

# DEVELOPMENT COOPERATION REVIEW

## **Editorial**

## **Special Articles**

### **BAPA + 40 and the Challenges for a Standard to Assess SSC**

*Jorge A. Pérez-Pineda*

### **Returning to the Drawing Board: South-South Cooperation as a Springboard for Improving India-Nigeria Trade Relations**

*Emeka C. Iloh, Chukwuemeka V. Muoneke and John-Jireh Bassey*

### **The Role of Financial Institutions to Successfully Contribute for BRICS Cooperation**

*Irina Z. Yarygina*

## **Perspectives**

### **Lexicon and Syntax of Development Cooperation: Development Cooperation: A Transaction Costs Perspective**

*Milindo Chakrabarti*

*(Continued on outside back cover)*

# Development Cooperation Review

---

## Editorial Board

### *Editors*

Sachin Chaturvedi	Director General, RIS
Amar Sinha	Distinguished Fellow, RIS

### *Managing Editor*

Milindo Chakrabarti	Visiting Fellow, RIS
---------------------	----------------------

### *Associate Editor*

Pranay Sinha	Visiting Fellow, RIS
Pratyush Sharma	Correspondent, DCR

### *Editorial Assistant*

Amika Bawa	Research Assistant, RIS
------------	-------------------------

## Editorial Advisory Board

<b>Mohan Kumar</b>	Chairman, RIS
<b>Jorge Chediek</b>	Director of United Nations Office for South-South Cooperation
<b>Li Xiaoyun</b>	Chair, China International Development Research Network
<b>Anuradha Chenoy</b>	Chairperson, FIDC and Former Dean at School of International Studies, Jawaharlal Nehru University
<b>Elizabeth Sidiropoulos</b>	Chief Executive of the South African Institute of International Affairs
<b>Rajesh Tandon</b>	Founder, Participatory Research in Asia (PRIA)
<b>André de Mello e Souza</b>	Senior Research Fellow at Instituto de Pesquisa Econômica Aplicada (IPEA)
<b>Gulshan Sachdeva</b>	Jean Monnet Chair and Director, Europe Area Studies Programme, Jawaharlal Nehru University
<b>Thomas Fues</b>	Former Head of Managing Global Governance programme at German Development Institute
<b>Ruchita Beri</b>	Senior Research Associate, Institute for Defence Studies and Analyses
<b>Philani Mthembu</b>	Executive Director, Institute for Global Dialogue
<b>Amitabh Behar</b>	Chief Executive Officer, Oxfam India
<b>Siriporn Wajjwalku</b>	Associate Professor, Political Science at Thammasat University, Bangkok, Thailand
<b>Harsh V Pant</b>	Distinguished Fellow and Head of ORF's Strategic Studies programme
<b>Mustafizur Rahman</b>	Distinguished Fellow, Centre for Policy Dialogue
<b>Kaustuv Kanti Bandyopadhyay</b>	Director of Society for Participatory Research in Asia (PRIA)
<b>Bishwambher Pyakuryal</b>	Ambassador of Nepal to Sri Lanka and Maldives
<b>Sreeram Chaulia</b>	Professor and Dean at the Jindal School of International Affairs
<b>Dushni Weerakoon</b>	Executive Director and Head of Macroeconomic Policy Research, Institute for Policy Studies
<b>Swaran Singh</b>	Professor for Diplomacy and Disarmament, Jawaharlal Nehru University
<b>Harsh Jaitli</b>	Chief Executive Officer of Voluntary Action Network India (VANI)

# DEVELOPMENT COOPERATION REVIEW

Vol. 2 | No. 2 & 3 | May- June 2019



# DEVELOPMENT COOPERATION REVIEW

Vol. 2 | No. 2 & 3 | May - June 2019

<b>Editorial</b>	<b>1</b>
<b>Special Articles</b>	
<b>BAPA + 40 and the Challenges for a Standard to Assess SSC</b> <i>Jorge A. Pérez-Pineda</i>	<b>3</b>
<b>Returning to the Drawing Board: South-South Cooperation as a Springboard for Improving India-Nigeria Trade Relations</b> <i>Emeka C. Iloh, Chukwuemeka V. Muoneke and John-Jireh Bassey</i>	<b>9</b>
<b>The Role of Financial Institutions to Successfully Contribute for BRICS Cooperation</b> <i>Irina Z. Yarygina</i>	<b>18</b>
<b>Perspectives</b>	
<b>Lexicon and Syntax of Development Cooperation: Development Cooperation: A Transaction Costs Perspective</b> <i>Milindo Chakrabarti</i>	<b>23</b>
<b>Book Review</b>	
<b>Human Security and Cross-Border Cooperation in East Asia</b> <i>Pratyush Sharma</i>	<b>27</b>
<b>SSC in Statistics</b>	
<b>Intra –Regional Trade of MERCOSUR</b> <i>Sushil Kumar</i>	<b>31</b>



## Editorial

**D**evelopment Cooperation Review (DCR) engages with South-South Cooperation (SSC) and its accompanying issues linked to the global architecture of development cooperation. The edition presents a set of articles discussing key issues ranging from the deliberations at the Second High-level United Nations Conference on South-South Cooperation (BAPA+40) to strengthening engagement amongst the actors and institutions of the South.

There exists a long-standing debate around the necessity or otherwise of developing a definition and common standard for assessment of SSC. The BAPA+40 Conference at Buenos Aires also took up this issue. *Jorge A. Pérez-Pineda* in his article titled, 'BAPA+40 and the Challenges for a Standard to Assess SSC' provides an insight into this key debate and discusses the complexity to reach a conceptual consensus on a definition and a common standard to assess SSC post-BAPA+40. The article highlights the need to ensure a seamless flow of knowledge to result in a common Southern template.

India and Nigeria enjoy a time-honoured relationship driven by cooperation for decades. *Emeka C. Iloh, Chukwuemeka V. Muoneke and John-Jireh Bassey* celebrate the 60<sup>th</sup> anniversary of diplomatic relations between India and Nigeria. Their article titled, 'Returning to the Drawing Board: South-South Cooperation as a Springboard for Improving India-Nigeria Trade Relations' illustrates the role of SSC in deepening India-Nigeria relations. It focuses on questions related to strengthening bilateral trade relations as SSC provides opportunities for diversifying trade, cooperation in sharing of improved crop seedlings, possibility of establishing inter-country farmers' associations, and strengthening knowledge exchange and capacity building initiatives. Taking forward the strength of Southern cooperation, *Irina Z. Yarygina* in her article, 'The Role of Financial Institutions to Successfully Contribute for BRICS Cooperation', studies the BRICS alliance and the role of southern financial institutions in capitalising the potential of FinTech. *Yarygina* examines the key dimensions ranging from market demand and financial instruments to the role of governments and BRICS groupings in modernisation of financial technologies that could lead to an enhanced standard of living, leaving no one behind.

In the section on Lexicon and Syntax of Development Cooperation, *Milindo Chakrabarti* examines development cooperation through 'A Transaction Costs Perspective'. The article looks at the cost of development cooperation and discusses various transaction costs (search costs, bargaining costs and policing costs) in the models of cooperation today. The author asserts that a model of development cooperation driven by the spirit of SSC 'has the potential to be more efficient in delivering the developmental outcome if the elements of transaction costs are incorporated in measuring the efficiency parameter.'

A recently published book titled, "Human Security and Cross-Border Cooperation in East Asia" edited by Carolina Hernandez, EunMee Kim, Yoichi Mine, and Ren Xiao has been reviewed in the Book Review section by *Pratyush Sharma*. He notes how the book takes forward the idea of human security further by complementing the study with an examination into the pertinent aspects of sovereignty, coordination, and empowerment in East Asia. The review also elaborates the concept of human development linked to human security, as examined in the book.

The section on SSC in Statistics throws light on the total exports and growth rate of the MERCOSUR grouping. *Sushil Kumar* notes that MERCOSUR has shown signs of higher integration as compared to other regional groupings and global RTAs.

As DCR moves into its second year, it invites policymakers, officials, researchers, academics and development practitioners to contribute to the forthcoming issues to share their ideas, experiences and concerns vis-à-vis development cooperation.



## BAPA + 40 and the Challenges for a Standard to Assess SSC



Jorge A. Pérez-Pineda\*

---

“A caution here is to avoid fragmentation of narratives like those behind the Asian vs. Latin American approaches, evident in the conceptual evolution and ensure the flow of knowledge to result in a set of common standards or a common Southern template.”

---

As many voices agree, since the beginning of the current century, we have witnessed the rise of South-South Cooperation (SSC) and its prominence in the international cooperation system. In that context, relevant summits and conferences, such as Nairobi (2009), Colombia (2010), or Delhi (2013), have called attention to key issues around principles and definitions, trends and challenges for SSC. Among them, one key issue has been the assessment of the cooperation provided by Southern countries. Specifically, the *Delhi Conference of Southern Providers, 2013*,<sup>1</sup> identified, the need to “strengthen systems of data collection”, to “generate evidence, strengthen the evaluation of programmes and projects of SSC”. Recently, scholars (Esteves & Klingebiel 2018, Fues 2018, Bracho 2018) in line with the preparatory work of the Second High-Level United Nations Conference on South-South Cooperation (BAPA+40) 2019, highlighted the desirability to address issues on reaching a “consensus on a definition of SSC”, and agreement on a “common framework for impact assessment of SSC”, with hopes that BAPA+40 could lead to a mutual agreement.

In general terms, BAPA+40 contributed towards inclusion and alignment of SSC to Agenda 2030, specifically to the Goal 17 and the targets suggested in Goal 17 subsections 6 and 9. A positive outcome in this direction was viewed as a success from the international community and institutions that have worked hard around these goals, such as the case of the United Nations Office for South-South Cooperation. BAPA+40 proposed four sub-themes, among which, there were two related themes on the issues of concept and measurement of SSC,

---

\* Research-professor at Universidad Anáhuac México, member of the National Research System level 1, and co-coordinator of the NeST Mexican reference group. Views expressed are personal.

case in point: sub-theme 2, 'Challenges and Strengths of the institutional framework of SSC and Triangular Cooperation (TrC)', and sub-theme 3, 'Sharing experiences, best practices and success stories'.

In light of this, there is need to provide some insights to key debates around SSC and the vitality to understand them in a comprehensive manner. First, the complexity to reach a conceptual consensus on a definition for SSC; and second, the complexity to reach a consensus on a common standard to assess SSC. More importantly, it is relevant to see how the challenges related to such complexity can be overcome and, what BAPA+40 has contributed.

### **The Conceptual Complexity**

One of the preconditions to measure, monetise, or monitor anything we want to know, is to have an agreed conceptual departing point, as in all academic fields. So, the case of SSC should not be an exception. SSC is profusely described by scholars that have created two broad conceptual trends. The first one underscores a broad approach to SSC, that includes a wide range of spaces, such as political, economic, social, cultural, environmental and technical, supported from United Nations and organisations such as United Nations Office for South-South Cooperation (UNOSSC) with wide influence, particularly, in Asia. This approach is viewed as a "holistic" approach that includes commercial and investment flows. The second approach is more focused, specifically drawing upon the technical aspect of Southern cooperation, such as the approach used by the Ibero-American General Secretariat (SEGIB) and followed by Latin American and Caribbean countries.

The lack of a singular perspective given the heterogeneity of actors results in varying emphasis on the commonly held principles as evident in different summits such as Buenos Aires 1978, Nairobi 2009, or Delhi 2013.<sup>2</sup> The different conceptual approaches make the efforts to reach conceptual and principles convergence complex.

In that way, it may seem necessary to assume a conceptual debate to reach a common definition that can make clearer and more visible the contribution of SSC to development. Ideally, such a conceptual debate should try to be based on common and eclectic views of SSC and not get lost on the particularities of different narratives. Currently, what is clear is that the world of 1978 and the launch of the idea to build bridges for enhanced Southern cooperation through the first Buenos Aires Plan of Action, has changed, so we need to change the approach as well to accommodate for the evolution of SSC. The South of then is not the South of today, thus there is a good opportunity to reformulate a conceptualisation of SSC as we move forward, that may be more useful for all. Ultimately concepts are always in evolution.

### **Is it Feasible to Establish a Standard to Assess SSC?**

Furthering the discussion on conceptual complexity emerges a key question on the need for a conceptual agreement. It should be noted that the international agenda on Aid and Development effectiveness, and Financing for Development, demand for increased transparency and accountability and make no exception when considering the cooperation modalities of SSC. However, increased transparency and accountability requires

a common conceptual understanding through the creation of a common metric or standard to assess SSC. Such an effort may facilitate the South to make more visible its contributions in terms of the resources they allocate, as well as be able to be more accountable, transparent and efficient given the scarcity of resources.

Although it seems a simple task, it is not, but certainly, there is a need for a conceptual agreement and assessment template even though complexity persists. Three main issues come to the fore when undertaking this effort<sup>3</sup>; first, the absence of a common methodology to capture data and record SSC in the South; second, the lack of institutional and human resources capacity to have a system or framework to monitor and report SSC, to feed into key development bodies in Southern countries; and third, the difficulties to assign a monetary value to SSC and experts from South, when in some cases, by its nature and principles, are based on technical cooperation or knowledge transfers.

Even though there are the referred constraints, the truth is that many countries in the South, at an individual or regional level, have been working and are committed to developing their own systems, methodologies, institutions, and overcome technical constraints, that provide confidence on the possibility to have a common standard in the future (as it is not incompatible to develop national or regional level metric or definitions, and building on these a feasible minimum agreement for a common metric can emerge). This is well known in the Latin American region. For example, since 2007, Ibero-American General Secretariat (SEGIB) has been reporting SSC activities in the region with an agreed standard

among 22 countries which is a result not only of technical but political agreements (even though some countries have their own definitions and metrics while others are in the process of developing them). However, this is not the only attempt at such a scale. In Africa, it is known that recently the New Partnership for Africa's Development (NEPAD) has made efforts towards the possibility of having its own system for the African region. In a wider space, there are some initiatives on behalf of the BRICS group, particularly from Brazil, and other entities such as United Nations Economic Commission for Latin America and the Caribbean (ECLAC), who launched a technical working group to support Latin American efforts to improve their local and regional systems. In the Asian region, there are many national efforts to improve local systems and institutions related to SSC to eventually have their own metrics as addressed by Mulakala (2016). Beyond that, Fues (2018) points that the Network of Southern Think Tanks (NeST) has facilitated a platform to debate and develop a methodology to assess the quality and outcome of SSC. This has inspired the work of some of its regional and local reference groups in China, Brazil, South Africa and Mexico.<sup>4</sup> And finally, we cannot forget the attempts at a more global level from the Development Cooperation Forum from United Nations (DCF-DESA), or the controversial proposal of Total Official Support for Sustainable Development (TOSSD) from the Organisation for Economic Co-operation and Development (OECD) that propose the inclusion of flows that can be considered part of SSC into the metric.

Hence, as can be seen, even if there is not a conceptual consensus and are

assumed different approaches of SSC, there are concrete attempts to have a common framework, such as the Development Compact (UNOSSC 2019), that can incorporate own metrics and systems to assess SSC, that is why the debates post BAPA+40 should contribute to close the gap and go beyond towards considering the demands of goals and targets such as those mentioned in SDG 17.

### **Conclusion: The Contribution of BAPA+40**

In the aftermath of BAPA+40 and following some findings of a recent study that analyse more in-depth the above-mentioned issues and their implications (Pérez-Pineda & Huitrón 2018), the following can be underlined.

Related with the conceptual debate, this piece advocates for the need to reach a consensus for a common conceptual definition on SSC, and based on that be able to propose a feasible standard for assessing SSC. The main argument is that a common base forms a precursor to further understanding of SSC, along with ensuring accountability and transparency. It is not possible to strengthen monitoring systems, institutions, or close technical gaps if there is no clarity on what one is reinforcing. This may avoid misunderstandings in either political or technical arenas, particularly with emerging countries that become both providers and receivers of different modalities of cooperation. Some countries have been reluctant to use the term of SSC to refer to their cooperation and instead preferred using terms such as “international cooperation”, “development cooperation”, “bilateral cooperation” or “horizontal cooperation”, without assuming its Southern origin or component, making it more difficult to

identify its real contribution. As some experts agree, it is not possible to have ownership of the narrative if there is no clear identity. Ultimately, calling things by its name should not be harmful, so, in the context of a post-BAPA+40 scenario, it is necessary to review and update the concept of SSC, in line with its natural evolution.

On the problems related to a common standard, issues around the process of measure, monitor or evaluate come to the fore. This demands a further questioning whether it is necessary to have global, regional or national metrics on SSC. If so, what should be measured? The quantity, quality, or the impact of SSC? Where will the focus be: resources, projects, partnerships, budgets, or, it is desirable to account for everything?

When we refer to the assessment of SSC, certain concepts can be confusing with their meaning getting further complicated with translation, for instance, measuring vs. monitoring, accounting vs. quantifying, value vs. monetize or cost, or impact vs. output. In this regard, the OECD-DAC has produced guidelines or key documents to improve technical debates, such as a “Glossary of key terms in evaluation and result-based management”. Such an effort could be a good first step for SSC. The question here is, which institution(s) should lead this sort of initiatives, could it be UNOSSC, DCF-DESA, UNCTAD, SEGIB, NEPAD? Or could some working groups emerge post BAPA+40?

Whatever be the case, it is definitely certain that this should be a bottom-up process, first focused at the local and national level to strengthen systems to account for SSC, normative frameworks to commit institutions to report, collect and analyse information on SSC, and

capacity building to have the knowledge as the needed budget to support SSC accountability. Then the focus should be towards regional frameworks, where agreements could be a good move on the consolidation towards a global standard and contribute to development efficiency. A caution here is to avoid fragmentation of narratives like those behind the Asian vs. Latin American approaches, evident in the conceptual evolution and ensure the flow of knowledge to result in a set of common standards or a common Southern template.

In this regard the paragraphs 25 and 26 of the outcome document of BAPA+40 are encouraging, when they propose “developing countries to develop country-led systems to assess the quality and impact of South-South and Triangular Cooperation programs [...] at national level”, so as “to engage with regional commissions, relevant intergovernmental fora, or regional organizations [...], on non-binding voluntary methodologies” (UN 2019).<sup>5</sup>

In respect to Agenda 2030, Lopes (2017) noted that if SSC is considered to contribute to the SDGs, it should not be seen merely as a sort of “financial” complement to support the goals, as SSC is not based merely on financial flows but has been successful in technical and knowledge flows. In this regard, post-BAPA+40 efforts must clarify the channels, modalities and ways, on which SSC and Triangular Cooperation can contribute to the international agenda. Documentation of cases, best practices and pilot experiences collected by academia, agencies in developing and developed countries, multilateral organizations, think tanks, civil society and private sector, will be key to reach a better understanding

of the role of SSC in the current context. The good news is that in the recent years, various actors have taken steps to achieve a feasible consensus on an international standard to assess and conceptually understand SSC.

## References

- Ayllón, B. (2013). *La cooperación Sur-Sur y Triangular: ¿subversión o adaptación de la cooperación internacional?*, Quito, Editorial IAEN, 1a edición. Retrieved from: <https://cooperacionecuador.files.wordpress.com/2014/01/1a-cooperacion-3b3n-sur-sur-y-triangular-bruno-ayllon-3b3n-iaen.pdf>
- Besharati, NA, Moilwa, M., Khunou K. & Garelli Rios, O. (2015). *Developing a Conceptual Framework for South-South Cooperation*. Working Paper, Network of Southern Think Tanks (NeST) Africa & South African Institute of International Affairs (SAIIA), Johannesburg, Retrieved from: [https://www.saiia.org.za/wp-content/uploads/2015/09/2015-09-23-Final-draft-SSC-Framework-rev\\_20151127.pdf](https://www.saiia.org.za/wp-content/uploads/2015/09/2015-09-23-Final-draft-SSC-Framework-rev_20151127.pdf)
- Bracho, G. (2018). Towards a Common Definition of South-South Cooperation: Bringing together the Spirit of Bandung and the Spirit of Buenos Aires. *Development Cooperation Review*, vol.1, no.6, September, pp. 9-1. Retrieved from: <http://www.ris.org.in/journals-n-newsletters/Development-Cooperation-Review>
- Esteves, P. & Klingebiel, S. (2018). *Global norms for development cooperation, On the way to the 2<sup>nd</sup> UN Conference on South-South Cooperation*. German Development Institute, September 12. Retrieved from: [https://www.die-gdi.de/uploads/media/German\\_Development\\_Institute\\_Estevez\\_Klingebiel\\_12.09.2018.pdf](https://www.die-gdi.de/uploads/media/German_Development_Institute_Estevez_Klingebiel_12.09.2018.pdf)
- Fues, T. (2018). Convergence on South-South Cooperation: The Delhi Process after Five Years. *Development Cooperation Review*, vol.1, no.6, September, pp. 9-1. Retrieved from: <http://www.ris.org.in/journals-n-newsletters/Development-Cooperation-Review>
- Lopes, M. (2017). Quantification of South-South cooperation and implications to the foreign policy of developing countries. *South*

*CentrePolicy Brief*, no.41, July. Retrieved from: [https://www.southcentre.int/wp-content/uploads/2017/07/PB41\\_Quantification-of-South-South-cooperation-and-its-implications-to-the-foreign-policy-of-developing-countries\\_EN.pdf](https://www.southcentre.int/wp-content/uploads/2017/07/PB41_Quantification-of-South-South-cooperation-and-its-implications-to-the-foreign-policy-of-developing-countries_EN.pdf)

Mulakala, A. (ed). (2016). *Asian Approaches to Development Cooperation, Contemporary Asian Perspectives on South-South Cooperation*. Korean Development Institute & The Asia Foundation. Retrieved from: [https://asiafoundation.org/wp-content/uploads/2017/07/Contemporary-Asian-Perspectives-on-South-South-Cooperation\\_wISBN.pdf](https://asiafoundation.org/wp-content/uploads/2017/07/Contemporary-Asian-Perspectives-on-South-South-Cooperation_wISBN.pdf)

Pérez-Pineda, J.A. & Huitrón, A. (2018). *Debate sobre la medición de la cooperación Sur-Sur: Consideraciones para la cooperación mexicana*. Oxfam México y NeST Mexican reference group. Retrieved from: [https://www.oxfamMexico.org/sites/default/files/Debate%20Medicio%CC%81n%20CSS\\_.pdf](https://www.oxfamMexico.org/sites/default/files/Debate%20Medicio%CC%81n%20CSS_.pdf)

United Nations (UN). (2019). Buenos Aires outcome document of the second High-level United Nations Conference on South-South Cooperation. Draft resolution submitted by the President of the General Assembly. A/73/L. 80. Retrieved from : <https://documents-dds-ny.un.org/doc/UNDOC/LTD/N19/102/77/PDF/N1910277.pdf?OpenElement>

UNOSSC. (2019). South-South Cooperation- A Theoretical and Institutional Framework. United Nations Office for South-South Cooperation, Network for Southern Think-Tanks and Research and Information System for Developing Countries (RIS). Retrieved from : <https://www.unsouthsouth.org/2019/03/18/south-south-ideas-south-south-cooperation-a-theoretical-and-institutional-framework-2019/>

#### Endnotes

- <sup>1</sup> For further information see: [http://ris.org.in/images/RIS\\_images/pdf/SSC\\_report\\_web.pdf](http://ris.org.in/images/RIS_images/pdf/SSC_report_web.pdf)
- <sup>2</sup> For instance, see table 3 on Besharati et al. 2015, p.27, on different principles along different key summits of SSC.
- <sup>3</sup> See Besharati et al. 2015, Ayllón 2013, Delhi 2013
- <sup>4</sup> In the same line, NeST India has conducted case studies on evaluation and assessment on SSC, that has led to a “SSC Theoretical and Institutional Framework” to be considered in future research on SSC to generate empirical evidence on the subject (UNOSSC 2019).
- <sup>5</sup> It should be noted that the previous paragraph of the conclusions was proposed before the BAPA+40 meeting took place and the outcome document were released, so it was interesting to find out a convergence on the consideration of this issue as the referred quotes of the mentioned paragraphs of the outcome document. (Emphasis added).

## AfDB-ETHIOPIA RENEWABLE SECTOR COOPERATION

The African Development Bank’s (AfDB) Sustainable Energy Fund for Africa will provide a grant support of US\$ 995,000 to Ethiopia’s sustainable procurement framework for independent power producers. This will encourage investments into hydropower projects, strengthen capacity to undertake bankability and provide for technical analysis, feasibility assessments, environmental and social impact assessments, and preparation of bidding documents for projects.

Wale Shonibare, AfDB’s Acting Vice President for Power, Energy, Climate Change and Green Growth noted that ‘a well-structured procurement framework is crucial in mobilizing the investments necessary to achieve universal energy access in Africa’. The Ethiopian Government has outlined a long-term development strategy targeting universal energy and electrification access by 2025 with an on-grid and off-grid combination.

Source: Prateek, Saamy. (2019, May 28). African Development Bank to Provide \$995,000 to Support Ethiopia’s Renewable Sector. MercomIndia. Retrieved from:<https://mercomindia.com/afdb-support-ethiopia-renewable-sector/>

# Returning to the Drawing Board: South-South Cooperation as a Springboard for Improving India-Nigeria Trade Relations



*Emeka C. Iloh\**



*Chukwuemeka  
Muoneke\*\**



*John-Jireh Bassej\*\*\**

---

*“The cooperation can also be in the form of sharing of improved crop seedlings, and by forming inter-country farmers’ clubs and associations, for the purpose of exchange of ideas.”*

---

## Introduction

For the past 60 years, India and Nigeria have been enjoying warm and friendly bilateral relations. The two countries share a lot in common as both have very diverse societies in terms of their multi-ethnic, multi-religious and multi-lingual characteristics. While India is the largest democracy not only in Asia but in the world, with a population of about 1.25 billion people, Nigeria is the largest democracy in Africa with a population of more than 180 million people. The huge population of the two countries makes them natural partners for trade. More importantly, a huge percentage of the population of India and Nigeria are engaged in agricultural production, and finally, both countries are leading members of the South South Cooperation (SSC).

Bilateral relations between India and Nigeria cut across several sectors, ranging from capacity building (education and training), cultural relations, and investment and trade. For instance, with regards to investment, companies owned or operated by Indians are the second largest employer of labour in Nigeria, after the federal government, with more than 135 companies owned by Indians operating currently in the country (High Commission

---

\* Department of International Relations, Madonna University, Okija Campus, Nigeria.

\*\* Department of International Relations, Madonna University, Okija Campus, Nigeria.

\*\*\*Department of Political Science, Madonna University, Okija Campus, Nigeria.

Views expressed are personal.

of India, 2019a). These companies operate in diverse sectors or fields including pharmaceuticals, electrical equipment and machinery, plastics, engineering goods and industrial chemicals. In terms of trade, Nigeria is now not only the largest trading partner of India in the whole of Africa, but India has also emerged as Nigeria's largest trading partner in the whole world, thereby overtaking the United States, which has since 1964 remained Nigeria's largest destination for exports (Ibrahim & Shehu, 2016). In fact, in 2017, Nigeria alone accounted for 57 per cent of India's total trade with countries of the West African sub-region (Afreximbank & Exim India, 2018). Globally, India is the largest buyer of Nigeria's crude oil and Nigeria is the fourth largest supplier of crude oil to India, providing between 10 and 12 per cent of India's annual crude oil requirements (High Commission of India, 2019b). Also, Nigeria supplied 61.6 per cent of all petroleum products India imported from Africa in 2017 (Afreximbank & Exim India, 2018).

The statistics above show that crude oil has dominated trade relations between the two countries. The implication is that any unexpected upheaval in the

demand and supply of crude oil in the global market would reverberate in the economies of the two countries. The recent decline in the value of trade between the two countries shows that depending merely on crude oil as a major trade commodity cannot be sustained. The decline was a result of external shocks/fluctuations in oil sales, which not only sent Nigeria's economy into recession but also greatly affected the volume and value of trade between India and Nigeria. Moreover, considering the ongoing shift in consumption patterns of major industrial countries away from crude oil to other sources of energy, the crude oil business is becoming unsustainable. Therefore, it is imperative that both countries return to the drawing board and look for alternatives to crude oil. It is the position of this paper that agriculture provides a potential addition to the trade basket. With the opportunities made available for increased partnership by way of SSC, both countries should explore higher bilateral trade relations in the agricultural sector.

The paper is divided into five sections. Following this introduction is a synopsis of India-Nigeria trade relations. Section three discusses the need to move from crude oil

**Table 1: Nigeria's Top Ten Export and Import Destinations (US\$) 2017**

	Exports		Imports	
	Country	Value	Country	Value
1	India	7,938,340,178	China	5,847,733,761
2	United States	5,672,187,398	Belgium	4,022,510,246
3	Spain	4,401,172,457	Netherlands	2,876,414,286
4	Netherlands	3,765,995,389	United States	2,494,134,436
5	France	3,410,700,032	India	1,528,779,250
6	South Africa	1,982,462,604	Germany	1,256,012,868
7	Canada	1,538,857,871	United Kingdom	1,207,027,479
8	Indonesia	1,480,282,751	France	1,131,580,962
9	United Kingdom	1,199,897,876	Italy	947,886,675
10	Togo	1,041,741,984	Brazil	801,011,412

Source: *Global Edge* (2018).



to agriculture and section four x-rays how both countries can utilise opportunities provided by the South-South Cooperation. Section five concludes the paper.

## A Synopsis of India-Nigeria Trade Relations

India has become Nigeria’s biggest trading partner in the whole world, with the value of trade totalling US\$ 11,756.26 billion during the 2017-18 period (High Commission of India, 2019a). There is even a decline compared to the US\$ 16,765.59 billion of the 2013-14 period. India alone accounts for 17.9 per cent of all exports emanating from Nigeria (United Nations, 2019a), and between 2005 and 2011, exports to India grew at an annual rate of 145 per cent (CII & WTO, 2013). However, while India is Nigeria’s first export destination, in terms of imports, India ranks fifth. This is depicted in Table 1.

Available statistical evidence shows that India-Nigeria trade relations have, over the years, been dominated by crude oil. In the second quarter of 2018, crude oil alone accounted for 88 per cent of total exports from Nigeria to India (Adekoya, 2018). In the 2014-15 periods, out of US\$ 13.68 billion worth of goods exported from Nigeria to India, crude oil amounted to US\$ 13.53 billion, representing almost 99 per cent of the total exports to India (Ibrahim & Shehu, 2016). Also, in the 2016-17 period, out of Nigeria’s total export of US\$ 7.65 billion to India, crude oil alone accounted for US\$ 7.46 billion (97.5 per

cent) and in the 2017-18 period, out of a total export of US\$ 9.5 billion, crude oil accounted for US\$ 9.29 billion (97.8 per cent) (High Commission of India, 2019b).

Unlike Nigeria’s export to India which is dominated by a single commodity, India’s exports to Nigeria are more diversified and include manufactured products and other technological-content products. During the period 2017-18, India’s exports to Nigeria were dominated by three principal products: pharmaceutical products (25 per cent); automobiles and its components (18 per cent); and machinery and mechanical appliances (18 per cent). Other products which include electricals, plastic, apparels, etc. constituted the remaining 39 per cent of exports to Nigeria (High Commission of India, 2019b). So, while the balance of trade in India-Nigeria trade relations clearly favours Nigeria largely because of huge crude oil imports by India from Nigeria, trends in their trade relations show that India’s exports to Nigeria are more sustainable, since they are diversified. As regards trade in pharmaceutical products, India is Nigeria’s largest import origin, with more than one-third of imported pharmaceutical products in Nigeria coming from India. From a value of over US\$ 345 million in the 2016-17 period, the value of pharmaceutical products’ imports from India increased to over US\$ 413 million in the 2017-18 period (High Commission of India, 2019b).

Owing largely to fluctuations in oil prices in the international market, the

**Table 2: India-Nigeria Trade, 2013-2018 (in US\$ millions)**

	2013-14	2014-15	2015-16	2016-17	2017-18
India’s Export/ Nigeria’s Import	2,667.75	2,681.37	2,221.90	1,764.11	2,254.93
India’s Import/ Nigeria’s Export	14,097.84	13,682.97	9,949.17	7,659.48	9,501.33
Total Trade	16,765.59	16,364.34	12,171.07	9,423.59	11,756.26

Source: High Commission of India, Abuja (2019a)

value of India-Nigeria trade nosedived during the 2013-17 period. From a value of over US\$ 16.7 billion in 2013-14, the value of trade between the two countries declined to about US\$ 9.4 billion in the 2016-17 period. Though it picked up again in the 2017-18 period to US\$ 11.7 billion, it is evident that reliance on crude oil sales is beginning to wane. Table 2 depicts the declining value of both countries' trade relations.

### **From Crude Oil to Agriculture**

It is evident that the continued dependence on crude oil as a major trade commodity between India and Nigeria is not sustainable, given that energy consumption patterns are shifting away from crude oil to other sources of energy. Already, many countries are putting plans in place to phase out petrol cars and replace them with electric cars. India is not left out, as it plans to discontinue the use of diesel cars by 2030. Adekoya (2018) has rightly argued that this move by India would impact negatively on Nigeria, not only in terms of demands for its oil, but also as regards its revenue. Of all the options available to Nigeria to remain afloat and to sustain its trade relations with India and the rest of the world when demand for crude oil plummets, agriculture offers the best viable alternative. Happily, Nigeria has embarked upon a campaign to redirect the economy from focusing on crude oil to focusing on agriculture, and other sectors. In this regard, the incumbent government of Muhammadu Buhari has rolled out some agricultural development initiatives to support this. These initiatives include: the Presidential Economic Diversification Initiative (PEDI); the Anchor Borrowers Programme (ABP); the Youth Lab; the

Presidential Fertilizer Initiative (PFI) and the Food Security Council (International Trade Administration (ITA), 2019a). Agricultural development is also a priority under the country's Economic Recovery and Growth Plan, which was launched as an aftermath of its economic recession. The Plan is intended to boost agriculture's GDP contribution from its current level of 3-4 per cent annually to over 8 per cent by 2020 (Oxford Business Group, 2019).

High ranking government officials from India and Nigeria have made allusions to the fact that both countries are working towards deepening non-oil exports, focussing especially on agriculture, at different occasions during exchange visits (Pulse, 2018; High Commission of India, 2019b). During some such visits, agriculture was specifically identified as a crucial sector for greater cooperation. At best, this has remained a policy statement. Cooperation in agricultural production, particularly in rice and cassava production, offers great promises for India and Nigeria as both countries are presently making giant strides in these areas, with great opportunities for improvement. Presently, India is one of the world's largest producers of rice (ITA, 2019b), and given that Nigeria is one of the world's largest markets for parboiled rice, opportunities for cooperation in this sub-sector abound for both countries. Despite the efforts of the Nigerian government to increase local production of rice, the country still depends on about 3 million tons of imported parboiled rice to meet just half of its rice demand, with a level of consumption averaging US\$ 4.5 billion annually (ITA, 2019a). This gap could be filled by India, which in 2017, was the country with the highest value of net

exports of rice, totalling more than US\$ 7.1 billion (United Nations, 2019b).

Although Nigeria has technically banned the importation of rice, domestic production is far from being achieved, prompting smuggling in a massive scale. About 80 per cent of rice consumed in Nigeria is imported (Foyeku, 2018), 65 per cent of which is from Thailand while about 20 per cent is from India (ITA, 2019a). Consumers' opinion is that the ban has not achieved the desired aim since patronage for imported rice is still on the increase. This is because locally-produced rice is not only of low quality but more expensive. Basic infrastructure for rice production is still lacking in the country and producers still depend substantially on traditional methods with outdated mills. There are, therefore, opportunities for massive foreign investment in this sub-sector, with India placed in a vantage position to seize these opportunities, given its experience and successes in Green Revolution.

Apart from rice production and export, India has also solidified itself as one of the world's largest producers of other agricultural products, and as a net food exporter. In 2017, India was the world's top exporter of spices, accounting for 17 per cent of global exports, totalling close to US\$ 2 billion (United Nations, 2019b). Also, according to the India Brand Equity Foundation (IBEF) (2019), India is the world's largest producer of milk, with about 165.4 million tonnes in production annually. There is a great opportunity for cooperation between India and Nigeria in this regard given that over 85 per cent of Nigeria's dairy needs is met through importation. In 2017 alone, the dairy market in Nigeria was estimated at US\$ 1.5 billion, with its growth potential estimated

at approximately two million tonnes, with a total worth of about US\$ 6.5 billion annually (ITA, 2019a).

Nigeria can also leverage on India's position as the world's largest market for tractors to increase its agricultural mechanisation. India's tractor production accounts for about one-third of global production (ITA, 2019b) and cooperation between the two countries in this regard has huge potentials in offsetting under-production of Nigeria's agricultural sector dominated by smallholder farming which is a consequence of lack of equipment. Hence, there are immense potentials for growth in this sub-sector (production, export and import of tractors) given that Nigeria has over 30 million hectares of farmland under cultivation (ITA, 2019a), with several million other hectares available for cultivation.

On the other hand, India can leverage on Nigeria's massive production of cassava to feed the raw materials needs of its home industries. Presently, with about 50 million tonnes harvested annually, Nigeria is the world's largest producer of cassava, accounting for 20 per cent of global supply, 34 per cent of African supply, and 46 per cent of West African supply (Oxford Business Group, 2019). This sub-sector also offers immense opportunities at every level of its value chain. Therefore, beyond importing cassava from Nigeria, Indian companies can invest in cassava processing in Nigeria. This will not only add value to the quality of exports but will also enhance trade relations between the two countries.

Nigeria has been encouraging Indian companies to invest in Nigeria's mining sector (gold, coal, iron ore, lead, chrome ore, etc.) as well as in other sectors, and

Indian investors have been responding (Hindu Business Line, 2007). They have invested heavily in pharmaceuticals, manufacturing, plastics, information communication and technology, and engineering, including in the Ajaokuta Iron and Steel Industry in Kogi State and Aladja Steel Complex in Delta State (Thisday Newspaper, 2007). These massive investments could be extended to the agricultural sector as opportunities for investment exist in all aspects of the agricultural value chain in Nigeria. There are opportunities for Indian private companies to invest in any of the proposed six Staple Crop Processing Zones (SCPZs) in Nigeria. These SCPZs are located in Kogi State (cassava production); Anambra State (rice production); Niger State (rice production); Enugu State (rice production); Kano State (rice, tomato and sorghum production); and Rivers State (fisheries production). This would serve as a viable substitute for crude oil.

### **South-South Cooperation to the Rescue**

South-South Cooperation (SSC) is a demonstration of solidarity between and among countries and peoples of the South aimed at contributing to the well-being of their countries, to their national and collective self-reliance and to the attainment of internationally agreed development goals, including but not limited to the 2030 Agenda for Sustainable Development. In his background note for the preparatory process of the second High-level United Nations Conference on South-South Cooperation, the United Nations Secretary General has noted that the 'landscape of international development cooperation is evolving in the light of the growth of

South-South cooperation for sustainable development, driven by the essential role of such cooperation in bolstering the productive capacities of developing countries and its positive impacts on trade and financial flows, technological capabilities and economic growth' (United Nations, 2018).

In the light of the foregoing, SSC offers a viable platform for both India and Nigeria to reinvent and rediscover themselves and return to the drawing board, especially, given the fact that both countries play important roles in the movement. Opportunities offered by the platform have immense potentials for improving India-Nigeria trade relations. In other words, SSC offers a huge opportunity for both countries to increase trade in the agricultural sector while de-emphasizing over-reliance on trade in crude oil. Meanwhile, cooperation between the two countries in agriculture under the SSC must not be in terms of exports and imports alone. Both countries can collaborate by sharing of ideas, expertise, technical know-how; capacity building and training and by transfer of technology in agriculture-related matters. The cooperation can also be in the form of sharing of improved crop seedlings, and by forming inter-country farmers' clubs and associations, for the purpose of exchange of ideas. As much as this will increase agricultural production and subsequently enhance export potentials for both countries, it will also ensure self-reliance and improved food security for their ever-increasing populations.

This is part of the basic objectives of the SSC contained in the Buenos Aires Plan of Action (BAPA) for Promoting and Implementing Technical Cooperation

among Developing Countries which was endorsed by the General Assembly in 1978 (resolution 33/134). Part of these objectives is to 'foster the self-reliance of developing countries by enhancing their creative capacity to find solutions to their development problems in keeping with their own aspirations, values and specific needs', as well as to 'promote and strengthen collective self-reliance among developing countries through the exchange of experiences; the pooling, sharing and use of their technical and other resources; and the development of their complementary capacities' (United Nations Office for South-South Cooperation (UNOSSC), 2019). Esteves, dos Santos, Ayala, Teixeira and Jardim (2019) acknowledged this when they noted that capacity building, knowledge sharing and technology transfer are some of the instruments proposed by BAPA to enable technical cooperation between and among developing countries. There are other objectives and instruments proposed by BAPA, but the above are germane to trade integration and enhancement of self-reliance in agriculture and food security through cooperation between India and Nigeria.

As noted already, both India and Nigeria have great potentials in agricultural productivity. Utilizing the opportunities provided by the SSC would entail developing their productive capacities in agriculture through exchanges of knowledge, expertise, skills, technological innovations, technology transfers, as well as sharing of solutions and experts. In Nigeria in particular, these exchanges will be fundamental in reducing post-harvest losses which the government currently estimated to be about 60 per cent (ITA,

2019a). These losses remain a major setback to food security in the country and also an impediment to agricultural export. It is also expected that the exchanges will equally halt the declining productivity Nigeria is currently facing in certain crops in which it loses an estimated US\$ 10 billion annually in export opportunities for major crops such as palm oil, cotton, cocoa and groundnut (Oxford Business Group, 2019). Exchange of preservation technologies and other forms of cooperation in this regard would, therefore, enhance productivity for both countries with increased volume of agricultural exports not only between them but also to other countries of the South.

On this note, the Joint Trade Committee (JTC) established by India and Nigeria in 2017 to review the ongoing bilateral trade and commercial relations is a step in the right direction. The Committee should de-emphasise trade in crude oil and place more emphasis on agricultural production and export, especially in the production and export of rice and cassava, where India and Nigeria have comparative advantages respectively. This will deepen their cooperation within the SSC framework.

## **Conclusion**

Trade relations between India and Nigeria have been dominated by crude oil exports from Nigeria to India over the years. This cannot be sustained as many countries, including India, are presently putting plans in place to move away from crude oil to other sources of energy, with serious implications for the sustainability of crude oil as the main trade commodity between India and Nigeria. On the part of Nigeria, the situation is even more worrisome

because crude oil is not only its major income earner, but India is the largest importer of its crude oil. In order to avoid the calamitous future, this paper proposes both countries return to the drawing board and find an alternative to trade in crude oil if the present trade relations must be sustained. That alternative lies in diversification into agricultural production and export where both India and Nigeria have immense potentials. The South-South Cooperation has provided a platform and opportunities for the successful implementation of this agenda, and as such, should be used by both countries as a means of implementation. Diversifying to agricultural production would not only ensure food security for the teeming populations of both countries but will also deepen Southern cooperation and collaboration, especially as regards trade facilitation and integration.

## References

- Adekoya, F. (2018). "Why Nigeria should deepen trade ties with India". *The Guardian*. Retrieved from: <https://guardian.ng/business-services/why-nigeria-should-deepen-trade-ties-with-india/>
- Afreximbank & Exim India (2018). "Deepening South-South Collaboration: An Analysis of Africa and India's Trade and Investment". Cairo: Afreximbank and Exim India.
- Confederation of Indian Industry (CII) & World Trade Organization (WTO). (2013). *India-Africa: South-South Trade and Investment for Development*. New Delhi: CII.
- All Africa. (2007, October 14) "Nigeria: 'India's Exports Hit \$875m'". Retrieved from: <https://allafrica.com/stories/200710140023.html>.
- Esteves, P., dos Santos, C., Ayala, C., Teixeira, A. & Jardim, C. (2019). "South-South Cooperation and the 2030 Agenda: BAPA+40 and beyond". *Development Cooperation Review*, 1(9): 17-22.
- International Trade Administration (ITA). (2019a). "Nigeria - Agriculture". U.S. Department of Commerce's International Trade Administration (ITA). Retrieved from: <https://www.export.gov/article?id=Nigeria-Agriculture>
- International Trade Administration (ITA). (2019b). "India - Agricultural Sector". U.S. Department of Commerce's International Trade Administration (ITA). Retrieved from: <https://www.export.gov/article?id=India-Agricultural-Sector>
- Foyeku, S. (2018). "Rice Import Ban: Three years After". Retrieved from: <https://shipsandports.com.ng/rice-import-ban-three-years/>
- Global Edge. (2018). "Nigeria: Trade Statistics". Retrieved from: [https://globaledge.msu.edu/countries/nigeria/tradestats#source\\_1](https://globaledge.msu.edu/countries/nigeria/tradestats#source_1)
- High Commission of India, Abuja. (2019a). "India-Nigeria Bilateral Relations". Retrieved from: <http://www.hciabuja.gov.in/bilateral-brief.php>
- High Commission of India, Abuja, (2019b). "India-Nigeria Bilateral Economic & Commercial Relations". Retrieved from: <http://www.hciabuja.gov.in/India-Nigeria-Bilateral-Trade-and-Economic-Relations.php>
- Hindu Business Line. (2007, October 17). "Nigeria Ready to Partner India in Mining". Retrieved from: <https://www.thehindubusinessline.com/todays-paper/tp-others/tp-states/lsquoNigeria-ready-to-partner-India-in-miningrsquo/article20178592.ece>
- Ibrahim, K.H. & Shehu, A. (2016). "Nigeria-India bilateral Trade Relations: An Analysis of Trade Complementarity Index (TCI). *Asian Journal of Economic Modelling*, 4(4): 190-198. Retrieved from: 10.18488/journal.8/2016.4.4/8.4.190.198.
- India Brand Equity Foundation (IBEF). (2019). "Agriculture and Food Industry and Exports". Retrieved from: <https://www.ibef.org/exports/agriculture-and-food-industry-india.aspx>
- Oxford Business Group. (2019). "Agriculture Exports in Nigeria Increase". Retrieved from: <https://oxfordbusinessgroup.com/analysis/leveraging-growth-agricultural-exports-are-although-various-hurdles-still-need-be-overcome>

Pulse. (2018, December 21). "Nigeria, India, to Deepen Bilateral Trade – Official". Retrieved from: <https://www.pulse.ng/news/local/nigeria-india-to-deepen-bilateral-trade-official/5w7h6q8>

United Nations. (2019a). *2017 International Trade Statistics Yearbook, Vol.1*. New York: United Nations

United Nations. (2019b). *2017 International Trade Statistics Yearbook, Vol.2*. New York: United Nations

United Nations. (2018). "Preparatory Process of the Second High-Level United Nations Conference on South-South Cooperation: Note by the Secretary-General". Resolution A/72/711 of the General Assembly.

United Nations Office for South-South Cooperation (UNOSSC). (2019). "About South-South and Triangular Cooperation". Retrieved from: <https://www.unsouthsouth.org/about/about-sstc/>

## THE JAPAN- BANGLADESH PARTNERSHIP FOR DEVELOPMENT

Bangladesh's people-centric development model based on "leaving no one behind" which achieved 6.5 per cent economic growth over the last decade, is expecting 8.13 per cent growth in 2019. This socio-economic development approached is based on the success of 'Vision 2021 Strategy' centered on transforming youth into valuable human resources for the global supply chain to become a developed country by 2041.

In line with this, the Japanese government has been actively engaged to develop the Japanese Economic Zone located at the Araihasar Upazila in the Narayanganj district of Bangladesh. There is also a large presence of Japanese companies and joint venture projects in the Moheshkhali-Matarbari Integrated Infrastructure Development Initiative. The expanding middle-income group in Bangladesh is creating an opportunity for investors to explore new areas of investment such as automobile manufacturing.

Since 1972, Bangladesh received US\$ 11.3 billion in official development aid from Japan, making Japan its largest bilateral development partner. Japanese contributions thus far have been in infrastructure development, including the Karnaphuli Fertilizer Company Ltd., the Pan Pacific Sonargaon Hotel and water supplies in major cities. Presently, 280 Japanese firms are operating in Bangladesh, an increase of 10 times over the last decade.

The launch of the Japan-Bangladesh Public-Private Economic Dialogue has significantly contributed to strengthening business and investment ties between the two countries including six projects under public-private partnership in government-to-government cooperation.

Source: Hasina, Sheikh. (2019). The Japan-Bangladesh partnership for development. The Japan Times. Retrieved from: <https://www.japantimes.co.jp/opinion/2019/05/27/commentary/japan-commentary/japan-bangladesh-partnership-development/#.XSwfj5Mza7o>

# The Role of Financial Institutions to Successfully Contribute for BRICS Cooperation



*Irina Z. Yarygina\**

“BRICS financial institutions play an important role in the modernisation of financial technologies, financial engineering, as well as in opening mutual credit lines in order to ensure economic benefits and enhance living standards for the people living in BRICS countries”

## Introduction

**B**razil, Russia, India, China and South-Africa, also known as the BRICS member countries, pay great attention to the development of economic cooperation. Financial institutions are critical to this process. There is no denying the fact, that an effective financial strategy of an economic entity as well as any country depends on an accurate assessment of the common problems and a search for mutual solutions in order to increase the quality of life. It is worthwhile mentioning, that fast liberation of international economic and financial relations may lead to an unpredictable decline in some areas of the economy, including strategically important ones, and slow down regulation of key industrial areas, that leads to financial speculations.

This paper deals with the important issues within international economic relations and displays the role of financial institutions as intermediaries that supply clients with financial instruments and contribute to the successful development of the BRICS countries. It also seeks to benefit regulators and financial institutions by providing new instruments for BRICS economic cooperation. Moreover, a further novel concept introduced in this study is the use of techniques to distinguish between short-term and long-term relationships and to formulate a corporate strategy, based on real requirements of legal entities. The concept could also be generalized in future studies for BRICS and other partner countries and their entities in assessing the various probabilities of cooperation. Finally, insight is provided into how mutual interests can affect economic needs.

\* Head of the Chair, MGIMO (U) under the Ministry for Foreign Affairs, Professor of the Financial University under the Government of the Russian Federation, Moscow. Views expressed are personal.



## Role of the Government

The Practice has proved that banks and other financial institutions of emerging markets race towards “fast profits” and cut down traditional operations (project finance, loans issuance, etc.) (Yarygina & Panova 2017). A vast amount of operations is attributable to the expatriation of capital into offshore zones (Yarygina & Panova 2017). According to the World Bank, absence of banking support for economic development in ex-USSR countries lead to manufacturing decline of 65 per cent (Yarygina & Panova 2017). However, in the countries with government involvement and reasonable public support, gradual market transformations, as well as economic recovery was faster (Belorussia, Kazakhstan, Uzbekistan) (Yarygina & Panova 2017). Thus, regulation of economic reforms is a vital condition for formation of new approach to commercial relationship and vehicles of banking.

Effective cooperation between BRICS countries depends on public support mostly during the period of market relationships formation. Under growing economic co-operation manufacturing sector often feels the pressure from clients that require quality goods and services and from the competition, which is able to offer better quality at a lower price. Sensible regulation of inter-governmental relations will further and encourage economic cooperation. Moreover, harmonised legislation can provide for effective banking for the BRICS economies and ensure sustainable development for its entities. Thus the establishment of essential conditions for interaction between credit institutions requires time and political power.

## Financial Institutions as Economic Drivers for the BRICS

Financial institutions are capable to support the BRICS economies by encouraging trade relations and deepening cooperation. Financial support provided for the least protected market participants such as – Small and Medium Enterprises and entrepreneurs (that are considered as drivers and buffers of any economy) – can create favourable conditions for effective economic operations, employment and production of goods under market demands. Effective cooperation of BRICS countries connected with a specialised design of financial support can further contribute to strategic developments.

Consequently, creation of a reasonable international strategy is possible by using contemporary analysis of economic demands of each member-country. There is no denying the fact that absence of forecasting in banking and finance has led to negative economic consequences. For example, the “tax holiday” policy, granted to banks in Brazil within the period of foreign investors attraction, caused overproduction of cars, which created stagnation of a number of economical segments. The BRICS bank (New Development Bank) and other financial institutions, as intermediaries, can help avoid difficulties and contribute to formation and implementation of BRICS economic strategies in different areas, especially in risk management, liquidity financing and management of financial capital. Thus, economic development of BRICS member countries and its partners depends on a level of understanding and providing facilities of financial institutions to clients and on a scale of participating in reproduction processes.

## **BRICS Market Demand**

Rating of market demands of BRICS member countries has shown that implementation of joint growth programmes demand long-term financing, as well as project financing, syndicated loans and constant general and specialized information flow in all segments of the economy. The effective relationship between entities are built on foundation of common economic interests and governmental support. The Expertise of many countries from Central and Eastern Europe has proved, that public support and substantial banking desire promotion of progressive actions in the restoration of economic ties. Formation of a harmonized economic strategy in the countries of Central and Eastern Europe during the period of market reforms was linked with banking reforms and their financial implementation. In this regard, progressive actions and supply of available financial resources, as well as adequate risk management are very important. Public support of entrepreneurs and partners of international trade relations, harmonization of banking activity and policies create favourable conditions for BRICS cooperation.

## **Background of BRICS alliance**

Growth of economic ties of member-countries based on common values and development goals suggests a long-term strategic alliance of private credit institutions in the field of international financial relations, backed by flexibility in providing services to clients. Sound financial management and modernisation of banking technology can also contribute to the development of the BRICS market. Support of the balance of interests of public and private structures, growing capacity of mutual investment financing,

strengthening the legal framework and improving the legal support of business-processes can positively contribute to the development of BRICS economic cooperation. In addition, banking for BRICS countries should be transparent and accessible to customers, regardless of the place of accreditation if their business activity is executed in the economic environment of these countries. Currently, one of the most important trends for BRICS banks is participation in international trade - finance promotion, which assists customers in selecting contractors for international cooperation. Currently, small and medium-sized BRICS enterprises have to apply adverse cooperation schemes, including an advance payment for import. In other cases, the completion of foreign trade contracts is prevented by excessive pricing conditions for underwriting and insurance payments. In this regard, using interstate status, the BRICS platform can help to achieve favourable agreements with counterparties-banks-exporters to provide favourable conditions for international cooperation.

## **Instruments for BRICS banking**

Banks are the key participants of BRICS cooperation. There are several, mostly required by customers financial instruments, such as payment guarantees to exporters, ensuring pre-export financing and administration cooperation with insurance companies. It seems appropriate for BRICS banks to develop operations related primarily to export-import activities of economic entities and to provide a variety of banking services to customers and their counter-parties on agreed and flexible terms of cooperation.

BRICS economic entities are interested in documentary operations, administration

of syndicated loans, financial market transactions, assistance in setting up limits for export/import facilities, etc. Thus, BRICS banks or specialized financial institutions can expedite the acceptance of drafts, drawn by exporters/importers; financial facilities against documentary letters of credit, issued by reputable banks; provision of agreed overdrafts; insurance of credit lines for business partners; financing of documents against acceptance, financing of collection documents with recourse to the borrowers; provision of trade financing against contract documentation, accepted by the bank of the importer; financing of goods supply in the initial stage of the implementation of contracts (for up to 180 days), financing of the fulfilment of contractual obligations; financing documents against acceptance and implementation of pre-export funding.

Provision of national currencies to promote trade relations needs specialised services for clients, such as: clearing, multicurrency account maintenance and possibility of strengthening account liquidity in national currencies from the surplus balances on other accounts, manage clients' short-term liquidity in the national currencies of the BRICS countries, manage and maintain escrow accounts in national currencies through harmonized telecommunication systems. In this respect, special attention should be paid to corporate clients and flexible services for advising them on monetary and financial aspects of export-import contracts, backed by national currencies, BRICS currency regulation and control, administration of commercial transactions, syndicated loans, market risks management, provision of trust operations on behalf of clients.

## **Key components of BRICS cooperation**

An important component of creating a BRICS economic space is the introduction of specialised intergovernmental insurance programmes with the involvement of public agencies for export insurance and guarantees of international operations. Specialised BRICS agencies are able to promote multilateral cooperation for business partners effectively. At the same time, banks' involvement in encouraging the formation of joint leasing companies with the participation or support of public entities can also contribute to cooperation. An important area of international cooperation is a discounted (sponsored) financing of innovative and knowledge-intensive projects, as well as socio-economic programmes: environmental protection, infrastructure development, energy-supply, health programmes, amongst others. At the same time, the BRICS financial institutions play an important role in the modernisation of financial technologies, financial engineering, as well as in opening mutual credit lines in order to ensure economic benefits and enhance living standards for the people living in BRICS countries. It is worthwhile mentioning that strengthening of multilateral clearing system can stimulate BRICS monetary cooperation and provide changes to global financial infrastructure.

## **Conclusion**

This paper provides a strong case for BRICS cooperation backed by the engagement of financial institutions, that is important for setting up mutual goals in a turbulent global environment. Mutual interests and needs of the BRICS economic entities

are certainly a substantial platform to strengthen the BRICS partnership. However, flexible banking and finance is the essence for the successful business and economic development. International experience also provides the best practices of a variety of methods and instruments for BRICS banking and finance, which is assessed in the paper.

## Reference

Yarygina, I & Panova, G. (2017). Banks for BRICS Economic Development. *Комментарии и статьи экспертов, NKI BRICS Russia*. November 2. Retrieved from: <http://www.nkibrics.ru/posts/show/59fb35aa6272697ac450000>

## INDIA-VIETNAM TAKE STEPS TO BOOST COOPERATION FOR ENERGY SECURITY

India and Vietnam agreed to further strengthen cooperation in defence and security, peaceful uses of atomic energy and outer space, oil and gas and renewable energy. With respect to energy, the two countries own diverse energy resources, especially in renewable energy. Vietnam has built a national energy development planning project for the 2016-2020 period. The project aims to ensure national energy security by diversifying energy resources; making effective and economical use of new energy resources, including renewable ones; developing a competitive energy market; protecting the environment; and ensuring sustainable development.

To boost energy security, bilateral energy collaboration is carried out in four main areas: nuclear energy, oil and gas, electricity, and renewable energy. For nuclear energy, Vietnam and India are implementing important cooperation activities. The Indian government has assisted Vietnam in establishing the Vietnam-India training centre at the Da Lat Nuclear Research Institute, presented the Can Tho Oncology Hospital with Bhabhatron II Teletherapy treatment equipment, and sent Indian experts to Vietnam to train Vietnamese officials. India has also provided preferential credits for Vietnam in the field of power. As of 2018, India ran 176 renewable energy investment projects worth approx. US\$ 814 million in Vietnam. Indian groups such as TATA, Adani, Suzlon among others have also invested in renewable energy development in Vietnam.

Vietnam is an important trading partner of India and bilateral trade stood at nearly US\$ 14 billion in 2018 having nearly doubled from US\$ 7.8 billion three years ago. Vietnam is appreciative of India's development partnership effort especially its scholarships and training programmes aimed at capacity building. India has also been extending concessional Lines of Credit for defence industry cooperation and implementing other socio-cultural infrastructure projects in Vietnam under Indian grants-in-aid.

Source: PTI. (2019, May 12). India, Vietnam to strengthen cooperation in atomic energy, defence and security. *The Hindu*. Retrieved from: <https://www.thehindu.com/news/national/india-vietnam-to-strengthen-cooperation-in-atomic-energy-defence-and-security/article27108387.ece>; VNA. (2019, May 27). Vietnam, India boost cooperation in energy security. *Vietnam Plus*. May 27. Retrieved from: <https://en.vietnamplus.vn/vietnam-india-boost-cooperation-in-energy-security/153287.vnp>

# Lexicon and Syntax of Development Cooperation: Development Cooperation: A Transaction Costs Perspective



*Milindo Chakrabarti\**

---

“A model of development cooperation that is dictated by the spirit of South-South Cooperation thereby has the potential to be more efficient in delivering the developmental outcome if the elements of transaction costs are incorporated in measuring the efficiency parameter.”

---

Development can well be analyzed from the perspective of access to resources. In an earlier issue of *Development Cooperation Review* (November 2018), we deliberated on the relevance of access in facilitating sustainable development and argued that lack of development can be linked with a phenomenon of lack of access to resources. Simultaneously, it may also be argued that increased access to resources augments the pace of development. The present discussion links the process of development cooperation to such an understanding of development.

For the purpose of analytical clarity, we may distinguish among a number of resources: natural – resources obtained directly from nature; economic – resources produced using a combination of natural resources, knowledge and human capacity; social – network of relationships among human beings and political – the power to determine the access regime for the three resources mentioned earlier. For example, colonization mainly was concerned with creating access to resources (mainly natural, to begin with and subsequently political) in the colonies in favour of the colonizers (Todorov 1987, Naoroji 1901). Such an access by colonizers was achieved at the expense of reduced access to those resources by the locals. Gender equity is concerned with lack of access to social resources for women. The structure of global governance today also signifies unequal access to political resources. The

---

\* Managing Editor, DCR and Visiting Fellow at RIS.

debates on restructuring the governing structures of the UN, the World Bank or the IMF signify the lack of access to political resources by the developing countries. Efforts devoted to create new multilateral organizations like New Development Bank and Asian Infrastructure and Investment Banks are perhaps indicative of the quest for access to resources by a number of nations frustrated by their restricted inclusion in the “access regime” vis-à-vis the global political and economic systems. The call for creating a technology facilitation mechanism signifies the concerns with lack of access to economic resources. Restricted access of labour from developing countries to the developed ones, linked to visa restrictions and the debate around the modes of the global supply of services, is another example of lack of access to economic resources. An Oxfam study recently observed, every day 10000 people die because they lack access to affordable healthcare. The same document reveals that men own 50 per cent more of the world’s wealth than women and control over 86 per cent of the corporations.

We may club the last two resources – social and political – as institutional resources. While the social resources correspond to informal institutional resources the political resources conform to the formal ones. They are to be so considered because they impose restrictions on human behavior through the creation of norms, customs (informal) laws and acts (formal) in defining their access to the natural and economic resources. Nationalization of forests by the colonial powers created political institutions to deny access to forestry resources by the local inhabitants. Gender divide – a

socially accepted norm institution - created a “property right regime” - a political institution - not favourable to women. The concern for “missing women” further highlights the linkage between access to social resources and access to even life (Sen 1987). On the other hand, access to credit for the women’s self-help groups has been documented to have created access to other resources as well – access to livelihood, access to markets, access to better education for their children, to name a few. Access to natural or economic resources facilitates access to institutional resources as well, as is often observed through the process of “elite capture” of institutions. On the other hand, the scourge of growing corruption can be simply linked to access to institutional resources, which in turn, enhances access to natural and economic resources. One recollects the saying, power corrupts and absolute power corrupts absolutely. The failure of the Doha Round of development under the WTO framework is often linked to the question of allowing access to markets and the consequent denial of access to other resources by the negotiating countries.

Thus it is worth arguing that the access to any one of these resources is contingent upon the nature of access to the other three resources. Pure economic logic that considers “institutions” as irrelevant cannot effectively take care of the development deficit that is staring at us. Institutions matter.

It must also be borne in mind that the access to one of the resources does not necessarily culminate automatically into access to others. It is often found that access to a resource, say foreign investment is accompanied by a phenomenal flight of resources in the form of base erosion and

profit shifting activities (Alonso, 2019). Rehabilitation of indigenous communities away from their natural habitats to facilitate conservation of nature or that of slum-dwellers to a semi-urban location to give a boost to beautified urbanization is often associated with reduced access to resources necessary for sustained livelihood – employment opportunities, health and educational services for those required to be rehabilitated. The shifting often contributes to the breaking up of the social network of those forced to rehabilitate. Efforts to develop them over years or may be even centuries get nullified by a single authoritative fiat. The refugee problem being faced today also is saddled with reduced access to resources. Removal of inequality in access to resources demands that the institutional designs are conducive to induce complementarities across the access regimes. The positive experience of Bolsa Familia is an interesting example to this effect (Hellmann 2015).

If development can be equated to enhanced access to resources and consequent move towards achieving equity, development cooperation is coterminous with efforts that facilitate access to resources to those in need. Facilitation of such access obviously involves transfer of the required resources. Right from the Marshall Plan and the subsequent models of development cooperation – often identified as the OECD model and South-South Cooperation (SSC) – efforts involved the transfer of resources to nations or communities suffering from a lower level of access to resources from the ones enjoying (relatively) higher level of access to the corresponding resources. The recent emphasis on triangular/trilateral

cooperation also is centered around the avowed principles of transfer of resources to those in need.

Such resources in transfer may be tangible and/or intangible and the transfer may be in the form of grants, concessional or at market-determined prices. The different modes of development cooperation in practice today differ in terms of the mechanisms followed to facilitate such transfers. Undoubtedly a transfer would be deemed more efficient if it involves less cost to the recipient per unit of developmental outcome realized. The costs involved in resource transfer need not necessarily involve only the cost of resources transferred. It is now well established that transfer of resources itself involves a cost – often identified as the transaction costs. Transaction costs are defined as costs incurred in transferring property rights which, unfortunately, cannot be added to the benefit of either of the agents engaged in the transfer. Transaction costs involved in a transfer include search costs, bargaining costs and policing costs. Needless to add, these costs are dependent on the institutional framework linked to the model of development cooperation. Thus the cost of development cooperation should be considered as a sum total of cost of resources transferred and the transaction costs of transferring the resources. The efficiency criteria measured as cost per unit of developmental outcome has to consider both these costs together. A development cooperation model may be more efficient, even if the value of resources transferred is substantially less, provided the transaction costs in the transfer is significantly lower.

A close look at the models of development cooperation would reveal

that the transaction costs involved in them are not always the same. The reasons are not difficult to identify. Conditionality imposed in a process of development cooperation would definitely add to the transaction costs (bargaining costs). Monitoring and evaluation would entail further addition to the costs (policing costs). Search costs would also go up if the cooperation is not a result of a demand raised by the recipient country or community. A model of development cooperation that is dictated by the spirit of South-South Cooperation thereby has the potential to be more efficient in delivering the developmental outcome if the elements of transaction costs are incorporated in measuring the efficiency parameter.

Even though it is imperative to pursue an empirical validation of such a hypothesis, it is not out of place to argue, *a priori*, that the transaction costs in SSC would be relatively low given the fundamental principles guiding it. The principles of cooperation being demand driven (and thus presumably aligned to the national priorities of the recipient country), unconditional, respectful of the national sovereignty of the recipient countries, horizontality and mutual benefit, would expectedly facilitate significant reductions in the

transaction costs of development delivery. Conforming to the idea of “development compact” that incorporates a combination of several interlinked and complementary modalities – capacity building, technology, trade, grants and lines of credit – instead of depending solely on direct transfer of resources as done in some other models, has the potential to reduce the transaction costs further.

## References

- Alonso, J.A. (2019). Two Major Gaps in Global Governance: International Tax Cooperation and Sovereign Debt Crisis Resolution. *Journal of Globalization and Development*. Retrieved from: <https://doi.org/10.1515/jgd-2018-0016>.
- Hellmann, A.G. (2015). How Does Bolsa Familia Work? Technical Note no. IDB-TN-856, Inter-American Development Bank, Washington, DC.
- Naoroji, D. (1901). *Poverty and Un-British Rule in India*. London: Swan Sonnenschein & Co. Retrieved from: <https://ia800901.us.archive.org/20/items/povertyunbritish00naoruoft/povertyunbritish00naoruoft.pdf>
- Todorov, T. (1987). *The Conquest of America : The Question of The Other*. Translated from the French by Richard Howard. New York: Harper Colophon Books
- Sen, A.K. (1987). *Gender and Comparative Conflicts*. Helsinki World Institute for Development Economics Research, Helsinki.

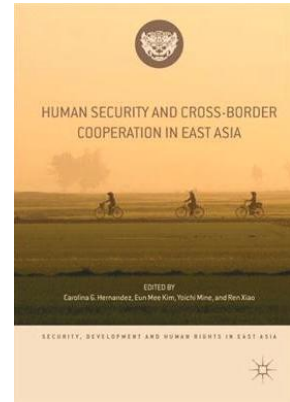


## Book Review

# Human Security and Cross-Border Cooperation in East Asia

Publisher: Palgrave Macmillan, 2019, Pages 300

Editors: Carolina Hernandez, EunMee Kim, Yoichi Mine, and Ren Xiao; Hardcover ISBN: 978-3-319-95239-0; eBook ISBN: 978-3-319-95240-6



*Pratyush Sharma\**

“The concept of Human Development, which is a process of expanding various types of freedom, is conditioned upon Human Security.”

Human Security as a concept caught the public eye in 1994 with the Human Development Report which discussed ‘Freedom from Fear’ and ‘Freedom from Want’. The report enumerated seven issues related to human security, ie. economic, food, health, environmental, personal, community and political. However, one can trace these concepts back to civilizational communities of the past that talked about similar ideas of development and human development. Further, concepts in the 1994 Report got concretised with adoption of Millennium Development Goals (MDGs) in 2000 and Sustainable Development Goals (SDGs) in 2015. In between 2000 and 2015, several reports such as ‘Human Security Now’ (2003) with emphasis on ‘Human Dignity’ and ‘United Nations General Assembly Resolution’ (2012) stating “the right of people to live in freedom and dignity, free from poverty and despair” gave further impetus to human security.

The book under review, *Human Security and Cross-Border Cooperation in East Asia* edited by Carolina Hernandez, EunMee Kim, Yoichi Mine, and Ren Xiao takes the idea further and contextualises it within the geographical region of East Asia. The book comes in the form of a case-study oriented compilation of issues related to Human Security with regional specificity interwoven with key theoretical debates that form the base for the book. The book can be divided into four parts where the first part (Chapters 1 and 2)

\* Ph.D student at UN University of Peace, Costa Rica; Correspondent, DCR.

introduces the concept of human security and attempts to theorise and establish a causal relationship between human security and state/regional security. Part two (Chapters 3 to 7) contextualises the concept from the perspective of natural disasters and engages the readers with specific case studies such as the Great East Japan earthquake, tsunami in Aceh and cyclone Nargis in Myanmar. Part three of the book is about the 'Living System: Diseases in evolution of Human Security' and human existence. Lastly, part four (Chapters 9 to 12) can be observed from the lens of a social system related to human conflict supported by case studies of land grabbing crises in Cambodia and refugee situation and corresponding policies in South Korea. The book then concludes with policy recommendations.

A culmination of the work of 36 scholars based in East Asia (ASEAN Plus Three), the book initiated as a project in 2013. This was in two phases, where, phase 1 was primarily the theory oriented with the dissemination of human security idea in each country of the region; and phase 2 took on a case study and practice-oriented (by issue) approach with policy recommendation. Methodologies employed by the researchers for this book include document research and stakeholder interviews in each of the ASEAN Plus Three countries. This was complemented by field surveys conducted in a total of 11 countries of the region. The guiding (research) questions for this book (phase 2) was based on the findings in phase 1. The researchers were able to map a comprehensive list of threats from a human security perspective. These threats included: climate change, typhoons and cyclones, floods, volcanic

eruptions, earthquakes, tsunami, infectious diseases, food crises, lack of basic health and education, environmental pollution, urbanisation, extreme poverty, unemployment, migration, human trafficking, violent conflicts, military conflicts, religious intolerance, crime, amongst others. The second major finding in phase 1 was that the elements of human security have taken roots in the region. These include the elements of Freedom from Fear, Freedom from Want, Dignity, Protection and Empowerment, and are present in key documents like respective national Constitutions and have seeped into popular consciousness of the people living in these countries. The third finding that contributed to this book was the positive correlation and direct causality between 'Human Security' and 'State/National Security'. This was an interesting finding because many a times in the past it has been observed that State/National Security and Human Security are contradictory concepts.

In this case, East Asian states believe that State/National Security is linked to Human Security. Thus, the research/guiding questions for this book are as follows: How to cross national borders in an emergency? How to coordinate relief activities in terms of bringing in Civil Society Organisations (CSOs) to the fold? How to empower people?

These three questions pertaining to sovereignty, coordination and empowerment are answered in the book followed by policy recommendations. However, in doing so the historical evolution of Human Security is not sidelined. Chapters in the book assert that enhanced connectivity in East Asia not only gives rise to serious threats but

also provides the means for ensuring people's security and opportunities for mutual learning. Before embarking on the case studies, the book has made an attempt to theorise the concept of human security by examining its relationships with other concepts and exploring relevant subcategories. The book engages with Human Rights by emphasising that Human Security is a subcategory of Human Rights (Freedom from Fear, Freedom from Want and Dignified living). The book further elaborates the concept of Human Development, which is a process of expanding various types of freedom, which is conditioned upon Human Security. It then successfully concludes that Human Security and Human Development are mutually reinforcing with concepts like Responsibility to Protect being a subset of human security.

In furthering the theoretical aspects of Human Security, the book comments on its structure, causes of human insecurity and various modes of protecting human security. These aspects of the book seamlessly becoming part of the case studies presented in respective chapters. By elaborating the causes of human insecurity as dynamics within the physical, living and social systems and interaction between these systems, the book proceeds to discuss the set of case studies that are differentiated into the above-mentioned categories as also explained earlier in this book review.

Apart from the policy implications in the concluding chapter, the book discusses the modes of ensuring human security. The editors and authors have in a practical way adopted a mitigation route to tackle what they mention as 'impossible cases: pure geological phenomena'. The

possible cases as mentioned are related to diseases, climate change, wars and crash in the financial markets. Resilience in terms of preparation and empowerment and defence and crises response are the suggested modes of ensuring human security towards minimisation of the impact of threat.

The major findings/learnings of this research and as enumerated in the book are as follows: a) Assistance (tends to be) accepted only when mutual trust has been consolidated in peacetime. Mutual trust is important and needs to be effectively leveraged in times of need; b) Horizontal collaboration is necessary for effective coordination and grassroots organisations and CSOs are the mediums to be explored. Other major finding was that horizontality is important not only for the efficiency of the assistance but, also for the human respect by paying attention to the voices of the people; and c) Extending swift protection must be followed with resurgence of empowerment. One without the other will make the efforts redundant and the sequence must be followed. Protection must be provided in a decisive way but then it must be followed by steady efforts towards empowerment.

Some of the aspects which the book could have dealt with pointedly and in detail were putting the debate with respect to Sustainable Development Goals (SDGs). The issues of climate action, life below water, life on land, reduced inequalities, sustainable cities and communities, clean water and sanitation, affordable and clean energy, decent work and economic growth, justice, peace, strong institutions and partnerships for the goals could have been contextualised in this book. Further, one would have liked to see discussions

around development, and perhaps the role of South-South Cooperation (SSC), as not only the focus of countries in this book are from the global South but also there have been references to horizontal collaboration and demand-driven approach to assistance which are central pillars of SSC.

Overall, the book will be able to generate curiosity and interest amongst researchers, scholars, students, policymakers and civil society members concerned with the region and with the issues that have been dealt in the chapters.

The policy implications highlighted in the book assert on the need of accumulating knowledge about interaction of the three systems (physical, living and social); requirement of more interdisciplinary studies and practices; intra-societal interaction among stakeholders (central and local governments, NGOs, business, etc.); and cross-border cooperation. The incorporation of such recommendations will not only ensure human security but will be a step towards regional inter-dependency and collective development.

## TRACKING SYSTEM TO CREATE GROWTH FRIENDLY LABOUR MARKET

The Ministry of Labour, Employment and Social Security of Mozambique (MITESS) has launched the Labour Market Information System (SIMT) Management Platform, a new statistics-based system to track trends in the labour market sector. The system is supported by the African Development Bank under the Job Creation and Livelihood Improvement Project and has the International Labour Organisation (ILO) as a key partner.

The system aims to establish a new dynamic in the analysis of the behaviour of the sector based on reliable statistics. SIMT will enable the government of Mozambique to formulate skills development policies and programmes, which will lead to the creation of decent employment opportunities, as well as growth and economic integration. It would process information from various sources in an integrated manner, making it possible to combine demand and supply data for the identification of opportunities and imbalances in the labour market. Experts and Government officials have noted that 'it will be possible to consider the competencies produced by the institutions of education and training' and thus the system appears as a reference tool for possible curricular reforms.

The Country's Strategy Paper (CSP) 2016-2020 identifies the investment in human capital as a key issue to increase workforce productivity and the overall competitiveness of the economy. It also ensures that women and young people can also participate in the growth process.

Source: AfDB. (2019). Mozambique: African Development Bank supports new tracking system to create growth-friendly labor market. African Development Bank (AfDB) Group. Retrieved from: <https://www.afdb.org/en/news-and-events/mozambique-african-development-bank-supports-new-tracking-system-to-create-growth-friendly-labor-market-19302>

---

# SSC in Statistics

---

## Intra -Regional Trade of MERCOSUR

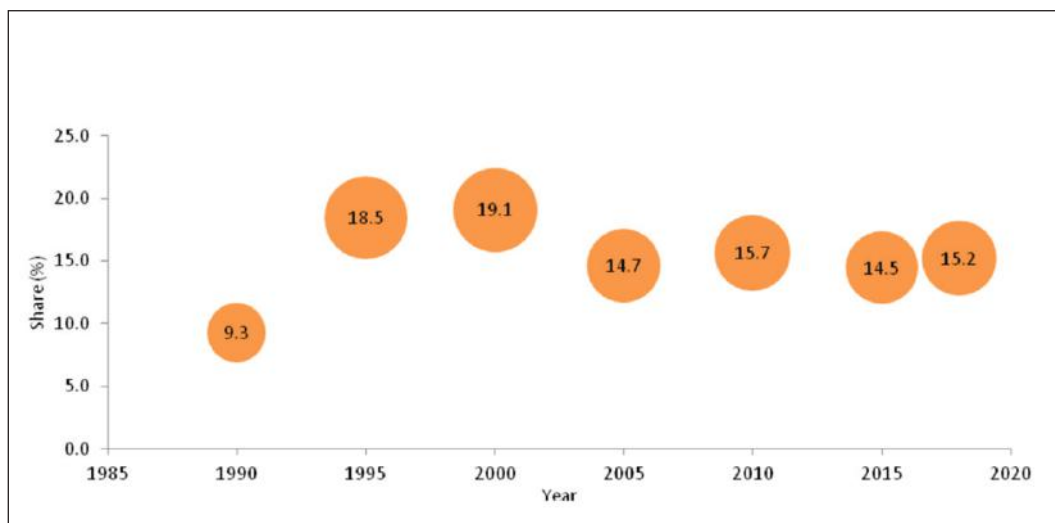
---



*Sushil Kumar\**

**M**ERCOSUR was established in 1991 when the treaty of Asuncion was signed by its four founding members, Brazil, Argentina, Paraguay and Uruguay with the objective of facilitating free movement of capital and people among the member countries. Its institutional structure was defined in 1994 by the Protocol of Ouro Preto (Mohanty, Gaur, Fernandez & Sikri, 2019) and became a customs union in January 1995. It is now pursuing the third stage of its integration as 'Common Market'.<sup>1</sup> It brings together 293.24 million people constituting about 4 per cent of the world population and combined GDP of US\$ 2.84 trillion. The MERCOSUR countries have agreed to use their own currencies for intra- MERCOSUR trade instead of using US dollars and a beginning has been made between Argentina and Brazil.<sup>2</sup>

**Figure 1: Intra-MERCOSUR Trade as Share of Total MERCOSUR Trade (%)**

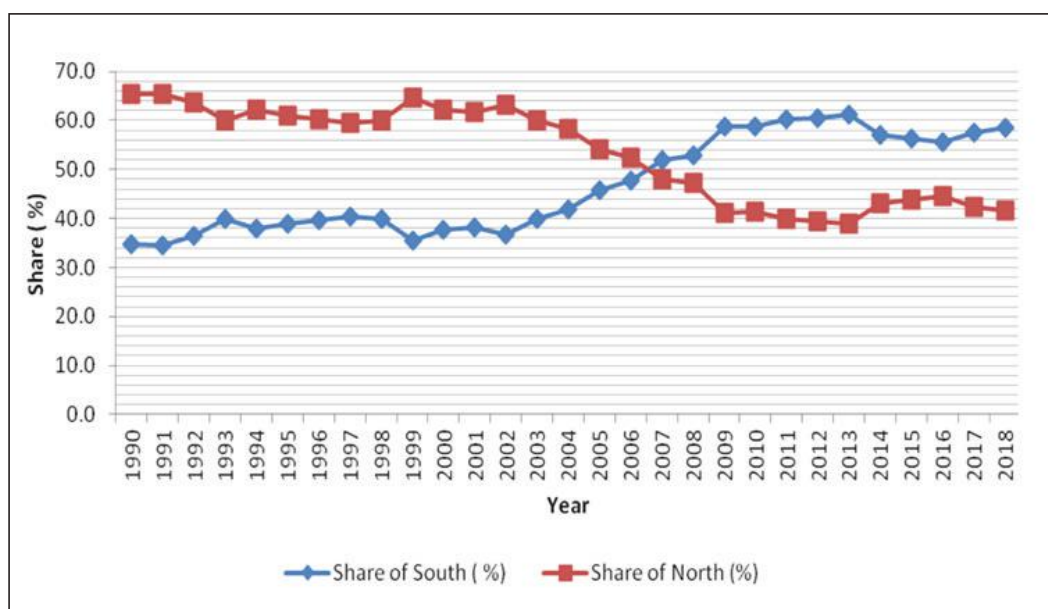


Source: Estimated from UN Comtrade database

---

\* Consultant, RIS

**Figure 2: MERCOSUR trade to South and North as % of its Total Trade**



*Source:* Estimated from UN Comtrade database

Total exports of MERCOSUR countries increased from US\$ 32.36 billion in 1990 to US\$ 317.98 billion in 2018 whereas the imports grew from US\$ 23.80 billion to US\$ 268.89 billion in 2018, during the same time period. Intra-Regional Trade (IRT) in MERCOSUR increased from US\$ 5.21 billion in 1990 to US\$ 89.17 billion in 2018. Intra-MERCOSUR trade as share of total MERCOSUR trade grew from 9.3 per cent in 1990 to 19.1 per cent in 2000 and then declined further to reach 15.2 per cent of total trade in 2018 (Figure 1). MERCOSUR is one of the high ranking regional groupings in Latin American and Caribbean (LAC) in terms of intra-regional trade flows, in recent years, and is more integrated than several other LAC regional groupings, such as CARICOM (Caribbean Community and Common Market), Andean, and ACS (Association

of Caribbean States) and global Regional Trade Agreements, such as BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation), SAARC (South Asian Association for Regional Cooperation), WAEMU (West African Economic and Monetary Union), and ECOWAS (Economic Community of West African States), among others (Mohanty, Gaur, Fernandez & Sikri, 2019).

In terms of growth rate of intra-regional trade of MERCOSUR, it grew at the rate of 8.51 (based on constant price 2010-11) during the period 1990-2018. It is important to note that the same for the EU countries and member countries of NAFTA (North American Free Trade Agreement) grew at the compound annual rate of 6.39 per cent and 6.90 per cent, respectively during the same period.

MERCOSUR's total trade as percentage of total trade of South (all countries who are not member of Organisation for Economic Co-operation and Development) climbed from 34.65 per cent in 1990 to 58.48 per cent in 2018, while trade with North declined from 65.35 per cent in 1990 to 41.52 per cent in 2018 (figure 2). The share of South-South trade in total Southern trade increased from 40.46 per cent in 1990 to 60.82 per cent in 2018.

## Endnotes

- <sup>1</sup> For further information, See: <https://www.indembarg.gov.in/page/india-mercosur-trade-agreement/>
- <sup>2</sup> For further information, See <https://www.indembarg.gov.in/page/india-mercosur-trade-agreement/>

## Reference

Mohanty, S. K., Gaur, P., Fernandez, S., & Sikri, U. (2019). India's Economic Engagement with LAC Strategy for Trade and Investment. Research and Information System for Developing Countries (RIS), New Delhi.

## AFRIQLOUD – GATEWAY TO PAN-AFRICAN CONNECTIVITY

BringCom, in partnership with Imprimatur Capital, and European edge cloud software company, GIG Technology, have launched a cloud sovereignty system – afriQloud, in Uganda and will soon be spreading to 15 African countries. afriQloud will provide, at internationally competitive rates, local and foreign customers with an innovative and secure distributed edge cloud service. The aim is to have the Edge Cloud installed in cities and tech hub ecosystems which hosts a high number of start-ups and developers.

Most of Africa's content on the internet is currently hosted on servers outside the continent. Implementation of edge cloud computing services in Africa has been adversely affected by lack of reliable and secure connectivity from various service providers. The cost of setting up ICT infrastructure with improved data latency and minimized downtime has also contributed to the slow adoption of cloud solution across the continent.

Fabrice Langreney, CEO of BringCom notes, "Opening up of the global market will require African companies and organizations to be equally competitive in deployment of e-solutions, scalability, secure data accessibility and connectivity in line with international standards." afriQloud is also building bridges to the African incubators and tech hubs. More than 440 tech hubs are available today and more funding is being raised by tech start-ups across the African continent.

Source: Chege, K. (2019, June 25). Cloud computing AfriQloud launches in Uganda, 15 African countries to follow. The Exchange. Retrieved from: <https://theexchange.africa/afriqloud-launches-in-uganda-15-african-countries-to-follow/>

## GLOBAL COOPERATION FOR SUSTAINABLE DEVELOPMENT – EFFORTS TO SAVE TROPICAL FORESTS AND BOOST SUSTAINABLE GROWTH

More than 300 global and regional leaders, government representatives, executive officers of multinational companies, civil society, practitioners, farmers, producers and indigenous leaders met at the Good Growth Conference in Peru to amp up the ambition and actions to promote sustainable production of agricultural commodities that is responsible for an estimated 70 per cent of tropical deforestation.

A recent Inter-governmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) report calls for a profound transformation to conserve, restore and use nature in a sustainable way to avoid planetary collapse. It revealed that between 1980 and 2000 more than 100 million hectares of tropical forests were lost globally.

The Conference held within the framework of the Good Growth Partnership led by the United Nations Development Programme (UNDP) in collaboration with, the World Wildlife Fund (WWF), Conservation International (CI), the United Nations Environment Programme (UN Environment) and the World Bank's International Finance Corporation (IFC), enabled by the Global Environment Facility (GEF) with support of the Swiss State Secretariat of Economic Affairs (SECo) and the German Corporation for International Cooperation (GiZ). Designed and led by UNDP's Green Commodities Programme, to shine a spotlight on some of the world's most important landscapes and agriculture commodity-producing nations and aimed to inspire new understandings and foster meaningful global connections while equipping participants with the network and tools needed to influence the way we produce, finance and demand food.

Starting with a high-level session in Lima and continuing with four days immersed in the Amazon, region of San Martin, the Conference became a unique platform to share knowledge and experiences and gain firsthand perspectives in Peru. An experiential learning approach in the Amazon and five different field trips helped individuals gain a deeper connection to their work and built the resilience and motivation needed to sustain collective efforts for long-term change.

Global actors have agreed that systemic transformation in the commodities sector can only be achieved through increasingly innovative and stronger collaborations. For sustainable development, we require global partnerships.

Source: UNDP. (2019, May 24). Global leaders join forces to save tropical forests and boost sustainable growth. United Nations Development Programme (UNDP). Retrieved from: [https://www.undp.org/content/undp/en/home/news-centre/news/2019/Global\\_leaders\\_join\\_forces\\_to\\_save\\_tropical\\_forests\\_and\\_boost\\_sustainable\\_growth.html](https://www.undp.org/content/undp/en/home/news-centre/news/2019/Global_leaders_join_forces_to_save_tropical_forests_and_boost_sustainable_growth.html)



## Guidelines for Contributors

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.

**Reference Style:** References should be appended at the end of the paper. References must in double space, and should be same author(s) is cited, then arrange them chronologically by year of publication.

All references should be embedded in the text in the APA style. For details please refer to Course and Subject Guides: <https://pitt.libguides.com/c.php?g=12108&p=64730>

## Invitation to Join our Mailing List

If the reader wishes to be added in our mailing list in order to receive the soft version of *Development Cooperation Review*, kindly send in details along with organisational affiliations to Mr. Pranay Sinha (Email : pranay.sinha@ris.org.in). Also specify if hard copy is desired.

## Call for Contributions

We invite contributions from interested readers on issues related to development cooperation in general and South-South Cooperation in particular. Contributions may also capture theory, practice and associated debates on development cooperation. Reviews of latest publications - books, monographs, reports - are also welcome. Any institutional upcoming events on development cooperation may also be captured in DCR. The contributions should be restricted to not more than 1500 words.

For editorial information, contributions, feedback and comments: mail to milindo.chakrabarti@ris.org.in and dgoffice@ris.org.in

## Introduction of a Section on Peer Reviewed Articles/Essays

In keeping with suggestions, feedbacks and accumulated experience, we have decided to introduce a section, containing peer reviewed full length articles/essays. Interested scholars willing to contribute are requested to send in their manuscripts (preferably in not more than 5000 words) to the editorial office.

## About Development Cooperation Review

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 monthly periodical, to fill this gap.

## About Research and Information System for Developing Countries (RIS)

RIS is a New Delhi-based autonomous policy research institute envisioned as a forum for fostering effective policy dialogue and capacity-building among developing countries on global and regional economic issues. The focus of the work programme of RIS is to promote South-South Cooperation and collaborate with developing countries in multilateral negotiations in various forums. [@RIS\\_NewDelhi](#)

## About Global Development Initiative (GDI)

Established at RIS, the Global Development Initiative (GDI) aims to institutionalise knowledge on India's development initiatives and promote their replication as part of knowledge sharing in Asia and Africa with the help of its institutional partners, including civil society organisations. It attempts to explore and articulate global development processes within a micro framework and works as a unique platform to collate and assimilate learning processes of other countries towards promotion of equity, sustainability and inclusively based on multi-disciplinary and multi-functional approach.

## 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](#)

## About Forum for Indian Development Cooperation (FIDC)

FIDC aims to encourage detailed analysis of broad trends in South-South cooperation and contextualise Indian policies by facilitating discussions across various subject streams and stakeholders based on theoretical and empirical analysis, field work, perception surveys and capacity building needs. [@FIDC\\_NewDelhi](#)

*Published by:*



**RIS**

Research and Information System  
for Developing Countries

विकासशील देशों की अनुसंधान एवं सूचना प्रणाली

Core IV-B, Fourth Floor, India Habitat Centre  
Lodhi Road, New Delhi-110 003, India.

Ph. 91-11-24682177-80 Fax: 91-11-24682173-74-75

Email: [dgoffice@ris.org.in](mailto:dgoffice@ris.org.in) Website: [www.ris.org.in](http://www.ris.org.in)

*Follow us on:*



[www.facebook.com/risindia](https://www.facebook.com/risindia)



[@RIS\\_NewDelhi](https://twitter.com/RIS_NewDelhi)



[www.youtube.com/RISNewDelhi](https://www.youtube.com/RISNewDelhi)

*DCR is brought out by GDI as part of cross-learning and sharing of development cooperation practices in Global South.*

**CONTENTS** (*continued from outside front cover*)

**Book Review**

**Human Security and Cross-Border Cooperation in East Asia**

*Pratyush Sharma*

**SSC in Statistics**

**Intra –Regional Trade of MERCOSUR**

*Sushil Kumar*