

ISSN 2583-3502

Vol. 7 No. 1, January-March 2024

Development Cooperation Review

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Development Cooperation Review

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Contents

Editorial 1

Articles

Revitalizing Multilateralism in a Multiplex World: A Pragmatic Paradigm Shift.....5

Paula Pérez Muleiro

Multilateral Development Banks' Governance and the New Global Challenges 13

Sergio Lugaresi

Infusing LiFE in the Global South 20

Atul Kaushik

South-South Cooperation: Growing Imperatives for Uganda-Bangladesh
Development Partnership. 31

Omegere John Patrick

Interview

Enrique Valentin Iglesias 39

Ambassador's Perspective

Moving Towards Inclusive Framework for EU-Mediterranean Partnership 43

Pierre Duquesne

Book Review

Transforming International Institutions: How Money Quietly Sidelined Multilateralism
at the United Nations by Erin R. Graham 46

Pratyush Sharma

SSC Statistics

Trends of Exports of High Technology Products from Global South 51

Sushil Kumar

Editorial

Welcome to the January-March volume of the Development Cooperation Review. In this volume and through their articles, our contributors come back to two topics that have already appeared in previous volumes of the review: the modalities of South-South cooperation, and the status of multilateralism. In so doing, their contribution is particularly helpful, because it helps us both establish linkages between articles, not only inside the present number but also across the different volumes of the Review and, we hope, progressively develop specific debates and sometimes even certain common suggestions. Join us in exploring these critical themes that shape the discourse and action in the realm of international development.

As for South-South cooperation, Atul Kaushik describes the Lifestyle for Environment (LiFE) initiative and reiterates (see also Sachin Chaturvedi in the July - September 2023 issue of the Review) its significance as a transformative approach to addressing climate change. LiFE is a pathway for empowering individuals to make conscious choices that benefit the environment, thereby contributing to global sustainability efforts. In particular, he underlines that collective action in the Global South has the potential to lead the way in sustainable development and environmental conservation as these regions face a disproportionate impact of climate change, despite contributing less to global greenhouse gas emissions. The challenges in promoting sustainable lifestyle changes are considerable (economic constraints, cultural norms, the need for widespread awareness and education on environmental issues, etc.), and therefore Kaushik outlines strategies for effectively promoting the LiFE initiative, such as leveraging social media for awareness campaigns, incorporating environmental education in school curriculums, and encouraging public-private partnerships to support sustainable practices. He also calls for international organizations, governments, and civil society to collaborate in spreading the message of sustainable living across the Global South.

The significance of South-South Cooperation is exemplified in the paper by Omegere John Patrick by partnerships like that between Uganda and Bangladesh to leverage each country's strengths for mutual benefit. The cooperation has to do with sharing knowledge, skills, and successful strategies to accelerate progress towards the Sustainable Development Goals (SDGs). The areas of collaboration include agricultural development, poverty reduction, access to technology, health,

and education. The article provides examples of successful initiatives and projects that created enabling environments for partnership and exchange, but it also stresses the challenges to South-South cooperation, such as funding constraints, logistical issues, and the need for sustained political commitment from both parties. The article calls for expanding the areas of cooperation, coordinating development assistance, enhancing private sector involvement, and leveraging international platforms to showcase the partnership's successes.

Sushil Kumar outlines the increasing exports of high-tech products, including electronics, pharmaceuticals, and biotechnology from countries in the Global South. These countries are gradually carving out a niche in the global market shifting from traditional agricultural and raw material exports to more knowledge-intensive and high-value products. However, Kumar suggests that governments in the Global South underscore the importance of innovation and research. The policy implications are clear. Governments should fully understand the ongoing shift in specialization in the Global South, engage in international trade agreements that support technology transfer and create conducive environments for innovation by supporting universities, research institutions, digital infrastructures, stronger IP laws and their enforcement, and private sector R&D efforts. Research and technology transfer should also inspire collaboration between more developed countries and countries of the Global South with limited access to capital, inadequate infrastructure, and the digital divide.

As for the status of multilateralism, this volume continues our series of in-depth interviews of eminent personalities in the field of international relations and cooperation, a tradition we began a year ago. Following enlightening conversations in earlier issues with experts, we are honoured to present an interview with Enrique Iglesias. A figure of immense experience in international development, economics, and policymaking, Iglesias shares his perspectives on societal transformations and the global economic landscape, underscoring the pressing challenges of inequality, technological changes, the rise of populism, and the erosion of democratic norms. He reflects on the evolving dynamics of global governance and the necessity of revitalizing multilateralism. Reform to enhance international organizations' representativeness and effectiveness in tackling evolving global challenges is imperative. An interview is to be read in detail.

This topic is further explored in the article by Spanish diplomat Paula Perez Muleiro, who emphasizes the urgent need for revitalizing multilateralism in the face of geopolitical tensions, nationalism, and scepticism towards global institutions. Set against the backdrop of a "multiplex world" with multiple centres of power and emerging actors from the Global South, the article advocates for more inclusive and equitable forms of global cooperation. Paula supports a pragmatic approach to

cooperation, focused on specific areas rather than broad ideological alignments, and suggests transactional diplomacy with issue-based coalitions as a complementary strategy to traditional negotiations. The potential role of the EU as an example of more inclusive and functional internal governance frameworks is highlighted as a beacon of hope in navigating these complex challenges.

Two contributions explore more specific topics of multilateral global governance and contribute to defining a detailed agenda for multilateral governance reforms. They have been written by Sergio Lugaresi and by Pratyush Sharma reviewing Erin R. Graham's book "Transforming International Institutions". The first article concentrates on the governance structure and the voting system, and the second one on the profound influence of financial dynamics on the functioning of multilateral institutions such as the United Nations.

The article of Lugaresi focuses on the governance reform within Multilateral Development Banks. Lugaresi highlights the role of MDBs in the global financial architecture and discusses the new global challenges that they face. These challenges require MDBs to adapt and evolve beyond their traditional roles and approaches. In particular, the author underlines that their governance structure and the weighted voting system often reflect the economic power of member countries, sidelining the voices and interests of smaller or less economically powerful nations. Lugaresi suggests reforms, based on ongoing examples, to democratize decision-making processes, enhance transparency, and ensure that the development needs of all member countries are adequately represented and addressed. Another critical point raised is the need for MDBs to increase their capital base to effectively support large-scale projects related to climate change mitigation and sustainable development. Finally, the article advocates for enhanced collaboration among MDBs and between MDBs and other international institutions to avoid overlap and ensure that resources are used efficiently and effectively.

The book by Erin R. Graham is subtitled: *How Money Quietly Sidelined Multilateralism at the United Nations*. It examines the financial dynamics within international institutions. Through a series of case studies, it stresses that financial constraints and other factors affect the strategic choices and flexibility of international institutions in implementing their missions. Sharma points out that Graham's work offers a nuanced understanding of the financial underpinnings of international governance and its implications for global cooperation. Sharma also touches upon the critical perspectives offered by Graham on the need for more equitable financial governance structures within international institutions to ensure they are more responsive and representative of the global community's needs.

In the “Ambassador’s Perspective”, Pierre Duquesne, a former French Ambassador, focused on Mediterranean regional cooperation. Historically a hub of trade and cooperation, the region is now facing challenges exacerbated by geopolitical tensions and historical divisions. The Union for the Mediterranean (UfM), initiated in 2008 to address these issues, struggles due to constitutional flaws and France’s misguided approach Duquesne argues, which initially excluded key stakeholders like Germany and prioritized symbolic gestures over substantive action. Financial constraints further hinder its effectiveness, compounded by the European Commission’s reluctance to allocate development funds. Criticism of the term “Euro-Mediterranean” highlights its inadequacy in addressing the region’s complexities and the Ambassador calls for a shift towards more inclusive and actionable frameworks. Proposals for a Mediterranean bank and a genuine “Mediterranean Partnership” underscore the need for comprehensive strategies and increased financial support to foster sustainable development in the region.

Revitalizing Multilateralism in a Multiplex World: A Pragmatic Paradigm Shift

Paula Pérez Muleiro*

Abstract: The discourse surrounding the crisis of multilateralism often neglects empirical evidence suggesting its continued prevalence. Multilateralism is currently at a junction where functional cooperation could aid Western countries in overcoming their apprehensions about the waning liberal narrative. This paper introduces the notion of multiplexity as a comprehensive framework for understanding existing global dynamics and argues for a conceptual shift away from competing geopolitical narratives. The main conclusion drawn is the need for enhanced functional cooperation and transactional diplomacy, shedding light on novel forms of cooperation commonly observed at the regional level. Based on this transactional approach to diplomacy, the paper proposes the establishment of a dedicated forum to address global challenges. It also examines the European Union's focus on governance methods, particularly through initiatives like the Open Method of Coordination, as a pertinent case study for invigorating the international order.

Keywords: Multiplexity, polarity, transactional diplomacy, hegemony, interaction capacity, liberal narrative, global governance, Open Method of Coordination, European Union.

Introduction

To imagine multilateralism in the 21st century is to engage in a philosophical and political reflection on the post-war international order, which is gradually losing its legitimacy in a world evolving at an accelerated pace. The complexity of today's challenges calls for a conceptual framework suited to our times. Western democracies seem to be entering a remarkable shift in their liberal philosophical foundations. This transition, a kind of interregnum in

Gramscian terms,¹ extends through institutional channels, reaching into the broader international system. A decline stems from a significant dissonance between experience and expectation, leading to a perceived deficit of legitimacy. This historical moment reflects a changing pattern of global cooperation and world order.

The aim of this paper is to propose a reflection on multilateralism, presenting an alternative framework that transcends the confines of competing geopolitical

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narratives. The language of polarity² (unipolar, bipolar, but also multipolar) is inadequate for the new formats of state cooperation. Multipolarity can be useful for studying the evolution of geopolitics vis-à-vis superpowers and hegemonic power, but it fails to comprehend the nuances of reality, such as ideas, norms and patterns of interaction. Contemporary world politics are defined by a myriad of interactions that do not obey the laws of opposing poles repelling each other. To overcome the limitations associated with the concept of polarity, we may observe the world through the lens of multiplexity, a term coined by Amitav Acharya, in an attempt to grasp the plethora of dynamics unfolding internationally, regionally and nationally.

Multiplexity describes a more decentralised and diverse world where influence may be achieved by formal and informal forms of interaction on multi-issue questions. This conceptual framework aims to encompass three main trends: first, the fatigue of the liberal narrative in confronting both internal political movements (communitarian, radical and civilizational ideas) and competing geopolitical narratives; second, the interaction capacity of a multitude of actors (not only great powers, but also regional powers and non-state actors, especially non-Western ones); and third, the plurality of cooperation formats, with the great prominence of bilateral, plurilateral and regional arrangements.

Within this framework, the paper will reflect on the role of the European

Union (EU) as a case of an international organisation in the ongoing transition of the international order. Instead of exclusively engaging in power politics and learning the language of power (Borrell, 2020), the EU can also demonstrate its maturity by focusing on common interests—and not only on values—and offering experience through the dissemination of best governance practices. Initiatives such as the Open Method of Coordination (OMC), which will be further explained in this paper, exemplify this approach when applied to specific policy areas. By sharing its governance methods, the EU can play a constructive role in maintaining multilateral cooperation and averting geopolitical tensions.

A Crisis of Liberalism, Not of Multilateralism

The quest for a new conceptual framework is influenced by philosophical reflections on the “fatigue of the West” (Vallespín, 2024), where the liberal narrative appears to have lost its appeal amidst the surge of nationalism and wokism. This fatigue, partly caused by a stagnation of liberalism in offering a vision of progress, encourages the exploration of alternative paradigms.

Mindful of this, the concept of multiplex order stands in stark contrast to the existing hegemony. Contrary to the Western assertion regarding the crisis of multilateralism, empirical evidence suggests that multilateral cooperation continues to prevail (Acharya, 2023). This does not signify a paradox, but rather a biased view in light of the

increasing diversity of cooperation types within a multiplexity that indicates the waning hegemony of the present order. While Western perspectives may be inclined to interpret global geopolitical changes as a “multipolar crisis” or a “crisis of multilateralism”, it may be more accurately characterised as a decline of the West in global governance rather than a systemic crisis. The fatigue of the West seems to correspond to a decline in the liberal hegemony that underpins the international order and, by extension, the international organisations established in the post-war or Cold War context.

This erosion of the liberal hegemony is further compounded by competing narratives that respond to domestic concerns. The fatigue of the West is partly fuelled by liberalism’s struggle to address internal challenges within liberal democracies. Concurrently, this erosion of the liberal foundation, rooted in the transformation of liberal democracies, sees the gradual replacement of the individual with a more tribal, communal and nationalist dynamic. Thus, the notion of progress that has permeated European intellectual history since the Enlightenment appears to be stagnating within a liberalism that lacks optimism for the future.

This scenario is shaped by several combined factors, most of which have been in place for some time and are now being reinforced by an acceleration of intra-generational change, namely:

- The unequal redistribution of wealth, both within and between regions, is exacerbated by systemic risks and successive crises (financial, climatic, health, migration), leading to a significant decline in the purchasing power of middle-class citizens in OECD countries.
- The declining hegemony of the US, requires a nuanced distinction between hegemony and primacy. Forecasts suggest that the US is likely to maintain its military and economic primacy in the coming decades, despite the changing global landscape.
- The presence of nationalist tendencies that reinforce the role of the nation-states, occasionally leading to actions that undermine multilateral commitments.

This scenario unfolds within a multiplex structure with challenges posed by shifting power dynamics. There is a compelling case for intensifying efforts to reform the existing architecture of global institutions, thereby making them more democratic and responsive to the aspirations of emerging actors.

A Multiplex World Defined by Interaction-Capacity

Amid the ongoing battle of geopolitical narratives, diplomatic relations are becoming increasingly polarised, leading to a heightened fragmentation into opposing blocs seemingly engaged in a struggle for survival. This geopolitical perspective fails to recognise that diplomacy functions

primarily as a transactional negotiation between rival powers, often without a shared commitment to common goals. Diplomacy is a transactional process, serving as a bridge between international legal frameworks, financial systems and multilateral organisations. It plays a crucial role in shaping the parameters of trade, conflict resolution, peacekeeping efforts and cultural exchange. This transactional negotiation is heavily influenced by the “interaction capacity” of actors, which is measured by their organisational capabilities within the system.³ This interaction capacity plays a central role in shaping multilateralism and promoting forms of cooperation that are not necessarily dominated by Western powers. There is a growing number of diverse cooperation formats such as minilateralism,⁴ which has gained popularity in regional cooperation. An example of this trend is the trilateral agreement signed last year between the UAE, France and India to promote cooperation projects in the energy sector, with a particular focus on solar and nuclear energy, as well as efforts to combat climate change. Another notable example is the Australia-UK-US Security Pact (AUKUS).

Multilateralism is, above all, a governance tool. Detaching multilateralism from a values-based character, as understood by the EU, can promote functional and transactional political relations. This means considering pragmatic tools for managing common interests and adapting them to the

circumstances of our time. Governance based on public policies should exist as a distinct system separate from the geopolitical battle of narratives. This governance should be conceived as an instrument for crisis management and potentially for building bridges of cooperation between seemingly irreconcilable geopolitical positions of major and middle powers.

Within this multiplex order, the assessment of power is intricately linked to the interaction capacity of actors operating in the international arena. In this regard, it should be noted that the US continues to hold dominance in absolute terms concerning the total number of treaties signed since 1945. However, it is imperative to juxtapose this with the increasing influence of other nations and regional clusters that have become more cooperative over time in various policy areas. To the extent that the treaty-based interaction capacity is one of the key sources of US global power, its relative erosion cannot be overlooked when considering the transformation of the world order.

Simply put, global cooperation has gradually shifted away from a hegemonic or US-centric framework. In this evolving landscape, a growing number of nations are engaged in cooperative efforts to produce public and private goods, and an increasing proportion of these states are non-great powers. Despite the continued dominance of the US in the global system in terms of aggregate power, other

nations are actively developing their own capacities, at times in partnership with the US and at other times independently.

Over the past decade, sector-based cooperation has increased significantly, contributing to the rise of non-Western powers. Nations such as Germany, China, India, Indonesia, Brazil, Mexico, Argentina, Japan and South Korea have demonstrated considerable interaction capacity in these functional areas. As a result, rather than witnessing the decline of the US, what we are observing is the rise of other global actors reshaping the dynamics of the international order (Zakaria, 2008).

In geopolitical terms, it is worth noting several examples of emerging cooperation frameworks. For example, the BRICS⁵ have expanded upon existing mechanisms for development and financial cooperation, notably through the establishment of institutions such as the New Development Bank and the Contingent Reserve Arrangement. Another example worth noting is the Organisation of Islamic Cooperation (OIC), as the second-largest intergovernmental organisation after the United Nations, with a membership spanning four continents.

Economically, the Asia-Pacific region is witnessing a competition of agreements between the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP, 2018), mainly led by Japan, and the Regional Comprehensive Economic Partnership

(RCEP, 2020), mainly led by China. These agreements reflect a broader trend towards more flexible governance arrangements. While the CPTPP is more ambitious in its liberalisation efforts, RCEP notably lacks provisions on support for state-owned enterprises, labour standards and environmental protection. However, its flexible rules of origin provide incentives to promote deeper integration of supply chains across the region.

Other examples include the Shanghai Cooperation Organisation (SCO), which includes China, India, and Pakistan among its members, despite their political differences. On the US side, the Quadrilateral Security Dialogue (QUAD) and AUKUS are also worth mentioning.

Transactional Diplomacy and Functionalist Governance

The deficit of trust between states, sometimes caused by the unilateral blending of international law, is not insurmountable. In this complex landscape, the EU could not only embrace the allure of geopolitical power dynamics but transcend them, positioning itself as a beacon of successful regional governance. Rather than succumbing to the narrative of power politics, the EU can chart a course towards an alternative to the prevailing currents of geopolitical confrontation. By leveraging its distinctive position, the EU can work for more effective governance and the restoration of mutual trust among nations. This is illustrated by its

commitment to policies based on soft law, which provides added value in the international arena.

This proposal is oriented towards a more pragmatic approach, diverging from dominant narratives and deliberately seeking to avoid the pitfalls of fragmentation into opposing factions. It also embodies a spirit of political innovation, driven by the search for pragmatic solutions to complex global issues. In doing so, it serves to counter the prevailing multilateral pessimism, especially among those who view the world through intellectually sterile lenses such as “polycrisis”.

As the most sophisticated regional organisation in terms of governance, the EU has a responsibility to spur accompanying reforms of the multilateral order. It has the capacity and expertise to become a benchmark for international cooperation reform. To do so, it must see the reform of the international order not only as a matter of values but also in terms of its added value as a regional organisation. The EU’s success lies in its governance methods and political will that have facilitated its evolution from functionalism to ever-deeper political integration.

A governance model consistent with the conceptual framework of multiplexity could be disseminated through the creation of a permanent forum dedicated to addressing regional and global challenges. This forum would serve as a multidisciplinary platform, facilitated

by high-level expert groups and active engagement with regional organisations. Emphasising the involvement of local experts is crucial, as country missions tasked with monitoring action plans tend to deliver better results when there is cultural affinity and geographical expertise.

On this vein, several proposals for improving international governance include the use of soft law, the exchange of best practices, and the adoption of the “Open Method of Coordination” (OMC), which go beyond intergovernmental cooperation without fully embracing the EU’s communitarian approach. The OMC is structured around five phases that can serve as a guiding framework:

1. Drafting global guidelines in the field of public policy, subject to peer review, and based on a consensus selection of best practices determined by the central body of the international organisations.
2. Developing national plans with management methods and objectives at both local and national levels.
3. Planning expert missions established by the international organisation and monitoring by national governments, with annual reporting.
4. Exchanging annual reports and providing clear recommendations in case of implementation deficiencies.
5. Implementing sanctions or, if not permitted, the practice of naming and shaming, along with dissemination of information to the public (including parliamentarians, media, NGOs).

Another successful example of this approach can be found in the Association of Southeast Asian Nations (ASEAN), which has drawn inspiration from the EU and has developed innovative consensus-based decision-making mechanisms. Certain bodies within the United Nations system, as well as the International Labour Organisation (ILO), have also successfully adapted elements of the OMC to address global issues. Looking forward, the main challenge will be to expand regional soft law provisions to the international level.

This endeavour necessitates a multifaceted approach, including bolstering representation and accountability. Both variables are indispensable prerequisites for enhancing the legitimacy of cooperation, both externally (in terms of efficiency) and internally (promoting participatory citizenship and gender equality). Embracing a multitude of actors, such as civil society organisations and women in peace processes, is paramount.

The preceding considerations offer a pathway towards revitalising multilateralism as a tool to accomplish global goals, rather than as a value. Conversely, without such efforts, the proliferation of blocs and the ideological manipulation of cooperation, notably through like-minded coalitions, risk amplifying the clash of narratives and geopolitical tensions, leading to a deeper misunderstanding of each other's perspectives. Diplomacy constitutes a vital channel for reconciling divergent positions, with the EU positioned

to serve as a beacon of international norms and expertise. However, this necessitates transcending the current dynamics of confrontational geopolitics and embracing a vision for a multiplex order.

Conclusions

While the international order may be undergoing a period of transition, the practice of multilateral cooperation remains essential for addressing global challenges. The current landscape of global governance suggests that while multilateralism itself is not in crisis, the liberal values underpinning it face significant challenges. The fatigue of the West, which is characterised by the erosion of the liberal narrative and the rise of nationalist sentiments, highlights the need for a paradigm shift in the approach to multilateralism. It is essential to move away from a narrative-driven perspective and toward a more functionalist governance model to navigate the complexities of current challenges. This involves prioritising transactional diplomacy over ideological battles and promoting cooperation based on shared interests, not only on geopolitical narratives.

The concept of multiplexity offers a nuanced understanding of the evolving dynamics of global cooperation, emphasising the importance of interaction capacity among diverse actors, including non-Western powers and regional organisations. Rather than adhering to traditional notions of polarity, a multiplex approach acknowledges the diverse array

of interactions shaping contemporary world politics.

Considering this framework, the EU can be a potential case for governance reform on the international stage. By reconceptualising the international order, the EU can help shape the future of global cooperation, leveraging its governance methods to their fullest potential. The Open Method of Coordination (OMC) exemplifies a pragmatic approach to governance reform, emphasising peer review, consensus-building and accountability mechanisms.

Endnotes

- ¹ Antonio Gramsci described the interregnum as “The crisis consists precisely in the fact that the old is dying and the new cannot be born; in this interregnum a great variety of morbid symptoms appear.”
- ² Polarity refers to the distribution of material capacity among global powers. It is commonly classified into three main types: i) multipolar, characterised by a roughly equal distribution of material capacity among great powers; ii) bipolar, involving power distribution between two predominant powers; and iii) unipolar, signifying a scenario where one hegemonic power holds predominant influence.
- ³ Interaction capacity refers to “the physical and organisational capability of a system to move ideas, goods, people, money and armed forces across the system” (Buzan, 2015).
- ⁴ Minilateralism consists of forging agreements within small clusters of

countries that share common goals on certain sectoral issues.

- ⁵ Brazil, Russia, India, China and South Africa.

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Multilateral Development Banks' Governance and the new global challenges

Sergio Lugaresi*

Abstract: The Board of Directors (BOD) of multilateral development banks (MDBs) differs significantly from private corporations' BODs. MDBs face governance challenges due to geopolitical tensions and the need to address global challenges. Unlike corporate BODs, MDB Executive Directors (EDs) have lower fiduciary duties and are appointed directly by shareholder countries, often representing national interests. MDB BODs are usually full-time and resident, sharing managerial responsibilities with Management, potentially reducing oversight effectiveness. MDBs also feature multicultural BODs, fostering diverse perspectives but complicating decision-making. MDBs are crucial for providing global public goods (GPGs) like climate change mitigation, but under-provision persists due to free riding. Proposals for reform of MDBs' governance include professionalizing BOD recruitment, transforming resident Boards to non-resident, appointing independent Directors, and enhancing member countries' power. These reforms aim to strengthen governance and address challenges posed by geopolitical tensions and the provision of GPGs. Without reform, MDB BODs risk losing power to Management and third parties, hampering their mission. Overall, the evolving role of MDBs and their governance structure require careful consideration to effectively tackle global challenges.

Keywords: Multilateral Development Banks, governance, multiculturalism, global public goods, reform.

Introductions

There are many differences between the Board of Directors (BOD) of a private corporation and the BOD of a multilateral development bank (MDB). Some of the differences are fundamental, to such an extent that even the meaningfulness of the very comparison between the two may be questioned. However, examining these differences may help in better understanding some of the challenges to

MDB governance. The paper identified two main differences, as per the analysis and one relevant similarity. In addition, the BOD of an MDB has a unique characteristic shared only by some corporate BODs.

Multilateral Development Banks (such as the World Bank, Asian Development Bank, African Development Banks, etc.) are international public institutions

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intended to support developing countries in achieving internationally agreed social goals. The shareholders are member countries, usually represented by a Governor and a Vice Governor, usually at the Ministerial level. In most cases, MDB governance structures have three levels: (i) the Board of Governors (BOGs), (ii) the BODs, which both oversee (iii) Management, headed by a President. The BOD is usually full-time and resident.

The governance of MDBs is facing two new challenges: increasing geopolitical divisions (political conflicts between shareholders) and the call to upgrade MDBs' mission to address global challenges. This paper argues that MDB governance, namely BODs, needs to be reformed.

The first difference between the BOD of MDBs and the BOD of a corporation is that the fiduciary duty of the Executive Directors (EDs) of MDBs is lower than that of Corporate EDs. In the theory of corporate governance, the fiduciary duty of the Board is to maximize the mission of the organization. In fulfilling that duty, directors must exercise their judgment in considering and reconciling the interests of various stakeholders—including shareholders, employees, customers, suppliers, the environment, and communities—and the associated risks and opportunities for the institution.

However, EDs of MDBs are not elected by the General Meeting

of shareholders, but directly by the shareholders they represent. Some of the multilateral banks' Directors have de jure or de facto roles as ambassadors of their member states. Most of them represent constituencies of not necessarily homogeneous and like-minded member countries, so they have to mediate among represented countries. As the High-Level Commission on Modernization of World Bank Group Governance noted in 2009:

Current governance arrangements create strong incentives for Directors to prioritize only their duties as the representatives of governments. Directors are routinely evaluated by their national authorities on how well they are defending the national interest and face sanctions if they under-perform. Appointed Directors may be recalled at any time, while elected Directors can be denied re-election at the end of their two-year term or be pressured to resign. Even Directors who do not serve long enough to seek re-election are motivated by the prospects of promotion or demotion in their home government upon return. Meanwhile, Directors have few incentives to observe their fiduciary duties. With no standards or processes in place for evaluating their performance in this area, neither Directors nor the Board as a whole face consequences for failing to observe their fiduciary duties.

The national interest of the country might not necessarily be in line with the priorities and benefits of the institution. Being appointed as a representative of

a government or group of governments closely linked with their administrations, rather than being independent, raises the likelihood of this potential conflict of interest. Furthermore, the experience and expertise of prospective Directors are rarely assessed against job descriptions or in view of the skills required to complement those of existing members.¹

The second difference is that the multilateral banks' Board of Directors is usually resident and engaged full-time. This makes the Board co-responsible for management and potentially less strategic. :

“the Board shares a managerial role with the President and therefore in many cases it cannot hold the President accountable without also passing judgment on its own performance. This gives rise to a conflict of interest that reduces the Board's incentives to carry out its oversight function effectively. If things go wrong, Management can conceivably hide behind the Board's co-responsibility, while the Board can place the blame with Management. With everyone responsible in principle, no one is accountable in practice.

It is not easy to measure the development impact of the [MDB'] operations, and thanks to its preferred lender status the [MDBs] almost always gets repaid, regardless of the quality of its loans, programs, or policy advice. Thus, there is no price for failure—the organization does not suffer consequences for errors of judgment,

policy, or implementation. Those costs are borne only by the borrowers themselves and their citizens.

Without a clear framework for setting priorities and balancing tradeoffs, the institution expands continuously into new areas and assumes new missions in response to external demands and pressures. This increases the probability that resources will be spread too thin, or that resources will continue to be allocated to activities that are no longer delivering results. Without a clearly defined institutional direction, it also becomes more difficult for shareholders to hold Management accountable. (High-Level Commission on Modernization of World Bank Group Governance).

The Board members of a private corporation and the Board members of a multilateral development bank have one important similarity: they both have a huge information deficit with respect to Management. Despite residing at headquarters and being full-time engaged, the Executive Director of a multilateral bank holds his or her position for a short period, usually two or three years, shorter than the term of a corporate ED. Top Managers of MDBs, instead, usually have behind them a long career in the institution: they know the machine, have access to all information, and over time developed a system of reporting to the Board, which is often fragmented and opaque. This makes MDBs EDs dependent on top Management expertise and experience and therefore vulnerable to be captured by them. Of course, we

are talking about behaviour based on incentives, not morals.

Finally, the Board of Directors of a multilateral bank has a characteristic that only a few Boards of Directors of a corporation may have: multiculturalism. The Board of Directors of a multilateral bank is composed of members from different countries; in the corporate space, only the BODs of big and multinational corporations have this characteristic. Multiculturalism makes the relationship among EDs more challenging and the Board less united and weaker toward Management.

Considering the two main differences and the one similarity between the Board of Directors of a corporation and the intrinsic characteristic of the Board of Directors of a multilateral bank, the characteristic of the latter is the tripartite negotiation (among member states, among directors, and with management) in a multicultural environment. Tripartite negotiations can be complex, as each party usually has its own set of interests, priorities, and concerns, and its own culture. Patience is essential to allow for thorough discussions, information exchange, and consideration of different perspectives. Negotiations often involve give-and-take, adapting positions, and exploring alternative solutions to reach a mutually acceptable outcome.

Negotiations in a multiparty and multicultural environment may take longer due to the need for cultural understanding and relationship-building.

Even nonverbal cues like gestures, body language, and eye contact can vary widely across cultures. A very interesting book on cultural differences² identifies eight scales of cultural differences: communicating (low-context vs. high-context), evaluating (direct negative feedback vs. indirect negative feedback), persuading (principle-first versus application-first), leading (egalitarian vs. hierarchical), deciding (consensual vs. top-down), trusting (task-based vs. relationship-based), disagreeing (confrontational vs. avoid confrontation), scheduling (linear-time vs. flexible-time). For example, Westerners tend to speak and not to listen, and Asians tend to listen and not to speak.

Geopolitical tensions have recently increased. Economic sanctions are widely used. Supply chains and international trade are affected, and operational and reputational risks have increased for MDBs. They have usually adopted a sanction framework and guidelines on forced labour (a contentious issue between Western countries and China), and are actively monitoring the evolution of supply chains and of international and regional trade.

The fact that all EDs are representative of government shareholders changes the nature of the oversight that they provide, adding a political dimension that allows shareholders to bring in their national interests. MDBs' Boards have tried so far to maintain geopolitical tensions outside the door as much as possible. It may become more difficult

in the future. Some of the factors of successful negotiations in a multicultural environment (effective communication, preparation and research, trust) will be crucial. However, when positions are irreconcilable, only the management has the room to find pragmatic solutions. Therefore, in this situation, the balance of power in governance tends to shift, even more than on the simple basis of the information gap, from the BOD to Management.

The most relevant and meaningful global challenges that MDBs are facing is the provision of global and regional public goods (GPGs). While climate change mitigation is without a doubt a global public good, others have to be well-defined. Probably they include pandemic preparedness and biodiversity.³ The typical problem of the provision of public goods is that, because of free riding, if left to the voluntary and independent decision of single countries, the (called Nash) equilibrium is suboptimal and results in under-provision of the public good. Of course, if the income of one country increases, more of the GPG will be supplied by that country. MDBs supporting economic development would indirectly increase GPG provision. However, clearly this is not enough. Multilateral matching, i.e. committing to add some multilateral financed GPG contributions to those of others would make all countries better off.⁴

Unfortunately, country preferences for GPGs vary. This is due to two main factors: 1) different exposure to

externalities; and 2) domestic citizens' and politicians' preferences, which are conditional to the economic structure of the country. There is no single institution that has extensive power to intervene on a global level, as there is no supranational equivalent to a national government with binding powers to avoid free riding and address the issue of under-provisioning of public goods.

For GPGs, there are layers of actors beyond single countries—individual citizens, local governments, and country collectives—whose interactions are relevant. With countries as the agents, sovereignty is a key GPG consideration with respect to provision and agreement. Alternative institutions—for example, local governments, public–private partnerships, non-governmental organizations (NGOs), as well as multilateral organizations—are important actors with respect to GPGs. Non-state actors (non-profit organizations, academia, think-tanks, etc.) are increasingly influential. This development, which Pascal Lamy has named Polyilateralism,⁵ may change the governance of MDBs. If unreformed, it may further weaken the role of the BOD, shifting the governance from tripartite to multipartite negotiations.

The structural under-provision of GPGs also stems from the fact that a part of the benefits from GPG provision does not benefit the providing country but other countries (cross-country externalities). The externalities of regional and global public goods may

justify concessional finance. However, despite the meritorious international effort to increase the lending capacity of MDBs through the G20 Review of their Capital Adequacy Framework, resources available to MDBs will remain well below the financial need to address climate change and other global and regional public goods. Therefore, they will need to be selectively focused on the most impactful projects and on the poorest and most fragile countries. This requires strong governance and strategic guidance from the BOD.

Faced with the challenges of increasing geopolitical tensions and increasing provision of global and regional public goods, the multilateral negotiation in a multicultural environment which characterizes the BODs of MDBs is going to become more difficult. Unless the MDBs' governance is reformed, BODs are likely to lose power in favour of Management and third parties and be less effective in pursuing their mission. On the contrary, as Gayle Smith has stated: "If we want to manage global public goods, we must design a more deliberate approach."⁶

Prizzon-Bains-Chakrabarti-Pudussery (2022) made some proposals worth discussing:

1. Professionalize the recruitment of Board Directors. Directors should be appointed with an assessment of their fit for a particular job description. Most Directors would be required to have a professional background in development, corporate leadership and management (and private sector experience if applicable to the particular MDB). Some Directors would be required to have more specific skills relevant to the institution, e.g., audit, finance, banking, development, economics. Appointments would continue to be made by constituency, but this should be based on a job description of required skills for the Board. Job descriptions – and subsequent amendments – should be approved, ideally by the BOG. Executive Directors would not be recruited only from the public administration and would have senior-level experience.
2. Transform current Boards (composed of representatives of government shareholders) from resident to non-resident. The less frequent the Board meets, the further removed it is from the day-to-day business of the institution, and the more likely it is to be engaging in strategic thinking at the country and thematic levels. In this case Directors should be appointed at a much more senior level, if possible at the Director-General level.
3. Replace the current Boards with non-resident independent Directors who are not representatives of government shareholders. Directors would be appointed by a nominations committee following a competitive process. The members of the nominations committee should be

experts in their field, proposed by MDB management and approved by the BOG. The BODs would be small, independent, and ‘non-executive’. This option is also associated with less political interference in the operational decisions of the multilateral institution. Given that shareholders would no longer seek representation on the Board, this should allow for a smaller Board, which would have a higher quality of interaction among Directors and a more efficient decision-making process. The literature suggests that Boards are most effective when they have at most 12 members. In this case, the Board should be chaired by the Dean of the Board, not by the President. This would allow for much greater clarity in the division of labor between management and the Board and would ensure better oversight.

4. Include independent/non-governmental Directors on the Board and/or on Board committees. This option could also complement options 1 and 2 and would allow skills diversification, less geo-political interference, and polyilateralism.

Other options could include enhanced power of member countries through a reformed BOG or longer ED terms, which would mitigate the information gap with Management. In any case, the welcome renewed attention to the role of MDBs and their evolution cannot avoid a review of their governance. Again, quoting Smith: “[Multilateralism

is] not as effective as it has been in the past. But it is needed even more than it has been in the past.”

Endnotes

- ¹ Prizzon-Bains-Chakrabarti-Pudussery, 2022.
- ² Meyer, 2014.
- ³ On a discussion on climate adaptation as GPG see Khan-Huq, 2023.
- ⁴ Buchholz-Sandler, 2021.
- ⁵ Lamy, 2021.
- ⁶ Bloj-Pezzini, 2023

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Infusing LiFE in the Global South

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Abstract: The term ‘Global South’ has had several iterations and meanings since its emergence five and a half decades ago, but has gained increasing currency in recent years. The term, despite its practical and operational success, lacks theoretical coherence due to the pluralistic understanding of ‘Global South’. The increasing inequality and aggravated developmental challenges in general across the globe, particularly in the Global South, require inclusive global solutions. The term ‘South’ can perhaps be better used to address the concerns of the disadvantaged across the planet rather than dividing them into constituents of separate developed and developing worlds. Take SDGs, they are universal goals; the development dimension they address applies equally to all. Development solutions that include them all will bring wholesome results. Mission LiFE, a holistic approach proposed by India is another example. There need to be several more.

Keywords: Global South; development solutions; SDGs, sustainable consumption and production; Mission LiFE.

Introduction

The poly-crises of climate change, conflicts, pandemics, and food insecurity the world faces today need consummate action by everyone living on planet earth. There is a common view that the Global South is particularly impacted by these crises but does not have the resources to address them. There have been well-thought suggestions for transfer of greater power to the South even during the Cold War days, an endeavour that has been taken up in right earnest by several Southern initiatives that profess inclusive and post-Washington Consensus approaches to development. The concept of inclusivity demands shedding the development

divide, focusing on all the peoples of the world and evolve development solutions that positively impact all of them. Does it also call for widening the definition of the Global South?

This paper essays the concept of the Global South through the decades and attempts to instil such inclusivity by including all the poor based on their socio-economic situation, whether they reside in developed or developing countries. It begins with charting the evolution of the term Global South and goes beyond the lexicology debate towards focus on the horizontality of the development dimension, which is the most frequent reason for the use

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of the term. It then takes Sustainable Development Goals as an example of a global campaign applying to both sides of the development divide and suggests collective action to address several of them, but particularly SDG 12, through Mission LiFE - Lifestyle For Environment.

Evolution of the Global South

The term Global South has come into frequent use in recent years since its synonyms like 'Third World' and 'developing' countries are not considered value free and indicate hierarchy. Also, in the post-Cold War scenario, 'Third World' seems passé, and 'developing' has been truncated into various sub-divisions.¹ It has also been used in an internationalistic sense to address spaces and peoples negatively impacted by contemporary capitalist globalisation.² Although the term was first used in 1969 by Carl Oglesby to distinguish poor countries from their antonymic 'western empires', it has reincarnated many times over the last five decades acquiring multiple meanings. More recently, western journalists may be getting tired of it, as is demonstrated by Alan Beattie of the Financial Times.³ Without going into the various theories⁴ of this development divide, the terminology has had traction for other reasons as well.

The term has been seen in the context of the endeavours of developing countries in the post-colonial world order to chart their own pathway to development and economic growth.

India has had a significant role to play in these endeavours. The Agreement on Trade and Intercourse between the Tibet region of China and India signed on April 29, 1954 enunciated Panchsheel, the Five Principles of Peaceful Co-existence, as an example of an initiative by two developing countries to manage their bilateral relations.⁵ Two months later, leaders of the two nations envisioned Panchsheel as a framework for relations not only between them but with all other countries. The Asian-African Conference held a year later, well known as the Bandung Conference, built upon Panchsheel to forge solidarity, sovereignty, peaceful co-existence, and non-interference among the 29 participating newly independent nations from Asia and Africa. It also laid the foundation for the Non-Aligned Movement to avoid partisan politics of the Cold War and consequent bipolarisation.

The first formal conference of non-aligned countries was held in Belgrade in 1961. A year later, a Conference on the Problems of Developing Countries was held in Cairo where, going beyond the Asian and African regions represented at the Bandung Conference, several Latin American countries also participated. The first seeds of development cooperation among developing countries were sown in the Cairo Declaration⁶ that came out of it. Issues of economic development, trade, technical assistance and regional economic groupings were also addressed. The entire Global South was now

debating development together. Recently, the Minister for External Affairs of India S. Jaishankar gave a conceptualisation of the Global South that may prove longer-lasting. “Contemporary challenges emanate from old forms of domination as well as new economic concentration... Global South is about a mindset, a solidarity and a self-reliance”. The transformation over the last decades has “enabled India to be an example, a partner and a contributor” to the overall needs and demands of the Global South.⁷ The establishment of United Nations Conference on Trade and Development (UNCTAD) in 1964 provided a permanent forum for North-South dialogue and negotiations on issues of interest to developing countries. At the same time the Group of 77 was established as the common voice of the South. The New International Economic Order, and cooperation among and between developed North and developing South became the key discourse on development in the decade that came after UNCTAD. The following two decades were christened the First and Second Development Decades in the United Nations system, but development aid was a part of this discourse primarily as aid from the North to the South.⁸ Given the questions being raised on the effectiveness of such development aid, in 1968 former Canadian Prime Minister Lester B Pearson accepted an invitation from the World Bank Chairman Robert McNamara to form a commission to review the previous 20 years of development assistance, assess the results, and make recommendations for the future.

The Pearson Report⁹ found more critics than supporters in the next few years. In 1977 Willy Brandt, former Chancellor of Germany, was appointed chairman of the Independent Commission on International Development Issues, again by the World Bank President. The Brandt Report importantly suggested a new arrangement to meet the central objective of a transfer of greater power to the South, justifying it on the basis of ‘mutuality of interest’.¹⁰ While the fate of the Brandt Report was not much better than the Pearson Report, its creature, the so-called Brandt Line, has survived the following four decades.¹¹ The Brandt Line circuitously divides the global North and Global South based on per capita GDP, defining the Global South as countries below the latitude of 30° N, passing between North and Central America, north of Africa, the Middle East and most of East Asia, but lowered towards the south to include Japan, Australia, and New Zealand above the line.¹²

The Cold War not only divided the world into the West and the East but secured this division for countries rather than their peoples. The post-Cold War and post globalization discourse has changed the lexicon; people, along with their countries, have started mattering. In addition, the computer and the internet have brought the world’s people and their ideas and thoughts together in one intellectual cauldron, scaling all man-made borders. The seemingly pejorative term Third World has fallen as much in disuse as use of the term Global South

has risen. Yet, the meaning ascribed to it remains coated with development parameters, even though the question whether emerging countries are North or South¹³ muddies the waters.

People of the Global South may now also be defined in transnational social terms¹⁴ thus transcending the nation-state related divisions. The complexity of the situation of poor people in the southern countries may not equally apply to the poor in the North as they are far less heterogenous culturally and socially. Can the term 'Global South', then, capture them and lead scholars to explore equity problem that can and should be taken care of through people-to-people transactions?

The developmental horizontality

The chimera of economic development through structural adjustment programmes coupled with despondence about lack of anticipated benefits¹⁵ from official development assistance provided by the North to the South led many experts to look for succour elsewhere, whether they belonged to the neo-Marxist camp, or post-colonial populists or neo-liberalists, particularly since the 2002 Monterrey Conference on the challenges of financing for development.¹⁶ There is enough literature demonstrating that ODA is not only inefficient¹⁷ but harmful¹⁸, as it allows recipient governments to delay necessary policies¹⁹. The impact of such aid on poverty alleviation or general wellbeing of the Southern populations left several

unanswered questions. There is also a view that globalisation challenges, such as violent conflicts, increasing migration and numbers of refugees, as well as climate change as a global challenge, have turned discourses on development cooperation away from development-oriented motives towards strategic interests of aid providers.²⁰ Aid for managing disasters and migration has taken a major portion of ODA in recent times with increased climate, conflict and migration crises: for example, the plausibly impressive 13.6 per cent growth in ODA in 2022 compared to the previous year goes down to 4.6 per cent if aid for in-country asylum seekers is excluded.²¹ Aid to Ukraine sliced off another 7.8 per cent of ODA in 2022. The ODA aid matrix is changing.

The current disillusionment of development cooperation scholars with ODA is compounded by the North's own problems, not only of handling in-country refugees, but an ageing population and near-stagnant growth coupled with multiple crises such as the financial crisis of 2008-09²² and, more recently, the crises of Covid, the Russia-Ukraine and Israel-Hamas conflicts, and climate change. Several developed countries are also struggling to meet their Sustainable Development Goals (SDGs) agreed to in 2015. Social inequalities, waste management, and environmental responsibility are high on their agenda, but even basic needs like poverty and hunger affect them. While the recent decline of San Francisco may be attributed to a mix of post-pandemic

degeneration, fentanyl and street-crime, the United Nations reported back in 2006 that indigence levels have risen in the most affluent countries.²³ The discourse is increasingly factoring in the global population rather than the now seemingly artificial East-West and North-South divisions. Is it time to widen the definition of Global South? A casual examination of some of the SDGs seems to suggest so. There are several SDGs of interest and concern to the citizens of both the developed and the developing countries in terms of the challenges that need to be addressed to achieve them. The next Section examines a few.

SDGs and the Global North

One would not be faulted for thinking that the top two SDGs are targeted at developing countries, not the rich. But look at goal one: ending poverty; it is rising across the developed world and the depth of poverty is increasing due to stagnating wages, long-term unemployment and rising prices of essentials such as food and fuel.²⁴ According to the International Labour Organization, in 2012, 300 million people were living in poverty in the developed world.²⁵ Both the depth and breadth of poverty has increased in OECD countries in recent years.²⁶ While comparing poverty in Tamil Nadu, India with Glasgow, Scotland, Mari Marcel-Thekaekara, the human rights activist and journalist based out of the Adivasi terrain in the Nilgiris, says we should not look at poverty only from the point of view of material benefits.²⁷ Joblessness leads to social deprivation and mental

health problems much faster in the North due to inadequate cultural and familial affinities compared to the South.

Then look at goal two: zero hunger. The challenge in developed countries may be more of undernourishment in terms of nutritious food rather than its availability,²⁸ but pictures of the poor living on footpaths in Los Angeles or Chicago or Barcelona scrounging for food in dustbins are not uncommon. The contemporary framing of the solution to food insecurity in developed countries is that of diverting food waste to the hungry, but an estimated 60 million people or 7.2 per cent of the population in high income countries used food banks in 2013.²⁹ Recent studies have highlighted how food poverty is a rising problem in affluent societies, ranging from 8 per cent to 20 per cent of the population.³⁰ In the European Union (EU), one of the wealthiest regions on Earth, 22 per cent of its population—95.3 million people—are classified as at risk of poverty.³¹

Goal three – good health and wellbeing – has its importance for the developed world in different dimensions, from drug abuse in San Francisco to mental health elsewhere. Goal seven – affordable and clean energy – has surfaced as a major objective post Ukraine crisis, and goal ten – reduce inequality – is a growing concern as since 1990, income inequality has increased in most developed countries.³² Goal eleven – making cities and human settlements inclusive, safe, resilient and sustainable –

may have appeared a typically southern problem in the past, but recent evidence points to increasing homelessness in developed countries as well. Recent data indicates that about a million people are living rough, in shelters, or temporary accommodation in Europe every night.³³ The people in the developed world, thus, need to address SDGs as much as those living in the developing world.

Goal twelve: responsible consumption and production, is particularly relevant for this discussion. Consumption habits, particularly in industrial and developed countries, are unsustainable because they have a greater culture of consumerism. It is easy and expected to purchase goods and services that require too many resources to produce. Affluence, amplified by ease of consumer credit, results in levels of private material consumption that impose pressure on the planetary boundaries. This behaviour applies to the very affluent and the moderately affluent in all countries, and also to some of the less affluent people in the wealthy countries, contributing most to the globally unsustainable consumption levels.³⁴ Consumerism, widely prevalent in developed and industrialised countries, is spreading among the wealthy in developing countries, and is unsustainable.³⁵

A Global Solution from the South

The rise of the Global South is reflected by the major shifts in the international economy particularly since the end of 1990s. The average growth of real GDP

by decades (%) of the Global South has outperformed the economies of the Global North by a factor 2 in every decade since the 1990s.³⁶ The economic success of emerging economies in the Global South, particularly Asia, has largely increased its relevance of its markets. It is expected that by 2030, the Global South share of global consumption will increase from today's 33per cent to 40per cent.³⁷ Establishment of G20 in 1999 and BRICS in 2009 are testament to the growing Global South. In 1994, the G7 countries (Canada, France, Germany, Italy, Japan, U.K., U.S.) constituted 45.3per cent of world output, compared with 18.9per cent of world output in the BRICS countries (Brazil, China, Egypt, Ethiopia, India, Iran, Russia, South Africa, United Arab Emirates). The tables have turned. The BRICS now produce 35.2per cent of world output, while the G7 countries produce 29.3per cent.³⁸ The institutionalisation of the New Development Bank, and special funding arrangements like the India-UN Development Partnership Fund, and the IBSA Fund for Poverty Alleviation, for development projects in the Global South at the behest of the Global South has also led to a greater and a meaningful presence of the South in global affairs. Apart from the rise of the Global South, it is now a global solutions provider as well.

In the Global South, economic rather than environmental considerations are the prime mover towards sustainable consumption and production³⁹; people want cheaper products that last longer to

suit their pockets. Lifestyle practices in most developing countries demonstrate attachment of their people with nature, leading to a life that is naturally conducive to protecting the environment. Currently, only 7.2 per cent of used materials are recycled back into our economies. At the same time, material consumption has risen by over 65 per cent globally in the past two decades.⁴⁰

Environmental degradation and climate change are global phenomena where actions in one part of the world impact ecosystems and populations across the globe. Estimates suggest that if requisite action is not taken against the changing environment, approximately 3 billion people globally could experience chronic water scarcity. The global economy could lose up to 18 per cent of GDP by 2050.

Over the last two decades, several macro measures have been implemented globally to address environmental degradation and climate change, including policy reforms, economic incentives and regulations. Despite their enormous potential, actions required at the level of individuals, communities and institutions have received limited attention. It is in this context that the concept of 'Lifestyle for the Environment (LiFE)' was introduced by the Prime Minister of India at the 26th Conference of Parties of the United Nations Conference on Climate Change in Glasgow in 2021 (COP26), calling upon the global community of individuals

and institutions to drive LiFE as an international mass movement towards mindful and deliberate utilisation, instead of mindless and destructive consumption. India's Mission LiFE initiative is a well thought step to move away from consumerism and towards a circular economy that is more sustainable.⁴¹

Mission LiFE contributes directly and indirectly to almost all the SDGs and is in sync with the global commitment to achieving the SDGs by 2030. The SDGs focused on sustainable cities and communities (SDG 11), responsible production and consumption (SDG 12), climate change (SDG 13), life on land (SDG 15), and life under water (SDG 14) emphasize that all individuals ensure that their lifestyles are in sync with the resources available on the planet. Further, research from the New Climate Economy highlights that bold environmental action could create as many as 65 million jobs by 2030 (SDG 8: Decent Work and Economic Growth).

The redefined Global South that includes the poor from both the North and the South can benefit from adopting the principles and practices of the LiFE programme.

Conclusion

Though a very useful one, Mission LiFE is just one example of approaches that can be taken to address the challenges in meeting SDGs by 2030. In turn, SDGs is but one set of goals that needs prioritization in order to better address

the poly-crises the world is facing. But it does demonstrate that global goals need to be inclusive, and take into account all on the globe, not just a fraction, howsoever large.

It also points to the need to take into account the situation and the challenges of all people in the world, whether in developed or developing countries. The development dimension is a concept that often connotes a situational consideration meant to discuss challenges faced by the developing countries, or the Global South. However, there is a need to broaden this connotation to capture all similarly situated people, whether in the North or the South so that the development dimension becomes more inclusive, and actors get a greater agency to the search for solutions. If the poor of the developed countries feel their concerns are also in the minds of the policy community, there would be a better buy-in for the solutions that policies suggest.

Endnotes

- ¹ Although the United Nations system allows countries to self-select their attribution as developed or developing countries, there is an insistent attempt to divide the latter into further categories such as least developed, developing and emerging markets. UN created only one sub-category, in 1971, that of least developed countries, who are deemed highly disadvantaged in their development process for structural, historical and geographical reasons and graduate to developing country status once they meet the prescribed threshold. The World Bank has divided countries into four categories based on per capita GNI.
- ² <https://globalsouthstudies.as.virginia.edu/what-is-global-south>

- ³ The 'Global South' is a pernicious term that needs to be retired – Alan Beattie in the Financial Times, 14 September 2023.
- ⁴ Apart from the classic theory of the divide based on the colonising North and the colonised South, dependency, modernization and post-development theories have been propounded by various scholars
- ⁵ Ministry of External Affairs, Government of India, History of Panchsheel. Available at https://www.mea.gov.in/Uploads/PublicationDocs/191_panchsheel.pdf
- ⁶ The Cairo Declaration of Developing Countries, available at United Nations Economic Commission for Africa, at <https://repository.uneca.org/bitstream/handle/10855/7151/Bib-47253.pdf?sequence=1&isAllowed=y>
- ⁷ Global South is about a 'mindset, a solidarity and a self-reliance', says Jaishankar, news in The Indian Express dated 22nd January 2024, available at <https://indianexpress.com/article/india/global-south-mindset-solidarity-jaishankar-9122383/>
- ⁸ United Nations General Assembly Resolution 3201 (s-vi): declaration on the establishment of a new international economic order, available at <https://investmentpolicy.unctad.org/international-investment-agreements/treaty-files/2775/download>
- ⁹ Partners in Development. See <https://www.cambridge.org/core/journals/american-political-science-review/article/abs/partners-in-development-report-of-the-commission-on-international-development-by-lester-b-pearsonchairman-new-york-praeger-1969-pp-400-795/FB0A9C63380047BA84B4AB-B96A529826>
- ¹⁰ Briefing Paper No. 2 (1980) by Overseas Development Institute, available at <https://cdn.odi.org/media/documents/6638.pdf>
- ¹¹ Brandt, Willy (1980), North-South: A Programme for Survival: Report of the Independent Commission on International Development Issues, London: Pan available at <https://www.cambridge.org/core/journals/review-of-international-studies/article/brandt-line-after-forty-years-the->

- more-northsouth-relations-change-the-more-they-stay-the-same/8646CE553D2F986BD33B67352FFC5814#fn4
- ¹² Kowalski, Arkadiusz, Chapter entitled Global South-Global North Differences, in Book entitled No Poverty, Springer Nature, 2020, accessed at https://www.researchgate.net/publication/342507407_Global_South-Global_North_Differences. Saroj K Pal also sees a geographical determinism in this North-South distinction by referring to the tropics, that is having mean annual temperature more than 25 degree Celsius, creating poverty. See Saroj K Pal, *Lexicon on Geography of Development*, Concept Publishing Company, 2005, page 43
- ¹³ Concepts of the Global South – Voices from around the world Global South Studies Center, University of Cologne, Germany, page 16, available at https://www.researchgate.net/publication/343141439_Discussions_on_the_Global_South
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South-South Cooperation: Growing Imperatives for Uganda-Bangladesh Development Partnership

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Abstract: With a similar historical and development context, Uganda and Bangladesh have demonstrated impressive development over the last four decades. While both countries still face several development challenges, the paper aims to show the potential of South-South cooperation in fostering sustainable development in both countries. Drawing inspiration from existing grassroots development cooperation initiatives, notably those spearheaded by BRAC and Grameen Foundation that have shown strong potential for mass transformation, the paper highlights the potential of enhanced exchange of experiences and best practices for the advancement of development aspirations for both countries. The paper also identifies key areas for collective engagement including agriculture, health, global governance, among others.

Keywords: South-South, cooperation, Uganda, Bangladesh, development.

Introduction

South-South Cooperation (SSC) has emerged as an important modality for catalysing the realisation of the United Nations (UN) Sustainable Development Goals (SDGs). SSC is particularly critical for fostering peer learning and collective self-resilience among developing countries through the exchange of experiences and best practices, capacity building, technological transfer, trade and investment, among others. Given the commonality of development challenges experienced among developing countries, SSC provides an opportunity to leverage experiences and best practices arising from successful development

interventions undertaken to overcome similar development challenges.

Uganda and Bangladesh have a striking historical resemblance as well as similar development trajectories. Historically, both countries are former British colonies – Uganda acquired independence in 1962 while Bangladesh, formally part of East India, broke away from Pakistan in 1972. Additionally, both countries have a history of post-colonial wars – in Uganda it was a civil war which ushered the government of President Yoweri Kaguta Museveni credited for the country's democratic rule and political stability following nearly a

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decade of military rule under President Idi Amin. As for Bangladesh, it was the independence war in 1971 that led to its breakaway from Pakistan.

In terms of development pathways, both countries experienced impressive development gains, especially in the 1990s. In the case of Uganda, the era post-1986 when the dictatorial regime of Idi Amin was defeated, the country has experienced economic stability with impressive GDP growth rates averaging 6.5 per cent per annum, throughout the 1990s and 2000s. While growth has primarily been driven by the agricultural sector, there are visible signs of economic transformation with the service and industrial sectors emerging as key drivers of economic growth. The service sector registered the fastest growth rate of 7.7 per cent, up from 5.4 in the previous year, and generating over 47 per cent per cent of the GDP. But most importantly, the country has attained significant development progress. Notably, the poverty rate has fallen by more than half, from 56 per cent in FY 1992/1993 to 20.3 per cent in FY 2019/2020, mostly due to improved agricultural incomes among poor households (UNDP, 2022). Uganda has also recorded significant gains in human development, particularly in improving access to primary health services and free primary and secondary school education. The country has attained over 90 per cent per cent enrolment of children in primary school, and access to health services has increased leading to a significant reduction in infant mortality per 1000 live births

and maternal mortality per 100,000 live births from 87 and 461 in 2000 to 32 and 284 respectively from 2020 (World Bank, 2024). Additionally, and life expectancy has increased from 48 years in 2000 to 63 years in 2020 (World Bank, 2024).

Similarly, Bangladesh was ranked the second poorest country in the world at independence. However, the country's economic growth over the last fifty-five years is a phenomenal success story. Pivoting on the agricultural, industrial and service sectors, Bangladesh has transformed an economy of USD 8 billion inherited in 1972 to over USD 416 billion as 2021. In the decade leading to 2021, the country attained an average annual GDP growth rate of 7 per cent (General Economic Division, 2020). Extended periods of sustained economic growth have led to improved living conditions and a decline in extreme poverty to just 5 per cent (World Bank, 2023). The country has also attained noteworthy progress in food security, gender parity in primary and secondary education with more girls enrolled in both primary and secondary schools (BBS, 2020). It is also notable that the infant per 1000 live births and maternal mortality ratio per 100,000 live births has declined from 63 and 441 in 2000 to 24 and 123 respectively in 2020, according to the World Bank data. Consequently, the country graduated from low-income country to lower-middle income-status in 2015 and has met the UN threshold criteria for graduating from the UN's least Developed Countries. Bangladesh aims to end absolute poverty and to be

graduated into higher middle-income status by 2031.

Whereas both Uganda and Bangladesh have attained significant development progress over the last decades, several challenges persist. Most notably, the human development gains (education and health) have led to a significant population growth mostly dominated by young people, but both countries struggle to harness the demographic dividends. In Uganda, other key challenges include high proportions (68.9 per cent) of the population in a subsistence economy, high cost of doing business (capital, electricity), limited capacity of the health system especially considering the rising burdens of non-communicable diseases, rising costs of debt financing, among others (NPA, 2020). For Bangladesh, reliance on Ready-Made Garments (RMG), energy shortages, and infrastructural deficit are key challenges. Additionally, Bangladesh's recent LDC graduation has come with challenges particularly the loss of International Support Measures (ISM) which has mostly affected preferential market access enjoyed under the various Generalised System of Preferences (GSP) schemes (Rahman, 2023). Most importantly, both countries face the devastating impacts of climate change adverse impacts, geopolitical conflicts, and changes in global commodity prices. In view of the above common challenges, there is an important opportunity for both countries to leverage SSC for mutual advancement.

Uganda-Bangladesh Development Cooperation Initiatives

Uganda-Bangladesh development cooperation has been driven primarily by non-state actors especially the Bangladeshi nongovernment organisations – BRAC and Grameen Foundation. It has been 18 years since BRAC launched operations in Uganda in 2006. BRAC Uganda started by providing micro-finance services in rural areas targeting women and other vulnerable communities. Over the years, BRAC has expanded the scope of their development programmes to cover other sectors of health, education, among others. As a core component of its social development portfolio, BRAC collaborating with Living Goods–US-based NGO–implemented a community health promoter's programme in 2007. Leveraging on experience in Bangladesh, the programme complemented existing government efforts by empowering Community Health Promoters (CHPs) to ensure that people from the most disadvantaged communities, especially children and mothers, can access critical health care and live healthy and productive lives (BRAC, 2024). Mostly, women, CHPs were selected through a competitive process from within the community to serve their own communities. CHPs conduct home visits to educate households on essential health behaviours, provide basic medical advice and refer the more severe cases to the closest health facility. Most importantly, BRAC innovated a revenue model through which CHPs can make modest

income by purchasing a basket of basic health goods, ranging from anti-malaria drugs and vitamins to soap and fortified foods on a large scale at a wholesale price from BRAC and selling it at a margin while keeping the price lower than the prevailing market price. In short, the CHPs became micro-entrepreneurs in their communities' earning incomes but also availing affordable last mile health services in communities. After three years of implementing the CHPs programme, studies revealed significant health gains in target areas: under 5 mortalities declined by 27 per cent, infant mortality declined by 33 per cent while neonatal mortality declined by 28 per cent (BRAC, 2021). These gains were driven by increased health knowledge, higher use of preventive and treatment health services, and increased maternal, newborn, and child health service coverage.

Over a period of nearly two decades, BRAC Uganda has emerged as a vital development agency working in rural communities across the country providing holistic services including integrated, quality health care; early childhood development through play-based education; safe spaces for adolescent girls and young women to empower themselves; vocational education and training for skills and employability; emergency response and preparedness; and time-bound interventions to help families escape extreme poverty long-term. In 2019, BRAC Uganda's microfinance services

were transformed into a tier 3 credit institution and renamed BRAC Uganda Bank Ltd. At present, BRAC Uganda Bank Ltd has the largest network of banking services in the country, providing inclusive financial services for low-income communities to build sustainable livelihoods. It is particularly important to emphasise BRAC's community-based approach which has the potential for mass transformation.

Prior to BRAC's intervention, Bangladesh's leading microfinance and community development bank – Grameen Bank had made a significant impact in Uganda working through its not-for-profit wing – Grameen Foundation. In 2003, the Grameen Foundation collaborated with Uganda's leading Telecommunication Company – MTN Uganda, and International Finance Corporation (IFC), to replicate Bangladesh's Village Phone programme in Uganda. In Bangladesh, the Village Phone Programme not only enhanced access to telephone services but also enabled 40,000 village operators to sell phone time to residents and thus earn an average net income of \$700 per year—almost twice the national average (IFC, 2003). Based on the experience in Bangladesh, the Grameen Foundation and IFC collaborated with MTN to implement the initiative in Uganda. Launched in 2003 as MTN villagephone, the initiative identified and supported individuals living in rural areas to become operators. The village phone operators were linked to micro-finance institutions

where they obtained loans of about USD 230 – payable over up to 12 months – used for purchasing equipment for mobile phone services. The village phone operators generated income by selling mobile phone services in areas where electricity is unavailable and the existing MTN network can be accessed only with a booster antenna and other equipment. Upon two years of implementation, the initiative engaged over 2000 village phone operators, enhancing access to mobile phone services and as well as improving incomes for village phone operators (New Vision, 2005).

Building on their experience of implementing grassroot development intervention in Bangladesh, BRAC and the Grameen Foundation have undertaken highly impactful development interventions with the potential for mass transformation. Mostly targeting rural areas targeting rural areas, the initiatives show a strong for enhanced Uganda-Bangladesh development cooperation.

Potential Areas for Further Collaborations

As is the case with many developing countries, agriculture is an important sector for both Uganda and Bangladesh. It is, however, notable that while the contribution from the sector to Bangladesh's GDP has declined from 60 per cent in the 1970s to just 13 per cent in 2019 (General Economic Division, 2020), Uganda's economy heavily relies on the sector. Nonetheless, the sector continues to employ a considerable proportion of the population in both

countries – 60 per cent in Uganda over 40 per cent in Bangladesh and hence the best chance for mass transformation.

Bangladesh's strategy for agricultural advancement entails increasing agriculture diversification while maintaining food security through improvements in farm productivity, supply of inputs, price policy support, water supply, farm credit and marketing support. While the agricultural sector in Uganda is also facing several challenges, the country has developed a strong capacity for research and development of high-yielding and disease-resistant crop varieties. Uganda National Agricultural Research Organisation (NARO) is recognised by the African Union as a regional Center of excellence in agricultural research. Bangladesh has expressed interest in fostering collaborations with Uganda to enable access to quality seeds (Ministry of Foreign Affairs, 2010). It is also notable over the years that Uganda was among the leading producers of cotton. However, in recent years, cotton farmers have abandoned cotton production mostly due to low and fluctuating prices arising from unstable global demand and commodity prices. With a potential market in Bangladesh, there is a wonderful opportunity for both countries to revitalise cotton production in Uganda which can be supplied to Bangladesh's prominent garment industry. It is also important to note that the private sector has gone a step ahead to rent land in Uganda where mostly paddy and rice are grown for export to Bangladesh (New Age,

2012). During a recent visit to Uganda for Non-Aligned Movement (NAM) summit in 2024, Bangladeshi Foreign Minister – Dr Hasan Mahmud – further expressed interest to rent 20,000 hectares of land for palm oil and cotton cultivation (Hasib, 2024). Moving forward, it would also be vital to encourage private sector investments in agro-processing to align with Uganda’s agri-business and agro-industrialisation agenda. As articulated by Uganda’s minister for trade during the Commonwealth Trade and investment Forum held in Bangladesh, Uganda aims to position itself as a leading investment destination in the region.

The health sector is another important area for engagement. One of the key challenges to Uganda’s healthcare system is access to quality and affordable medicines and medical equipment. In view of its competitive advantages in the pharmaceutical industry, including low labour costs and the ability to formulate generic medicines (Rizwan & Kathuria, 2016), Bangladesh can be an important source of pharmaceutical products for Uganda. Additionally, Uganda has also prioritised the development of the pharmaceutical industry and as such it is also important to foster collaborations with the private sector for local production of pharmaceutical products. On the other hand, Uganda has vast experience and acquired globally recognised good practices in managing epidemics owing to previous experiences of handling the Sudan ebolavirus in 2012, the Zaire Ebola virus in 2019 and several cholera outbreaks in the country. This

was also exemplified in the containment of the COVID-19 pandemic (Saki, Ezeh, & Stranges, 2020). Therefore, Uganda can be an important partner for Bangladesh in strengthening its capacity for preparedness and response to epidemics.

Described as one of the greatest development success stories, Bangladesh’s economic transformation of the last five decades has been driven by the manufacturing sector, especially Ready-Made Garments (RMG). Ranked as the third largest source of RMG, Bangladesh has seen a twofold increase – from 11 per cent in 2000 to 22 per cent in 2022 – in the value-added from the sector, with 20 products accounting for 84 per cent of total domestic exports. Despite the tremendous success of RMG, there is an urgent need for diversification of its production and export structure to reduce vulnerability to global commodity prices (OECD/UNCTAD, 2023).

Since the 1990s, Bangladesh has made efforts to diversify its production and export structure. Uganda and Bangladesh have shown interest in signing an MoU on trade which is an important opportunity for both countries to enhance their trade relations. The MoU would enable Bangladesh to supply more textile as well as Jute products to Uganda. As Uganda strives to move away from plastic packaging to biodegradable materials (Monitor, 2021), more trade in Jute is a win for Uganda and on the other hand, Bangladesh would attain its export and product diversification agenda.

Other than the specific bilateral areas of interest between Uganda and Bangladesh, it is also important that Bangladesh and Uganda foster collaboration on issues of global importance, especially of importance to the global south. It is particularly important to highlight the grave impacts of climate change on both countries. Like other developing countries, both countries are the most affected, yet with the least capacity to respond. Additionally, conflicts, non-representative global governance systems, and development finance systems, among others, are critical areas for collective action. Given Bangladesh's important contribution in peace-keeping missions in the region with 5303 peacekeepers in several countries including Mali, DRC, Sudan, South Sudan, Central African Republic, and Western Sahara, collaboration with Uganda – a stable country in the region – is critical. Already, Bangladesh has established a transit and logistics hub for its peace-keeping operations in the region (Molla, 2018). It is also worth noting Uganda's leadership of two key groupings of the South - Non-Aligned Movement (NAM) and G77+ China, which can be leveraged to advocate for the interest of the Global South.

Conclusion

Uganda and Bangladesh have similar historical as well as development pathways. It is particularly interesting to note that at Independence, both Uganda and Bangladesh were nearly at equal levels of development (Misha, 2020).

Against all odds, both countries have experienced impressive development. The plurality of development experiences in both countries provides an opportunity for mutually beneficial partnerships especially, in view of the emerging development challenges. Over the last decades, non-state actors especially BRAC and Grameen Foundation have led the way in fostering development cooperation between the two countries by undertaking highly impactful grassroots interventions. It is also worth noting key challenges to enhanced cooperation including low volumes of trade, limited people-to-people contact, absence of direct air and water transport connectivity, among others. Moving forward it is critical to foster more engagements between state actors. But more importantly, it is particularly imperative for both countries to strengthen trade linkages and foster more people-to-people connections for sustained relations.

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A Dialogue on Global Governance and Societal Transformation with Enrique V. Iglesias

Enrique V. Iglesias is a Uruguayan politician, economist and author. He was Minister of External Relations for Uruguay and President of Uruguay's Central Bank; Executive Secretary of the United Nations Economic Commission for Latin America and the Caribbean (ECLAC); President of the Inter-American Development Bank and Secretary-General of Ibero-American General Secretariat.

DCR Team: Our societies are undergoing major transformations, with excessive inequalities, an erosion of social cohesion, the very concept of democracy in crisis, and a lack of trust in policymakers. How do you see society's situation evolving?

Enrique V. Iglesias: The statement in the question is correct. The aggravation of the economic, social, and political situation in contemporary societies, especially in the West, exacerbates inequalities and thus the potential for instability and conflict. It is clear that we are in a time of great turbulence forcing us to critically review our own paradigms. Politics needs to reinvent itself to revive its capacity to make societies governable by responding to the immediate and

long-term demands of citizens.

In particular, we need to take into account the rapid advance of global challenges such as climate change, the emergence of new powers, and a technological revolution, the destination is unknown, nor it is clear in whose hands' decisions should lie. All this inevitably leads us to face the weakening of global governance. Most global challenges are inextricably intertwined with local ones. And local action requires not only better policies, but also a higher level of citizen awareness and engagement and a political class capable of catching up; and providing a vision for the future that transcends electoral calendars and narrow interests.

DCR Team: Throughout your career, you have witnessed significant shifts in

Interviewers: DCR Team comprising member. Eleanor Legge-Bourke and Mario Pezzini

multilateralism. In your view, when and how did these shifts occur?

Enrique V. Iglesias: Today's multilateralism originated with the victors of the Second World War and was shaped by the values and principles of Western and Christian civilisation. The alternative powers were either defeated or silent. The project enshrined in the United Nations Charter, the Bretton Woods Institutions and the Universal Declaration of Human Rights gave hope to a humanity worn out by the horrors of war and a compass for the reconstruction of Europe and for decolonisation around the globe. Of course, following a model inspired by the West and supported by the Allies. I think it has given a lot. The UN system and its agencies, funds and programmes have been a formidable lever for progress in the living conditions of millions of people. For years, the Security Council prevented conflicts and above all enabled the development of the theory and practice of nuclear deterrence and the bringing together of forces with divergent interests. Today, the Security Council and the entire United Nations system need an update to meet the challenges, a change that is difficult to imagine in the current context. The model that emerged from the winner's camp of the Second World War has characteristics that seemed incontestable at the time. Bretton Woods established the supremacy of the dollar and mechanisms aimed at balancing and sustaining the viability of the capitalist production system, which had a global vocation. In the principles of the Charter and then of the Universal Declaration, as the name suggests, human rights are

seen as a goal for all cultures, systems, and people. The so-called Pax Americana, which began in 1945, has not worked to ensure a peaceful world that guarantees human rights and development, or it has been inadequate. We see that all this is not as solid and homogeneous as we may have believed for a few decades. It is difficult to imagine a future without effective international governance and it is very difficult to imagine how to achieve it.

DCR Team: In your view, what are the primary challenges facing multilateralism in promoting effective global development cooperation today?

Enrique V. Iglesias: UN Secretary General Guterres said it clearly: "The world is entering the Age of Chaos", "the Security Council has never been so bad", "international financial institutions favour the rich who designed them", he also said that "governments forget to be accountable, to respect human rights, making people lose confidence in political systems". The main challenge for the UN, the backbone of multilateralism, is its loss of real power. I know of no one more competent than the UN Secretary General to speak on this subject and he says it with courage. I refer you to his speech on 'Priorities for 2024' to the General Assembly on 7 February.

DCR Team: Conversely, what opportunities do you see for leveraging multilateralism to address these challenges?

Enrique V. Iglesias: In my view, the only remaining chance to enhance multilateralism is for political leaders and

other influential people to realize that we are at a crucial moment in time where we need to innovate and open the doors to broad popular participation. Many of the problems facing humanity, including the problem of its survival, require solving global challenges, many of which involve multiple countries or do not respect borders (climate, pandemics, inequality, standardisation of new technologies, scientific cooperation, conquest of space, migration). Multilateral cooperation is indispensable. If governments think it is more important to increase the military budget than the means for cooperation, then we will have missed the train of history.

DCR Team: What are the future scenarios you see for multilateral relations?

Enrique V. Iglesias: Ongoing geopolitical crises make it even more difficult to make predictions as balances, alliances and pressures are constantly changing. The inability of the major powers to define the outcomes of current confrontations and their unwillingness to place what should be their role in the hands of the UN casts doubts. The Security Council is geopolitically blocked, and its own permanent members are resisting change. These changes would mean adapting the Council to the new realities, including permanent members from all continents, diminishing the veto power, etc. The major powers, that avoid the issue, have invented their own negotiating spaces, such as the G7 or the G20. A few decades ago, most people with great power and influence were presidents, monarchs, or

dictators. They were at the head of states. Today they share this power with CEOs of large companies, investment fund managers, heads of large media and social media conglomerates, drug traffickers, influencers, and arms dealers.

DCR Team: What effects does polarisation have on the practice of multilateralism - an experimental poly-multi-plexipolar world? With or without dialogue? South-South cooperation, or trilateral cooperation?

Enrique V. Iglesias: The UN Secretary General and the UN General Assembly have called for a Summit of the Future on 23 and 24 September next. They propose that the Heads of State and Government of all countries sign a 'Pact for the Future'. There will be proposals for five major themes: I-Sustainable development and financing, II-International peace and security, III-Science, technology, innovation and digital cooperation, IV-Youth and future generations, V-Transformation of global governance.

All this comes on top of promises to leave no one behind, to end hunger, to reduce inequalities, to build just, inclusive, and peaceful societies, to provide decent work for all, to protect nature and resources. Who doesn't want that? Why are we not able to achieve it? I believe that the "Summit of the Future" has a chance to make itself heard from above if it addresses the mountains that are its people, and not just the other heads of state and government who are standing on their own summits and who have less power today than in the past.

In conclusion, I would like to say that for me, all these questions are secondary to the big question: will our civilisation be able to imagine and set in motion a mobilisation of wills powerful enough to bring about the profound changes necessary for its survival? Our species, and so many others, progress in life thanks to two powerful mechanisms of evolution, egoism, and altruism. In nature, external conditions determine, on a case-by-case basis, which mechanism will prevail. Our species invented civilisation and with it the concepts through which we interpret reality. Our civilisation, or if you like,

our civilisations, have the opportunity to choose the winning mechanism. If they choose solidarity and altruism, we still have a chance. There is no other way than to involve the “last sovereign”, the mountains without which the summits do not exist, into the mobilisation. Our problems cannot be solved by brilliant ideas and the will of leaders alone. We need the will and the strength of the people to whom all these promises are dedicated.

Moving Towards Inclusive Framework for EU-Mediterranean Partnership

Pierre Duquesne *

The neighbourhood of a common sea has long been a source of trade and exchange. It can be a source of conflict, but also of cooperation. This is especially true in the Mediterranean, where the unity of landscapes and challenges is particularly visible, and not only in the 21st century. Bilateral relations are longstanding and innumerable, while attempts to organise them multilaterally are much more recent. If geography unites the riparian countries, history has often divided them. The present time is no exception, especially with war and terrorism setting the Middle East ablaze. Even in calmer times, the views of many of the countries bordering the sea is proving troublesome, both to the North and to the South. The vision of “Euro-Mediterranean” relations reflects a fundamental misunderstanding that has persisted since the creation of the Union for the Mediterranean (UfM) in 2008.

On July 13, 2023, the UfM turned fifteen years old. It is not a turbulent

teenager. In fact, this young institution is rather discrete (compared to all other international organisations), although it is responsible for the sensitive issue of “Euro-Mediterranean” relations. Contrary to popular opinion, its difficulties are not solely due to the Israeli-Palestinian conflict. On the contrary, the UfM, which has 43 members (with Syria suspended), is the only institution in which Israel and Palestine not only coexist, but also try (outside of times of intense conflict such as the current one, of course) to establish cooperation on technical issues such as energy, desalination of sea water and civil protection.

In reality, the organisation suffers from two constitutional shortcomings, which are partly linked to the initiator of the idea, President Sarkozy's France. The concept of a Mediterranean Union (as it was called at the time) was proposed by candidate Sarkozy during the 2007 election campaign (speech in Toulon,

* Former French ambassador and former inter-ministerial delegate for the Mediterranean, March 2024. Views are personal.

February). It was even his main foreign policy campaign proposal. This good idea was only partially implemented.

The French approach to the subject has been surprising, if not irritating:

- The Mediterranean Union was initially presented as an alternative to the European Union, and France thought it could do without the non-riparian countries, starting with Germany. This was not only the wrong approach, but also a conceptual mistake, as the aim should have been to draw the EU and its member states to the south. This *modus operandi*, which has left its mark on many governments, still prevents the UfM from functioning as a genuine development institution today;
- The “family photo” taken at the opening of the UfM at the Grand Palais in Paris on July 13, 2008, was a clear counter-publicity ploy. It shows numerous dictators who were challenged and/or disappeared in the wake of the Arab Spring. Apart from its structural inability to resolve the Israeli-Palestinian conflict, the organisation’s inability to convey a genuine political message during and after the Arab Spring has closed off another field of action for it.

France is working tirelessly to increase the human and financial resources of this small organisation (€4 million budget), but still encounters a fundamental problem: the European Commission’s refusal to transfer development credits

to the UfM to enable it to partially finance projects. With a certain amount of bureaucracy, the UfM has to make do with “labelling” projects in the Mediterranean region.

Leaving aside the historical and political conditions that characterized the creation of the UfM, and leaving aside the institutional and financial issues, one may wonder whether the term “Euro-Mediterranean relations”, which has been used since the creation of the Barcelona Process in 1995, is not the cause of the difficulties. At the very least, is outdated:

- It gives the impression that Europe is alien to the Mediterranean, while Europe is in the Mediterranean, and increasingly so, and the Mediterranean is in Europe;
- the result is that the word Mediterranean has become synonymous with North Africa and the Middle East, which for people in Europe today, whether we like it or not, is at least synonymous with crisis, underdevelopment, migration and even terrorism; the Mediterranean, which was once a positive word, has ceased to be so;
- the term “Euro-Mediterranean” leads people to see the EU not as a partner but as a provider, at best, of official development assistance, at worst, of advice on good governance ill-suited to the situation on the ground;
- this term does not give the impression that we are facing the same problems in the North and South (which was not necessarily the case in 2008), in

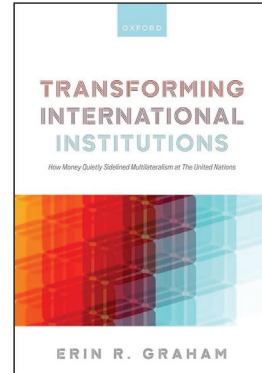
particular climate change, rising sea levels, loss of biodiversity and even inequalities and the difficulties of the middle classes;

- this term is institutional and tends to describe relations between state(s) and state(s), while the Mediterranean and its current problems should be addressed by civil societies simultaneously with states (with and not instead of states), as France has started to do with the Two Shores Summit (Marseille June 24, 2019), the preparation of which... had begun with Germany a year earlier;
- since no one can really fill the term “Euro-Mediterranean” with content, there is a strong tendency to look beyond the Mediterranean and see it only as a corridor, although it is actually a separate area; hence the multiplication of strategies towards sub-Saharan Africa (for the western Mediterranean) or towards the Gulf (for the eastern Mediterranean). The development problems north and south of the Sahara are by no means the same, and there are more similarities between the countries of the eastern Mediterranean and those of southern Europe than between the former and the countries of the Gulf.

If we want to imagine a truly sustainable and inclusive development in the Mediterranean, then we must abandon the concept of “Euro-Mediterranean” and speak in other terms: Mediterranean relations, Mediterranean public policies, trans-Mediterranean relations, etc. There is no doubt that it would have been necessary to create a Mediterranean (development) bank: this has become impossible because many multilateral banks (European Investment Bank, European Bank for Reconstruction and Development, African Development Bank, Islamic Development Bank) are active in the region. As was shown once again in June 2023 at the summit organized in Paris for a new global financial pact, the countries of the South do not reject advocacy initiatives, but they demand that they be accompanied by financing. The UfM could be an institution working in this direction, provided that the EU commits to a genuine “Mediterranean Partnership” (just as there is an “Eastern Partnership”) and transfers development credits to the UfM, at least in certain areas.

Transforming International Institutions: How Money Quietly Sidelined Multilateralism at the United Nations

Graham, E. R. (2023). *Transforming International Institutions: How Money Quietly Sidelined Multilateralism at the United Nations*. Oxford University Press (224 pp, ISBN- 0198877943)



Pratyush Sharma*

Introduction

United Nations (UN) as an inter-governmental organisation was established in 1945 with an aim to maintain international peace and security and to achieve cooperation among nations on economic, social, and humanitarian problems. These were and are formidable ideals with which the UN was established and it continues to strive towards achieving them in present times. However, operationally, the UN's Security Council, by design gave Veto Powers to its five Permanent Members who have stifled various negotiations and decision-making processes throughout its history (Popovski, 2020; Trivedi, 2021; Lepard, 2021; Trahan, 2022). The democratic nature of the UN's General Assembly also has been found wanting on various occasions like the adoption of the Millennium Development Goals in

2000 which took place in a non-inclusive and non-participatory manner (Arts, 2017; Amin, 2006). Small States and small developing countries have found that even the democratic UNGA is claustrophobic and has been challenged with respect to coping strategies in the UN General Assembly (Panke and Gurol, 2020). Moreover, all decisions and declarations of the UNGA lack operational teeth as they are merely recommendatory in nature (Maxim, 2020; Al Afnan, 2022).

The United Nations' peacekeeping efforts have faced criticism on several fronts, highlighting the challenges and complexities inherent in such operations (Williams, 2020; Rebeiro and Pires, 2023). One recurring criticism revolves around the effectiveness and efficiency of peacekeeping missions in achieving their

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mandated objectives (Walter and Fortna, 2021). Critics argue that peacekeeping operations often lack clear and achievable mandates, adequate resources, and robust strategies for conflict resolution, leading to limited impact on the ground (Ludgren and Coleman, 2021). Moreover, the presence of peacekeepers has sometimes been marred by instances of misconduct, including allegations of sexual exploitation and abuse, which have tarnished the reputation of UN peacekeeping and eroded trust with local communities (Comstock, 2023).

Criticism of the UN regarding the delay in achieving the Sustainable Development Goals (SDGs) often revolves around the slow progress and inadequate action taken to address pressing global challenges (Filho et. al., 2023). Despite the ambitious agenda set forth in the SDGs, many argue that the pace of implementation has been sluggish, with several targets falling behind schedule. Critics point to factors such as insufficient funding (Barua, 2020), limited political will (Biglari, 2022), bureaucratic hurdles (Singh, 2023), and geopolitical tensions as key impediments to progress. Additionally, the COVID-19 pandemic has exacerbated existing inequalities and setbacks (Mukarram, 2020), further complicating efforts to achieve the SDGs within the designated timeframe.

Some of the challenges and criticisms faced by the UN as enumerated above are well researched; however, the financing aspects of the UN is a

topic that remains under-researched. It is in these contexts that one should look at the financial aspects of the UN. The questions regarding how the UN is funded and how the earmark funding is utilised towards furthering certain agenda-driven projects and programmes. In her work, *Transforming International Institutions: How Money Quietly Sidelined Multilateralism at the United Nations*, Erin R. Graham offers a penetrating analysis of the intricate relationship between financial contributions and the erosion of multilateralism within the UN system. The author tries to answer these through the case study of the earmarking of the funds or what other authors previously have preferably called bilateralisation of the multilateral funds at the UN. Published in 2023, Graham's book sheds light on the subtle yet profound influence of financial power dynamics on the functioning and effectiveness of international organisations (IOs). This comprehensive review will critically assess the key arguments, strengths, weaknesses, and contributions of Graham's book to the field of international relations.

Unveiling the Power Dynamics

Graham's central thesis revolves around the idea that earmarked contributions have become instrumental in shaping the priorities and decision-making processes of the UN, thereby sidelining the principles of egalitarian multilateralism and impartiality. The author argues that the increasing reliance on voluntary funding from member states has empowered major donors to assert influence over

the UN's agenda, undermining its ability to serve as a neutral forum for international cooperation. These earmark fundings are used exclusively and selectively in a sector-specific manner with geographic specificity. Through a combination of empirical analysis and theoretical insights, Graham explores the mechanisms through which funds permeate the corridors of multilateral diplomacy, reshaping the landscape of global governance. In the process, the author also discusses the theoretical aspects of how decisions are taken at international organisations in general and at the UN in particular.

One of the strengths of Graham's book lies in its meticulous research and empirical evidence. Drawing upon a rich array of data, case studies, and interviews, she provides an understanding of the financial dynamics at play within the UN. From peacekeeping operations to humanitarian aid initiatives, Graham illustrates how donor preferences and funding mechanisms shape the allocation of resources and the implementation of UN mandates. By unpacking the complexities of financial contributions and their implications for institutional autonomy, Graham offers valuable insights into the structural challenges facing multilateralism in the contemporary world.

Moreover, Graham's interdisciplinary approach enriches her analysis of the intersection between international relations and international law. By integrating perspectives from political

economy, international relations, and organisational theory, she makes the readers understand the complex interplay between money and power within the UN system. This interdisciplinary lens enables Graham to explore the underlying mechanisms driving institutional change, from the influence of major donors to the strategies employed by smaller states and non-state actors to navigate the power asymmetries inherent in multilateral diplomacy.

Furthermore, Graham's book makes a significant contribution to our understanding of the evolving dynamics of global governance. By highlighting the centrality of financial contributions in shaping the UN's policy priorities and operational capabilities, she challenges conventional narratives about the neutrality and impartiality of multilateral institutions. In an era marked by growing geopolitical rivalries and resource constraints, Graham's analysis serves as a timely reminder of the need to critically examine the influence of money on the integrity and effectiveness of international organisations.

Despite its many strengths, *Transforming International Institutions* is not without its limitations. One potential criticism is the book's somewhat narrow focus on the UN system, which may limit its applicability to other IOs and contexts. While Graham's analysis offers valuable insights into the specific challenges facing the UN, a broader examination of multilateralism beyond the UN framework could enhance the

book's comparative perspective and relevance.

Additionally, some readers may find Graham's argumentation overly deterministic or pessimistic regarding the prospects for multilateralism. While she convincingly demonstrates the influence of financial power dynamics on the UN's operations, her analysis occasionally lacks nuance in exploring potential avenues for reform or resistance against dominant donor interests. A more balanced assessment of the possibilities for revitalising multilateralism within the existing framework could enhance the book's overall impact.

In conclusion, Erin R. Graham's *Transforming International Institutions: How Money Quietly Sidelined Multilateralism at the United Nations* offers a compelling analysis of the complex interplay between finance and governance in the realm of international relations. Through its rigorous research, interdisciplinary approach, and critical insights, the book provides valuable contributions to our understanding of the challenges facing multilateralism in an increasingly interconnected world. While not without its limitations, Graham's work serves as a thought-provoking exploration of the not so easily seen dynamics shaping the future of global governance.

Overall, *Transforming International Institutions* is a must-read for scholars, policymakers, and practitioners seeking to deepen their understanding of the

evolving landscape of global governance. By unveiling the influence of financial contributions on multilateral institutions, Graham's book stimulates important conversations about the need to safeguard the integrity and autonomy of international organisations in the face of mounting pressures and constraints. As we navigate an increasingly complex and uncertain world, Graham's insights provide valuable guidance for charting a course towards a more inclusive, equitable, and effective system of global governance.

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Trends of Exports of High Technology Products from Global South

Sushil Kumar*

Abstract: This article analyzes the emerging strength of the Global South in high-technology trade. The trends in high- and low-technology trade, and the analysis show that the Global South's share has increased significantly from 2000 to 2022. The exports of HLPs from the Global South increased more than sixfold from 2000 to 2022, and exports from the Global North increased less than two times between 2000 and 2022.

Introduction

It is well known that development strategies directed towards exports positively impact economic growth (Marjit & Ray, 2017). Trade has emerged as a growth driver in the South. The unparalleled expansion of South-South trade is demonstrable; resulting in South-South intraregional exports growing faster than Southern trade with the rest of the world (Mohanty et al., 2019). UNCTAD (2015) found that developing countries accounted for 52 per cent of global exports of high-tech products. Technology-intensive trade with the South and the rest of the world was the main factor propelling the South's trade expansion (Mohanty et al., 2019). It is essential to mention that evidence

suggests that production and exports of high-technology products (HTPs), mainly in areas like electronic goods and computers, have substantially shifted to the developing world (Chaturvedi et al., 2016). Lee (2011) also found that the nature of technology-intensive exports positively affected economic growth as a country graduated from 'traditional' to more profound 'technology' intensive trade. This write-up examines the trends in the trade of high-technology products from the Global South in the last two decades. Section I defines the Global South, whereas Section II examines the trends in exports of high-technology (HTP)¹ products from the Global South.

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Global South

The most important question is what is the Global South? Which countries do we include in the global South? UNCTAD (2022) defines the global south as countries of Africa, Latin America and the Caribbean, Asia (excluding Japan, South Korea and Israel) and Oceania (excluding New Zealand and Australia).² Ministry of External Affairs, Government of India (2023) defines Global South as a broad term that refers to countries that consider themselves part of the developing world, or/and as emerging markets economies, or/and as being postcolonial countries, or/and as being non-OECD countries.³ To Dados and Connell (2012), the term global South refers broadly to Asia, Africa, Latin America and Oceania. In other words, regions outside Europe and North America are mainly (though not all) low-income and often politically or culturally marginalised.⁴ Chaturvedi (2014) defines the term “global south” from the development cooperation perspective and refers to all developing countries, including the least developed countries (LDCs). In this analysis, the Global North has 32 member countries of the Development Assistance Committee⁵ and other member countries of the European Union.⁶ In other words, as classified by the UN, all developed countries comprise Global North and the rest of the countries are included in the Global South. In this regard also see the paper by Atul Kaushik in presnet issue of the DCR.

Trends of Exports of HTP from the Global South

This section analyses the trends of exports of HTP from the Global South and Global North. Technically, high-technology products (HTPs) are those goods that are outcomes of high levels of innovation and R&D (Chaturvedi et al. 2016). For the analysis and accounting, there have been several attempts at identifying and classifying high-technology products as Pavitt (1984) categorises industrial output as resource-based, labour-intensive, differentiated and science-based manufactures. OECD (1994) used the 3-digit SITC Revision 3 classification of foreign trade. Lall’s (2000) classification is based on SITC at a 3-digit level (revision 2), which covered 18 product categories under high technology, mainly in electronics, electrical and others (Chaturvedi et al., 2016) and for the current analysis, the study used SITC at three-digit (Revision 3).

South as the Engine of the World Trade

The world trade has undergone tectonic shifts in the recent decade, much of that can be explained by the dynamism of the trade of the Southern economies. While the share of the North in global trade has declined, the share of the South marked a steady rise (Mohanty et al., 2016). The share of Global South in global exports was 28.6 per cent in 2000, which increased to 46 per cent in 2022. In value terms, it increased from USD 1.70 trillion in 2000 to 10.24

trillion in 2022. It increased more than 8 per cent per annum between 2000 to 2022 (average), and on the other side, the share of the global north in world trade (exports) has declined from 71 per cent in 2000 to 54 per cent in 2022. It increased by 4.4 per cent between 2000 to 2022 (Figure 1). It is important to mention that the surging of Global South's trade (exports) is because of production and trade in international value chains and the Global South is emerging as a key player in world GVC trade in the 21st century (Mohanty et al., 2016).

Global South and Global North Trade in HTPs

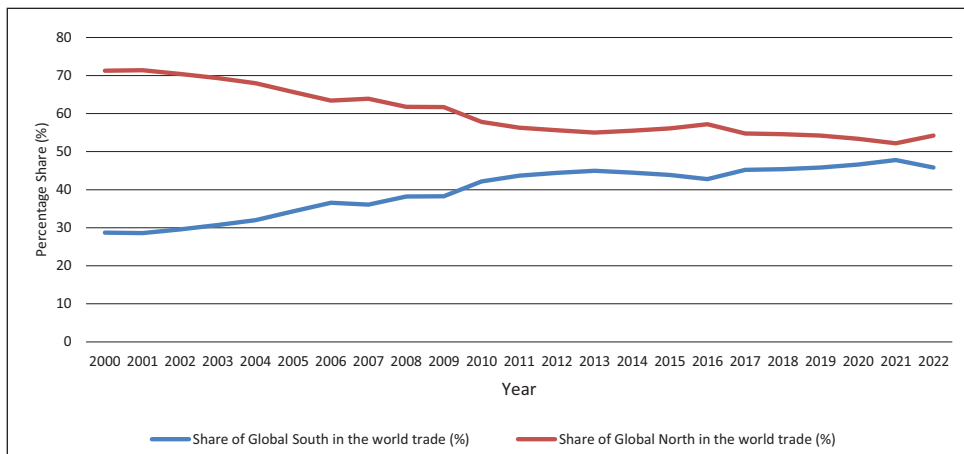
Figure 2 shows that the share of the global South in total high-tech products increased from 30 per cent in 2000 to around 61 per cent in 2022. On the other hand, the share of the global North declined from 70 per cent to 39 per cent in 2022. The total exports of HTPs from Global South was USD

387 billion in 2000 and increased almost sevenfold to USD 2603 billion in 2022. Srholec (2007) mentioned that trade in the technology-intensive sector is the fastest-growing segment in world trade and developing countries actively participate in it.

Figure 3 also shows that intra-global South exports of high-technology products increased from 35 per cent in 2000 to 57 per cent in 2022.

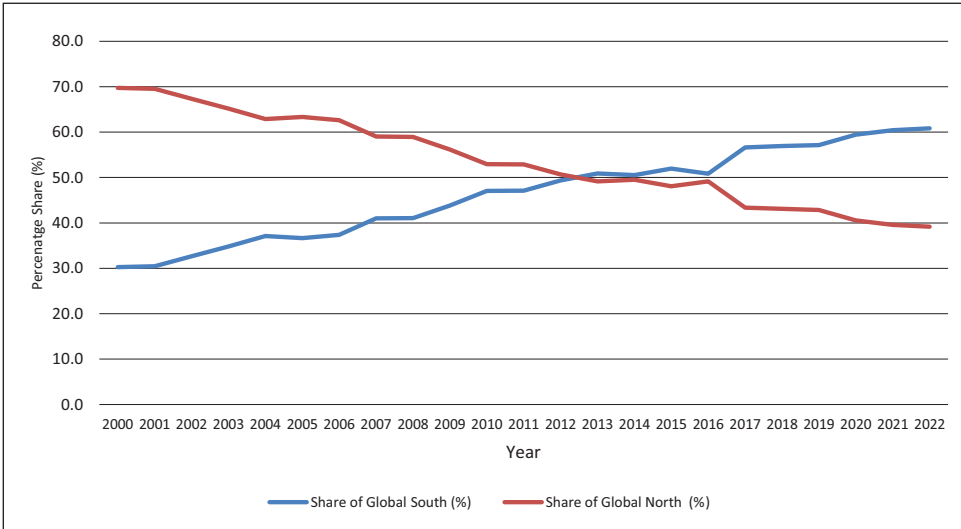
Literature review suggests that high technology products are goods that are outcomes of high levels of innovation and R&D . HTPs constitute products that are either final products in themselves or serve as intermediate inputs (Chaturvedi et al., 2016). In this context, this article analysed the share of Global South and Global North in world trade in high-technology products. As Chaturvedi et al. (2016) found, the production of high-technology goods in developing countries

Figure 1: Surging Trade Share of the Global South in World Trade (exports), 2000-2022



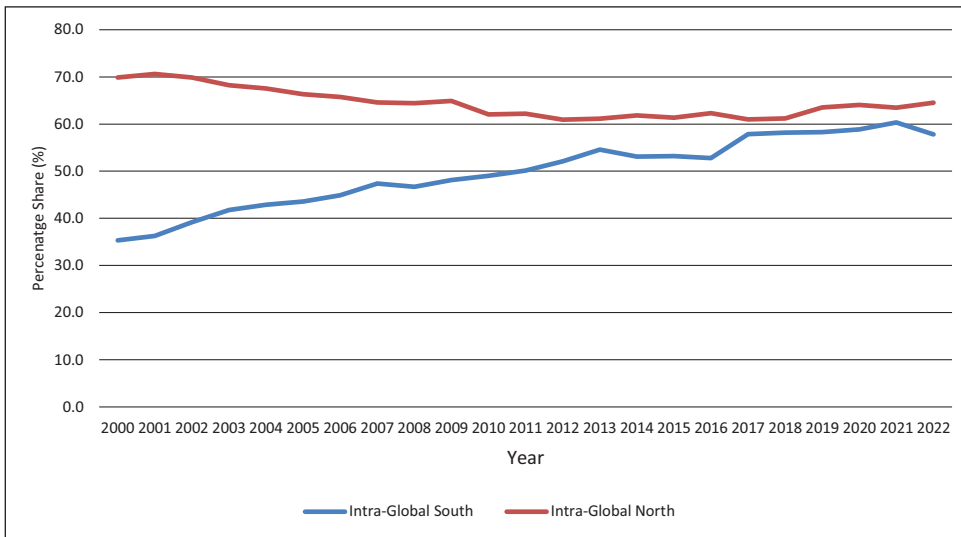
Source: Author's calculation data from WITS.

Figure 2: Share of Global South and Global North in Exports of High Technology Products (per cent)



Source: Author's calculation data from WITS.

Figure 3: Intra-Global South and Global North Export of High technology products (Share in exports of total high technology products per cent)



Source: Author's calculation data from WITS.

is often downstream. This helps advanced economies obtain substantial revenue generated from sales of high-technology

goods. The analysis found that the share of the global South in world HTPs has increased significantly, accounting for

around 61 per cent of the world, and the global North accounted for 39 per cent. It is essential to mention that intra-global South high technology exports have also increased, accounting for 58 per cent in 2022, which was 35 per cent in 2000. It is essential to mention that the R&D expenditure and FDI inflows to Global South have increased significantly. As WDI data shows that the Global South's share in global FDI inflows was around 18 per cent in 2000, which increased more than three times and reached around 57 per cent.

Endnotes

- ¹ The research data was obtained from UN Comtrade database of international trade yearly indicators for the period 2000–2022. SITS Rev.3 classification used for low-tech Product (LTPs) and High Technology Product (HTPs)
- ² See also Country classification by UNCTAD (<https://unctadstat.unctad.org/EN/Classifications.html>)
- ³ Lok Sabha Secretariat New Delhi, Twenty Seventh Report Committee on External Affairs (2023-24), Ministry of External Affairs India's Engagement with G20 Countries (2023)
- ⁴ See Dados, N., & Connell, R. (2012)
- ⁵ Australia, Austria, Belgium, Canada, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, South Korea, Lithuania, Luxembourg, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, United Kingdom and the United States
- ⁶ Bulgaria, Croatia, Cyprus, Latvia, Malta and Romania

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1. DCR is a refereed multi-disciplinary international journal. Manuscripts can be sent, as email attachment, in MS-Word to the Managing Editor (milindo.chakrabarti@ris.org.in).

2. Manuscripts should be prepared using double spacing. The text of manuscripts should not ordinarily exceed 1500 words. Manuscripts sent for peer review section may be limited to 5000 words. Such submissions should contain a 200-word abstract, and key words up to six.

3. Use 's' in '-ise' '-isation' words; e.g., 'civilise', 'organisation'. Use British spellings rather than American spellings. Thus, 'labour' not 'labor'. (2 per cent, 3 km, 36 years old, etc.). In general descriptions, numbers below 10 should be spelt out in words. Use thousands, millions, billions, not lakh and crore. Use fuller forms for numbers and dates— for example 1980-88, pp. 200-202 and pp. 178-84, for example, 'the eighties', 'the twentieth century', etc.

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Development Cooperation Review (DCR) aspires to capture holistic narrative around global development cooperation and fill an important knowledge gap towards theorisation, empirical verification and documentation of Southern-led development cooperation processes. Despite growing volumes of development partnerships around the Southern world, there remains an absence of detailed information, analysis and its contribution to global development processes. Even though there have been sporadic efforts in documenting some of the activities, a continuous effort in chronicling the diverse experiences in South-South Cooperation (SSC) is still absent. RIS, in joint publication with GDI, FIDC and NeST has endeavoured to launch DCR, a quarterly periodical, to fill this gap.


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About Network of Southern Think Tanks (NeST)

Knowledge generated endogenously among the Southern partners can help in consolidation of stronger common issues at different global policy fora. Consequent to the consensus reached on many of these issues at the High-Level Conference of Southern Providers in Delhi (March 2013) and establishment of the subsequent Core Group on the SSC within the UNDCF (June 2013), the Network of Southern Think-Tanks (NeST) was formally launched at the Conference on the South-South Cooperation, held at New Delhi during 10-11 March 2016. The purpose of the NeST is to provide a global platform for Southern Think-Tanks for collaboratively generating, systematising, consolidating and sharing knowledge on SSC approaches for international development.  @NeST_SSC

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