more effectively encompass the concept of South-South Cooperation, it is plausible to explore the applicability of the dependence theory as proposed by the Argentine economist Raul Prebisch. Prebisch, suggested that emerging nations find themselves ensnared in a perpetual cycle of reliance on wealthy nations, hence impeding their ability to attain sustainable economic progress. The proposition put out suggests that emerging nations have to prioritize self-sufficiency and the process of industrialization as means to overcome the aforementioned cycle. Furthermore, he suggested that it is imperative for developing nations to collaborate in order to mitigate the influence exerted by industrialized nations. The concept, referred to as "South-South cooperation," gained recognition, with Prebisch assuming a significant role in the formation of the United Nations Conference on Trade and Development (UNCTAD). UNCTAD's primary objective is to foster cooperation among nations in the developing world.

- **Modernization Theory**

The modernization theory is a sociological theory that was inspired by the writings of Karl Marx, Durkheim and Max Weber etc. It became popular in the early 1950s after the writings of Talcott Parsons. The theory of modernization is a theoretical framework that seeks to describe and explain the many processes involved in the

transition from traditional or impoverished cultures to modern society. According to one prominent advocate, modernization can be defined as the historical progression towards social, economic, and political systems that originated in Western Europe and North America during the seventeenth to nineteenth centuries, and subsequently diffused to other European nations. The primary focus of this inquiry was directed towards examining the mechanisms via which pre-modern cultures, both historical and contemporary, transition into modernity, often characterized by Western influences. This transition is commonly associated with economic growth and transformations in social, political, and cultural frameworks.

Modernization theorists primarily focus on the economic advancement of societies, as seen by indicators such as Gross National Product (GNP). Mechanization and industrialization are fundamental components of the economic growth process. Modernization theorists analyze the societal, political, and cultural ramifications resulting from economic expansion, as well as the essential pre-requisites for industrialization and economic growth to transpire. This model fits into the explanation of the Southern cooperation, as it brings underdeveloped or developing nations of the Third World into one mutual and beneficial accord. Since they shared historical ties, and are plagued with same socio-economic cum political woes, the establishment of the South-South Cooperation, makes it the more profitable to enhance/promote ties between and amongst themselves.

Empirical Review

A plethora of scholarly investigations have been undertaken on the subject of South-South cooperation. Numerous scholarly investigations have employed a combination of qualitative and quantitative methodologies to analyze the effects of South-South cooperation on various aspects such as economic development, trade, and technology transfer. One of such study which was published in the Journal of Development Studies in 2007 examined the influence of South-South cooperation on economic growth. The findings indicated a positive relationship between South-South cooperation and economic growth, however the results were contingent upon the specific location and kind of cooperation being considered. The study posited that UNCTAD has demonstrated efficacy in fostering South-

South cooperation in certain domains, notably, trade and investment. One of the obstacles that arises pertains to the absence of political dedication exhibited by certain nations, particularly with regard to matters such as technology transfer and intellectual property rights. One other obstacle that UNCTAD faces is to the constrained availability of resources, hence impeding the organization's ability to efficiently execute its programs and projects.

According to Abdenur and Fonseca (2013) in "*UNCTAD and South-South Cooperation: 50 Years of Experience and the Path Forward*," provided a comprehensive overview of the history and challenges of UNCTAD's work on South-South cooperation. The article notes that, while UNCTAD has had a significant impact on promoting South-South cooperation, there is still much work to be done to address the challenges facing the developing world. These challenges include climate change, poverty, inequality, and the digital divide. The authors stressed on the successes of UNCTAD's work on South-South cooperation, such as the establishment of the United Nations Industrial Development Organization (UNIDO) and the International Trade Centre (ITC). However, the authors also identify a number of areas where further progress is needed. One of these areas is in the promotion of regional integration, which is seen as a key factor in fostering economic growth and development.

In their article titled "*Challenges facing UNCTAD in the International Trade Trend: before and after the Cold War*," Hokmabad and Khezri (2013) discussed the circumstances preceding the Cold War. They highlight the disadvantaged position of developing countries (DCs) and least developed countries (LDCs), who were excluded from participating in trade negotiations. This exclusion ultimately led to the establishment of the General Agreement on Tariffs and Trade (GATT), resulting in significant losses for these countries. Consequently, the parties involved turned to the United Nations Conference on Trade and Development (UNCTAD) as their primary advocate in safeguarding their interests vis-à-vis Developed Countries during trade discussions. UNCTAD has faced significant hurdles since its inception in 1964. The culmination of the problems occurred in 1995 with the establishment of the World Trade Organization (WTO), which coincided with United Nations (UN) reform efforts. Additionally, the

industrialized world expressed disagreement to the viewpoint of the United Nations Conference on Trade and Development (UNCTAD) against their policies.

Ultimately, the difficulties encountered prompted UNCTAD to shift its philosophy from direct opposition to globalization and trade liberalization to a focus on fostering development partnerships. This new approach emphasizes the need of enhancing the capabilities of developing countries (DCs) and least developed countries (LDCs) to maximize their gains from ongoing international trade discussions, which have been driven by the forces of globalization (UNCTAD, 2007). They went further to assert that the challenges also compelled UNCTAD to withdraw from its preliminary idealistic ideology of creation of new international economic order. The implication of the challenges also changed UNCTAD from an organization, issuing powerful resolutions against developed countries into a body implementing capacity-building activity especially for the nonmember developing and least developed countries of WTO for accession to the organization (UNCTAD, 2007). This article answer the main question whether UNCTAD could keep up its preliminary ideology on international trade or faced with serious challenges made it change its ideology and intergovernmental machinery. In addition, it will shed light on the challenges imposed on its three pillars namely technical assistance, independent research and analysis as well as consensus building.

According to Rodney (2009) in his publication titled "*How Europe Underdeveloped Africa*," he examined the socio-economic cum political conditions of Africa. He posited that the economic underdevelopment of Africa may be attributed to the prolonged period of European colonialism and exploitation. He that European nations, employing colonialism as a means, purposefully hindered the development of Africa with the intention of reaping advantages from the exploitation of its resources and labor. This literary work has exerted a significant influence on the advancement of postcolonial and dependence theories, which suggest that the state of underdevelopment is a consequence of colonialism and its enduring repercussions. The aforementioned ideas have significantly influenced the conceptual framework underpinning South-South cooperation.

The book titled "How Europe Underdeveloped Africa" has garnered significant readership and scholarly attention since its initial release. The work has garnered acclaim for its profound analysis of the historical phenomenon of colonialism and its enduring ramifications on the African continent. Nevertheless, several experts have raised concerns regarding the methods and assertions presented in the book. There are many who contend that the perspective is too deterministic and fails to adequately acknowledge the agency of African states in influencing their own developmental trajectories. There are alternative perspectives positing that the book exhibits an excessive emphasis on the influence of colonialism, while neglecting to consider additional variables that might have played a role in Africa's state of underdevelopment.

History and Evolution of South-South Cooperation

The genesis of South-South Cooperation can be traced back to South-East Asia over half a century ago. Since then, it has served as a fundamental framework for scholarly inquiry and voluntary collaborative endeavors among nations in the Global South, with the aim of fostering trade and investment within this region. The conclusion of World War II served as a catalyst for the recognition and examination of the less developed areas of the globe that, at that era, had not yet undergone industrialization or adopted socialist ideologies. The undeveloped regions in question consisted of countries grappling with the challenges of overcoming their colonial legacy, while also facing the pressure to align themselves with either the Western or Eastern bloc during the Cold War era that ensued after World War II (Rubens, 1995). The establishment of institutional frameworks for South-South cooperation may be attributed to the recognition of shared interests and the realization of the reciprocal advantages that cooperation can bring.

Numerous developing nations, particularly those transitioning from colonial governance, initiated a critical examination of the fundamental principles underlying the global framework of economic interactions. Consequently, they embarked on collaborative efforts to propose modifications to the structure and governance of this system. The emerging nations came to the realization that their collective interests were best served by cooperation rather than aligning themselves exclusively with either of the superpowers. The Bandung Conference,

convened in Indonesia in 1955, served as a platform for Afro-Asian nations to convene and acknowledge the pressing need to foster economic cooperation among themselves. This event marked the inception of a significant trend that would exert a profound impact on subsequent international cooperation efforts (Abdenur & Fonseca, 2013).

The establishment of the Non-Aligned Movement (NAM) in 1961 and the Group of 77 (G-77) in 1964 expedited the efforts of developing nations towards achieving collective self-sufficiency. Both the Non-Aligned Movement and the G-77 exemplified collaborative political mobilization and collective bargaining, through which proposals such as the establishment of a new international economic system were put forth. Nevertheless, up to now, the Non-Aligned Movement (NAM) and the Group of 77 (G-77) have not been successful in achieving the desired goals of economic self-sufficiency and political autonomy aspired by developing nations. The 1970s were characterized by a prevailing sense of optimism over the South's potential to fundamentally alter the global power dynamics and economic relationships in a manner that promotes more equity. During this period, the G-77 and NAM exhibited heightened activism, resulting in the UN General Assembly's endorsement of resolutions pertaining to the New International Economic Order (NIEO) and novel mechanisms for technology transfer among nations. In the year 1972, the United Nations General Assembly established a working group with the purpose of investigating methods to enhance Technical Cooperation among Developing Countries (TCDC). As a consequence, the United Nations Development Program (UNDP) established a Special Unit in 1974 with the aim of promoting Technical Cooperation among Developing Countries (TCDC). During the period from 1973 to 1977, the United Nations General Assembly passed many resolutions urging the global community, as well as the United Nations organization specifically, to provide support to developing nations in their endeavors to enhance technical exchanges among one another.

Furthermore, by 1975, the Governing Council of the United Nations Development Programme (UNDP) made a resolution about novel aspects of technical cooperation. This resolution advocated for a greater focus on government implementation and Technical Cooperation among Developing Countries (TCDC) in the execution of technical cooperation projects. The culmination of these

endeavors took place at the United Nations Conference on Technical Cooperation among Developing Countries (TCDC), which was convened in Buenos Aires in 1978 (Abdenur & Fonseca, 2013). The Conference established the Buenos Aires Plan of Action (BAPA), which outlines a comprehensive conceptual and practical framework for the advancement of Technical Cooperation among Developing Countries (TCDC). The BAPA report outlines 38 practical recommendations aimed at fostering TCDC (Technical Cooperation among Developing Countries). These recommendations include explicit directives for bolstering South-South Cooperation. For instance, it suggests that international organizations and developed nations should extend financial and other forms of aid to developing countries and their institutions that have the potential to contribute to TCDC. Additionally, the report emphasizes the need to evaluate current policies and procedures in order to enhance the TCDC landscape and facilitate its broader implementation. The BAPA initiative signifies a significant landmark in the progression of the SSC and its associated support endeavors (UNCTAD, 2012).

UNCTAD and the Challenges of South-South Cooperation

Efforts to restore the global economy and expedite progress towards the timely achievement of the Sustainable Development Goals are being undertaken under significant global difficulties that have intensified since the fourteenth session of the Conference. The concerns encompass the issues of increasing inequality and vulnerability, characterized by elevated levels of debt; the hastening pace of climate change and ongoing environmental deterioration; and the expanding gap in access to digital resources. In order to achieve the objectives outlined in the2030 Agenda and effectively restore development, it is imperative that all institutions and parties involved in development fulfill their designated roles within the global endeavor to attain universal prosperity (Jeremy, 2004). The Fifteenth session Virtual Barbados, held from 3-7 October 2021, highlighted three challenges that need to be addressed. According to the session, UNCTAD should take into consideration several fundamental underlying issues in order to achieve sustainable, inclusive, and equitable growth and development. These issues include the respect for human rights, good governance, and the principles of transparency and accountability. However, it is important to acknowledge that there exist some problems that must be confronted in order to facilitate the advancement of successful South-South collaboration. The hurdles to South-South

collaboration, as described by Rikupero (1995) and many organizations including UNCTAD, can be outlined as follows:

Lack of resources

Numerous nations situated in the Global South encounter limitations in terms of their financial and human resources, which hinder their ability to engage in successful collaboration with other countries. Insufficient allocation of resources, both in terms of funding and staffing, might result in limited efficacy of programs. Moreover, the insufficiency of resources is a significant obstacle for the United Nations Conference on Trade and Development (UNCTAD) and its efforts to promote South-South cooperation, particularly in relation to securing enough finance. Numerous development initiatives necessitate substantial financial resources, although nations situated in the Global South sometimes have limitations in their capacity to provide their proportionate contributions due to inadequate financial resources. Insufficient funding for initiatives might result in limitations on their efficacy (UNCTAD, 2012). Furthermore, it is worth noting that certain nations may lack the necessary human capital, such as specialized knowledge and skills, to actively engage in collaborative efforts and get advantages from such collaboration. This phenomenon may result in a scenario where just a limited number of nations can reap the advantages of South-South collaboration, while others are marginalized.

Lack of trust

As mentioned earlier, political instability and other factors can lead to a lack of trust between countries, which can make it difficult to form effective partnerships. A recent example of how lack of trust has posed a challenge to South-South cooperation is the case of the Belt and Road Initiative (BRI). The BRI is a major infrastructure development project led by China, which aims to connect Asia, Africa, and Europe through a network of roads, railways, and ports. However, the BRI has been criticized by some countries for being overly-reliant on Chinese financing and expertise, and for not sufficiently taking into account the interests of local communities. This has led to a lack of trust and cooperation between some countries and China, which has limited the success of the BRI; hence, posing a challenge to UNCTAD and South-South Cooperation (UNCTAD, 2012).

Lack of Shared Vision for Development

One further obstacle that arises is the absence of a collective vision for the advancement of development. Numerous nations in the Global South encounter comparable predicaments, including poverty and inequality; nonetheless, they frequently exhibit distinct perspectives about the approaches to tackle these concerns. This phenomenon might provide challenges in achieving consensus over particular policies or initiatives. For instance, certain nations may place a higher emphasis on fostering economic progress, whilst others may prioritize the promotion of social welfare (Hokmabad, et al., 2013). This phenomenon has the potential to give rise to conflicts and impede the overall efficacy of collaborative efforts.

Language Barrier

According to Hokmabad, et al. (2013), one of the serious challenges facing UNCTAD and South-South Cooperation is the lack of a common language and communication. Many countries in the Global South have different official languages and cultures, which can make it difficult to communicate effectively. This can be a barrier to cooperation, as it can lead to misunderstandings and difficulties in reaching agreements. A number of scholars have written about the language barrier as a major obstacle to South-South cooperation.

Political Instability

According to the Charter of Economic Rights and Duties of States, another challenge facing the UNCTAD cum South-South Cooperation is the lack of political stability in many Third World countries. Political instability can make it difficult to implement development projects and achieve sustainable development. There is a lack of capacity in many countries, both in terms of human resources and financial resources. Political instability can be a major obstacle to South-South cooperation. When countries are in a state of political turmoil, it can be difficult to implement development projects, as the focus is often on short-term solutions rather than long-term development goals (Hokmabad, et al., 2013). Also, political instability can make it difficult to attract foreign investment, as investors are often wary of putting their money into unstable economies. Apparently, political instability can lead to a lack of trust between countries, which can make it difficult to form effective partnerships. For example, many countries in the

Global South have experienced periods of political instability, which has hindered their ability to cooperate with other countries.

Climate change and environmental degradation

Certain past and present production and consumption patterns that have proven to be unsustainable compromise prosperity. Decoupling economic growth from environmental degradation is crucial to ensure sustainable progress, as well as to reduce vulnerability. In this sense, concrete and coordinated actions, in line with the Paris Agreement under the United Nations Framework Convention on Climate Change, are required, as well as a meaningful outcome at the twenty-sixth Conference of the Parties this year (Jeremy, 2004).

Way Forward

The UNCTAD and its partners have kicked off a three-year global project to help developing countries use a common framework to measure and give more visibility to South-South cooperation. The project's first event, organized with Brazil from 11 to 13 July, brought together representatives from 16 countries across Africa, Asia and Latin America. Participants also included economists, statisticians and development experts from over 10 international organizations, including four UN Regional Commissions. South-South cooperation – when developing countries pool resources or share knowledge, skills and expertise – is a powerful tool that can take many forms. For instance, Mexico allocated $62 million from 2020 to 2022 for programmes in Honduras and El Salvador that helped improve food security and create jobs for young people, benefitting more than 40,000 people. Other examples include Brazil and India's cooperation on satellite technology to monitor deforestation and boost agricultural production, and Colombia and the African Union's joint projects to empower women through aquaculture in Nigeria, Tanzania and South Africa (UNCTAD, 2012).

Conclusion

In conclusion, UNCTAD plays a pivotal role in addressing the challenges of South-South cooperation by providing a platform for dialogue, technical assistance, policy support, and capacity building. It aims to promote a more inclusive and equitable form of cooperation among countries in the Global South, ultimately

contributing to their economic development and integration into the global economy.

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