

### CHAPTER THREE

#### SOUTH-SOUTH COOPERATION: ITS GENESIS AND RATIONALE.

In the opinion of Norman Schofield, the idea of brotherhood is not new, but what is special to our time is that brotherhood has become the precondition for survival.<sup>1</sup> The need for regional or continental economic co-operation has long been recommended by economists who sensed the dangers of continued economic fragmentation of continents in line with the colonial political boundaries. These dangers were re-echoed by the late Secretary General of the UN Dag Hammarskjold, in 1958 during his speech at the first session of the United Nations Economic Commission for Africa:

New states are emerging with geographic boundaries which, in most cases are not best suited to the requirements of rapid economic growth. If such growth is to take place, concerted action and joint endeavours will be needed among countries and territories, each with its own particular political statutes. New economic links are to be forged among entities belonging to different monetary areas. And advantage deriving from existing relationships with the rest of the world will benefit all. These complicated processes can be greatly enhanced and facilitated by the existence of some flexible institutional arrangements such as the commission can provide.<sup>2</sup>

There is no single explanation for the widespread formation of political and economic unions in the ex-colonial countries. However, spectacular developments in the newly independent states that set the ball rolling were: the fear of the forces of neo-colonialism, the quest for development” and “modernization” elements that fuelled anti-colonialism after the second world war and prominent among all, the colonial legacies, which these new nations inherited, helped to cement the new move toward regional and

inter-regional economic and political cooperation.<sup>3</sup> Norman defined colonial legacies as the peculiar characteristics and socio-political syndromes of the new nations, for example, lack of infrastructure, small market size, lack of technical manpower and know-how and the like. These were problems left behind by the colonialist, which made the new states “new” because they have to develop all new techniques to retain their political independence.<sup>4</sup> Based on the above factors, the leaders of the newly independent states chose regional pooling of complementarities as a protective mechanism.<sup>5</sup> Afro-Asian and Latin American nation states initiated multilateral contact and cooperation through the medium of international gatherings such as the Non-Aligned Movement and the Group of 77, reinforced by other regional groupings such as the Asian Relations Conference, formed at New Delhi, India in 1947, the Pan-African Conference held first in London in 1900, Economic Commission for Latin America formed in 1945, and the Latin American Free Trade Association formed in 1960 at Montevideo.

### 3.1 Pan-Africanism

African political leaders drew inspiration from both India and America. They formed national congresses in imitation of the Indian national congress; many of them were attracted by Gandhian ideas of passive resistance, and the independence of India in 1947. From the American continent and notably the Caribbean, Africans gained confidence and dignity and a habit of meeting together.<sup>6</sup> The concept of Pan-Africanism goes back to the beginning of the century when the first Pan-African conference sponsored by Trinidad barrister H. Sylvester Williams was held in London in 1900, but

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its greatest flowering came in the late 1950s and early 1960s as the tide of independence began to sweep away the European colonial empires. There was a Pan-African congress immediately after the First World War at Paris in 1919 which called upon the Allied and associated powers to establish a code of law for the international protection of the natives of Africa. At the sixth Pan-African congress held in 1945 in Manchester, Britain, such notable political leaders as: Jomo Kenyatta from Kenya, Kwame Nkurumah of Gold Coast, Akintola from Nigeria, Nyerere from Tanzania, and Kumuzu Banda of Malawi took part.<sup>7</sup> The congress called for an end to colonialism. The British colony of the Gold Coast achieved independence in March 1957 as Ghana under the leadership of Kwame Nkurumah, who became a leading figure in pressing for continental independence and unity.

A series of conferences were held at that time as follows:-

1. The first conference of independent African states, Accra, Ghana, April 1958.
2. The All-African Peoples Conference, Accra, Ghana, December 1958.
3. All-African Peoples Conference, Tunis, January 1960.
4. The second Conference of independent African states Addis Ababa, June 1960 (by this time the divisions which were to be reflected in the Casablanca and Monrovia groups were already surfacing). The division was occasioned by leadership struggle and fears of domination by stronger powers among them as well as inclinations to the Eastern and Western powers.

5. The All-African Peoples Conference, Cairo, March 1961. These meetings represented a search by the leaders of newly independent countries for a modus vivendi both with regard to each other and hopefully as a block in relation to the outside world.<sup>8</sup>

### 3.2 Latin American Free Trade Association (LAFTA)

Meanwhile the Economic Commission for Latin America (ECLA) was formed in 1945 with the objective of raising the level of economic activities in Latin America, which in the commission's term includes Central America, the Caribbean, and South America.<sup>9</sup>

Though several proposals for regional cooperation between the Latin American countries had already been made in the early 1950s, it was not until the Economic Conference of the Organisation of American States was held in Buenos Aires in August-September 1957 that the first governmental discussions took place. A draft agreement on the establishment of a free-trade area was discussed in September 1959 and finally on February 18, 1960, the Montevideo Treaty establishing the Association Latin Americana de Libre Comercio (ALALC), or Latin American Free-Trade Association (LAFTA), was signed by Argentina, Brazil, Chile, Mexico, Paraguay, Peru and Uruguay. Colombia and Ecuador became members in 1961, Venezuela in 1966 and Bolivia in 1967. An agreement on multilateral clearing was signed in Mexico in



September 1965.<sup>10</sup> In the early 1960s, Latin America and the Caribbean led the way in putting in place a number of regional and sub-regional institutions designed to expand their development opportunities.<sup>11</sup>

The struggle for a fairer international system has consolidated their cohesion and strengthened their resolve to pursue united action.<sup>12</sup> South-South economic links also came to be established at bilateral, sub-regional and regional levels as developing countries turned to each other for mutual effort in a bid to end their exclusive orientation towards the North.<sup>13</sup>

### 3.3 Causes of Underdevelopment of the South

The South comparing the developing countries of the world, mainly from Afro-Asia and Latin American countries are constrained by many factors.

After World War II, over sixty new countries gained formal independence within fifteen years. Emancipation from alien rule was accompanied by a growing political consciousness within the countries and demands for modernisation and progress. They entered political independence with a backlog of deep poverty, with little accumulated capital or experience of industrialisation, and with only a vague understanding of the complexities of rapid change in their society and economies: For these and other reasons, "Underdevelopment--low levels

of technology, high illiteracy rates, low savings ratio, high birth rates, inefficient public administration, political instability--seemed to be a vicious circle from which only a fortunate few might hope to escape".<sup>14</sup>

Below are the factors militating against the progress of the South Nations:

### 3.4 Low Research and Development Projects (R&D) in LDCs and

#### Mechanisms of Exploitation

For many reasons research and development in low-income countries has been extremely limited. It is estimated that expenditure for research and development in Latin America amounts to only some 0.2 percent of GNP. In Africa, except for some programmes sponsored by industrialised countries, public and private outlay for research and development is negligible. Comparable figures for the Soviet Union and the United States are 4.2 percent and 3.2 percent of GNP respectively, and for most European countries between 1 and 2 percent. As the ability to analyse scientific, technical and managerial problems and propose new solutions has grown in industrial countries, low-income countries have become increasingly dependent on a technology conceived and produced outside their borders and without reference to their special needs.<sup>15</sup>

To add salt to the economic injuries of the South, in the observation of Libya's leader, Muammer AL-Qathafi, the industrialised nations draw benefit from the present World Order which is exploitative in nature and to the disadvantage of developing countries.

The mechanism of exploitation was summarised as follows :-

- (1) Unequal exchange due to unequal bargaining strength. Long term deterioration of terms of trade as well as the commodities of the non-oil exporting developing countries (NOEDC),
- (2) High tariff and other restrictions on products from developing countries,
- (3) Outflow of profits, interest and amortisation payments from NOEDC,
- (4) Discriminatory restriction on immigration from developing countries,
- (5) Collaborative ruling elites to maintain the status quo in international economic relations between the developed and the developing countries,
- (6) Aid from the developed to the developing nations, and

- (7) Domination of multinational corporations and transfer pricing. It is the North, the owners of the multinational corporations that have benefited from the present international system.<sup>16</sup>

### 3.5 Population Dilemma

No other phenomenon casts a darker shadow over the prospects of third world development than the staggering growth of population. It is evident that it is a major cause of the large discrepancy between rates of economic improvement in rich and poor countries. On the other hand, the likelihood of a rapid slowing down of population growth is not great, although some countries are in a far more favourable position than others in this respect.

As early as 1951, a UN projection assumed that between 1950 and 1980 the population of Africa and Asia would grow at an annual rate of 0.7-1.3 per cent. In contrast, the rate of growth in developing countries increased steadily in the late 1950s. By the mid-1960s, it settled at an average level of 2.5 percent.<sup>17</sup>

There has been a remarkable awakening to the acute problems posed by this population explosion: (1) expenditure for education, health, housing, water supply etc. increased sharply and creates severe budgetary strains; (2) the quality of the next generation on which the prospects for

development crucially rest is jeopardised. There is a strong inverse correlation between child health and family size. Rapid growth of the child population also delays educational improvement; (3) considerable resources are devoted to the support of a large dependent population which would otherwise be available to raise living standards and increase capital formation; (4) severe urban problems arise, partly from natural increase and partly from immigration from the urban areas into the cities. The urban population tends to double in fifteen to eighteen years. Housing already presents almost insolvable problems in many developing countries. The rapid growth of population adds to the already severe unemployment resulting in social problems and over-crowding that creates obstacles to development.<sup>18</sup>

Population Projection For The Year 2000 (In millions)

	1968	2000	
		<u>LOW</u>	<u>HIGH</u>
<u>Industrialised Areas</u>	1,040	1,250	1,400
Europe	460	490	330
Soviet Union	240	320	350
North America	220	290	350

Others	120	150	170
<u>Developing Areas</u>	2,430	4,720	5,560
China (Mainland)	730	1,000	1,000
Other Asians	1,100	2,300	2,600
Africa	330	770	860
Latin America	270	650	700
World	3,500	6,000	7,000

Source: Lester B. Pearson, Partners in Development: Report of the Commission on International Development, London, 1969, p. 56.

The two variants of population projection for the year 2000 are based on assumptions about "Low" and "High" fertility. Some fertility decline is assumed in both cases, faster in the "low" variant, slower in the "high" variant. Mortality is expected to continue its decline until the expectation of life at birth reaches seventy-four years. The variants have been selected from the projections in world population prospects as assessed in 1963.<sup>19</sup>

In the view of Muammar Al- Qathafi, the problems of the South are compounded by Northern manipulation through the medium of

money, as a medium of exchange, as a unit of value, as a store of value and as a standard of deferred payment. In his explanation, when the rate of exchange of each nation has been fixed by the powerful nations, it invariably results in the third world countries having generally weak currency exchange rates compared to the rich nations. So a poor country has to pay more of its own. In physical terms a poor country has to sell more goods and services in order to procure the currency of a rich nation. Official exchange rates between all major currencies are fixed in terms of the US dollar with the exception of the "sterling area" whose currencies are fixed in terms of sterling, though sterling itself is tied to the Dollar.<sup>20</sup>

In the international payments and settlements of accounts, only selected strong currencies are accounted for, and universally, it is either the dollar or the sterling that is accepted. The after-effects of this phenomenon have serious repercussions on the world monetary system. In the main, this weakens the monetary units of the third world countries and strengthens the appreciation of the monetary units of the rich nations. People all over the world, who can afford to save, are induced to save at least a portion of their savings in sterling, dollar or in any other strong currency of a rich nation.<sup>20</sup>

During the colonial period, the forms of political subordination in Africa were obvious. There were governors, colonial officials and police.

In politically independent African states, the metropolitan capitalists have to ensure favourable political decisions by remote control. They set up their puppets in many parts of Africa, who shamelessly agreed to compromise with the various apartheid regimes of South Africa when their masters tell them to do so.<sup>21</sup> In the view of Maxwell Nwagboso, "Africa has the potential for wealth, and its economy can be turned around--but only with peace and political development... If the new democratic South Africa is sufficiently stable, it will attract enough investment to create wealth throughout the southern region. And then -- who knows?- may be the whole continent's spiral of self destruction can be reversed". In Africa, oftentimes, military coups have followed one after the other, with little or no consequence to the welfare of the mass of the people, and sometimes representing even a major setback to efforts at national liberation. This trend has also manifested itself in parts of neo-colonial Asia and Latin America.<sup>22</sup> These are the factors contributing to the underdevelopment of Africa as a south region.

The question as to who and what is responsible for the third world's underdevelopment may be answered at two levels: firstly, the answer is that the operation of the imperialist system bears major responsibility for the third world economic retardation by draining their wealth and making them impossible to develop more rapidly the resources of their continents. Secondly, one has to deal with those who manipulated the



system and those who are either agents or unwitting accomplices of the said system. The capitalists of western Europe who are the ones who actively extended their exploitation from inside Europe to cover the whole of Africa, Latin America and Asia were in recent times joined, and to some extent, replaced by capitalists from the United States. And for many years now, even the workers of those metropolitan countries have benefited from the exploitation and underdevelopment of the developing nations.<sup>23</sup>

### 3.6 Ongoing Tragedy

The overwhelming majority of the third world population essentially made up of rural communities have, ever since the launch of their struggle against colonial domination, look upon the educated few for deliverance through political independence and socio-economic transformation. The first generation of nationalist African leaders particularly benefited from this and enjoyed the unquestionable confidence and support of their die-hard rural constituents, who never doubted their sincerity and ability to deliver the goods. Mindful of this great trust and inspired by their own burning desire and iron will to make a clean break with colonialism, some of these pioneer Pan-Africanists, such as Nkrumah and Sekou Toure, did live up to the expectations of those who chose them to champion their cause. M.I.S. Gassama, argues

that with few exceptions, the majority of the third world elite, civilians and military, particularly the second generation, have not only disappointed their people, but unscrupulously abused their trust by over-indulging in a get-rich quick bonanza using their government position. Rather than contribute to the meaningful socio-economic development of their countries, they choose to become tools of economic paralysis and political doom. Due to a basic misconception, education to most of them means nothing more than power and wealth at the expense of their own poor uneducated kith and kin.<sup>24</sup>

Paradoxically, and perhaps naively too, this brand of educated Africans managed to lighten the burden of the white man by perpetuating the economic exploitation of the continent, picking up from where the white man has left off. By impoverishing their own compatriots and prolonging their underdevelopment, they have saved the neo-colonialist forces the trouble of pursuing a policy of continued direct physical domination of Africa. This folly on the part of some of our intellectuals and military leaders has resulted in untold hardship and misery for the innocent African masses who continue to bear the brunt of the social tension and economic mess. Moody-Stuart further stated that our misfortunes are further compounded by the dictatorial posture of the military as the no-nonsense, self proclaimed spokesman of the people, and the "champion of their just cause". Since the military leader's mission is to stamp out corruption and eradicate the social injustices of the ousted

regime, he is hardly in the business of tolerating any undue criticism or opposition.<sup>25</sup>

These three categories of Africans comprising of the elite, civilians and the military must be made to know that it is in their interest to change their ways and become more sensitive to the needs, and indeed tribulations, of their less fortunate brothers and sisters. Failing that, the day when these underprivileged people are forced to take the law into their own hands may not be too long in coming.

### 3.7 The Expectations and Demands of the South from the North

On this note, Qathafi, the leader of the Socialist Peoples Libyan Arab Jamahiriya (S.P.L.A.J.) which stands for the realisation of greater prosperity for mankind, speaking before the 6<sup>th</sup> General Assembly, observed that:

1. The industrialised countries should have full respect for the sovereignty of each state.
2. All forms of aggression, wars, foreign domination, economic and political subordination must come to an end.
3. The responsibility of developing societies is an international responsibility and should be shared by mankind as a whole.

All the international institutions connected with international trade like world bank and international monetary fund that increase the gap between the industrialised and developing countries should be replaced by those institutions that will bridge the gap between them and establish greater cooperation.

4. The developed countries should reduce expenditures on armaments and divert the resources saved for developing the underdeveloped countries.

5. The unfair prices of raw materials which the developing countries are receiving from industrialised countries must come to an end.

6. The developing countries must get a fair and permanent share of international markets for their products. The tariffs and trade barriers imposed by industrialised countries on the products of third world countries should also be reduced.<sup>26</sup>

Furthermore, the Pearson Commission adopted the following position:

1. No new quantitative restrictions should be imposed on products of special interest to developing countries, and all existing quantitative restrictions on these products should be abolished as rapidly as possible.

2. Developed countries should establish a generalised non-reciprocal scheme of preference for goods manufactured and semi-manufactured goods produced by developing countries.

3. Developing countries should negotiate a wide-ranging agreement on tariff concessions, extended to all developing countries.
4. The IMF, in cooperation with UNCTAD studies the possibility of clearing arrangements for the financing of trade among developing countries on a global scale.
5. Bilateral donors and international agencies should provide financial assistance to institutions such as development banks, and clearing and payment unions which are designed to promote trade among developing countries on a regional scale.
6. Regional development banks, in cooperation with other international agencies, should take the lead in making available special funds in financing of export credits granted by developing countries, and in establishing regional credit insurance facilities.<sup>27</sup>

The South strongly demanded for:

- (a) The revamping of the present international credit system by phasing out national reserve currencies and replacing them with an international currency.

- (b) Gradual dismantling of restrictions in the rich nations on the movement of goods and services as well as labour from the poor nations.
- (c) Enabling the developing countries to obtain more benefits from the exploitation of their own natural resources through a greater control over various stages of primary production, processing and distribution of their commodities;
- (d) Introduction of an element of automatic international resources transfer by linking them to some form of international taxation or royalties from the commercial exploitation of international commons or international reserve creation.
- (e) Negotiation of agreed principles between the principal creditors and debtors for an orderly settlement of past external debts.
- (f) Regeneration of all past leases and contracts given by the developing countries to the multinational corporations under a new code of conduct to be established and enforced within the United Nations framework.
- (g) Restructuring of the United Nations to give it greater operational powers for economic decisions and a significant increase in the voting strength of the poor nations within the World Bank and the International Monetary Fund.<sup>28</sup>

The present international institutional structures must be thoroughly re-examined since they systematically discriminate against our societies and deny them the basic equality of opportunity to which they are entitled.<sup>29</sup>

To help the many Less Developed Countries (L.D.C.) that have been unable to share in the fruits of global progress, effective management of new global challenges--in money and finance, in environmental matters and in resources and technology flows--will require reforms in the international system such as:

- (1) A reduction in the debt service burdens of the LDCs least able to afford continued austerity measures.
- (2) An increase in the flow of official development assistance with a goal of attaining the 0.7% of GNP target first adopted by the United Nations in 1968.
- (3) An opportunity for developing countries to increase their share of world trade through the lifting of developed countries' protectionist measures, especially if these countries continue to move in the direction of regional trading blocks.
- (4) Reform of the International monetary Fund (I.M.F) and the World Bank.
- (5) The burden of the global debt crisis must be shared by all.<sup>30</sup>

Malaysia through Datuk Salleh, its representative in the Economic and Financial Committee of the United Nations in New York in 1998, urged the world body to seriously address the debt problem in Africa.<sup>31</sup> Additionally, the G15 called on the International Monetary Fund and the World bank to study recent developments in currency markets with the view to appropriately regulating them in order to make them more open and transparent. It called on the North to level the playing field, by abandoning its protectionist measures to help the poor South catch up with it at the starting line. They reaffirmed support for Dr. Mahathir's call for a transparent, fair and equitable global trading system under the World Trade Organisation.<sup>32</sup>

The Non -Aligned Summit conference in Columbia in 1995, called for: (1) the implementation of the measures by the international community to create a more balanced and participatory system of international economic relations in which such interdependence would benefit all nations, (2) the fostering of closer cooperation with developed countries as well as with regional and sub - regional economic groupings with a view to promoting a well co-ordinated and integrated approach to international economic relations based on equity and justice, mutuality of interest and benefits, and (3) for the restoration of the primacy of the United Nations role in the restructuring of international economic



relations on the basis of justice and equity as well as the strengthening, restructuring, revitalisation and democratisation of the United Nations.<sup>33</sup>

Furthermore, the NAM Summit held in South Africa in 1998 called on the developed nations to increase the North-South dialogue for a new partnership, to act in concert with developing nations, the international monetary fund and the world bank to review the international financial system. This is to ensure that short-term capital flows are supportive of expanding trade, employment and development. The summit also called for a regulatory framework for the financial and exchange markets and transparency of capital flows of the private sector to mitigate the adverse effects of future financial crisis. The summit as well, called for an international conference preferably to work towards an agreement for complete elimination of nuclear weapons within a specific time frame.<sup>34</sup>

At the G15 summit in November 1998, Dr. Mahathir cautioned that if fair rules for the market place were not drawn up, then the fight for independence will begin all over again, for the present market rules will surely result in a new imperialism, more noxious and debilitating than the old.<sup>35</sup>

### 3.8 The Politics of Diplomacy

To Ike Nwachukwu, Nigerian external affairs minister (1988-1992), the politics of diplomacy involves the work of managing the relationship between countries.<sup>36</sup> It has always been one of the fundamental interests of human societies to seek to enhance the material well-being of their people. Hence, the imperative of all foreign policy pursuits is the satisfaction of national interests, a vital component of which is the promotion of economic and material development.<sup>37</sup> Indeed, the origin of diplomacy is traceable to very ancient times: for example, to the period of the ancient Greeks who formed maritime alliances covering 200 cities and islands for the purpose of facilitating trade and commerce. According to P.N.Chikwendu, "Athens was said to have wielded considerable influence at this period (478BC) because of her seasonal economic diplomacy and her aggressive commercial practices."<sup>38</sup>

In African history, it is recorded that empires, kingdoms and city states in their interaction among themselves and with the outside world, accorded due place to economic and commercial relations through a complex network of diplomatic contacts. The kingdom of Benin and Manicongo established correspondence with the Kings of Portugal and even exchanged envoys to promote trade and other aspects of relations. A much easier relationship based essentially on commerce flourished

between the Sudanic states of Africa, the Maghreb and the Mediterranean world.<sup>39</sup>

In the medieval era, when diplomacy began to take its modern form, the objectives of states continued to be the protection and advancement of trade. During the mercantilist period (1550-1750) the emerging nation states of Europe embarked upon policies designed to promote economic development.<sup>40</sup> Although mercantilism took several forms, it was basically the belief that the possession of national power hinged upon the creation of national wealth. The essence of diplomacy at this time was therefore, the extension of mercantilist principles. Trade linked closely with diplomacy created wealth, security and leisure for the commercial and aristocratic class who championed the renaissance in Europe as well as the age of discovery.

Europe's ventures into Africa, Asia, the Far East and the New World received official patronage from the home government and were geared essentially towards the opening up of new markets and raw materials. In the nineteenth century, the pursuit of economic interests by the European powers resulted in the ultimate use of "gunboat diplomacy" which paved the way for the conquest and colonisation of Africa and other parts of the developing world. Indeed, the partitioning of Africa, formalised at the Berlin Conference of 1884-1885, epitomised the shift of

European diplomacy from power politics on the European continent to the search for raw materials and markets overseas.<sup>41</sup>

At the dawn of the twentieth century, a time when the nation-state emerged as the dominant actor in the international system, the emphasis on economic objectives in external relations was no less significant. More than ever before, the search for the maintenance of power became increasingly understood in terms of economic well-being. It became the driving force behind state policies and activities in the global setting. In the course of time, the use of economic pressure such as sanctions, withdrawal of aids, grants and other forms of technical assistance became popular. The point here underscored is that, in a historic sense, economic diplomacy had always been a major instrument for the pursuit of national interests in the international system. It is against this backdrop that the current preoccupation with economic diplomacy in most developing countries is aptly described as "A Return to Classical Diplomacy."<sup>42</sup>

It should be pointed out that the Bretten Woods System-international economic decisions did not take into consideration the interests of most of the developing countries, especially in Africa who at that time, were yet to be independent actors in the international system.

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This call failed to produce positive results for most developing nations due mainly to the lukewarm response of the industrialised countries. Yet, this was a time when the economies of most developed countries reached outstanding heights arising from vast opportunities created by technological advances.

Consequently, poverty was rife and More  
People across the world suffered Inadequate  
access to resources such as education,  
basic health services ,infrastructure  
and opportunities for a better life.<sup>43</sup>

Indeed, the World Development Report in 1991 graphically put that, "One fifth of the world's population live on less than one dollar a day-a standard of living that western Europe and the United States attained two hundred years ago".<sup>44</sup> By the late 1970's, the African economic situation had reached crisis proportions. At the United Nations, Africa's economic predicament had been officially designated as

"critical". The Economic Commission for Africa reported in 1983 that by the year 2000:

poverty would reach unimaginable dimensions. The condition in urban centres would also worsen with more congested roads, more beggars and more delinquents. The level of unemployed searching desperately for survival would amply increase crime rates and misery. The very consequences of extreme poverty would be social tension and unrest. As a result, the very notion of national sovereignty would be at stake.<sup>45</sup>

Mostly, 1960s was characterised by growing awareness among the developing countries for asserting their desire for independence in the economic, political and military spheres. It was also combined with some initiatives and concrete action programmes. The beginning of the Non-Aligned Movement and the establishment of UNCTAD are perhaps, clear manifestations of these initiatives. As a result, more attention was given to other important matters. For the developing countries, this meant that questions of economic development began to receive greater attention and they became increasingly aware that the institution of the international economic system has not been in their favour. The non-aligned movement offered the framework for recognition to grow and, within a few years, the "development question" became "high politics": it was elevated to the level of head of states or governments and were made a priority item on their agenda. Hence, almost exactly one decade after the first session of UNCTAD, and years of debates about improvements in the international

changes that the Group of 77 proposed in order to achieve this objective was spelt out in detail in the Arusha programme for collective self reliance and framework for negotiations, adopted by the 4<sup>TH</sup> Ministerial meeting of the G77 in Arusha, Tanzania in February, 1979.<sup>46</sup>

### 3.9 South's Instrument of Diplomacy

#### (a) **The Group System in the United Nations**

This is one of the instruments of diplomacy adopted by the third World Nations. The principal purpose of the system is to obtain an equitable geographical distribution of seats in non-plenary organs of the United Nations system, and hence, to ensure the proper representation of all members in order to strengthen the legitimacy of the institution as a whole.<sup>47</sup> The main function of the regional groups was administrative in nature, mainly to decide on the candidates for the seats reserved for them. This function was in fact the basis for the formal recognition of the regional groups through the "Rules of Procedure of the General Assembly". During the 12<sup>th</sup> Regular Session of the United Nations General assembly in 1957, there was a considerable increase in membership and taking into account the principle that the General Committee should be constituted as to ensure its representative character on the basis of a balanced geographical distribution among its members, the members were therefore, constituted into regional groupings.<sup>48</sup>

Membership representation in the General Assembly for instance, rotates among the regional groups. This arrangement gives the small Eastern European group 11 members greater representation than, for example, the large African states group 50 members. On the other hand, if as it was customary in the 1950s the president were to be determined by voting, candidates from the Eastern European group or, for that matter, the western European group would stand little chance of being elected today.<sup>49</sup>

#### **(b) Interest Group System**

The United Nations Conference on Trade and Development UNCTAD'S group system was one of the most important factors in the consolidation of the group of 77 as an effective interest group because it introduced certain institutional pressures for co-operation. From an organisational viewpoint, the origin of the G 77 can be found in this group system. Although primarily administrative in origin, the four UNCTAD groups soon acquired a political character as well. This was facilitated by the fact that the geographical lines that guided the establishment of the groups had already been adjusted to a certain extent to existing or emerging group identification and most importantly, to the configuration of interest vis-à-vis the development issue. Hence, only a few adjustments were needed for the groups to coalesce into distinct and cohesive interest groups. The most important of them was, of course, the



merger for inter-group negotiation purposes, of groups A and C and the emergence of the Group of 77.<sup>50</sup> (See Appendix Two).

### **(c) Consensus Formation Procedure**

Majority votes seldom resolve controversial issues among sovereign states. Therefore, the rules of procedure for the first three ministerial meetings in relation to UNCTAD specified that all decisions of the meeting shall be taken by consensus. Since votes are therefore not taken at any level, the task becomes one of achieving consensus and recognising it when it has been reached. The consensus formation process is one characterised by negotiations. In Geneva, it begins in the regional groups. They normally convene before meetings of the Group of 77 as a whole, to define their positions. The first round of negotiations takes place therefore among the countries of a region, most of which have specific interests that are often more or less at variance with one another. The main operating principle during this negotiation is *quid pro quo*.<sup>51</sup>

### **(d) Ministerial Conferences**

Since the second half of 1977, co-ordination at the ministerial level has been added to the existing organisational structures of the Non-Aligned Movement and the Group of 77. This has made the grouping's

activities more political in nature. It was began by the ministers of foreign affairs of the Group of 77 in 1977. The meetings gave rise to several developments. Most important among them were the efforts of the co-ordinating country (Pakistan) to ensure a greater institutionalisation of the movement, since it was not a member of the Non-Aligned Movement. Through these efforts, from 1977, the meeting of the ministers of foreign affairs became a regular institution of the group. They are held at the end of the co-ordinator's term and at the beginning of the General Assembly.<sup>52</sup>

### 3.10 The Call For Reform

The Non-Aligned movement and the Group of 77 as well as some international personalities have been calling for serious attention to the need for reform of international institutions and interactions. The New Delhi summit of NAM held in 1983 reiterated the need for reform and participation of all in matters of common interest. Since then many national, international, regional and inter-regional as well as international leaders have been calling for one reform or the other in international relations.<sup>53</sup>

### 3.11 Self-Reliance

This is one of the highest instruments of South-South Cooperation. A formal turning point at which economic issues became the main thrust of the NAM occurred in 1970 at the third summit with the approval of the Lusaka Declaration on Non-Alignment and Economic Progress.<sup>54</sup> The G15 had ever since its summit in Kuala Lumpur in 1990, called for a constructive and continuing dialogue with the industrialised countries.<sup>55</sup> They have also sought for a representation in the G7. Furthermore, they used to send memoranda to the meetings they were not permitted to attend and issued communiqués after their summits demanding for important reforms. Dr. Mahathir's constant call for a transparent international monetary system won support. In Cairo, in 1999, the G15 joined Mahathir to call for greater transparency in the international currency market arguing that it needs to be regulated.<sup>56</sup>

### 3.12 The Challenges Faced by the South

The South covers the larger part of the Earth's surface. Its people are the vast majority of the world's inhabitants. But they have a very small proportion of the world's income than the people of the North. Hundreds of millions of the people living in the South suffer from hunger, malnutrition, and preventable diseases, and are illiterate or lack education and modern skills. The challenge of the South is to use its own resources

more effectively to accelerate its development, giving priority to meeting the basic needs of its people and free them from poverty, disease, ignorance and fear. Furthermore, the challenge for the South is to enlarge its capacity to benefit from advances in science and technology in securing a better life for its people. The challenge is to organise itself effectively and to seek strength through wide-ranging joint undertakings of South-South Cooperation which benefit from complementary resources and increase collective self-reliance. The challenge of the South is to use its unity and solidarity in efforts to make the world a more just and secure home for all its people, through a restructuring of global relationships that responds to the growing interdependence of the world's nations and people: members of one family living in one world. The challenge of the South is how to overcome the scourge of hunger which has dramatically increased, and to eradicate illiteracy which continues to be one of the greatest obstacles to the efforts to improve the living conditions of its peoples.

### 3.13 The Way Forward

In his report presented to the 26<sup>th</sup> Ordinary Session of the Assembly of African Heads of State and Government in Addis Ababa on 9th July 1990, Salim A. Salim outlined a political and economic agenda for the South. It covered the necessity to resolve the various conflicts

and wars in the South, the need to find solutions to the seemingly endless problem of refugees in Africa and the vital question of how to involve African people in the development of the continent through the observance and protection of human rights. With regard to Intercontinental Economic Agenda, the Secretary General focused attention on the absolute necessity for Developing Countries, individually and collectively to exert efforts to re-structure their national economies and to concentrate on five major sectors:

- (1) Food and Agriculture. In the light of the continuing deterioration of the food situation in the South, there is urgent necessity to increase the quantity and improve the quality of food production in order to reduce and eliminate food insecurity and chronic famine.
- (2) Industry. The significance and urgency of the industrial sector is that it facilitates the process of economic transformation and diversification, and reduces dependence on exports of raw materials and imports of manufactured goods. This issue must be addressed within the framework of structural reforms for the South's economic recovery and sustained development.
- (3) Science and Technology. This is a key sector that will spearhead economic development in all other sectors and should therefore, be given the necessary emphasis on the national efforts of economic

reform. Since science and technology are the handmaiden of all-round development, the South can only ignore this sector at its peril.

(4) Human Resources Development and Utilisation. It is the most important resource which manipulates and develops other dormant resources for the creation of wealth. It can not be ignored both in the broader and specific contexts.

(5) The South must take stock of its past and present policies and chart a new path towards a destiny predicated upon collective wisdom and collective strength.

(6) The South should lay a solid foundation for self reliance, human-centred and sustainable development in order to achieve accelerated structural transformation of domestic economies. Furthermore, in order to facilitate this process of socio- economic transformation and integration, it becomes necessary to promote popular participation in the process of government and development as well as create a political environment that will guarantee human rights and the observance of the rule of law.

(7) The South should look forward to a constructive and continuing dialogue with the industrialised nations because it is imperative for the management of global interdependence in the most effective manner. The South should reaffirm their resolve to strengthen multilateral co-operation and to work together to find new ways of

dealing with problems in a co-operative, constructive and mutually supportive manner. The South should try to pursue opportunity for greater interrelationships among South countries so as to provide a stronger basis for collective self-reliance. The South should try to actualise the establishment of a South investment, trade and technology data exchange centre to promote and disseminate information on investment and trade opportunities and on technology, and the transfer of technology among developing countries. The South should also set up an expert group to work out and finalise the details of the implementation of this project, taking into account, the existing arrangements among developing countries. The South should try to actualise the establishment of the business and investment forum to bring together businessmen and investors as well as government officials, to exchange ideas and information on the promotion of and cooperation in South-South trade fairs and the promotion of trade and investment opportunities in developing countries. The South should continue to press for the maintenance of an open multilateral trading system crucial for the expansion of world trade and development of all countries.

### 3.14 Conclusion

The basic objective of the leaders of the Third world Nations is to negotiate a new deal with the developed nations through the instrument of collective bargaining. The essence of this lies in their obtaining greater equality of opportunity and in securing the right to sit as equals around the bargaining tables of the world. However, it should be noted that the task of developing the Third world societies is essentially their own responsibility. They must carry out themselves, the internal institutional reforms which are necessary for this purpose. The leaders of developing nations should not rely on the international community to achieve progress on the domestic front. Nor do they expect the outside world to assume the third world burdens. This implies that it is up to the leaders of the developing nations to try to develop their respective nations instead of expecting development from outside which may not be forth-coming.

Reforms in the international order will be meaningless and often impossible to attain without corresponding reforms in the national orders. At the same time, the call for reform in the present international institutional structures needs consideration since they systematically discriminate against the developing nations and deny them the basic equality of opportunity to which they are entitled. This is to ensure equity in the global socio- economic and political interaction.



It should be noted that in spite of the efforts already initiated so far in the direction of achieving a reasonable degree of self-reliance and bridging the gap between the rich north and the poor south, little or nothing has been achieved, due to the fact that todate, most of the developing countries are still struck by poverty, hunger, mal-nutrition and the diseases associated with it, unemployment, weak economic fundamentals, low agricultural productivity, low life expectancy, infant mortality, limited transfer of technology and unfavourable economic relationships with the North. Worst of all, the South's maladies are compounded by: (a) leadership problems occasioned by mere political adventurism, (b) tribal parochialism, (c) religious fanaticism (d) economic opportunism (e) mal-administration, (f) corrupt enrichment of government officials, (g) appointment of government officials based on mediocrity as against meritocracy that result in ineffectiveness and inefficiency, (h) rape of democracy and the erosion of human rights, and (i) running of closed, rather than open or transparent administrations. All of these are clear recipes for internal disorder and external weakness. Therefore, despite the external forces militating against the realisation of the goals of the South, its most teething problems are internally generated.

## ENDNOTES

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