EMERGING ECONOMIES AND THE CHANGING DYNAMICS OF DEVELOPMENT COOPERATION

Editors Jing Gu and Naohiro Kitano
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Glossary
Perspectives on the Global Partnership for Effective Development Cooperation

Xiaoyun Li, Jing Gu, Samuel Leistner and Lidia Cabral

Abstract: The establishment of the Global Partnership for Effective Development Co-operation (GPEDC) created the unique opportunity to bring together and explore synergies between South–South cooperation (SSC) and traditional aid, or North–South cooperation. However, the GPEDC lacks support from both sides due to a lack of trust and misconceptions among partner countries. This article discusses the challenges of operationalising the GPEDC as a truly global and inclusive partnership. This is done by analysing differences between North–South and South–South cooperation and the challenges of bringing them closer. Furthermore, the particular reasons of individual SSC providers, the rising powers in particular, for withholding support for the GPEDC are identified and looked at in the context of fundamental differences between SSC and OECD-DAC aid.

Keywords: Global Partnership for Effective Development Co-operation, rising powers, South–South cooperation, China’s development aid, emerging countries.

1 Introduction

The international development community has long focused on the complex aid paradigm concerning the North–South relationship since its inception. The last decade has seen many changes in this relationship, particularly in terms of the rise of the global South. The successful development experience of China and other emerging economies, and the growing prominence of Southern voices and influences at the level of international development organisations and processes, make this change more significant and concrete. The high-level debate on aid effectiveness led by the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) is a case in point. The First High Level Forum on Aid Effectiveness (HLF-1) was held in Rome in 2003.
and is considered a milestone for engaging multiple stakeholders in international development to discuss the effectiveness of development assistance. This forum and those that followed (Paris in 2005 and Accra in 2008) yielded important changes to the norms and guiding principles for delivering assistance for international development.

Yet, the emergence of new sources of development finance, including South–South cooperation (SSC), led to the recognition that this normative framework needed to be extended to new players and revised. This eventually led to a new forum for deliberating on development aid effectiveness that materialised in the establishment of the Global Partnership for Effective Development Co-operation (GPEDC) at the Fourth High Level Forum on Aid Effectiveness (HLF-4) in 2011, held in Busan, South Korea. Despite the change in institutional structures (including through the involvement of the United Nations) and an increase in the participation of different stakeholders, the dynamics of power underpinning the global aid system, notably the dominance by the OECD-DAC, remains unchanged.

The first high-level meeting for the GPEDC was held on 15–16 April 2014 in Mexico City. More than 1,500 participants from more than 130 countries, multilateral and bilateral development agencies, as well as the private sector and non-governmental organisations (NGOs), participated in this event. In the opening session, UN Secretary-General, Ban Ki-moon addressed many critical issues relating to the development financing framework of the Post-2015 Agenda: namely, global macroeconomic policy, development aid, trade, and debt. He pointed out that some of the least developed countries were either trapped in conflict or could not benefit from the global financial market despite the importance of official development assistance (ODA). He also noted that the traditional donor–recipient relationship was changing and that the ever-increasing role of SSC offered new prospects for global development.

The president of Mexico, Enrique Peña Nieto, also expressed his wish to establish a new international development framework that was more inclusive, sustainable, and that would yield effective cooperation. Additionally, participants discussed progress made on the commitments established at the HLF-4 in Busan, which had focused on domestic financial resources, the effectiveness of SSC, middle-income country (MIC) development, and the role of the private sector in global development (Ministry of Foreign Affairs 2014). The forum finally released the document entitled *Building Towards an Inclusive Post-2015 Development Agenda* and announced 38 follow-up measures that were agreed on and committed to by different countries, international organisations, NGOs, and thinktanks during the forum (GPEDC 2014).

There has been widespread debate on the significance of this new partnership within the development community, as the outcome from the HLF-4 was criticised for being a much weaker and watered-down agreement than those in the past. This was because developing a
framework that would accommodate the diversity of stakeholders’ needs required many compromises. Subsequently, it also left many loose ends (Besharati 2013). As such, it was expected that the Mexico City high-level meeting would begin a new era. However, although most of the major international development stakeholders attended the event, the initiative is still mainly coming from Western donors and this creates the fear of the emerging powers that Western donors want to attract other development donors to continue an agenda that has been failing.

At the same time, the lack of meaningful participation from China and India, as well as the suspicious attitude towards the partnership by Brazil and South Africa, strongly questions the legitimacy of the new initiative. It can even be argued that the hope of creating a new era of equal cooperation between the traditional and newly emerging development players via this new partnership did not yield the expected results. As a result of this, the transformation of this existing international development cooperation structure remains unrealised. Although this new partnership signalled a paradigm shift from ‘aid effectiveness’ to ‘development effectiveness’, the wide range of participation might fragment development cooperation plans, or even widen the gap.

Creating this collective forum outside the UN Development Forum might affect the legitimacy and authority of the UN in discussing global development. However, it could be understood by this that the international development architecture has changed, and the influence of the developed group has decreased. The new partnership has responded to this change and the new structure includes a wide range of stakeholders from NGOs, thinktanks, the private sector, and representatives that are more legitimate than those comprising the 24 OECD-DAC membership (Fourth High Level Forum on Aid Effectiveness 2011).

This more optimistic proposition asserts that the new partnership is a good opportunity to develop a more inclusive, sustainable, and multiple stakeholder participation-based framework that shifts from the old ‘Aid Effectiveness’ agenda to the new ‘Development Effectiveness’ agenda, which was narrow, but nevertheless provided a space not only for China, but also for other developing countries to seek their own development model independently.

In fact, the emergence of the GPEDC reflects the diversification of global power. On the one hand, historically, the domination of Western power in development cooperation has been challenged by its decreasing financial supply capacity, and a lack of effective progress in developing countries. On the other hand, the rise of emerging nations with their financial capacity and successful development experiences, especially the large-scale poverty reduction and transformation that has taken place in China, has significantly influenced the global development cooperation system (Gu et al. 2014; Gu, Shankland and Chenoy 2016).
Therefore, it is now the time to have a more inclusive global development cooperation structure, as an informal platform on which to exchange development cooperation experiences and lessons, that can support the global collective action taken by the UN Development Forum. In this regard, active participation from emerging development players such as China and India in this new initiative is critical. This article begins with a historical review of the evolution of the development partnership. Following this is an analysis of why China and others were reluctant to join the GPEDC. Finally, this article will provide an assessment of China’s future perspective towards this new partnership and provide recommendations that should help to build a more legitimate and inclusive global development cooperation partnership.

2 The historical evolution of the development cooperation partnership

The GPEDC was primarily derived from the HLF-4, held in November 2011 in Busan. The HLF-4 concluded with an 11-page outcome document. This document called for the construction of the GPEDC. Under the facilitation of the OECD-DAC, all parties that attended the forum agreed to initiate this partnership (Fourth High Level Forum on Aid Effectiveness 2011). The OECD-DAC and the United Nations Development Programme (UNDP) agreed to provide joint secretariat support (Working Party on Aid Effectiveness 2012). The Indonesian Minister of Development Planning, Armida Alisjahbana, the Nigerian Minister of Finance, Ngozi Okonjo-Iweala, and the UK’s Minister of Development, Justine Greening were proposed as co-chairs of the steering committee that would be responsible for the meetings and annual events, but the composition of both co-chairs and steering committee presented two major concerns.

Firstly, due to the vital future roles of both the recipient and emerging countries in the international development policy arena, it was agreed that it was necessary for the representatives from those two groups to be co-chairs, and to be included on the steering committee. Secondly, it was agreed that along with the increasing role of NGOs, particularly new development foundations and private sectors, new development partnerships should also include a wide range of actors. Despite the argument that this proposal would not reach the expected goal of improving aid effectiveness, the GPEDC presented a different form from previous discussions on aid effectiveness which had been dominated by the OECD-DAC members, and marked a milestone for global development cooperation governance.

Thus, the HLF-4 in Busan signified the end of the ‘Aid Effectiveness’ agenda; instead, it ushered in a broad-based Development Effectiveness agenda that became the central theme of a new future development cooperation partnership. Three years after the HLF-4, a wide range of stakeholders from recipient countries, traditional development partners, NGOs, and private sector members participated in the HLF-1. Contrary to the then mounting expectations, China completely declined to
participate, India sent its diplomat stationed in Mexico City, and Brazil’s delegate disagreed with the whole agenda.

Lack of an active response from the emerging actors to the HLF-1 raised the question as to why the emerging development actors were reluctant to such an open proposal that clearly offered compromises. To understand this, one needs to start by reviewing how the traditional aid architecture has developed. The emerging actors still perceive the GPEDC as representing the hidden dominance of the Western aid regime, in terms of moving from the previous ‘aid’ agenda to the current ‘development’ agenda without a substantive change in its character.

The HLF-4 renewed the global development cooperation architecture by establishing a new, legitimate, multiple stakeholder partnership, and more importantly, shifted the aid-focused agenda to the development-focused agenda to better reflect the changing nature of international development, especially in light of the emerging development actors. In order to better engage the active role of the emerging actors, the Busan outcome document agreed to the principles of country ownership, transparency and accountability, and inclusive partnership that would involve shared goals, but ‘differentiated commitments on a “voluntary basis” ’ (Fourth High Level Forum on Aid Effectiveness 2011). This was a big compromise made by the Paris Club in order to ‘buy-in’ more stakeholders, particularly China, India, and others. China participated in the event with a relatively modest-level delegation, but emphasised the need for a different role in SSC, and remained reluctant to join the new club (Atwood 2012).

Here, the HLF-4 marked its third expansion wave in the international development cooperation system that had previously been dominated by the West. This expansion indeed generated a series of impacts on the international development architecture.

First, the broad-based development issues that developing countries are interested in, replaced the issue of aid effectiveness that the most developed group was interested in. Second, the Working Party on Aid Effectiveness (WP-EFF) was formally replaced by the GPEDC. Finally, global development cooperation institutions that had been predominantly influenced by the OECD-DAC changed to become a more inclusive partnership mechanism. However, despite these positive changes, the fundamental influence of the West’s development ideology still exists, which to some degree explains the reluctant attitude to the new partnership by the new development actors. This is largely because that effective voice of the developing countries and emerging actors could not only rely on legitimate governing mechanisms in order to be heard, but would also substantively depend on many other factors. The West’s dominant role in international development is heavily based on its well-articulated knowledge and knowledge production system, which has lasted for over 60 years. Unfortunately, other developing countries and emerging actors have been unable to assert a similar influence. International development institutions have produced a
strong path-dependence that may be difficult to change in the short term. Hence, to a large extent, the new partnership might not be able to change the nature of the global development regime.

3 South–South cooperation and the OECD-DAC

In order to understand the unwillingness of countries which are actively engaging and promoting SSC to join and actively work within the framework of the GPEDC, it is important to highlight how the approach of the SSC differs from that of the OECD-DAC. To explore the complexity of this difference, it is important to recognise both individual cooperation and the blockages in SSC, and the problems of coordinating SSC methods with the OECD-DAC. This will be discussed further in later sections by looking at the engagement of active SSC countries as donors in the international aid system.

3.1 Reasons for a possible clash between the DAC and SSC in the GPEDC

South–South cooperation has rapidly evolved since it was first formally recognised through the recommendation of the United Nations General Assembly to create the United Nations Office for South–South Cooperation (UNOSSC) in 1974 (UN 1974). The idea behind establishing SSC was to oppose the OECD-DAC ODA which mostly focuses on monetary issues and the transfer of public funds. Yiping Zhou, the director of the Special Unit for South–South Cooperation in UNDP described the main unique characteristic of SSC compared to ODA as the following:

South–South development assistance is manifested in public and private funding or partnerships as developing countries see value in creating beneficial environments for trade, investment and development in partner countries using their full range of resources – both public and private. In this context, development assistance from one developing country to another is to be seen as a continuum from policy advice to technical assistance to pre-investment activities – all working seamlessly together to create an enabling policy, institutional, technical as well as environment [sic] for sustaining economic growth. Thus, public and private support to developing countries is not compartmentalized (OECD 2010).

This clearly indicates the importance of looking at SSC via different channels and the need for a global development partnership, to avoid dominance of the ODA channel over the channels SSC uses to promote development in the global South. In addition to paying more attention to the different channels, it is also important to highlight the attributes of SSC. Compared to the OECD-DAC approach, Southern development assistance is less conditional and tries to interfere less with a country’s internal affairs. When it comes to channels of assistance, Southern aid tends to be more direct. Most South–South assistance is directed towards infrastructure. It is also normally more flexible and low-cost orientated; however, this might lead to lower standards such as ones that relate to environmental issues (UN ECOSOC 2008).
It seems to be a logical conclusion that several problems may arise when trying to merge these two systems. Analysing the GPEDC Mexico Communiqué reveals both the reasoning behind it and the main obstacles. The Communiqué (GPEDC 2014) continues to stress the importance of ODA as the main source of international development assistance in the shift from aid effectiveness to development cooperation.

Key points which can be found in the Communiqué (GPEDC 2014) and which indicate potential conflicting issues, are the following:

- ODA needs to remain the main source of development assistance;
- It is reaffirmed that South–South cooperation differs from North–South cooperation;
- ODA flows should stay predictable;
- Actions for countries receiving insufficient assistance are needed;
- It is stressed that global development cooperation will not be effective if support to MICs were to be phased out. However, support to MICs should not be undertaken at the expense of the support provided to countries with lower incomes.

Hence, it can clearly be seen that, even in this formal Communiqué, the MICs in particular are afraid of decreasing flows of ODA, and that the OECD-DAC would like them to shoulder more of the financial burden of ODA. The inhibition of the emerging powers to participate in a formal framework, even though the GPEDC is a long way from being institutionalised, can only be overcome when the MICs feel the security of showing international dominance as donors of development aid without fearing further decreases in ODA to their countries. Moreover, the founding of institutions in the global South such as the India–Brazil–South Africa Dialogue Forum (IBSA), the Asian Infrastructure Investment Bank (AIIB), or the New Development Bank (NDB) shows the trend of more autonomous emerging powers. Therefore, connecting the North and the South also requires active support and participation from the OECD member states in these institutions. The refusal of major donors such as the USA or Japan to join the AIIB illustrates the widening gap between traditional actors in international development assistance and the new players.

Another problem is that emerging countries may fear that their role in development assistance is put on a level with China, even when their volume of development aid contributions is much smaller. As an extreme counter-measure, this could also lead to them teaming up with China and creating a block which opposes Western donors (Li and Wang 2014).

The main concerns of the rising powers can be separated into the sub-topics of political legitimacy, attribution of responsibilities,
definition of the agenda, and trust. In terms of political legitimacy, the rising powers would prefer the UN and its structure for dealing with these issues, since the UN has a higher level of legitimacy. The attribution of responsibilities accounts for the fear of a decrease in the responsibilities of the OECD-DAC, and the fact that development cooperation should follow the common but differentiated responsibilities (CBDR) approach. Regarding definition of the agenda, it is necessary for the rising powers that the GPEDC focuses more on the framework of SSC, in particular the principle of mutual economic benefit, and focuses less on aid as only concessional financial flows. However, the trust issue might be one of the most important, since the rising powers fear that the West will try to maintain the current level of power balance, and will try to create additional burdens, or withdraw support, thus blocking the rising powers from achieving their goals (Constantine, Shankland and Gu 2015).

The draft outcome of the Second High Level Meeting of the Global Partnership for Effective Development Co-operation (GPEDC) in December 2016 in Nairobi shows how some of these problems were addressed. Key issues and solutions to be agreed on were outlined in connection to the problems between the OECD-DAC, SSC, MICs, and the rising powers. This differs to the 2014 Communiqué and is more positive regarding the role of MICs in relation to SSC. The key issues relevant for SSC and MICs in the draft outcome of the Nairobi meeting in 2016 are the following which should be seen in contrast to the Communiqué of 2014:

- The development of graduation policies for MICs which are sequenced, phased, and gradual, and represent in the best way the opportunities and challenges of MICs;
- The recommendation that MICs should start sharing their experience with low-income countries (LICs);
- The recommendation that development cooperation should address the transition challenges faced by countries joining the middle-income category;
- The recommendation that methodologies need to be devised to better account for the complex and diverse realities of MICs;
- It is noted that South–South cooperation is a complement to, and not a substitute for, North–South cooperation but it should be continued to increase accountability and transparency;
- The impact of SSC should be assessed with a view to improving, as appropriate, its quality in a results-orientated manner;
- SSC should disseminate results, share lessons and good practices, and replicate initiatives (GPEDC 2016).
Compared to the 2014 Communiqué, the expected outcome for the Second High Level Meeting seems to address more comprehensively the concerns of middle-income countries, and the clause that SSC is a complement and not a substitute to North–South cooperation is a strong statement towards the MICs and the rising powers. It is hoped that more accommodation between the two sides in this issue will lead towards improved levels of cooperation, especially in the case of China and India.

4 China’s perspective on the GPEDC

Although the GPEDC has much higher legitimacy than any other previous form of development cooperation partnership initiated by the OECD-DAC in terms of representation, the follow-up Mexico City Forum was delayed for two and a half years. Funding for joint secretariat support had not been secured until the Mexico City Forum. It was clear that even within the traditional donors’ group, there was still a lack of confidence that the new partnership would lead to the expected results. It can even be argued that similar to the HLF-4, the organisers neglected the differences among the different parties just in order to obtain signatures. It can be seen that, in reality, the partnership would remain on paper.

First, it had taken hard work and late-night negotiations to get China, India, and Brazil to agree to sign the HLF-4 outcome document. However, China completely declined to attend the following event in Mexico City. Despite the offer made to either compromise on shifting the agenda from aid effectiveness to development effectiveness, or on the composition of the governance structure of the new partnership, the core values of the partnership remained aid-based with mutual accountability. The new partnership can therefore be seen as a DAC-driven process, since the main initiative and methodology comes from the DAC. The big emerging economies realised that the openness of this new partnership initiated by the DAC was more so because of the growing role of emerging actors in the global economy, and the increasing difficulties that traditional donors faced in providing financial support to international development. They were afraid of being brought in to cover the bill that traditional donors have amassed over decades of failed development practices.

Despite having a unified group with very different policy approaches, they all shared a disapproval for the mainstream aid-based framework which they believed still reflected a Northern paradigm of development, and as such, they never wanted to subscribe to this. Although critiques are that China’s growing role in international development largely undermines the good governance agenda that the traditional donors have generally dismissed as alternative development experiences, other emerging actors endorsed this. And so, the emerging economies took this new partnership as another type of skilful methodology that the West executed in order to reinforce the existing development regime. From the Chinese perspective, this new partnership, reinforced by the
HLF-4, signalled the further expansion of the Western-dominated international development discourse, as the West has been using a similar approach through its institutional structures and well-elaborated framework to safely ‘buy-in’ others in order to sustain its fundamental agenda.

Second, the emerging economies perceived the new partnership as the strategy to acquire more financial resources to share so-called ‘common goals’. Under the financial demand scenario, those most developing countries which needed financial inflows would rationally follow the call for the participation of emerging actors because aid is less costly than other forms of financial flow. In this regard, the new partnership has sufficient support from many developing countries, which creates political pressure on emerging actors, despite emerging economies’ insistence that they engage with other developing countries only if there is mutual benefit through SSC, rather than from donor–recipient aid flow. Therefore, emerging actors were fearful because once they joined the new partnership, their approach to mainly engage in learning and exchange, solidarity, and mutually beneficial economic cooperation would be undermined by the donor–recipient model. Broadly speaking, politically, if they did not fulfil the ‘commitment’ which is even differentiated by ‘common goals’, then the leading position of China and India within the developing group may have been challenged. Subsequently, the emerging economies were afraid of being hijacked politically if they took part in this new partnership. Instead, the emerging actors identified other options such as the Global Development Forum under the UN system and the G20 Development Group, as this new partnership did not seem to offer much value.

Third, the main concern for emerging actors particularly from China, is the approach of how to promote development. China certainly welcomed the shift of aid effectiveness to development effectiveness during the HLF-4. China also appreciated multi-stakeholder participation in global development policy (Gu 2015). However, both the Busan outcome document and the Mexico City outcome still maintained the belief that developing countries need to create good conditions such as good governance, corruption-free institutions, gender equity, and other kinds of social, political, and institutional conditions. China and other emerging actors do agree to these conditions to some extent, and could also argue that these stated conditions could be achieved along with development progress or as the pre-conditions.

Therefore, the question is not so much about the structure, as it is about the approach and framework that are deeply rooted in the Western-based knowledge of development. This knowledge is very much about the marriage between neoliberalism and neo-institutionalism, based on a well-established knowledge production system which constantly generates a set of seemingly undeniable theories that create the field of development studies and produce ‘independent development industries’ to justify and sustain this development business. China and other new
players may have difficulty in not only owning this process, but also sharing the cost, because under this knowledge gap, China and other players struggle to benefit from equal and mutual communication. China and other players might also insist on SSC by advocating a ‘non-interference policy’ towards partnership, one that does not focus on immediate institutional reforms to provide ‘conditions’ for development. China and others may still feel weak in this new more open partnership with its wider participation, because the OECD-DAC family has strong mechanisms for consensus and joint action through a well-established donor coordination mechanism.

Fourth, both the Busan and Mexico City forums continued to be driven by an aid-industry-based system, which was very much engaged in aid management and the continuous efforts to make financial flows to the pre-existing aid-based system. This is an essential incentive for the DAC’s agenda to support this new partnership. To justify the budget to allocate to development cooperation in the DAC, member countries would be required firstly to meet the domestic political demand, as elaborated on during HLF-4 by Hillary Clinton regarding the USA’s policies in development financing. This would not necessarily create a conflict with the commitment that the aid budget could be effective for development, but would certainly limit aid resources to prioritise effective development. This is because very often, in an effort to prioritise development in most developing countries, it means that member countries cannot meet the political, environmental, and social requirements set by traditional donor countries. The mutual accountability regarding the conditions set by donor countries and the need of recipient countries is often controversial. Although the Accra Action Plan called for using an in-country system, and it was also put forward as one of the indicators to measure aid effectiveness, the mutual accountability regarding the conditions set by donor countries and the need of recipient countries is often controversial. However, the key question was the extent to which implementation would move beyond the existing system to address concerns such as those of civil society that, without greater inclusivity and a strong rights-based approach, the Plan could simply become ‘another set of empty promises and targets’ (Better Aid Coordinating Group 2009: 16).

Lastly, emerging countries seem much more likely to create their own platform on which they feel more open and equal. Although the Development Working Group has not yet addressed the development cooperation issues of member countries, China has become more active in consulting domestically and internationally for a development agenda within the G20 Agenda (Gu 2017). The G20 will likely act as another legitimate platform for coordination or norm-setting within the new global development architecture. The thinktanks from India, China, Brazil, and South Africa initiated the Network of Southern Think Tanks (NeST) during the Mexico City Forum; however, the NeST was seemingly unhappy to be included as part of the follow-up actions outlined by the forum. The recently concluded South–South
Cooperation Conference in Delhi, India signalled the commitment from the South to move beyond the traditional SSC paradigm, and the beginning of a systematic development framework and accountability system SSC. Along with the process of operationalising the NDB and the AIIB, the emerging players will have a variety of mechanisms to discuss global development issues.

5 India’s perspective on the GPEDC
To understand the perspective of India on the GPEDC, it is important to see the evolution and scope of Indian development cooperation. India’s development cooperation approach is mainly based around SSC, and some of its main features are the principle of mutual benefit and the demand-led nature of India’s development cooperation. India tries to pursue real partnership through development cooperation. However, principles like these are not formalised and articulated in India’s policy sphere (Chaturvedi et al. 2014).

When compared to China and Brazil, India seems to be more of a minor player in international development cooperation. Most of the academic studies and international attention has been targeted on these two rather than on India which has followed the principles of SSC since its independence in 1948, and has always provided a share to help fellow developing countries. Therefore, India’s increasing activity in development assistance and cooperation can be seen as a desire for global recognition. India hereby follows the approach of Brazil and China and wants to be called a development partner rather than a donor, which is also consistent with most of the other emerging powers. India’s ambition to fulfil a larger international role was also supported by its ability to promote the blocking of processes in institutions such as the World Trade Organization (WTO) and the World Intellectual Property Organization (WIPO). India could do this by consolidating the group of developing countries together with Brazil and South Africa. India actively offers its approach to share each other’s strength rather than only offering altruism as an alternative to the normative approach of the DAC donors (Chaturvedi 2012).

Since India follows the approach to be a so-called ‘development partner’, it avoids engagement in a process such as the GPEDC, thus not ending up in a situation where a close political relation or partnership with the DAC or accepting its principles might imply that India sees itself as a donor country. This is connected with the overall issue that emerging powers which are getting stronger might end up in the situation that traditional donor countries and their respective taxpayers stop seeing them as developing countries, and start reducing aid for them (Zimmermann and Smith 2011).

One of the most sensitive issues for India connected to this was already visible during the Busan process. India, together with Brazil and China, made it clear that under no circumstances do they want any monitoring from the Northern DAC countries, since such monitoring
could later make them accountable in terms of their accomplished aid. Even though monitoring would be a huge improvement for global development, it could not be implemented at all due to the heavy resistance of India, China, and Brazil back then (Atwood 2012).

There are several reasons why India rejects a higher level of participation in international frameworks or partnerships in particular outside of the UN framework. India is a country which has experienced high levels of growth since it opened up its economy in the early 1990s, and the increasing volume of technical assistance indicates that it will be able to rise in the foreseeable future to becoming a major development partner. However, India still faces huge levels of poverty in some of its rural and even urban areas, and a reduction in international aid received would have dramatic consequences for the country’s population and food safety. However, even without further engagement in partnerships such as the GPEDC, India will slowly lose its status and reputation as a developing country and will be more measured in crude economic terms. For example, India was already the biggest source of Greenfield Investment in Hungary in 2014 and 2015. Total foreign direct investment (FDI) from India just to Hungary is already close to US$1.5bn (HIPA 2016). The same happens in the UK where India became the third largest source of FDI in 2015 (The Times of India 2016). With such huge numbers of financial outflow from India, it is likely that the motivation of Western donors to maintain their current levels of aid might decrease.

Furthermore, Indian development assistance strongly follows the principles of SSC. India does not hide that it sees a main purpose in development aid to be a strategic measure to establish economic relations and to allow its small and medium-sized enterprises (SMEs) to enter and penetrate foreign markets. The SSC principle that development assistance should have mutual benefits is clearly visible in the case of India. There is also no visible interest in following the DAC approach which includes giving unconditional aid. As a recipient of aid which mainly relied on loans, India fosters its approach of extending lines of credit. Its focus tends to be more on providing capacity-building measures or technical assistance than on giving out aid, and if it gives out aid it is more targeted towards its neighbouring states to establish strong political and economic relations.

Nevertheless, it is still important to distinguish India’s case from China’s. India’s development cooperation is unique most of all because of six factors: ‘(1) It is sustainable and inclusive; (2) based on India’s development experience; (3) without conditionalities; (4) demand driven; (5) based on mutual gains, and (6) contributing to India’s soft power’ (Chaturvedi et al. 2014: 4).

Those principles are close to China’s principles, as both countries base their principles on the 1953 ‘Five Principles of Peaceful Coexistence’ (Li et al. 2014) and the 1955 Bandung conference which can also be
seen as a launching point for SSC long before it was officially recognised by the UN. However, there are still some differences between China’s and India’s development principles. China and India each follow their own path to provide development assistance. China is addressing the hard infrastructure gap which can again be seen by the establishment of the AIIB, while India addresses more the issue of capacity building. The latter approach helped India to avoid the international focus and the problems for China which came with it. Nevertheless, both countries lack a strong bilateral and possible trilateral development strategy, and establishing joint projects might be a strong catalyst for regional and global development (Li and Zhou 2016).

If the GPEDC wants to involve India as an active actor, the current framework will possibly not provide a solution. In addition to not monitoring its activities, India will continue to insist on not having binding principles. Therefore, changing the GPEDC more towards a knowledge platform and increasing the weight of SSC compared to traditional ODA might facilitate a change in the current situation. First of all, India wants to be seen as what it is: a strong, growing economy which, nevertheless, still struggles with poverty and is highly dependent on aid in some sectors. The current gridlock can only be overcome if Western donors can guarantee that India will be able to maintain the current levels of aid it receives.

6 Brazil as a fading Southern power
Until recently, the Brazilian government was keen to affirm its Southern identity and separation from a space perceived as dominated by the hegemonic North, including the GPEDC. Over the last decade, Brazil has frequently been depicted as a rising power or as an emergent Southern influence in a changing geopolitical order. This happened in a context of economic prosperity in Brazil that helped to boost the country’s stance in foreign affairs. The construction of the Southern identity also reflected a particular party-politics configuration in Brazil where the leading left-wing ideology of the Workers’ Party (PT) was favourable to a counter-hegemonic role in foreign politics and, as part of that, greater engagement with Southern nations and diversification away from traditional Northern partners, such as the USA and Europe. Recently, however, Brazil’s Southern power identity seems to be fading away for reasons to do with (again) domestic politics, the state of the Brazilian economy, and the underwhelming performance of the country’s SSC.

Brazil rose to prominence in international development from the mid to late 2000s with an active foreign policy towards the South steered by a charismatic president, Lula da Silva, who took an active role in the country’s diplomacy (Amorim 2010). Brazil’s ascendency in international development is illustrated by the exponential increase in resources and pledges for development cooperation in the late-2000s, the consolidation of a place on the side of the likes of Russia, India, and China (that collectively with South Africa make up the so-called ‘BRICs’), the successful bids for the leadership of international governing bodies,
such as the Food and Agriculture Organization of the United Nations (FAO) and the WTO (currently headed by Brazilian nationals), and the internationalisation of Brazilian businesses, with new trade and investment deals going hand-in-hand with SSC, particularly in Africa.

Although committed to multilateralism (Visentini and Silva 2010) and the ‘minilateralism’ of fora such as the BRICS, IBSA, or the Community of Portuguese Language Countries (CPLP), Brazil’s Southerly-bent foreign policy has emphasised the country’s unique contribution to international development through South–South relations that comprise diplomacy, technical cooperation, and business (White 2010, 2013). Brazil’s claimed successful public policies and technological innovations were deemed particularly fit for other developing countries, particularly within the tropics where affinities were greatest (Cabral and Shankland 2013). Also, Brazil’s SSC was more than a charitable endeavour between donor and recipient, but was described as a mutually beneficial affair between partners (Abreu 2013), much like China and India portray their engagements with developing countries.

Foreign policy activism waned under the presidency of Dilma Rousseff and the budget for technical cooperation was first frozen and then slashed. The economic downturn put significant pressure on the government and eventually led to the president’s removal from office. In the meantime, Brazilian businesses abroad had been struggling with a less favourable environment (e.g. the fall in commodity prices) and were further weakened by the political crisis that eventually led to President Rousseff’s impeachment in 2016.

The new conservative government, led by President Michel Temer, that abruptly took office in 2016, announced major policy turns. Regarding foreign policy, the Southern identity rhetoric has been replaced with the reinforcement of alliances with traditional Northern nations – such as the USA – and a stronger narrative on business and bilateralism (MRE 2016). China and India are still viewed as strategic partners, although some have talked about ‘Braxit’, the voluntary (or altogether forced) exit of Brazil from the BRICS club (Simha 2016). Even if Brazil remains in the club, the counter-hegemonic soft power element will surely vanish on the Brazilian side. As for Africa, the new foreign ministry sees it as a big and expanding market that needs to be engaged with pragmatically, and with clear benefits for Brazil, leaving behind the compassionate rhetoric and diplomatic extravagances of previous PT-led governments (MRE 2016). Indeed, the new minister of agriculture, Blairo Maggi, noted when taking office that Brazil cannot distribute its agricultural technology to Africa for free (Ramos 2016).

Brazil’s commitment to multilateralism and to Southern solidarity (even if the latter has been topped with a generous dose of rhetoric), may be at stake and this may compromise the country’s contribution to sustainable global development.
6.1 Why Brazil’s Southern identity remains important

There are at least two reasons why Brazil’s Southern identity remains important (Cabral 2017). One concerns geopolitics and counterweighting the world’s hegemons – being the USA or China – in international development. Brazil’s Southern assertion has been part and parcel of a campaign for democratising global governance and the reinforcement of multilateralism. With regard to sustainable global development specifically, Brazil has demonstrated considerable engagement with the process, leading to the ratification of the SDGs, and its SDG position paper (Ministry of External Relations 2014) highlights areas of contribution to sustainable development and the role played by SSC in that process.

Indeed, the second reason concerns the uniqueness of Brazil’s potential engagement with other developing or Southern nations through SSC. It is not the win–win formula that makes Brazil an exceptional partner – China and India have proved to be much more skilled in practising win–win cooperation. The uniqueness of Brazil as an international development partner results from the country’s own development trajectory and its experiences with holistic social policies, deliberative democracy, and technological innovations that constitute key references for global development, and have indeed been emphasised in Brazil’s pre-Temer contribution to the formulation of the SDGs. Many of these experiences have a distinctive Southern (in the sense of non-conformist and non-conventional) flavour that the current conservative government risks failing to acknowledge or understand.

Yet, the transfer of Brazil’s appealing innovations into other contexts is not straightforward. The socio-political fabric that generated these innovations, such as a particular state–society dynamic, is not easily replicable. It should not be taken for granted that Brazil’s agrarian structures have a similar match in Africa and hence call for similar struggles. And one should not assume that the institutional machinery of African governments (and indeed social checks and balances) can cope with the types of technological innovations (such as those which have resulted from the establishment of a massive continental-size research corporation) and multi-dimensional social experiments (as Brazil’s equally massive social protection programmes) that Brazil has managed to generate.

Furthermore, getting over-enthusiastic about Brazil’s uniqueness and success may be counterproductive. Asserting Brazil’s unique contribution should not be about celebrating Brazilian ways and trying to emulate them, but it should be about reflecting on Brazil’s domestic trajectories and how they were generated, and the lessons emerging from this. Reflecting and reflexivity are the key words, and this requires a considerable change in attitudes by those at the front line of Brazilian official and non-official diplomacy (being state or non-state actors). The presumption of South–South affinities has often been taken too far, particularly vis-à-vis Africa, with an over-confident reliance on the
Brazilian brand, that has compromised the ability to engage with the needs, aspirations, and perspectives of partners in other countries.

The future of Brazilian SSC and how it will relate to the other rising and Southern powers in international development is uncertain. Thus far, the study of Brazilian cooperation has been confined to a particular historical moment of Brazilian politics (and diplomacy) that has led to the categorisation of Brazil as an unquestionable Southern power. It remains to be seen whether our understanding of Brazil’s position in international development – with its Southern turn, its solidarity diplomacy, its SSC principles, and warm relationship with other emerging powers – will need to be revised, once, in a climate of greater political stability, the Brazilian government clarifies its international development policy.

7 Conclusions and recommendations

The international aid system was born out of the ruins of the Second World War, with aid or ODA as a main operational instrument and channel of influence. During the Cold War era, the system mainly used ODA to support allies. After the Cold War, the allocation of ODA began to shift to the countries beyond the scope of Cold War alliances, and became more strongly guided by poverty alleviation and development concerns. It was at this stage that the international aid system began to focus on aid effectiveness, and eventually moved to the post-aid framework that emerged with the establishment of the GPEDC at the HLF-4. However, despite the changing form and increasing participation of multiple stakeholders, the current system is the result of continuous expansion of Western-based aid at different times under different geopolitical contexts. The shift from an initial belief in the modernisation model for development to the current marriage of neoliberal and neo-institutionalist models for poverty reduction has not resulted in a substantive change of the ‘conditional development approach’ that has applied to developing countries through the aid-based paradigm.

A central argument in relation to the international development assistance system has been the relationship between aid, growth, and development, so that aid can be properly directed and managed in areas such as health and basic education. The HLF-4 sought to examine progress in the quality of aid with regard to the relationship between aid and development, which was measured by meeting the Millennium Development Goals (MDGs), particularly poverty reduction targets. The agenda eventually shifted to a focus on development effectiveness, emphasised by the GPEDC. The attempt to increase the voice of multiple stakeholders in international development cooperation policy was a bold, if unavoidable, initiative. However, the lack of experience and non-aid resources by DAC members would make it difficult for the GPEDC to adopt a truly new approach. Instead, aid has remained the main instrument driving the GPEDC agenda.

It is widely agreed that the GPEDC is a more open and legitimate platform for discussing international development cooperation than
previous ones (Li 2017). However, there is also the view that the DAC remains very influential in setting the procedures, instruments, and mechanisms for monitoring and evaluating the performance of development interventions. Disappointingly, the involvement of key players like China in the definition and design of these procedures and mechanisms has not been sought or encouraged.

As a result, China and other emerging players have not actively engaged with the GPEDC. In order for that to change, the GPEDC needs to demonstrate a more internationally inclusive approach and global legitimacy. This may require a stronger connection with the UN Development Financing Forum and with the G20 Development Working Group. Furthermore, the GPEDC also needs to gain a better understanding of how diverse international players institutionally manage their development cooperation programmes, to ensure it gets the right stakeholders in order to get an effective response.

China’s remarkable development trajectory has been acknowledged by the international community. Furthermore, recently new cooperation frameworks such as triangular Africa–China–UK, Africa–China–USA, and Africa–China–Bill & Melinda Gates Foundation cooperation illustrate the convergence between China and individual traditional donors and their willingness to promote global development in a cohesive way. Despite the dominant role of the DAC in the normative framework for international development, the practice of cooperation has undergone significant changes. This creates a momentum for new influential players such as China, India, or Brazil (though the latter’s predisposition towards other Southern players is currently unclear), to play their important role in the global governance of international development cooperation. However, the emerging powers need to consider carefully how to engage effectively with upcoming GPEDC fora, and particularly what appropriate level of political and institutional representation should be sent to these policy spaces.

Notes
1 China Agricultural University, Beijing, China.
2 Institute of Development Studies, Brighton, UK.
3 Technopolis Group, Brighton, UK.
4 Institute of Development Studies, Brighton, UK.

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