

# VOICES FROM THE SOUTH

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Founded in 1985, the Karibu Foundation is an independent foundation that supports voices from the Global South who provide alternatives to the dominant paradigms of power, distribution, and development.

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Through research, publication, training and social mobilization, Association for Research and Cooperation in Support of Endogenous Development (ARCADE) aims to challenge and discredit policies imposed by the IMF & the World Bank and promote ideas and actions in support of self-reliant economic and social policies in West Africa in the framework of and endogenous development.

They are based in Dakar, Senegal.

## South-South Cooperation and Aid Policy

*A Reflection on the UN Day for South-South Cooperation 2013*

*Each year, September 12th is marked by the United Nation as the “UN Day for South-South Cooperation,” a day identified by the international community to lift up countries in the Global South in their collective and individual pursuit of sustainable and inclusive development. The UN notes that South-South cooperation, if adequately harnessed, can contribute greatly to the development of the Global South. Yet, many of the development and “aid effectiveness” strategies imposed on South countries by donor countries still hinder the possibility for truly inclusive development.*

*In this month’s “Voices from the South,” Demba Moussa Dembele reflects on these challenges by exploring what he calls the “flawed notions of international aid” to the South, the strict conditionalities placed on least development countries by Europe and North America, and the necessity for South voices stand united together in their call for genuine ownership of aid policies.*

**By Demba Dembele**

**Director, ARCADE (Senegal)**

As we take time to mark the UN Day for South-South Cooperation, it is important to stop and take a critical look at one issue in which voices from the Global South can unite: the flawed concept of international “aid”.

Critics of the current Western-dominated aid system, including myself, argue that developed countries (the United States and the big European countries in particular) have used aid as a tool of foreign policy. This means that aid is considered as part of a strategy aimed at promoting their economic, political and strategic interests while they make believe that they are “helping” developing countries.

Yet the numerous economic, political and ideological conditionalities

attached to aid are one of the central issues limiting its “effectiveness” for recipient countries, especially least developed countries (LDCs).

In 2010, the United Nations Conference on Trade and Development (UNCTAD) issued a report which critically examined the architecture of aid particularly toward LDCs. The report called for a fundamental shift in the international aid architecture, arguing that current models are “propagated through conditionalities and micro-incentives for encouraging compliance which have undermined country ownership of national development strategies and limited policy space.”

Rather than encouraging policy diversity and learning tailored to local conditions, a one-size-fits-all policy approach has been applied based on the donor countries foreign policy goals.



The report warned that there needs to be a fundamental shift in this thinking in order to (a) reverse the marginalization of LDCs in the global economy; and to (b) support a pattern of accelerated and sustained economic growth which would improve the general welfare and well-being of all people in LDCs.

In May 2011, during the 4th UN Conference on LDCs, global civil society representatives echoed the concerns of the UNCTAD, calling for a significant shift in the design and implementation of the aid programs in order to support inclusive and just development.

One particular area that was highlighted at that time was the need to adapt international aid architecture in line of increased South-South Cooperation.

Indeed, the emphasis on South-South Cooperation is a reflection of the new reality taking place in international relations. According to UNCTAD, more than 50% of LDCs' trade is now between other South countries and not with the Global North.

Leading South countries are quickly becoming the principal source of development financing for LDCs. The rise of the BRICS countries (Brazil, Russia, India, China, and South Africa) is changing the landscape on international relations and aid.

At the BRICS summit that took place in March 2013, for example, cooperation with Africa was the main issue on the agenda.

China is now Africa's major trading partner, with trade estimated at \$200 billion in 2012. China is also increasingly becoming the leading provider of soft loans and credits for development finance. In several African countries, China is financing infrastructures, such as bridges, roads and railways. It has canceled the debt of all African LDCs.

Other BRICS, such as Brazil and India, are

also actively involved in cooperation with Africa. Like China, they provide soft loans, technical assistance and foreign direct investment.

With most western countries struggling with recession, unemployment and austerity, South-South relations have flourished while North-South cooperation has been declining over the past decade.

South-South Cooperation is developing fast because it carries several positive elements.

First, it is a great source of geographical trade diversification for most developing countries, especially in Africa.

Second, it is a source of private and public investments for long-term financing aimed at expanding productive capacity, building infrastructures.

Third, those investments come with technology that is more adapted to LDCs' needs.

Finally, South-South cooperation has not yet included the political or ideological strings attached to cooperation that has been common place with Western countries.

In conclusion, despite criticism from Western governments and mainstream media about new "forms of colonialism" from the South, South-South cooperation has a broad political and public support in the Global South. For this reason, South-South cooperation must continue to be taken seriously in the future and needs to change our discussion about "aid". ■

*For more info, visit: <http://karibu.no/view-partners.asp?id=37>.*

*To view the UNCTAD report on aid architecture, see: [http://www.unctad.org/en/Docs/ldc2010\\_en.pdf](http://www.unctad.org/en/Docs/ldc2010_en.pdf).*

