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Foreign Aid in Asia: Traditional and «New» Donors in a Changing Development Landscape

Edited by
Lorella Tosone
Angela Villani
Nicola Mocci

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FOREWORD

TRADITIONAL AND «NEW» DONORS IN ASIA: AN INTRODUCTION*

I. Since the mid-1990s, international development cooperation, including multilateral cooperation, has undergone profound changes. The number of actors (including non-state actors) engaged in development activities has increased; intervention methods and tools have transformed and multiplied (for example, foreign direct investment and remittances of migrant workers have assumed particular importance). In addition, the contribution of the private sector has been increasingly highlighted as an indispensable resource and is ever more present in defining new strategies. Moreover, some areas of action have turned out to have higher priority (environment, fight against poverty, support for good governance and internal security) than others, while the strong economic growth of some countries has changed the map of poverty in the world, highlighting how today the majority of the poor, about 75%, is concentrated in middle-income countries.¹ One of the most significant transformations in the development landscape has been the emergence of a new activism on the part of a group of countries that in relatively recent years have experienced strong economic growth.² Classified by the World Bank among the low-income countries until the beginning of the 2000s, they have since then gradually increased foreign aid flows and acquired a certain relevance in the field, so as to become known as «new donors» or «emerging donors» within the international aid community.³ These countries are also defined as «non-DAC donors», as they

*Paragraph I was written by Lorella Tosone; paragraph II by Angela Villani.

¹ Bruce Jenks & Bruce Jones, *United Nations Development at a Crossroads*, New York University: Center on International Cooperation, August 2013, pp. 5-6. See also Emma Mawdsley, *From recipients to donors. Emerging powers and the changing development landscape*, London-New York: Zed Books, 2012, pp. 33-35; Andy Sumner, 'Where Do the Poor Live?', *World Development*, vol. 40, Issue 5, 2012, pp. 865-877.

² Since the beginning of the 2000s, middle-income countries have been the major sources of growth of the international economy. See Bruce Jenks & Bruce Jones, *United Nations Development at a Crossroads*, p. 3.

³ Not all of these countries can be defined «new donors» or «emerging donors» as many of them have a more or less long tradition of development cooperation. For an in-depth study on the use of these definitions see Emma Mawdsley, *From recipients to donors*, pp. 4-7.

are not members of the Development Assistance Committee (DAC), the body established within the framework of the Organization for Economic Cooperation and Development (OECD) at the beginning of the 1960s and that now counts thirty members. DAC was established under pressure from the United States, who wanted to push the European allies to greater involvement in the Western foreign aid effort aimed at the new independent countries. Washington viewed these countries as a new front in the Cold War, in a phase characterized by the acceleration of the decolonization process and by a growing bipolar confrontation on models of development.

Over the years, DAC has become a forum for coordinating aid policies of the major donors, based on some choices that inevitably reflected the Western view (in the first period, in particular, the US view) of the economic relations between the North and the South (emphasis on the transfer of capital and technical assistance, little attention to the role of international trade as a tool for development). Moreover, it represented an attempt to «depoliticise» these relationships through the elaboration of principles and good practices of economic assistance.

DAC has indeed favoured, over time, the consolidation of a certain level of consensus among Western countries on certain rules and principles of international cooperation policies. It has developed a very strict definition of Official Development Assistance (ODA),¹ publishing statistics and studies on the policies of each member country and, more recently, working to improve the effectiveness of aid. From the outset, however, it was perceived by the Third World as a «club of the rich countries», whose rules the recipients were somehow forced to suffer.

Attempts to oppose such a vision of North-South relations were not lacking, already in the 1960s especially within the United Nations Conference on Trade and Development and, in the following decade, through the set of proposals for the establishment of a New International Economic Order (NIEO). They, while not failing to recognize the usefulness of foreign aid, aimed at seeking fairer rules of international trade and a redistribution of wealth at an international level,

¹ The DAC defines ODA as «the resource flows to countries and territories on the DAC List of ODA Recipients and to multilateral development institutions that are: i) Provided by official agencies, including state and local governments, or by their executive agencies; and ii) Concessional (i.e. grants and soft loans) and administered with the promotion of the economic development and welfare of developing countries as the main objective.» Official flows between governments that do not meet the above criteria are defined as «other official flows» (OOF) in DAC statistics and are not formally recognized as foreign aid flows. OECD, 'Official Development Assistance. Definition and coverage' (www.oecd.org/dac/stats/officialdevelopmentassistancedefinitionandcoverage.htm).

already imagining different forms of South-South cooperation (SSC) for this purpose.

The «new donors» are now a rather heterogeneous group of countries that includes the BRICS, certain Arab countries (led by Saudi Arabia and the United Arab Emirates), Asian and Latin American countries. They base their policies on the principles of SSC and generally continue to receive aid from the international community in various forms and at various levels.²

Although it is difficult to assess their aid flows, due to a lack of complete and comparable data,³ the most recent *OECD Development Co-operation report* estimates that in 2015 flows from the totality of the non-DAC countries amounted to nearly US\$ 25 billion, approximately 15.8% of total ODA flows.⁴ It is worth noting that these countries still have significant levels of absolute poverty within them,⁵ and thus, it is important to try to understand the political and economic reasons that motivate them to devote substantial sums to foreign aid. However, beyond increasing sums invested in aid, their action «is having a transformative impact on the purposes and character of development cooperation»,⁶ also because they claim, especially the major

² OECD, *Development Co-operation Report 2017: Data for Development*, Paris: OECD Publishing, 2017, p. 285. See also Willem Luijckx & Julia Benn, *Emerging providers' international co-operation for development*, OECD Development Co-operation Working Papers, April 2017.

³ While not being members of the DAC, some of these countries, about 20, provide the Committee with more or less detailed information on their bilateral aid policies (among them Saudi Arabia, which allocated US\$ 6.8 billion in ODA in 2015, United Arab Emirates, US\$ 4.4 billion, Turkey, US\$ 3.9 billion, and the Russian Federation, US\$ 1.2 billion), while others, about ten, do not report such data to the OECD, but make official statistics available regarding their programs. In the case of the latter, the OECD relies on estimates, drawn up on the basis of the data collected from various sources. According to these estimates, from 2011 to 2015 China provided approximately US\$ 15.4 billion in ODA, India 6.2 billion, Qatar 2.2 billion and Brazil and South Africa approximately one billion each. For further details see OECD, *Development Co-operation Report 2017*, pp. 286-298 and pp. 299-306.

⁴ In absolute terms, this figure grew for the years 2011-2014, the period during which total contributions of non-DAC countries increased from US\$ 14.1 to 31.7 billion, and then underwent a decrease in 2015. *Ibid.*, p. 156.

⁵ Although these data are in constant decline, in 2011 21.9% of the Indian population lived below the national poverty line; in China 12.7%, in Brazil 11%. World Bank, Global Poverty Working Group (<https://data.worldbank.org/indicator/SI.POV.NAHC?locations=IN>).

⁶ Bruce Jenks & Bruce Jones, *United Nations Development at a Crossroads*, p. 4. The need for transparent, reliable data is demonstrated by the fact that different estimates, referring to previous periods, puts the ODA of these countries between US\$ 11 and 42 billion, i.e. between 8% and 31% of total flows. See Julie Walz &

ones, that their cooperation policy has a singular aspect compared to that of the so-called «traditional» donors. Activism in this field poses several problems and challenges to the members of DAC and the system of rules, mostly unwritten, that they have defined in recent decades. In particular, there is the problem of harmonisation and coordination of the policies of new donors with the concerted rules within DAC. The question of accessibility and transparency of data (a theme on which the 2017 *OECD Development Co-operation report* focuses precisely) also arises. The subject of how to ensure the effectiveness of the aid, the problem of what goals and sectors of intervention the international community should give priority to, and what the role of the state in the processes of development should be have likewise emerged.

Literature on the role of non-DAC donors, of an economic and political nature most of all, is rather wide and evaluates the various innovations introduced by the new actors in a heterogeneous manner, going from strong scepticism to cautious optimism. In general, all authors highlight the effect that the action of emerging donors is having on the governance of international policies for development and how it may impact on the economies of the receiving countries. They dwell on the fact that aid granted without conditions may encumber the foreign debt of certain countries which are already heavily exposed with the international community, and support dictatorial regimes, which ignore respect for human rights. Some studies highlight the fact that new donors' policies tolerate or encourage non-respect of environmental standards, which international donors have so much insisted on in recent years.⁷ The most critical among them have detected a neo-colonial approach that can be found in the emerging donors' aid efforts, believing that their aim is directed mainly to the

Vijaya Ramachandran, *Brave New World. A Literature Review of Emerging Donors and the Changing Nature of Foreign Assistance*, Center for Global Development Working Paper 273, November 2011, p. 3.

⁷ See, for example, Isaline Bergamaschi, Phoebe Moore & Arlene B. Tickner (eds.), *South-South Cooperation Beyond the Myths: Rising Donors, New Aid Practices?*, London: Palgrave-Macmillan, 2017; Iain Watson, *Foreign Aid and Emerging Powers: Asian Perspectives on Official Development Assistance*, New York: Routledge, 2014; Sachin Chaturvedi, Thomas Fues & Elizabeth Sidiropoulos (eds.), *Development Cooperation and Emerging Powers: New Partners or Old Patterns?*, London: Zed Books, 2012; S. Paulo & H. Reisen, 'Eastern donors and western soft law: towards a DAC donor peer review of China and India?', *Development Policy Review*, vol. 28, Issue 5, 2010, pp. 535-552; Ngaire Sven Grimm, John Humphrey, Erik Lundsgaarde & Sarah-Lea John de Sousa, *European development cooperation to 2020: challenges by new actors in international development*, EDC Working Paper no. 4, May 2009; Ngaire Woods, 'Whose aid? Whose influence? China, emerging donors and the silent revolution in development assistance', *International Affairs*, Vol. 84, Issue 6, 2008, pp. 1205-1221.

acquisition of raw materials at low cost – necessary for the development of their growing economies – and the acquisition of new markets for their exports.⁸ Others have, instead, seen these changes with less scepticism, emphasizing the positive effects that the emergence of a greater power of choice between different sources of financing and development models can have on receiving countries.⁹

Traditional donors and international institutions have reacted to the non-DAC countries' new assertiveness in international aid in different ways. In general, however, it has been with a certain deliberateness and with an approach that seems to tend more to «integrate» the policies of the latter in the current system rather than to transform it through real dialogue, and that up to now seems to have convinced their interlocutors little. The International Monetary Fund (IMF) and the World Bank (WB) have taken conscience, with extreme delay, of the need for changes in their governance in the light of the increasing role of those countries that since the mid-2000s have represented the greatest source of growth of global GDP.¹⁰ Impelled on the one hand by a gap of legitimacy and credibility (especially in the light of the failures recorded by the IMF on the occasion of the Asian crisis of 1997-98),¹¹ and on the other by the effect of an increasingly manifest competition represented by the presence of important new sources of financing, the international financial institutions (IFIs) have tried to walk the path of reform. This has been carried out slowly, and without modifying the role played within them by the major emerging countries in any substantial way.¹²

⁸ See, for example, Moises Naim, 'Rogue aid. What's wrong with the foreign aid programs of China, Venezuela and Saudi Arabia? They are enormously generous. And they are toxic', *Foreign Policy*, 15 October 2009.

⁹ Gregory Chin & B. Michael Frolic, *Emerging donors in development assistance: The China case*, International Development Research Centre, 2007; Soyeun Kim & Simon Lightfoot, 'Does 'DAC Ability' Really Matter? The emergence of non DAC Donors: Introduction to Policy Arena', *Journal of International Development*, Vol. 23, Issue 5, 2011, pp. 711-721; Richard Manning, 'Will «emerging donors» change the face of international cooperation?', *Development Policy Review*, Vol. 24, Issue 4, 2006, pp. 371-85; Felix Zimmermann & Kimberly Smith, 'More actors, more money, more ideas for international development co-operation', *Journal of International Development*, Vol. 23, Issue 5, 2011, pp. 722-738.

¹⁰ Bruce Jenks & Bruce Jones, *United Nations Development at a Crossroads*, p. 3.

¹¹ Emma Mawdsley, *From recipients to donors*, pp. 183-184.

¹² Ngaire Woods, 'Global governance after the financial crisis: a new multilateralism or the last gasp of the Great Powers?', *Global Policy*, Vol. 1, Issue 1, 2010, pp. 51-63.

Similarly, DAC donors have only recognized the need for dialogue with the emerging actors in recent years, above all to preserve an important role for the Committee in the international aid architecture.¹³

In 2005, DAC launched an «Outreach Strategy» which, in the framework of an institutional reform then underway in the OECD, laid the basis for dialogue with the emerging donors in an attempt to transform the «club of rich countries» into a «broader multilateral development forum».¹⁴ The instruments provided to implement the strategy included the sharing of statistics on aid flows and the participation of non-DAC countries as observers in the meetings of the Committee and in the process of peer review of member states' cooperation policies. The DAC outreach strategy was reviewed in 2008 and focused on Brazil, India, China and South Africa, major emerging donors and countries which DAC members believed they could engage with in a closer cooperation process. In the same year, the so-called «Strategic Reflection Exercise» was also initiated, aimed at assessing ways to strengthen the role of DAC in a changing aid architecture. From this initiative, the need to cooperate and coordinate with emerging donors was highlighted.

Attention to non-DAC countries emerged, in parallel, again within the framework of the work on aid effectiveness, initiated by DAC in 2003. Triggered by the awareness of Member States of the need to tackle the main critical aspects of the system of international aid, it aimed at greater effectiveness of cooperation policies. The new actors were involved more fully in this process in 2008, during the High-Level Forum in Accra (HLF-3), whose final document explicitly recognized the importance of their action.¹⁵ Dialogue on aid effectiveness culminated with the creation of the so-called «Global partnership for effective development cooperation», which emerged from the Fourth High-Level Forum on Aid Effectiveness (HLF-4), held in Busan, 2011. The final document adopted on this occasion represents an important change in terms of approach of cooperation policies, since it replaces the concept of «development effectiveness» with that of «aid effectiveness». This amendment was proposed by the new donors to give greater prominence to the mechanisms and spirit of SSC, in which the aid relationship is defined in horizontal and partnership terms. In addition, the implementation of this new agenda was entrusted to the joint action of OECD and the United Nations (UN).

Thus far, however, various attempts of the «traditional» donors' community to engage the «emerging» donors does not seem to have produced very encouraging results. Indeed, China, Brazil, India and

¹³ Anna Katharina Stahl, *EU-China-Africa Trilateral Relations in a Multipolar World. Hic Sunt Dracones*, London: Palgrave Macmillan, 2018, p. 79.

¹⁴ *Ibid.*, p. 75.

¹⁵ *Ibid.*, pp. 77-79.

South Africa signed the Paris Declaration of 2005 as recipients and not as donors, participated with great scepticism at the meeting in Busan, by signing the final document with reserve, and did not take part to the two high-level meetings of the Global Partnership, held, respectively, in Mexico City in 2014 and in Nairobi in 2016. Their absence, in addition to implicitly putting the «global» nature of a partnership from which significant actors are excluded into discussion, highlighted the distances between the two groups of countries. This was coupled with the suspicions of the emerging donors regarding a process that they continue to consider as a further attempt to project the values, principles and practices that have hitherto governed DAC countries' development cooperation.¹⁶

II. The essays in this special issue aim to illustrate the origins, the motives and the objectives of foreign aid policies implemented by the major «emerging donors» in Asia (China and India) in the last twenty years.

In particular, the analysis tries to assess which role the emerging donors assign to their foreign aid policies in the pursuit of foreign policy goals. They attempt to explain how and why the rules, practices and objectives of international development cooperation have constantly been challenged, and to illustrate how their choices are changing the international aid landscape in Asia.

Secondly, the contributions compare the policies of the «new donors» with those of the major traditional donors in the area (EU and Japan), and show their responses to the emergence of such novelties, trying to bring to light if and how their policies and their interventions have adapted to these challenges.

As mentioned above, literature on the action of new donors is very broad but deals mainly with the analysis of current policies and possible future developments, focusing mostly on the bilateral relations of each donor. The originality of the contributions presented here lies in the attempt at tracing the roots of current political choices in the history of each actor involved. The emphasis is on the strong historical continuity of the objectives and inspiring principles of their aid policies since the 1960s whilst analysing them in their multilateral dimension.

¹⁶ On the point of view of the new donors, in particular in China, on Global Partnership see Xiaoyun Li, *Should China join the GPEDC? The prospects for China and the Global Partnership for Effective Development Co-operation*, Discussion Paper n. 17, Deutsches Institut für Entwicklungspolitik, 2017.

Finally, the new role acquired by the «emerging donors» can be interpreted as an aspect of the full realization of the principles and goals of SSC and therefore be placed in a broader context. Starting from this interpretation, the first essay traces the origins and evolution of the inspiring principles of cooperation among developing countries, illustrating key moments of implementation and highlighting elements of continuity with respect to current Southern donors' aid policies. These are seen as a counterbalancing moment, and as a challenge to traditional international cooperation.

This reading can contribute to provide a more articulated picture of the significance of the current transformations of international aid architecture and the scope of the novelties that accompany them. It highlights how they are not a new datum in the panorama of recent years but rather the result of a journey that started in Bandung, passing through the proposals on the NIEO of the 1970s, to reach us unchanged regarding certain guiding principles. Moreover, the peculiar approach to international aid policies of some emerging countries reflects their wider challenge to the international liberal order that emerged from the Second World War.

Although this is particularly evident in the case of China, likewise for other emerging countries is a more assertive cooperation policy accompanied by repeated requests for reform of the membership and functioning of the major international organizations. The requests concern, above all, the UN Security Council and the IFIs, whose governance they no longer deem adequate to reflect the real balance of international political and economic power.

According to this perspective, Angela Villani's essay aims at reconstructing the long journey that has led to the emergence of the principles of SSC, tracing the origins back to the conference of Bandung. It then goes on to examine the support that the UN have offered to projects of horizontal cooperation, from the first attempts at the implementation of the NIEO proposals (in which cooperation between developing countries was one of the central points), to the Buenos Aires Conference of 1978 up to the years of the post-Cold War era. At the time, horizontal cooperation was relaunched to acquire ever greater force, pushed by the amazing economic growth of some countries of the Global South and by their search for a greater role on the international scene. The essay provides an extremely useful framework of reference inside of which it is possible to place the action of countries that today appear to be the most active in development cooperation, particularly India and China. The strong continuity of the principles that inspired SSC emerges very clearly, as well as the peculiarity of this approach compared to that of Western countries. Firstly, non-DAC countries have always claimed the eminently political character of horizontal cooperation, founded on the principles of Third

World solidarity, more than on an economic basis. Secondly, they refuse to apply any form of political conditionality to their aid programs, insisting on the respect of national sovereignty of the «partner country». Lastly, there is a significant distance on the idea of what content the cooperation should have, with a strong emphasis being placed by donors from the South on infrastructural projects, technical assistance and human resources improvement. Thus, the difficulty of reconciling this approach with that developed by DAC countries is better understood; the latter, in fact, over time, has been built and presented as a neutral, «apolitical» approach to the problems of development. In the same way, it highlights that the request to insert different principles and a plurality of ideas into international aid policies and, more generally, into the organization of international institutions, has not just emerged in recent years. It represents, on the contrary, a theme that has always been present in the debates of the non-aligned countries and in their international action.

The contributions of Alessandra Testoni on India and Lorella Tosone on China and the UN analyse the policies of the major Asian non-DAC donors. These two countries are particularly significant, and their cooperation has substantially increased in recent years, accompanied by a greater assertiveness in foreign policy.

The essay by Alessandra Testoni reconstructs the evolution of Indian policies from the 1950s to today, from Nehru's socialism to the opening of the country to international markets. This started with Indira Gandhi and continued with Rajiv Gandhi, and describes the complex set of instruments that India uses today in its cooperation. India development policy in fact, went through a major revival in 2003, when the country became a net donor, declaring itself willing to accept, for the future, only aid from selected countries and international organizations. It initiated a more substantial policy in which financial instruments and technical assistance mingle with trade agreements and cultural links to make Indian aid an instrument of soft power in support of the foreign policy of the country in the region.

The essay by Lorella Tosone analyses Chinese cooperation from the particular point of observation of the UN. Leaving Chinese bilateral aid policy in the background, on which much has been written especially regarding Africa, the contribution reconstructs the positions of Beijing in debates at the UN relating to development issues, from the 1970s to today. It reveals the peculiarity of China's engagement in multilateral cooperation and its difficulties in managing the different, sometimes contradictory, images of itself that it has projected to the world. These include a developing country, a fully-fledged part of the Third World, a great country with veto power in the Security Council and a country with surprising growth rates that, however, still receives aid from the international community.

Inspired by the tradition of SSC, the policies of India and China have many elements in common. Both countries have recently become net contributors, receiving in terms of aid less than they give and both have increased their action in the field of development with the beginning of the new millennium and in correspondence with a considerable economic growth. Equally they use forms of aid which include different elements (loans, gifts, trade agreements) and which is not possible to include in the DAC system of statistics on ODA. Seizing the potential for development of Africa and the opportunities offered to them by the countries of that continent, they have destined huge resources to the latter (Testoni notes that «in 2030, one half of humanity will be Chinese, African and Indian, and *Chindiafrigue* [...] and will account for two thirds of the young population between fifteen and twenty-five years of age») and created multilateral forums for dialogue and coordination with the various states of the continent (FOCAC by China and IAFS by India). Finally, both refuse to adhere to DAC and adapt to the coordination of cooperation policies according to the schemes suggested by the Committee. Instead, they, propose new approaches and demand an effective «plurality of voices» in the organization of international aid. Despite these important points of convergence in interpreting and implementing the principles of horizontal cooperation, there are important differences in approach between the two countries. Both China and India project a precise model of development together with aid, which naturally refers to their experience: that of a socialist country, China; that of a great country with a long democratic tradition, India. Furthermore, they refer to two different ways of interpreting the role of the state in the processes of development, with India embracing neo-liberal reforms, and China instead linked to a model in which the state has closely guided the development process of the country. Finally, two other interesting elements emerge from these essays. Testoni gives a glimpse of the competition that is prefiguring between China and India in Africa and, potentially, in any other area of common intervention, an analysis of which will soon result to be of great interest for the study of respective foreign policies. Tosone puts the Chinese approach to multilateral cooperation into a broader framework, referring to the projection of the power of a country that now considers itself a great power, and to its challenge to the liberal international order.

The essays by Nicola Mocci and Guia Migani examine the action of major traditional donors in Asia, Japan and the EU. Both contributions show that traditional donors have been slow to acknowledge the innovations introduced in the cooperation scenario by emerging actors, especially China and India. It explains how they have continued to set their cooperation policies apart from these innovations, by pursuing national interests, as in previous periods.

This lack of understanding of the changes taking place in the area appears as a missed opportunity to stand up, and respond appropriately, to the sort of «aid offensive» implemented by «new donors» (especially from China) and used by the latter as a further instrument of foreign policy in the area.

The work of Nicola Mocci focuses on the specific case of Japanese cooperation in Cambodia. Also in this case, is there a bond of long standing dating back to the 1950s that has strengthened over time, despite the various moments of instability that have characterized Cambodian politics. Mocci proposes an interpretation of Japanese-Cambodian relations which goes beyond the argument of those who see an instrument of soft power aimed at countering Chinese assertiveness in the area, in the Japanese aid policy, or of those who believe it aspires instead to create «comprehensive regional security» in which development is seen as a prerequisite for human development. A long-term analysis of the Japanese action in Cambodia leads Mocci to argue instead that, along with aid flows, Tokyo cooperation has brought, and brings with it, the projection of a neoliberal model of development, functional to the interests of the Japanese economy and foreign policy in the area. According to Mocci, this model has contributed to the economic growth of the country on the one hand, while on the other, has «helped to consolidate an unfair and unequal production system».

The essay by Guia Migani reconstructs EEC/EU relations with ASEAN countries since the 1970s, highlighting how they have also been quite troubled in certain moments. They have been conditioned, on the one hand, by the European approach, which has constantly aimed at strengthening its presence in an economically growing area and, on the other, by the suspicions of the ASEAN countries which have perceived a neo-colonial approach in their development needs in this search for a «partnership with conditions». The EU has, in fact, focused its policies toward ASEAN on the strengthening of trade links and paid a great deal of attention to political conditionality. Mostly motivated by self-interest not to lose important trade links with the countries of the area, the EU has neglected to take into account the discomfort and resistance of its Asian partners with respect to its insistence on human rights, environmental protection and good governance. It perceived the emergence of new development cooperation actors in the area only with a certain delay, not considering the effect of «replacement» that the economic aid and trade opportunities offered by the latter could have on the choices of the recipients. From this perspective, the comparison with Indian and Chinese aid policies is even more impressive, especially with regard to the choice not to affix political conditions to their foreign aid and to the commitment not to interfere in the domestic affairs of the recipients.

All contributions highlight how the confrontation between principles, models of development and cooperation policies is not a recent phenomenon at all, but a long-lasting one. The significant economic growth that some countries have experienced in recent years, however, now makes their different approaches more visible and their ambition to negotiate with traditional donors as equal partners more realistic. They expect a greater say in the definition of the principles, values and objectives that should guide international cooperation for development in the future. Finally, all the authors stress how aid flows are accompanied, in the same area, by the projection of different, perhaps irreconcilable, development models, which represent an aspect of the attempt to exert greater influence in the area by each of the actors described here.

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A HISTORICAL PERSPECTIVE ON SOUTH-SOUTH COOPERATION:
A VIEW FROM THE UN

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The «emerging economies» of the Global South – which include BRICS, some Latino-American, African and South-Eastern countries – have become new international donors or have enhanced their aid policies over the last two decades, shaping a new architecture of international development cooperation. Such change not only refers to the massive increase in the flow of aid and investments, but also to the contribution itself in term of the principles and mind-sets that these countries have adopted. They intend to set themselves quite far from the traditional model shaped by the industrialized countries, generally seen as perpetuating dependence and inequalities. They rather propose an approach based on solidarity, mutual interest and self-reliance, which has been characterizing their view of international development cooperation since the 1960s. Thus, these «new donors» have challenged attempts to coordinate development policies among donor countries that the DAC has been proposing since the early 1990s, preferring the set of principles established by the United Nations (UN).

The UN, despite the priority attention dedicated to North-South confrontation, has indeed given room to the horizontal dimension of cooperation, with the first institutionalization proposed in the 1970s. This paper deals with the origins and evolution of cooperation among developing countries (later South-South cooperation) from the perspective offered by the UN, between the 1970s and the 1990s. It will trace the more relevant phases of the debate, thus highlighting the UN contribution to convey and promote principles and strategies for development in the Global South. Moreover, it will research the elements of continuity or discontinuity between the current debate and that of the origins.

1. Introduction

The «emerging powers» of the Global South have experienced significant economic growth, thus determining a global shift in manu-

facturing, production, trade and financial flows over the last two decades.¹ Moreover, they have become new international donors or have enhanced their aid policies, shaping a newer architecture of international aid than the long-established one prevailing during the Cold War. This fundamental change, which essentially started from the new millennium, has seen those emerging economies - which, according to the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD), include the BRICS, some Latino-American, African and South-Eastern countries - as the main actors.²

They are states that channel the main flows of foreign aid toward other countries of the Global South and often act both as donors and recipients, as the DAC *Development Co-operation Report for 2017* showed.³ Moreover, they challenge the concepts of donors and recipients, seeing themselves rather as equal partners. Priority is given to technical cooperation (sharing of expertise, human resources and goods); financial aid is tied to their trade interests – such as preferential trade or programmes of investments – and not conditioned «by good governance and effectiveness», respecting the sovereignty of partner countries.⁴

Thus, such changes in international development cooperation not only refer to the massive increase in the flow of aid and investments, but also to contribution in term of principles and mind-sets that these countries have adopted. These would seem to be far from the traditional model of industrialized countries, generally seen as perpetuating dependence and inequalities. The «new donors» therefore propose an approach based on solidarity, mutual interest and self-reliance.

¹ Kevin Gray & Barry K. Gills, 'South-South Cooperation and the rise of the Global South', *Third World Quarterly*, Vol. 37, No. 4, 2016, p. 558.

² According to the DAC, these countries belong to the category of the so called «other providers of Development co-operation» and usually they are classified as three groups: the emerging donors, which are «countries that have relatively new, or recently revived, aid programmes», among which the ex Socialist countries, now members of the EU (the Czech Republic, Hungary, Poland, the Slovak Republic, Estonia and Slovenia) and other extra-EU countries (Israel, Russia and Turkey); the providers of South-South co-operation as developing countries, middle income countries and emerging economies (Brazil, China, India and South Africa, but also Colombia, Egypt, Thailand, Chile and Mexico); and the Arab donors (such as Kuwait, Saudi Arabia and the United Arab Emirates). See: Kimberly Smith, Talita Yamashiro Fordelone & Felix Zimmermann, *Beyond the DAC. The welcome role of other providers of development co-operation*, DCD Issues Brief, May 2010, p. 1.

³ OECD, *Development Co-operation Report 2017. Data for Development*, OECD, 2017, pp. 285-208.

⁴ Kimberly Smith, Talita Yamashiro Fordelone & Felix Zimmermann, *Beyond the DAC. The welcome role of other providers of development co-operation*, pp. 6-7.

They also challenge attempts to coordinate development policies among donor countries that the DAC has been proposing since the early 1990s, with the aim of enhancing efficiency and coherence in policies for international development. The «new donors» prefer, rather, the set of principles established by the UN, who they have been urging to strengthen action for South-South Cooperation (SSC).⁵

In the course of its history, despite priority attention dedicated to North-South confrontation,⁶ the UN has indeed given room to the horizontal dimension of cooperation. This was initially defined as cooperation between developing countries and, from 2003 onwards, the UN itself has defined it as SSC.⁷ Interest in this dimension and its first institutionalization by the UN development system started during the 1970s. Afro-Asian and Latin-American countries at the time represented a majority presence within the organization and were thus able to define the policy agenda on North-South debate and launch the project for a New International Economic Order (NIEO).⁸

Starting from these considerations, this work aims to propose a reflection on the origins and the evolution of SSC from the multilateral perspective proposed by the UN, between the 1970s and the 1990s. This paper, based on UN and other public and private archives –, will try to give a historical perspective to an issue which has acquired a growing space in political and economic analysis in the last fifteen years, but which has attracted the attention of historians less. By tracing the more relevant phases of the debate, the article will attempt to highlight the trends which arose within the UN development system, seeking elements of continuity or discontinuity between the current debate and that of the origins. Special focus will be given to the principles that the organization has contributed to convey and promote in shaping strategies for the development of the Global South and the positions that the emerging countries have expressed in that context.

⁵ Branislav Gosovic, 'The resurgence of South-South cooperation', *Third World Quarterly*, Vol. 37, No. 4, 2016, pp. 733-743. On Policy Coherence for Development see Jacques Forster & Olav Stokke (eds.), *Policy coherence in development cooperation*, London: Frank Cass, 1999.

⁶ On UN contribution to development debate see, for example, Richard Jolly, Louis Emmerij, Dharam Ghai & Frédéric Lapeyre, *UN Contributions to Development Thinking and Practice*, Bloomington: Indiana Univ. Press, 2004; and Olav Stokke, *UN and Development. From Aid to Cooperation*, Bloomington: Indiana Univ. Press, 2009.

⁷ See General Assembly Official Records, Fifty-Eighth Session, Supplement (Suppl.) n. 39 (A/58/39), *Report of the High-level Committee on the Review of Technical Cooperation among Developing Countries*, Thirteenth session (27-30 May 2003), New York: United Nations, 2003; and A/RES/58/220, 23 December 2003.

⁸ On NIEO see, for example, the special issue of *Humanity*, Vol. 6, No. 1, 2005.

2. Cooperation among developing countries: the starting points

Although the first projects of cooperation among developing countries started immediately after the end of the Second World War,⁹ the «milestone in the formation of the SSC as a global political movement»¹⁰ was the Afro-Asian Conference of Bandung in 1955. The final Declaration introduced the concepts of self-determination, national and collective self-reliance, solidarity, mutual benefit and respect for national sovereignty. The text referred to economic cooperation, recalling the necessity for a system of financing development regarding key multilateral issues to be formalized both at the UN and at the World Bank (WB). It also asked for the encouragement, *inter alia*, of investment and joint ventures between Afro-Asian countries, to promote common interests. Moreover, the Bandung Declaration attributed great importance to the cultural and technical dimension of cooperation among developing countries, in particular to the exchange of expertise and knowledge, the launch of pilot projects, the birth of research centres, and training at national and regional level.¹¹ The government of People's Republic of China (PRC), the bearer of the so-called «five principles of peaceful coexistence», pointedly invited other delegations not to focus on individual political issues, but rather to stimulate economic and cultural collaboration.¹²

⁹ Reference is made herein to the birth of the Arab League in the context of decolonisation in the Middle East, and to the plan of Colombo, that gathered seven British Commonwealth countries in Asia with the aim of fostering economic development. Ibero-American Programme for the Strengthening of South-South Cooperation, *Chronology and History of South-South Cooperation. An Ibero-American Contribution*, Working Document n. 14, 2014, p. 13.

¹⁰ Kevin Gray & Barry K. Gills, 'South-South Cooperation and the rise of the Global South', p. 557.

¹¹ 'FINAL COMMUNIQUÉ OF THE ASIAN-AFRICAN CONFERENCE Held at Bandung from 18-24 April 1955', *International Journal of Postcolonial Studies*, Vol. 11, Issue 1, 2009, pp. 94-102. Christopher J. Lee, 'AT THE RENDEZVOUS OF DECOLONIZATION. The Final Communiqué of the Asian-African Conference, Bandung, Indonesia, 18-24 April 1955', *International Journal of Postcolonial Studies*, Vol. 11, Issue 1, 2009, pp. 81-93.

¹² The People's Republic of China (PRC), which was intended to be placed firmly on the inside of the Third World, considered that solidarity between these countries was a necessity linked to the «anti-imperialistic» fight against the United States, the principle of peaceful coexistence in Asia and the refusal of the division into blocks. The PRC, however, while opening up a channel of SSC bilaterally with many African countries since the 1960s, remained outside – other than that from the UN until 1971 – also from the circuits of the NAM and later of the G77, to change tone only at the end of the 1970s. Chen Jiang, 'China and the Bandung Conference: Changing Perceptions and Representations', in See Seng Tan & Amitav

These principles boosted the establishment of organized groups among the newly independent countries. Albeit from different stances and interests, but in the perspective of solidarity and mutual interest, they started introducing a horizontal dimension into international relations, and between the 1950s and 1970s they gave room to a new framework of principles. From the «Spirit of Bandung» the Non-Aligned Movement (NAM) first emerged, followed by the fight against both inequalities in the world economic system and dependence on the industrialised North. Regarding the latter, two essential stages should be remembered: the request to convene a conference on international trade, launched by the Afro-Asian block at the X session of the UN General Assembly (GA), and with greater success from the Cairo conference of 1962; and the birth of the Group of 77 (G77) two years later at the United Nations Conference on Trade and Development (UNCTAD). These appointments during the 1960s introduced SSC into the international political agenda through the UN.¹³

The Latin American countries, though absent in Bandung and initially little interested in the proposal of non-alignment – besides convening a major conference on international trade –, joined the Afro-Asia block at the UN in the early 1960s.¹⁴ Until then, the UN economic commission for Latin America (ECLA) had been the centre-place for studying cooperation between Latin-American countries. More broadly, the ECLA - through the Executive Secretary of the Commission, the Argentine Raúl Prebisch, and the group of scholars that guided the Commission in the 1950s and 1960s – had drawn up some of the most interesting studies on that issue, shaped by the structuralist model of development. They indicated the processes of regional integration as complementary phenomena of both development strategies by Import Substitution Industrialization and revision of the world trade system. They therefore suggested the liberalisation of trade at a regional level as one tool for overcoming the limits of national markets in Latin America and including them in the international system.¹⁵

Acharya (eds.), *Bandung Revisited. The Legacy of the 1955 Asian-African Conference for International Order*, Singapore, Singapore: NUS Press, 2008, pp. 133-159.

¹³ Thyge Enevoldsen, Niels Fold & Steen Folke, *South-South trade and development. Manufactures in the New International Division of Labour*, New York: St. Martin's Press, 1993, p. 22.

¹⁴ John Toye, 'Assessing the G77: 50 years after UNCTAD and 40 years after the NIEO', *Third World Quarterly*, 35, 2014, 10, p. 1760. United Nations, *A History of Unctad, 1964-1984*, New York: United Nations, 1985, p. 10.

¹⁵ Edgard Moncayo Jiménez, 'The Contribution of the Regional UN Economic Commissions on Regional Integration Processes: The Case of ECLAC', in Philippe Lombaerde, Francis Baert & Tânia Felício (eds.), *The United Nations and the Regions. Third World Report on Regional Integration*, Heidelberg-London-New York: Springer

All the initiatives of regional cooperation and integration sponsored by the UN between the 1950s and the 1960s had the support of the UN Department for Economic and Social Affairs (UNDESA) of the Secretariat. It had been headed since 1955 by the Frenchman, Philippe de Seynes, who was quite sensitive to the issues of cooperation among developing countries, and a supporter of the processes of regional cooperation, particularly close to Prebisch's view.¹⁶

The conceptualization of cooperation among developing countries that the ECLA elaborated in those years was transferred at a global level through the first UNCTAD in 1964. It was where the partnership between the non-aligned countries was consolidated through the creation of the G77.¹⁷ In addition to being the forum of multilateral North-South negotiations on trade and development, UNCTAD became indeed an occasion to affirm the objectives of regional cooperation and integration among the countries of the South. These objectives were shown in the final act of the first UNCTAD in Geneva on 5 June 1964¹⁸. From then on, economic cooperation among developing countries became part of its political platform, driven by the outcomes of the meetings of both the G77 and NAM, held on a regular basis. UNCTAD focused on the economic dimension of SSC and, in particular, on three aspects: the creation of a global system of trade preferences among Less Developed Countries (LDCs); financial and monetary cooperation policy; and technical support for interregional cooperation programs.¹⁹

Apart from the activities of the UN, the concept of SSC materialised in numerous initiatives outside the organization between the 1960s and the early 1970s. In addition to the experiences of regional

Dordrecht, 2012, pp. 29-31. On ECLA's first phase under Prebisch see G. Rosenthal, 'ECLAC: A Commitment to a Latin American Way toward Development', in Yves Berthelot (ed.), *Unity and Diversity in Development Ideas. Perspectives from the UN Regional Commissions*, Bloomington: Indiana University Press, 2004, pp. 181-194.

¹⁶ On this common vision, see Edgar J. Dosman, *The Life and Times of Raúl Prebisch, 1901-1986*, Montreal and London: McGill-Queen's University Press, 2008, pp. 295, 330 and *passim*.

¹⁷ As Gert Rosenthal wrote, «the ideas promoted by UNCTAD in the 1960s are clearly an outgrowth and an extension of ECLA's seminal ideas of the 1950s». Gert Rosenthal, 'ECLAC: A Commitment to a Latin American Way toward Development', p. 194.

¹⁸ First Session of the United Nations Conference on Trade and Development, Geneva, 15 June 1964, 'Joint Declaration of the Seventy-Seven Developing Countries made at the Conclusion, of the United Nations Conference on Trade and Development (Group of 77)', in Mourad Ahmia (ed.), *The Group of 77 at the United Nations, The Collected Documents of the Group of 77*, vol. II: South-South Cooperation, New York: Oxford University Press, 2008, pp. 6-8.

¹⁹ UNCTAD, *Beyond Conventional Wisdom in Development Policy. An Intellectual History of UNCTAD 1964-2004*, New York and Geneva: United Nations, 2004, pp. 82 ss.

economic integration, such as the Latin-American Andean Community, Caribbean Community and Latin American Free Trade Association, new funds and financial institutions were built to provide resources for cooperation between LDCs with the support of the oil-exporting countries. The latter instituted development funds and launched initiatives to coordinate cooperation policies (such as the Kuwait Fund for Arab Economic Development, established in 1961 or the several institutions for financing development created during the 1970s).²⁰ Moreover, the first banks for regional development, such as the Inter-American Development Bank and the Asian Development Bank,²¹ were born.

Following the main trends of the development debate, the entire UN development system, as well as the institutions outside the organization, considered technical cooperation as an instrument for supporting the process of modernisation. In the early 1970s, this approach was defined at the Third Conference of Ministers of Foreign Affairs of NAM, which launched the *Lusaka Declaration on non-alignment and economic progress*. In that document, the concept of self-reliance became a starting point to claim more equitable relations in the global economic system.²²

With the beginning of the new decade, technical cooperation between LDCs assumed a more autonomous role in the strategy of NAM, and the need to build a more structured framework for the SSC arose. Thus, the emphasis on trade negotiations, prevailing in the approach of both NAM and UNCTAD, stood alongside the emphasis on technical assistance that prevailed within the UN development system. This was also due to a specialization that the organization had shaped in this sector. Consequently, another body, the United Nations Development Program (UNDP), was assigned an important role along this path.

²⁰ The Arab Fund for Economic and Social Development (1971), the Abu Dhabi Fund for Development (1971), the Arab Fund for Technical Assistance to African Countries (1974), the Saudi Fund for Development (1974), the Arab Bank for Development in Africa (1975) and the OPEC Fund for International Development (1976). Since 1975, the Coordination Group of Arab National and Regional Development Institutions was set up, then the regional Arab and Islamic Development Banks and the OPEC Fund for International Development (including other OPEC countries, like Venezuela). The largest donors from this region since the 1970s have been Kuwait, Saudi Arabia and the United Arab Emirates. Ibero-American Programme for the Strengthening of South-South Co-operation, *Chronology and History of South-South Cooperation*, p. 14.

²¹ *Ibid.*

²² *Resolutions of the Third Conference of the Non-Aligned States, Lusaka, September 1970*, Johannesburg: The South African Institute of International Affairs, February 1971.

UNDP had been established in 1965 from the merger of two existing UN funds (the Enlarged Program of Technical Assistance (EPTA) and the Special Fund) and had functions of pre-investment. It started its work with a markedly Western footprint, under the guidance of Paul Hoffman, former Director of the Marshall Plan and Managing Director of the Special Fund. He was joined by David Owen, the British economist who led the institutionalisation of UN aid policies, first as Deputy Secretary-General and then as Executive Chairman of EPTA.²³ UNDP was created as a tool to define an internal leadership within the UN in the field of technical assistance. It aimed at easing relations among developing countries, on the one hand, and the agencies and programs for the development, on the other. Immediately after its establishment, UNDP had started to support regional cooperation programs, collaborating for example with ASEAN since its inception in 1967.²⁴

At the end of the First UN Decade for development, the critical framework traced by the Jackson Report and its proposals for reform led to an emphasis on the centrality of UNDP within the UN development system. The report recommended greater efficiency and effectiveness so as to face the increasing demand coming from developing countries. According to that view, UNDP was to rationalize the procedures for the formulation and implementation of projects and adapt its internal structures to this aim. It was also to create regional bureaux capable of maintaining contacts with the receiving countries, giving greater powers to resident representatives and definitively implementing the country approach in the definition of projects.²⁵

UNDP sought to put these indications into practice. It introduced a medium-term planning approach and insisted on the need for recipient countries to implement the programs through financial contribution and a growing participation of national staff and experts. Moreover, it also asked the developing countries to redirect economic

²³ Craig N. Murphy, *The United Nations Development Programme. A Better Way?*, Cambridge: Cambridge Univ. Press, 2006, pp. 72-75 and *passim*. Olav Stokke, *UN and Development*, pp. 50, 62, 503.

²⁴ UNDP carried out a specific study that lasted two years and involved a higher number of experts. The outcome in 1972 represented the basis for the next cooperation that ASEAN established among its member states in the fields of industrial development, agriculture and forestry, transport, finance, monetary services and insurance. UNDP, *UNDP and South-South Cooperation since 1996* (<http://web.undp.org/evaluation/documents/thematic/ssc/chapter/chapter2-undp-ssc.pdf>).

²⁵ Stephen Browne, *The UN Development Programme and System*, London and New York: Routledge, 2011, pp. 20-25.

policies on employment, investments, and education. Finally, it suggested boosting the development of human resources, using expertise available in other developing countries.²⁶

The perspective of the reform started at the end of the Hoffman Administration, in 1972. The new administrator, Rudolph Peterson, was a banker and Nixon's advisor on issues related to foreign aid. He then chose two Deputy-Administrators, I. G. Patel, the Indian representative at UNDP, who dealt with the programs, and Bert Lindstrom, Swedish, who dealt with administration.²⁷

The new UNDP administration did not neglect the question of SSC. At the request of the GA Resolution 2974 of 14 December 1972, it began to study the best way to share the skills and experiences of LDCs, on the basis of the concepts of national and collective self-reliance and mutual aid. It also examined opportunities and advantages of technical cooperation at both regional and inter-regional levels. For this, the Governing Council of UNDP convened a Working Group that gathered 19 experts from different member states.²⁸ They recognized the difficulties in achieving the objective of more efficient cooperation and proposed to build a special unit within the Secretariat of UNDP to expressly deal with coordination of all UN activities of technical cooperation among developing countries. The report of the Working Group emphasized the importance of technical cooperation among developing countries in pursuing the NIEO and asked international donors to consider the horizontal dimension of cooperation in all bilateral and multilateral aid programs.²⁹

Thus, a path began, full of hopes and new impetus, which introduced a new element into the season of intense debates on development, at the UN and outside the organizations, during the 1970s.

3. *From NIEO to the Buenos Aires Conference*

The NIEO project launched in 1974 became the essential boost to formalise SSC and gave it autonomy in the development discussion. Two years previously, at the Georgetown Conference of Foreign Ministers of NAM, the project was part of the *Action Program for Economic Cooperation among Developing Countries*, which gave impetus to convening an experts' meetings on interregional cooperation. From 30 April

²⁶ Olav Stokke, *UN and Development*, pp. 207-210.

²⁷ Stephen Browne, *The UN Development Programme and System*, p. 26.

²⁸ UN, *Report of the United Nations Conference on Technical Cooperation Among Developing Countries, Buenos Aires, 20 August to 12 September 1978*, A/Conf.79/13/Rev.1, p. 28. The Working Group was under the chairmanship of Hama Arba Diallo from the Upper Volta.

²⁹ Olav Stokke, *UN and Development*, p. 227.

to 2 May 1973, these experts drew up a draft report which highlighted the strengthening of four activities: the formation of associations of producers in specific sectors, with priority to agriculture and mining; the identification of opportunities for production and trade at an inter-regional level; the possibility to expand production and trade focusing on the development of new activities; and finally the study of the improvement of transport and communication also at an inter-regional level. Before bringing the final draft to the Conference of Algiers and then submitting it to the Governing Council of UNDP, the report was assessed by the UN economic regional commissions, UNIDO, UNCTAD and by specialized agencies. It was subsequently revised by the same group of experts who met again from 30 to 31 July 1973. At that stage, great support was given by the Under-Secretary Philippe de Seynes, so much so that the project was extended in scope, focusing more on production and trade as well as on the transport system. Regarding financing, it was clear that for a project like that the resources of UNDP would not be sufficient, and therefore it was necessary to involve the major international donors. Finally, in accordance with the principle of self-reliance, the document welcomed the idea of involving the receiving countries in supporting the budget.³⁰

The IV Conference of Heads of State or Government of NAM in Algeria in September 1973 took up those recommendations³¹, launching an action plan for economic cooperation. The document again placed the emphasis on the concept of collective self-reliance, in particular in the field of science and technology. The declaration of Algiers also indicated some areas of priority interest: trade, industry, transport, monetary and financial matters, technology and training.³²

That and the following NAM High Level Meetings throughout the whole decade³³ were to highlight the same objectives, though not neglecting the fact that also the agricultural sector was to be valued.

³⁰ United Nations Archives (UNA), Secretaries General, Secretary General Kurt Waldheim (SGKW), S-0972-0003-05-0001. Enrique V. Iglesias (Executive Secretary ECLAC, Santiago) to Kurt Waldheim, *Reports of the meetings of experts from April to July 1973*, 7 August 1973.

³¹ *Political Declaration of the Fourth Conference of Non-Aligned Countries (Algiers, 5-9 September 1973)* (<http://cns.miis.edu/nam/documents/OfficialDocument/4thSummitFDAlgiersDeclaration1973Whole.pdf>, pp. 5-22).

³² UNA, SGKW, S-0972-0003-05-0001, Preparatory Committee of the Fourth Conference of the Non-Aligned Countries, Algiers, 29-31 August 1973, *Second Session of the Preparatory Committee of Non-Aligned Countries, Report, NAC/ALG/CONF.4/P.C/3/PART II*, 31 August 1973. See also S. Folke, N. Fold & T. Enevoldsen, *South-South trade and development*, p. 23.

³³ See for example UNA, SGKW, S-0972-0002-004, *Conference of Ministers of Foreign Affairs of the Non-Aligned Countries, Lima-Peru, 25-30 August 1975, Note for the Record (Diego Cordovez)*, 31 August 1975.

While a model of development based on industrialization, the guarantee of food security, especially to the poorest countries was equally important, as the world food crisis of the early 1970s had shown.³⁴

Notwithstanding these initiatives, neither economic nor technical cooperation among developing countries was a priority in the political agenda of NAM or of the G77, whose main objective remained trade negotiations with industrialised countries on the basis of the political platform of NIEO. However, the GA resolution that launched this project in December 1974 included the issue of technical cooperation among developing countries (TCDC) alongside the classical themes of North-South confrontation. Once again industry, transport and communications, as well as science and technology were the priority sectors to be involved in these initiatives.³⁵

Soon after the resolutions launching NIEO and its Plan of Action, the GA established a special unit on TCDC inside UNDP, which was asked to work with the Secretariat and the entire UN development system. That same GA resolution contained a request to convene an intergovernmental meeting on TCDC, prepared by a series of regional meetings.³⁶

In 1975 the Governing Council of UNDP tried to meet GA demands, drawing up a proposal on *New Dimensions in technical cooperation*,³⁷ that introduced, *inter alia*, more flexible rules on the use of local experts for the realisation of the projects.³⁸ The proposal was subsequently approved by the VII Special Session of the General Assembly on Development and International Economic Cooperation. With resolution 3461, it was clarified for the first time that the TCDC was an integral part of global development cooperation, as well as one of the most effective tools to promote cooperation among developing countries. The resolution asked UNDP and the UN Secretariat to promote

³⁴ The world food crisis and the first oil shock of the early 1970s affected the LDCs above all, because of the increase in the price of cereals and the contraction of food aid, on the one hand, and the increase in the price of fertilizers and products for agriculture, on the other. *FAO, The State of Food and Agriculture, 1974, Rome: FAO, 1974*. Ruth Jachertz, 'The World Food Crisis of 1972-1975', *Contemporanea*, No. 3, July-September 2015, pp. 425-443.

³⁵ Thyge Enevoldsen, Niels Fold & Steen Folke, *South-South trade and Development*, pp. 24-25. The GA resolution especially asked to introduce mechanisms to defend prices and markets of exported commodities; to increase trade giving preferential treatment to imports from developing countries; and to promote financial and monetary cooperation.

³⁶ Olav Stokke, *The UN and Development*, p. 227.

³⁷ UN Economic and Social Council, Official Records, Fifty-Ninth Session, Suppl. N. 2A, UNDP, *Report of the Governing Council, Twentieth Session (11-30 June 1975)*, E/5703/Rev.1, New York: United Nations, 1975.

³⁸ Stephen Browne, *The UN Development Programme and System*, p. 26.

these objectives and provide funds for the convocation of both regional conferences and a general meeting in Argentina in the second half of 1978.³⁹

Up to the end of the decade, UNDP had a better perspective of action thanks to a growing availability of funds, which between 1970 and 1980 almost tripled, with a special increase in Northern European countries' contributions (Denmark, Sweden, Norway, Holland) and despite a decline of US contributions (which passed from 38% of the total to only 18%).⁴⁰

UNDP moved firstly in search of closer cooperation with the main actors of the UN system: the GA, ECOSOC, UNCTAD and the UN Secretariat, then with economic regional commissions and specialized agencies. These all moved in the same direction, undertaking to implement the horizontal dimension of cooperation in their programs.⁴¹

At the same time, UNDP worked in view of the first international conference on technical assistance among developing countries that was to be held in Buenos Aires in 1978 under the UN aegis. During the run-up to the conference, UNDP collaborated with Regional economic commissions and with UNDESA. Between 1976 and 1977 they organized four regional meetings, where the representatives of governments could identify their abilities, and specific problems to be addressed.⁴²

All reports of the UNDP Governing Council up to the Buenos Aires conference considered the promotion of self-reliance, through the enhancement of productive capacity and of local resources, as the fundamental objective of technical cooperation. The reports also

³⁹ GA, Res. 3461, XXX, 11 December 1975. UN, *Report of the United Nations Conference on Technical Cooperation Among Developing Countries, Buenos Aires, 20 August to 12 September 1978*, A/Conf.79/13/Rev.1, pp. 28-29.

⁴⁰ Stephen Browne, *The UN Development Programme and System*, p. 31.

⁴¹ For example, since 1976, the Trade and Development Board of UNCTAD established a special committee on TCDC next to the more well-known one on the ECDC, which in the same year elaborated the General System of Trade Preferences among Developing Countries. UNCTAD, *The History of UNCTAD 1964-1984*, New York: United Nations, 1985, pp. 186-187. However, the project did not take off and only ten years later, in the framework of the Uruguay Round, the possibility to make it effective was to be showed. Other cooperation initiatives among developing countries launched in the same place in those years aimed at the promotion of commercial cooperation among groups of member states and the creation of marketing multinational enterprises. See Thyge Enevoldsen, Niels Fold & Steen Folke, *South-South trade and Development*, p. 26. Ibero-American Programme for the Strengthening of South-South Co-operation, *Chronology and History of South-South Cooperation*, p. 16.

⁴² The conferences took place in: Bangkok, Lima, Addis Ababa and Kuwait, between May and June 1977. UN, *Report of the United Nations Conference on Technical Cooperation Among Developing Countries, Buenos Aires, 20 August to 12 September 1978*, A/Conf.79/13/Rev.1, p. 29.

urged for greater availability of expertise as well as the exchange of information and knowledge among developing countries.⁴³ Most outside the UN, in particular the Organization of African Unity and NAM Conferences, also expressed the same stances, showing great support for the UNDP initiatives.⁴⁴

A Preparatory Committee on TCDC was established within UNDP. It worked in contact with a panel of high-level experts coming from the Third World, during the regional conference held in Kuwait between May and June 1977.⁴⁵ The other two preparatory meetings were held in New York between September 1977 and the beginning of 1978, organized by UNDP with the contribution of regional economic commissions and specialized agencies. During the final meetings, the draft Plan of Action was amended on the basis of requests that emerged during the debate. It aimed at emphasizing TCDC as an essential step toward NIEO, to be pursued through the collective self-reliance of LDCs. In addition, it requested that the TCDC have greater specificity both in bilateral and multilateral existing programs among themselves. Moreover, it assigned TCDC a political orientation that should characterize all instruments of international development cooperation and be adopted as an instrument of work by the UN system. Finally, the draft Plan of Action aimed at strengthening the gap in communication and information systems among LDCs.⁴⁶

The Buenos Aires conference, attended by 138 countries, was opened in September 1978 and was the first multilateral meeting on cooperation among developing countries, although limited only to the field of the technical assistance. Its Secretary General was the new UNDP administrator, Bradford Morse, appointed in 1976 after a career as a US Republican Congressman and since 1972 as UN Under Secretary-General for Political Affairs.⁴⁷ His deputy in Buenos Aires

⁴³ The background of the initiatives from 1976 to 1978 in: Economic and Social Council Official Records, Governing Council of the UNDP, *Report of the 25th Session, 12 June-3 July 1978*, Supplement n. 13, E/1978/53/Rev.1, New York: United Nations, 1978, pp. 48-60.

⁴⁴ UN, *Report of the United Nations Conference on Technical Cooperation Among Developing Countries, Buenos Aires, 20 August to 12 September 1978*, A/Conf.79/13/Rev.1, p. 29.

⁴⁵ *Ibid.* See also UNA, SGKW, S-0913-0018-05, UN Press Release, *Final Session of the Preparatory Committee for UN Conference on Technical Co-operation among developing countries, 15-19 May 1978*.

⁴⁶ UNA, SG, KW, S-0913-002-010, Letter Morse to Waldheim, 27 January 1977. UNA, SG, KW, S-0913-0018-005, UN Press Release, *Preparatory Committee on Technical Co-operation Conference Concludes second session: requests revised Action Plan*, 26 September 1977.

⁴⁷ Stephen Browne, *The UN Development Programme and System*, p. 31.

was Bernard Chidzero, from Southern Rhodesia (Zimbabwe), Deputy-Secretary-General of UNCTAD.⁴⁸

In his opening address, Morse indicated some specific aspects that should be taken into account when talking about cooperation among LDCs. On the one hand, he underlined the need to pursue agrarian reforms and rural development, the quest for global health, and the link between scientific and technological knowledge. On the other, he rather stressed the importance of economic and social development. Two objectives were confirmed from this phase: the first, to revive national development founded on the concept of self-reliance; and the second, to consider SSC as an essential contribution to NIEO.⁴⁹

There were essentially two main documents examined during the meeting: the *Plan of Action for promoting and implementing technical co-operation among Developing Countries*, which included the recommendations drawn up during the preliminary work; and the *Background paper on Technical Co-operation among developing countries as a new dimension of international cooperation for development*, which contained the objectives and principles of the TCDC, forming the basis for the general debate in the plenary assembly.⁵⁰

The latter document tried to put the TCDC into a historical perspective, highlighting the importance for the whole process of economic development and identifying several assumptions. These included the primary responsibility of the developing countries themselves to support the process, along with the parallel and crucial action of both the industrialised countries and the UN system; the need for balanced and equal relationships among the participating countries that had to be respectful of national sovereignty; the boost to identify common elements, recognizing differences and strengthening solidarity among them; finally, the urge to limit dependency and, rather, stimulate the potentialities of each developing country.⁵¹

The draft Plan of Action was discussed both in plenary session and in the various committees that assessed the individual aspects to be

⁴⁸ Chidzero replaced the Egyptian, Abdel Meguid, who had followed the preparatory phases of the Conference. See UNA, SG, KW, S-0913-0002-010, UN Press Release, *Bernard Chidzero Appointed Deputy Secretary-General of Conference on Technical Co-operation among Developing Countries*, 31 May 1978.

⁴⁹ UN, *Report of the United Nations Conference on Technical Cooperation Among Developing Countries, Buenos Aires, 20 August to 12 September 1978*, A/Conf.79/13/Rev.1, p. 41. See also Waldheim's Speech in UNA, SG, KW, S-0913-0018-005, UN Press Release, *Text of the Statement by Secretary-General at Opening of TCDC Conference in Buenos Aires*, 30 August 1978.

⁵⁰ UNA, SG, KW, S-0913-0018-005, UN Press release, *Conference on technical Co-operation among developing countries to be held in Buenos Aires, 30 August-12 September 1978, Background Release*, 21 August 1978.

⁵¹ *Technical co-operation among developing countries as a new dimension in international co-operation for development*, A/CONF.19/6.

dealt with.⁵² The conference took place in a climate of substantial cooperation, despite some political issues being brought up in the debate (such as the Arab-Israeli conflict). The G77 and PRC stood compact, trying to introduce some of the themes of the North-South dialogue in that phase (debt relief, terms of trade and tariff barriers). They also proposed to extend the composition of the Governing Council of UNDP to all 149 UN members (the total member countries in 1977). Moreover, they asked for the creation of a special fund for the TCDC. They did not achieve any results on these issues, due to the reaction of the industrialised countries, above all the United States that clearly hindered this approach. The US wanted to support horizontal cooperation, though not accepting any new challenging requests. Furthermore, neither did it want to further amplify the discussions that were underway in UNCTAD, nor was it likely to strengthen the role of UNDP, enlarging membership, thereby giving it a highly political nature. Its aim was to dispel the doubts of G77 on the truly good intentions of Western countries regarding TCDC. The US was willing to give its contribution to the TCDC through UNDP, but without a follow-up to the demands of the G77. Thus, it obstructed even the idea of setting up a TCDC fund, an approach that was consistent with the general decline of foreign aid the US government experienced during the 1970s.⁵³

In the general debate, it clearly emerged that the developing countries would not accept any indications other than those coming out from the Conference, as well as from the following High-Level Meetings on SSC. Above all, Brazil and the PRC pointed out that they would not accept guidelines or principles imposed by the industrialised countries, rather preferring the UN consensus. However, as the Indian delegation clarified, the SSC was only a complementary tool, which could not replace the North-South cooperation.⁵⁴ China in particular, since the autumn of 1978, had given proof of its interest in UN activities on this issue by asking UNDP to provide technical assistance for its national program of modernization, launched in 1978. This measured approach had already begun when that government sponsored training courses and seminars for staff coming from other developing countries with the contribution of UNDP. From 1973 to

⁵² *Draft Plan of Action*, A/CONF.19/5.

⁵³ UNA, SG, KW, S-0913-0018-005, Department of State to US Mission to UN, New York, and US Mission Geneva, telegram, 13 September 1978, forwarded by Marcial Tamayo (Director of UN Information Center, Washington), to Ferdinand Mayrhofer-Grünbuhel (Special Assistant to the Secretary-General), Interoffice Memorandum, 3 October 1978.

⁵⁴ UN, *Report of the United Nations Conference on Technical Cooperation Among Developing Countries, Buenos Aires, 20 August to 12 September 1978*, A/Conf.79/13/Rev.1

1977 the Beijing government had therefore contributed to the UNDP budget for a total amount of about US\$ 6 million.⁵⁵

At the Buenos Aires Conference, the G77 continued expressing the greatest interest in scientific and technological cooperation. Unlike the UNDP Administrator, it paid less attention to education and the cultural dimension, with the exception of the nexus women-development and the theme of the circulation of information. African countries particularly asked for more attention to the development of transport and communications.⁵⁶

The final document, the Buenos Aires Plan of Action (BAPA) which still represents a sort of SSC act of birth, recalled the old concept of national and collective self-reliance, and formalised for the first time the concept of horizontal cooperation. Moreover, it emphasized the need to strengthen the capacity of developing countries to identify and analyse, together, the main themes of development. It also promoted gathering the resources available amongst them, thus improving strategies and common policies with the aim to increase the quality and quantity of international cooperation.⁵⁷

BAPA contained a set of recommendations for action at national, sub-regional, regional and global levels, which required some essential steps. It sought cooperation between UNDP – which had the task of implementing the plan and monitoring results – the wide group of UN specialized agencies, and the regional development banks, especially those created in the oil-producing countries during the 1970s. From the latter and from industrialised countries, BAPA requested funding for all SSC activities led by the UN. In addition, it asked for the financial and political support of the developing countries themselves at a national level, as this provision was one of the essential elements to carry out the process in the perspective of greater accountability of the recipient countries.⁵⁸

As Stokke has written, «The plan of action can be read as a document containing the common wisdom of the day on the topic of how cooperation between developing countries could be attained and how

⁵⁵ UNA, SG, KW, 0911, 0003, 003, Morse to the UN Secretary-General, Inter-office Memorandum, 20 September 1978.

⁵⁶ UN, *Report of the United Nations Conference on Technical Cooperation Among Developing Countries, Buenos Aires, 20 August to 12 September 1978*, A/Conf.79/13/Rev.1, p. 41.

⁵⁷ UN Press release, *Conference on technical Co-operation among developing countries to be held in Buenos Aires, 30 August-12 September 1978, Background Release*, 21 August 1978. On this issue see Paulo Esteves & Manaíra Assunção, 'South-South cooperation and the International Development Battlefield: Between the OECD and the UN', *Third World Quarterly*, Vol. 35, n. 10, 2014, p. 1779.

⁵⁸ UNA, SG, KW, S-0913-0018-005, UN Press Release, *TCDC Conference Adopts Plan of Action to Achieve National and Collective Self-Reliance Among Developing Countries, 13 September 1978*.

the various actors could contribute to this end». ⁵⁹ However, enthusiasm was soon to diminish because of the difficulties in the practical application of the directives of Buenos Aires.

4. *After Buenos Aires: SSC during the «lost decade»*

After Buenos Aires, some promising steps appeared to allow the pursuit of cooperation among developing countries, although North-South negotiations on trade and aid continued to have priority in the G77 and NAM agendas. The term SSC entered the academic language and gained further perspectives in international scholarly articles. In 1981, the Conference of Caracas and the related *Action Program on Economic Cooperation among Developing Countries* (ECDC) returned to the issue of cooperation, underling a clearer distinction between TCDC and ECDC and a greater demand for institutionalizing the former as an instrument to facilitate the latter. Moreover, while technical cooperation was channelled mainly through the UN system, the economic dimension of SSC on the whole remained firmly anchored to the internal debate of NAM and the G77. An Intergovernmental Coordination Committee on ECDC also started working on the subject. Furthermore, GA resolution 38/201 of 1983 accepted to establish a Trust Fund for ECDC/TCDC, which inherited part of the unspent funds of an Emergency Operations Trust Fund. Some years later, that Fund was to be dedicated to the memory of Perez Guerrero, former Secretary of UNCTAD. ⁶⁰

However, the international context, as well as the position of the main actors, changed to such an extent as to undermine the Buenos Aires project.

The debt crisis of the early 1980s, the structural adjustment policies pursued by the international financial institutions (IFIs) and the new paradigms of development negatively shaped all forms of cooperation but especially the practices of SSC during that decade.

The decline of BAPA was already clear at the two meetings of the High Level Committee on the Review of the TCDC, a body that the GA established in 1980 to check progress in the implementation of the Plan by the UN system every two years. The meetings, which took place respectively in Geneva and New York between 1980 and

⁵⁹ Olav Stokke, *The UN and Development*, p. 228.

⁶⁰ 'High-Level Conference on Economic Cooperation among Developing Countries, Caracas, 13-19 May 1981', in Mourad Ahmia (ed.), *The Group of 77 at the United Nations*, pp. 59-112. See also UNCTAD, *The History of UNCTAD*, pp. 192-194.

1981,⁶¹ showed the actual picture of the situation. Industrialized countries, both Western and Socialists, considered the request to increase their financial commitment as excessive. The USA and the UK, for example, opposed such a request that above all came from the most advanced among the countries of the Global South.⁶² Some LDCs, like Argentina, Gambia and Guinea, instead, criticized the commitment the BAPA had requested from developing countries and took a stand, as usual, on the need for contribution from the North. India, in particular, accused the industrialised countries of not taking an interest in SSC as they felt threatened by it.⁶³

Another point to consider concerned UNCTAD's loss of centrality. From the beginning, it had been a driving force and a constant inspiration for the SSC. However, throughout the 1980s it lost its central role and since 1995 it has left space for a new organization, the World Trade Organization (WTO), which stood outside the UN system. The beginning of the 1980s witnessed a general deadlock in UNCTAD negotiations and a migration of initiatives from Geneva to New York. The cooperation among LDCs, both technical and economic, as a UN tool for development, weakened, and no significant initiative was launched.⁶⁴

Since the office of Manuel Perez Guerrero, links between the G77 and the UNCTAD Secretariat had weakened too. At the same time, the absence of any organized leadership of the G77 was clear, as the Uruguay Round was to show in the following negotiations, underlining the deep division of interests as well as of economic perspectives and policies within the G77.⁶⁵

Other aspects, relating to the internal dynamics of the G77, contributed to these outcomes, such as the idea that the intervention of industrialised countries was necessary and had the priority over any project of solidarity among developing countries. Moreover, some countries of the G77 feared that supporting SSC could weaken their

⁶¹ UN, General Assembly, Official Records, *Report of the High-Level Meeting on the Review of technical Cooperation among Developing Countries*, 35th Session, Suppl. n. 39 (A/35/39), New York: United Nations, 1980.

⁶² National Archives of the UK (NA), Foreign and Commonwealth Office (FCO), 58/3110, *UN Technical Cooperation Among Developing Countries*, FCO-UN Department, *UNDP Governing Council 30th Session June 1983*, 8 June 1983.

⁶³ Romania was also unsatisfied that there are many tasks related to TCDC that should be financed by the LDCs themselves. Thus, it asked the North, development banks and the UN system to increase their contribution to a substantial extent. Olav Stokke, *The UN and Development*, pp. 228, 628.

⁶⁴ Thyge Enevoldsen, Niels Fold & Steen Folke, *South-South trade and development*, pp. 28-31.

⁶⁵ On the 1980s as a turning point in the history of UNCTAD see I. Taylor, K. Smith, *The United Nations Conference on Trade and Development (UNCTAD)*, London and New York: Routledge, 2007, pp. 67 ss.

requests from the North and the NIEO project, shifting the focus from crucial issues (trade and aid). Finally, Southern countries feared a possible burden-sharing in foreign aid, an idea that had been stated in a certain phase inside the DAC.⁶⁶

Another point to be considered regarded tensions and disagreements, not new or unexpected, inside the G77. They dealt with political position, lack of organizational capacity and a growing differentiation in the level of development. Regarding the latter, during the 1970s, Arab countries (Saudi Arabia, Iran, Libya, for example) grew at a rate of over 6% per annum; soon after, the so-called Asian tigers (South Korea, Taiwan, Hong Kong, Singapore) grew at the same level, while the Latin-American group and the least developed African countries weakened, affected by the debt crisis.⁶⁷

These dynamics were clear among the G77 during the meetings which the group and NAM held from the end of the 1970s and throughout the 1980s.

The South-South Meeting in Arusha in January 1979, a non-governmental meeting organized by Mahbub ul Haq, the Pakistani economist, Director of the Policy Planning and Program Review Department of the WB, was to assess the state of negotiations between North and South. It was attended by many prominent economists from the LDCs, representatives of UN regional commissions, of UNCTAD and of various non-governmental organizations, among which also the Ford Foundation.⁶⁸ It soon proved to be a moment of reflection on the weaknesses of the G77, resulting from the growing divergence among the newly industrialised countries, the Arab world and the rest of the LDCs. The meeting seemed to underline a climate that did not lean in favour of SSC.

A similar situation was outlined a few months later by a report the Political Affairs Division of the UN Department of Political and Security Council Affairs developed in view of the VI Conference of NAM

⁶⁶ Branislav Gosovic, 'The resurgence of South-South cooperation', p. 835.

⁶⁷ John Toye, 'Assessing the G77', p. 1768.

⁶⁸ The following were present: the Egyptian economist Ismail Sabri Abdullah, Chairman of Third World Forum, the Nigerian Adebayo Adedeji, Executive Secretary of UN economic commission for Africa, the Ghanaian Z. Z. Dadzie, Director general for development and international economic cooperation, Mahbub Ul Haq, the Pakistan economist, Director of the policy planning and program review department of the WB, Raul Prebisch, as consultant of ECLA, Ashok Mitra, Minister for Finance, Planning and Development, government of West Bengala, India, Amir H. Jamal, Minister of Communication, Tanzania, the representatives of UNCTA and ECLA, and the Secretary general of the Commonwealth, Shridath S. Ramphal. See Rockefeller Archives Center, Ford Foundation Records, Unpublished Reports, Reports 3255-6261, box 250, folder 005561, Letter Mr. Soedjatmoko to David E. Bell (Executive Vice President, The Ford Foundation), 9 January 1979.

in Havana in early September 1979.⁶⁹ The document emphasized how some political issues – not linked solely to the Cold War – influenced dynamics within the group.⁷⁰ Some countries, such as India, Yugoslavia, Sri Lanka, Nigeria and Zambia wanted the Conference of Havana to deal also with the settlement of existing territorial and political disputes so as to regain cohesion and internal drive. However, worsening of the economic situation experienced by many recipient countries contributed to steadily reducing attention on political issues, as the substantial decrease of attendance recorded at the previous session of the GA had shown. Nevertheless, expressing *Policy Guidelines on the reinforcement of collective Self-Reliance between developing countries*, the Cuban Conference reiterated the concept that SSC was considered as a complementary road to North-South Cooperation and a major task of the richest countries.⁷¹

At the end of September, the Ministerial Meeting of the G77 held in New York confirmed that the horizontal and vertical dimensions of cooperation should be conducted in parallel, as established in Havana. During that meeting, it was understood that another constant feature like the establishment of a Secretariat (i.e. «technical support unit») of G77, was to be archived.⁷²

A few months later, in March 1980, decisions on the resumption of global economy negotiations had the upper hand over all other initiatives in view of the subsequent XI Special Session of the General Assembly on NIEO. Once again, the emphasis of oil importing countries was placed on energy cooperation, while exporters continued to support a broader approach, not only based on that sector.⁷³ The G77 considered the GA Special session of 1980 as a failure for the opposition of the industrialised countries. However, the group did not renounce global negotiations and expressed itself in favour of a new

⁶⁹ UNA, SG, KW, S-0913-0019-001, Department of Political and Security Council Affairs, Political Affairs Division, *Current Adjustments in the Non-Aligned Group*, confidential, 15 June 1979.

⁷⁰ We are referring to: The Treaty between Egypt and Israel, issues relating to Cyprus and East Timor, recognition of the Pol Pot regime, the issue of apartheid and conflicts on the African continent.

⁷¹ UNA, SG, KW, S-0972-0003-001, *Policy Guidelines on the Reinforcement of Collective Self-reliance between developing Countries*, NAC/CONF.6/C.2/L.18, 8 September 1978. UNA, SG, KW, S-0972-0003-01, K. K. Dadzie to Secretary General, Interoffice Memorandum, 14 September 1979.

⁷² Some Latin American countries, with very few exceptions (Venezuela, Jamaica and Guyana), were firmly opposed to that idea, to avoid unnecessary duplication while relying on the support of the existing international organizations. UNA, SG, KW, S-0972-0003-01, *Note on the Ministerial Meeting of the Group of 77 held in New York on 27-29 September 1979*.

⁷³ UNA, SG, KW, S-0972-0003-001, M. J. Stopford, *Summary of the working papers for the Ministerial Meeting of the Group of 77 in New York, 11-14 March 1980*.

international strategy for development for the Third UN decade dedicated to it, to be processed in the course of the following GA ordinary session.⁷⁴

There were two further elements that contributed to reducing the importance of SSC in the development debate between the end of the 1970s and the subsequent decade. The first dealt with the idea of inserting the energy issue, as proposed by the Mexican government at the end of 1979, among the priorities of both the SSC and the global North-South negotiations.⁷⁵ The refusal of the oil exporting countries was constantly justified by the initiatives of assistance to the least developed countries already undertaken and the desire to maintain the position acquired. The second referred to the bond between global negotiations on NIEO and SSC, with constant reference to the concepts of national and collective self-reliance, tying the fate of SSC to that of the North-South dialogue. The ground-breaking charge of the NIEO project was lost at the beginning of the 1980s and was to be put aside by the Cancun Conference of 22-23 October 1981.⁷⁶

Throughout the 1980s, notwithstanding the repeated requests of the G77, no conference on SSC at the UN was convened. Although reference to the concepts of national and collective self-reliance remained constant, many of the ideas, initiatives and statements remained worthless or gave poor results.⁷⁷

In 1981, the first report of the Brandt Commission on *North-South, a program for survival* was published. It dealt with the need to relaunch the North-South dialogue and give new impetus to the global perspective of development. The report also focused on SSC, highlighting how the concept of self-reliance was not linked to a prospect of autarchy, but to an «attempt to reduce economic dependence on the North, to rely more on themselves and to promote their dignity and fuller independence».⁷⁸ Echoing the conclusions of the plan of

⁷⁴ UNA, SG, KW, S-0972-0003-001, M. J. Stopford, *Summary of Declaration adopted by the Meeting of the Ministers for Foreign Affairs of the Group of 77 on 30 September 1980*, 6 October 1980.

⁷⁵ UNA, SG, KW, S-0972-0004-0012, Diego Cordovez, *Current discussions on the continuation of the North-South Dialogue*, 23 October 1979.

⁷⁶ See Guya Migani, 'The Road to Cancun. The life and death of a North-South Summit', in Emmanuel Murlon-Druol & Federico Romero (eds.), *International Summitry and Global Governance. The rise of the G7 and the European Council, 1974-1991*, London and New York: Routledge, 2014, pp. 174-197.

⁷⁷ Branislav Gosovic, 'The resurgence of South-South cooperation', p. 733.

⁷⁸ Independent Commission on International Development Issues, *North-South: A Programme for Survival. Report of the Independent Commission on International Development Issues*, Cambridge: The Mit Press, 1980, p. 96.

Arusha, of February 1979,⁷⁹ the ECDC was seen as a positive policy also for industrialized countries, as expanding trade among developing countries could enlarge opportunities for all. Moreover, it returned to concepts consistently discussed until then: the importance of regional and sub-regional economic integration processes; the new opportunities for Southern countries to share responsibility for development; the need to create an international organization involving all the developing countries; the enhancement of the technical aspect of cooperation among them, giving the necessary financial support to the action of UNDP, especially on the part of donor countries.⁸⁰ In this respect, the report stated that BAPA «need for more effective funding and coordination in all areas where local problems [...] are part of a broader experience; and it is in meeting these essential requirements that the sharing of technology is most urgent and most valuable».⁸¹

The idea that some more advanced countries, in terms of industrial development, such as India, Brazil and Yugoslavia, could help other developing countries also emerged from the report. Effectively, that input seemed to be grasped by some countries of the G77 which tried to complement the global approach on NIEO with a more flexible attitude.⁸² This was the case of the initiative taken by India to convene an informal meeting of a small group of G77 members in February 1982. The general aim of the meeting was to relaunch North-South negotiations at a global level, along with taking up some points raised at the Cancun Conference. After the failure of that meeting, the best road to be pursued toward a NIEO seemed to be that of SSC.⁸³

⁷⁹ 'Arusha Programme for Collective Self-Reliance and Framework for Negotiations, 16 February 1979', in Mourad Ahmia (ed.), *The Group of 77 at the United Nations*, pp. 451-453.

⁸⁰ Independent Commission on International Development Issues, *North-South A Programme for Survival*, pp. 97-100.

⁸¹ *Ibid.*, p. 144.

⁸² At the meeting of the Brandt Commission in Kuwait, 7 and 8 January 1982, Brandt himself seemed to have encouraged the Indian government to relaunch the North-South dialogue through a new conference. See NA, FCO, 59/1908, New Delhi Conference, M. K. Ewans to Mr Beetham (Head of Chancery), *Briefing on the "New Delhi Consultations"*, 22-24 February 1982, 19 January 1982.

⁸³ NA, FCO, 59/1908, New Delhi Conference, C. D. Partridge (New Delhi) to David Revolva, Letter 16 December 1981. The participants in the meeting were: Bangladesh, Indonesia, Iraq, Kuwait, Malaysia, The Philippines, Pakistan, People's Republic of China, Saudi Arabia, Sri Lanka, UAE, Yugoslavia, India for Asia; Algeria, Ghana, Kenya, Madagascar, Nigeria, Senegal, Tunisia, Tanzania, Zaire, Zambia, Ivory Coast for Africa; and Argentina, Brazil, Cuba, Ecuador, Venezuela, Guyana, Mexico, Peru, Uruguay for Latin America. NA, FCO, 59/1908, New Delhi Conference, *Meeting of G77 Countries in New Delhi*, 22-24 February 1982, Annex A

The meeting had a deliberately informal character, to avoid any possible complaints by the countries excluded. The invitation (sent to 34 countries plus the PRC), according to the Indian government, was addressed to those countries that had shown more interest in the relaunch of multilateral negotiations on NIEO.⁸⁴ India took the opportunity to resume the conversation among developing countries, exchanging information on issues that could be brought forward. Firstly, they aimed at an exchanging of ideas on the themes of the North-South dialogue, in particular on food, energy, trade and financial support. The crisis in both the food and energy sectors since the early 1970s had again increased the need to build a more effective, permanent global system to address the respective themes on a multilateral level and with a more respectful approach regarding the needs of the recipient countries.⁸⁵ Secondly, they wanted to propose a reflection on the objectives and perspectives of SSC, looking at the relaunch of BAPA. While the Indian government did not give up the priority accorded to global negotiations, in the short term it wanted to rely rather on SSC as a tool to address the most urgent problems.⁸⁶

The meeting gave much room to the resumption of global negotiations. The importance of the sectors of priority interest, as desired by the Indian representatives, was recognized. However, the discussion showed a deep division among the members of the G77 on the approach to be adopted. India, like Pakistan, Sri Lanka and Yugoslavia, assumed a more flexible mind-set. It aimed at reaching useful compromises on specific issues rather than pushing for global negotiations and, according to UK observers, could gain credit among Southern countries by relaunching negotiations on specific topics. The «hard liners», like Algeria, Tanzania, Ghana, Vietnam and Cuba,

to K. P. O'Sullivan (Economic Relations Dept.) to C. Sinclair (HM Treasury, FCO), *North/South: the State of Play*, restricted, 3 February 1982.

⁸⁴ Some countries were discontent as excluded from the meeting (as Nepal) or «miffed», (such as Mexico or Morocco); others were apparently «sour», such as Saudi Arabia, which would have declined the invitation officially due to the presence of Egypt but in reality due to other reasons, linked to its relationship with Pakistan. Then there were also the reactions of Vietnam for the presence of PRC, as well as North Korea for the inclusion of South Korea at the last minute. NA, FCO, 59/1908, New Delhi Conference, C.A.K. Cullimore to R. N. Dales, Letter 29 January 1982. *Ibid.*, C. D. Partridge to K. P. O'Sullivan, telegram confidential, 19 February 1982.

⁸⁵ NA, FCO, 59/1908, New Delhi Conference, M. K. Ewans to Mr Beetham (Head of Chancery), *Briefing on the "New Delhi Consultations"*, 22-24 February 1982, 19 January 1982.

⁸⁶ NA, FCO, 50/1908, *New Delhi Conference*, C. D. Partridge to K. O'Sullivan, Letter 15 January 1982.

as well as the OPEC countries, instead opposed any partial negotiations in specific sectors.⁸⁷

On SSC, India also took the initiative to relaunch some mechanisms, such as the creation of a multi-lateral financing facility with an initial capital of US \$ 15-20 million. However, the initiative did not win any enthusiasm.⁸⁸ Brazil, in particular, opposed this, as well as the idea of providing a facility to build a consultancy service for developing countries, fearing a presence of Indian technicians and workers in Latin America.⁸⁹ As head of the UK mission in New Delhi, Gordon Watherell, wrote:

The impression which the Indians seem to have given a number of the other delegations (and which seems to have irritated Brazil) is that South/South cooperation means essentially the marriage of capital from the oil producing countries with the Indian know-how for the benefit of the Indian industry.⁹⁰

Two other themes, such as the establishment of both a G77 Secretariat and a South-South Commission, were discussed but not recorded in the final statement, as there was strong opposition (especially from the OPEC countries) to finance new institutions of the G77 as well as mechanisms to support development. India particularly requested a commitment from OPEC countries to provide for «supplies at concessional prices and financial assistance in the development of indigenous energy resources», as Venezuela and Mexico were already

⁸⁷ No significant result on the question of food came up during the discussions, with the decision to delegate the task of elaborating further projects to a coordinating group. On the subject of energy, it emphasized the importance of transfer of technology and the flow of finance from North to South. However, the idea of creating an authority for energy affiliated to the WB, with the substantial support of the oil exporting countries, was strenuously fought by the OPEC cartel. On investment and development aid, the concern that the International Development Agency (IDA) could be diminished in its role and its financial capacity dominated the debate, as well as strong criticism toward the criteria of strict conditionality. NA, FCO, 59/1908, *New Delhi Conference*, C.A.K. Cullimore to R. N. Dales, Letter 29 January 1982. *Ibid.*, C. D. Partridge to K. P. O'Sullivan, telegram confidential, 19 February 1982.

⁸⁸ NA, FCO, 59/1908, *New Delhi Conference*, G. G. Wetherell (Delhi) to K. P. O'Sullivan (FCO), Letter confidential, 26 February 1982. *Ibid.*, G. G. Wetherell to K. O. O'Sullivan, confidential letter, 4 March 1982.

⁸⁹ Exemplary of the Indian attitude was the circulation of a joint ventures list (distributed during the meeting) showing Indian enterprise presence in developing countries, especially in Middle East. NA, FCO, 59/1908, *New Delhi Conference*, Delhi to FCO, telegram 208, confidential, 25 February 1982.

⁹⁰ G. G. Wetherell to K. O. O'Sullivan, Letter confidential letter, 4 March 1982, in NA, FCO, 59/1908, *New Delhi Conference*.

doing in Latin America. The strong opposition of Kuwait and the absence of Saudi Arabia from the meeting showed to what extent the oil exporting countries do not like the requests and the approach, on the whole, proposed by the host country.⁹¹

An apparently *super partes* position was taken by the Chinese delegation, which had accepted the invitation from India as relationships began to unbend. They were aware that New Delhi also wanted to «keep an eye on Chinese overtures to the rest of the developing world», since «they will not wish to lose this to China».⁹² The Chinese representatives deliberately chose not to support either of the two approaches which emerged from the conference and when the meeting ended looked at the strengthening of SSC as its more relevant outcome.⁹³

Another aspect that the meeting in New Delhi highlighted concerned the absence of the UN representatives at the meeting. As mentioned, the dissolution of the North-South dialogue led to a displacement of discussions from Geneva to New York, but, more broadly, to a marginalisation of the UN from the development debate. A sort of disaffection for the discussions as well as the performances, which the UN development system had offered up to then, occurred. The expectations of the plan of Buenos Aires were not realized also because of the dysfunctions of the UN system, as well as a lower availability of funds compared to the previous decade. During the Morse administration, UNDP had tried to realize a synergy between UN agencies and programs, which actually introduced a reference to SSC in their strategies and methods of intervention. The whole system was involved in rural programs, food security, health, employment practices and industrial development. In the same way, UNDP had sought the involvement of regional banks as well as the WB in the financing of development projects. However, a series of problems arose: an absence of coordination among UN bodies, an overlapping of responsibilities (for example UNIDO and UNCTAD maintained their responsibilities) and competition between organizations.

Furthermore, the total budgets of specialised agencies indeed exceeded that of UNDP, which in total ran only 11% of the entire UN resources for development, while other programs and funds – such as WFP, UNICEF, UNFPA – were gaining ground. More broadly, funds at the disposal of the specialized agencies (FAO, WHO, ILO,

⁹¹ NA, FCO, 59/1908, *New Delhi Conference*, G. G. Wetherell (Delhi) to K. P. O'Sullivan (FCO), Letter confidential, 26 February 1982. *Ibid.*, G. G. Wetherell to K. O. O'Sullivan, Letter confidential, 4 March 1982.

⁹² NA, FCO, 59/1908, *New Delhi Conference*, C. D. Partridge to K. O'Sullivan, letter 15 January 1982.

⁹³ NA, FCO, 59/1908, *New Delhi Conference*, G. G. Wetherell to K. O. O'Sullivan, Letter confidential, 4 March 1982.

UNESCO) for technical assistance in the same period were higher than those gathered by UNDP.⁹⁴ At the Pledging Conference of 1982, while some donor countries confirmed or increased their contributions (France, Canada, Scandinavian countries) other major donors drastically reduced theirs (West Germany, USA, UK). In addition, the major Western donors, the USA and the UK, in particular, obstructed the institutionalisation of TCDC. They considered it only as part of the process of development of the Third World and were not prepared to support it through the UN.⁹⁵

During the third meeting of the High Level Committee on TCDC that took place in New York between 31 May and 6 June 1983, Morse explained the report on the work carried out by UNDP and the UN system as a whole in support of TCDC between 1981 and 1982.⁹⁶ He highlighted the essentially «promotional» activities that the UN had started, including the establishment of information networks and assistance for the drafting of regional programs in the fields of education and health. Among the critical issues, UNDP underlined the need to assess the impact of these initiatives, on the basis of the outcomes recorded by the various beneficiary governments. Moreover, it suggested identifying sectors or activities that seemed particularly suited to TCDC and concentrating on these. The meeting also assessed the questionnaires on TCDC activities UNDP had submitted to LDCs. Actually, very few had given an answer, showing little, though useful, exchanges of experiences between African and Asian countries, especially in the field of training. The Arab countries were particularly active in TCDC, while the kind of activities they described were more similar to forms of bilateral aid according to the Western model than to the approach based on equal partnership among developing countries sponsored by NAM.

For some governments, such as the UK, this type of reflection appeared contradictory and misleading. UNDP insisted on considering TCDC as an end in itself, on which strategies and institutional mechanisms could be founded and to which funds had to be allocated. Many Western countries had already argued in Buenos Aires that TCDC was to be considered as only one of the tools for development. Thus, they continued preventing the institutionalisation of TCDC as well as the creation of a fund dedicated to it. In so doing, they tried to ally with those countries, both donors and recipients, who did not

⁹⁴ Olav Stokke, *UN and Development*, pp. 229 ss.

⁹⁵ *Ibid.*, p. 249.

⁹⁶ United Nations, *Report on the progress made in implementing the tasks entrusted to the United Nations development system by the Buenos Aires Plan of Action for Promoting and Implementing Technical Co-operation among Developing Countries: report by the Administrator*, New York: United Nations, 7 March 1983, TCDC/3/2.

share the same enthusiasm that the UN showed on this matter. Certain recipients were particularly worried about the use that some of the more advanced countries among them – such as India and Argentina – made of TCDC for their commercial advantage. Moreover, Western countries did not accept the distinction between TCDC and traditional forms of technical assistance, both multilateral and bilateral, as they thought that technical assistance represented the basic condition for LDCs to advance economic cooperation among themselves.⁹⁷

The meeting of the High-Level Committee on Technical Cooperation also showed the weak enthusiasm of the LDCs, underlined by low participation and low-ranking delegations. However, representatives of the Global South, especially the PRC, India and Venezuela, showed strong cohesion, thus preventing Western countries from using any internal divisions within the group to oppose institutionalization of TCDC. At the same time, the donor countries refused again to provide further funding to UNDP to support TCDC, considering the latter as the direct responsibility of LDCs.⁹⁸ At the following meeting of the UNDP Governing Council in June 1983 that line was maintained by Western donors, which continued to hinder any request to extend powers, funds and membership of UNDP.⁹⁹

Thus, UNDP did not succeed in playing the role of a focal point of the entire UN development system, while the main competences remained firmly with the UN Secretariat, in particular UNDESA. The latter, in 1978, faced internal reorganization, according to GA Resolution 32/197 on restructuring of the economic-social sectors of the UN system. The old UNDESA gave way to three new divisions, one of which was expressly dedicated to technical cooperation and was led from 1978 by Saidou Issoufou Djermakoye from Niger. Successively, and up to 1992, it was headed by three representatives of the PRC: Bi Jilong from 1979 to 1984, Xie Qimei from 1985 to 1990, and Ji Chaozhu from 1991 to 1992.

The Department of Technical Cooperation for Development expressly dealt with the management of technical assistance programs

⁹⁷ NA, FCO, 58/3110, UN Technical Cooperation Among Developing Countries, FCO, UN Department, *High Level Committee on Technical Cooperation among Developing Countries: 3rd Meeting, New York, May 31 – June 6, 1983*, Steering Brief, May 1983.

⁹⁸ NA, FCO, 58/3110, UN Technical Cooperation Among Developing Countries, *Report of the UK Delegation to the Third High Level Committee on TCDC, New York, 31 May–8 June 1983*, restricted, 8 June 1983.

⁹⁹ FCO, 58/3110, UN Technical Cooperation Among Developing Countries, FCO, UN Department, *UNDP Governing Council 30th Session June 1983*, 8 June 1983.

shaped and carried on by the Secretariat and was intended as the operational arm of the UN system in areas not covered by the specialized agencies. However, its functions overlapped those of specialised agencies and of UNDP, generating competition for resources and tensions.¹⁰⁰ Moreover, it encountered several difficulties due to the progressive cuts of funds and staff, as well as to its exclusive dependence on programs such as UNDP and UNFPA.¹⁰¹

During the 1980s, a few new initiatives reported interest for SSC by the UN as provided for in BAPA. There were also some signs of a growing interest from the Global South, regarding the establishment of funds for financing the SSC and the birth of a new forum for debate and research.

In 1983, the Perez Guerrero trust fund was established to finance cooperation among the G77 countries. Three years later, the South Commission was born as something different from the organization of the Global South countries, which had been repeatedly demanded. It was built as an intergovernmental body, which sought alternatives after the failure of NIEO and aimed at shaping solutions to face the debt crisis.¹⁰²

It was after the end of the Cold War, in a different international context and thanks to the affirmation of the so-called «emerging countries», that the SSC was to live a new phase of development.

5. *The relaunch of SSC: New perspectives for the new millennium*

Regarding other global issues, the momentum and activism of the 1970s was resumed in the 1990s, without the constraints of the Cold War, in the context of the revival of multilateralism and a new lime-light for the UN.

Meetings inside and outside the UN multiplied, and new prospects of financing SSC seemed to materialize through the birth of new regional and universal funds established for that purposes (such as the UN Fund for South-South Cooperation in 1995, or the Special

¹⁰⁰ NA, FCO/58/3110, UN Technical Cooperation Among Developing Countries, UN Documents Section-FCO, *Technical Cooperation Activities undertaken by the Secretary-General*, September 1983.

¹⁰¹ It was composed of the non-aligned countries, chaired by the former president of Tanzania, Mr Julius Nyerere, and with the Indian Prime Minister, Manmohan Singh as Secretary general. in NA, FCO, 58/3110, UN Technical Cooperation Among Developing Countries, UN Department (A. Archibold) to Mr Pettitt, *Department of Technical Cooperation for Development*, 16 December 1983.

¹⁰² Ibero-American Programme for the Strengthening of South-South Cooperation, *Chronology and History of South-South Cooperation*, p. 16.

Multilateral Fund of the Inter-American Council for Integral Development (FEMCIDI) of the organization of American States (OAS), in 1997). Moreover, processes of regionalization intensified, especially in Latin America, where centre-left or reformist governments launched many initiatives for regional cooperation and integration, like those carried out by Chavez in Venezuela or by the Cuban government. In most cases, these initiatives dealt with commercial cooperation, though they showed a strong political characterization and a quest for emancipation (see, for example, the Bolivian Alliance for the Peoples of our America, ALBA, and the Hemispheric Community of Latin American and Caribbean states, CELAC). As regards the experiences of cooperation among African countries, they had rather a business-oriented characterization.¹⁰³

Some of these experiences were inspired by the South Commission's Report of 1993 on *The Challenge to the South*. It was the outcome of several meetings held between 1987 and 1990, collected to highlight the new opportunities which had opened for SSC since then and the role of a «locomotive» that some members could pursue.¹⁰⁴ The Report linked indeed the revival of SSC to the rise of new international donors, which had previously been developing countries and which then acquired the status of donors or extended the amount of their foreign aid towards partners in the Global South. The so-called new donors channelled aid as well as models and strategies that they considered to be antithetic to the development aid traditionally carried out by the industrialised countries during the Cold War. They proposed, instead, symmetric relationships based on the principles of mutual benefit between equal partners.¹⁰⁵

In 1995, the same content was included in the UN report on *New Directions for Technical Cooperation among Developing Countries*, worked out by a series of internal and external consultations, as well as a final meeting of an external panel of experts, which met in New York from 6 to 7 March 1995. It resumed the concept of a «locomotive country» with reference to those emerging states whose economic and political weight could give the needed boost and support to the processes of regional and inter-regional cooperation at that stage.¹⁰⁶ The Report

¹⁰³ Branislav Gosovic, 'The resurgence of South-South cooperation', p. 735.

¹⁰⁴ *The Challenge to the South. The Report of the South Commission*, New York: Oxford Univ. Press, 1990.

¹⁰⁵ Branislav Gosovic, 'The resurgence of South-South cooperation', p. 736.

¹⁰⁶ These countries were identified by UNDP as 22: China, India, Indonesia, Malaysia, Thailand, Republic of Korea for Asia; Turkey and Malta in the Middle East and the Mediterranean; Brazil, Chile, Colombia, Costa Rica, Mexico, Peru, Cuba, Trinidad and Tobago for Latin-America; Egypt, Tunisia, Ghana, Nigeria, Senegal, Mauritius for Africa. United Nations, High-Level Committee on the Review of Technical Cooperation Among Developing Countries Ninth session, *New*

admitted that TCDC, though increasingly relevant, was not well integrated within the UN development system. It called for a new special emphasis on it considering the broad changes occurring in the international system and their impact on the traditional structure of multilateral technical cooperation. It considered the new focus on TCDC as «an important contribution to the further elaboration of TCDC as a dynamic instrument in support of a truly global enterprise for development».¹⁰⁷

The same year, besides the launch of the UN Fund for SSC, GA resolution 50/119 called for a Conference on SSC, which was to be held in Nairobi only in 2009.

Meanwhile, contributions to the UN development system from the emerging countries had seen an increasing trend since the 1990s and a more marked one by the new millennium. The countries involved in this trend, especially the «most powerful developing countries», like Brazil, India, China and South Africa, have loosened their ties with G77 since 2000, as well as with UNCTAD. They have formed new links between themselves in terms of economic and financial relationships. In the meanwhile, the G77 started to represent the position of the African least developed countries.¹⁰⁸

These dynamics were translated also in the maintenance of high-level positions within the UN Secretariat economic departments, especially by Chinese and Indian representatives. In 1992, Ji Chaozhu retained the guide of the UN Department for economic and social development and prepared the path for the internal reforms that the following year saw the creation of three new departments. These included the Department for Development Support and Management Services, headed by Ji Chaozhu himself up to 1995 and then led by Jin Yongjian; and the UN Department for Policy Coordination and Sustainable Development, headed by the Indian economist Nitin Desai, from 1993 to 1996.

The First Summit of the South, organized by the G77, which took place in Havana in 2000, again won attention for SSC «as a means to development and economic independence.»¹⁰⁹ A series of meetings throughout the 2000s underlined this new approach. Among the most important there was the High-Level Conference on SSC held in Marrakech in 2003 - whose *New Framework of Action* asked the UNDP

Directions for Technical Cooperation Among Developing Countries, TCDC/9/3, 7 April 1995.

¹⁰⁷ *Ibid.*

¹⁰⁸ John Toye, 'Assessing the G77', p. 1772.

¹⁰⁹ 'Excerpts on South-South Cooperation from the Havana Programme of Action adopted by the G-77 First South Summit, Havana, Cuba, 10-14 April 2000', in Mourad Ahmia (ed.), *The Group of 77 at the United Nations*, pp. 541-548.

Special Unit to work with developing countries to formulate and implement programs, including a South-South dimension in all its activities.¹¹⁰ There were also meetings of the High Level Committee on the review of TCDC that renamed the UNDP special unit on TCDC as special unit for SSC, to underline the increasing focus on this aspect in 2004; and finally the Doha second South Summit, 12-16 June 2005.¹¹¹

In this context, the idea of development cooperation among Global South countries looked different from the traditional pattern of the Cold War. Two issues were challenged: the new donors could not accept the tandem donor-recipient, which required asymmetry and dependence. Moreover, they contested the DAC Principles – stated in the 2005 Paris Declaration and reaffirmed at both the Accra Summit of 2008 and the Busan Meeting of 2011. These asked for a form of coordination among international donor strategies according to the criteria of effectiveness and coherence.¹¹²

Since the Summit on SSC in Havana in 2000, the new donors have contested indeed the birth of a global governance on international development cooperation based on those criteria. Above all, they question the principle of conditionality which characterizes the DAC model. They considered it as an instrument of interference in internal affairs that aimed at achieving the interests of the donors, rather than as an element of mutual development. The idea which emerged was rather to push the traditional donors to accept the existence of a plurality of actors and a diversity of approaches. This was the idea that prevailed at the High-Level UN Conference on SSC, held in Nairobi in December 2009,¹¹³ to celebrate the 30th anniversary of BAPA.

6. Conclusions

The UN played an important role in promoting the processes of cooperation among developing countries. Although the North-South confrontation had more space in the debates and initiatives undertaken by the organization and its bodies, the UN has given room to

¹¹⁰ Mourad Ahmia (ed.), *The Group of 77 at the UN*, pp. 129-140.

¹¹¹ *Ibid.*, pp. 141-175.

¹¹² OECD, *The Paris Declaration on Aid Effectiveness (2005)* (<http://www.oecd.org/dac/effectiveness/34428351.pdf>); OECD, *Busan High Level Forum on Aid Effectiveness: Proceedings 29 November-1 December 2011* (<https://www.oecd.org/dac/effectiveness/HLF4%20proceedings%20etire%20doc%20for%20web.pdf>).

¹¹³ United Nations, General Assembly, *Report of the High-level United Nations Conference on South-South Cooperation*, Nairobi, 1-3 December 2009, A/CONF.215/2, 21 December 2009.

the horizontal dimension of cooperation. In their struggle against inequalities in the world economic system, as well as dependence on industrialised nations, the Afro-Asian and Latin-American groups within the UN showed an interest in cooperation among themselves linked especially to the technical dimension. Considering its growing specialization in that field, during the 1960s the UN welcomed these requests and started to work through its development system, involving the UN economic departments of the Secretariat, the economic regional commission, UNCTAD, UNDP and the specialized agencies. Since then, LDCs have had the chance to shape their stance and strategy within the UN development system, founding them on the principles of fair trade, solidarity and self-reliance. The UN in turn gave room to these requests and managed to introduce cooperation among developing countries into the international political agenda.

The trends that emerged between the 1970s and the 1990s within the UN describe the purposes and objectives of these processes, from the founding moment, namely, the Buenos Aires Conference of 1978 held under the aegis of the UN, up to the revival which followed the end of the Cold War.

During the 1970s, the UN system emphasized the importance of TCDC in pursuing NIEO, which became the essential boost to formalise SSC cooperation and gave it autonomy in the discussion on development. The Buenos Aires Conference and its Plan of Action introduced the TCDC as an autonomous tool for development, notwithstanding the opposition of the industrialized countries, who feared for the request to finance a new international body dealing with Third World development. UNDP, as it was established to represent the core of the UN development system, worked like all UN bodies, considering the horizontal dimension of cooperation in all bilateral and multilateral aid programs.

From the 1978, the BAPA on TCDC – considered the act of birth of SSC – started an implementation phase that, in the course of the 1980s, disappointed expectations. This was due to a series of transformations of the international system that radically changed the paradigms of development and the processes triggered by the NIEO project. Furthermore, both the internal dynamics of the G77 and the internal processes at the UN dealt a blow to cooperation among developing countries as well as to NIEO. A new phase began, during which the developing countries tried to find a different road to achieve NIEO. In doing so, they started considering cooperation among themselves as a crucial tool to overcome the failure of the North-South dialogue and the economic and debt crisis. Thus, they continued referring to the basic principles of national and collective self-reliance, mutual benefit and solidarity which they had expressed in several meetings since the Bandung Conference.

It was only since the 1990s that the perspective changed, in a more favourable international context in which UN initiatives were more successful. There were numerous meetings on SSC – according to the new UN definition assigned in 2003 – and new sources of international funding, opened by the rise of «new international donors» from the Global South, whose approaches were better accepted by the recipients countries.

The «new donors» have been challenging all the framework of DAC rules and strategies based on conditionality and effectiveness, as they considered them tools to limit sovereignty as well as to pursue the interest of the main donors. Rather, they have been asking the traditional donors to accept the existence of a plurality of actors and a diversity of approaches, as they stated in 2009 at the High-Level United Nations Conference on South-South Cooperation in Nairobi.

Thus, the «new donors» seem to be more favourable to the UN set of principles of sustainable and human development – the Millennium Development Goals and the Global Goals. In their view, UN values are more consistent with the series of principles of self-reliance, mutual interest and solidarity that the developing countries – now emerging countries and new donors – have been constantly expressing since the Bandung Conference.

THE INDIAN MODEL OF SOUTH-SOUTH COOPERATION:
BROADER INTERNATIONAL COOPERATION IN A HISTORICAL PERSPECTIVE

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The paper traces the historical evolution of India's development cooperation in Africa. It shows that India's development cooperation was influenced by her historical, political and cultural specificities. Accordingly, since independence, development cooperation and the principles of South-South cooperation have been a strategic priority in her foreign policy. Prime Minister Jawaharlal Nehru, affirmed India's commitment to fight inequality on a global level and started to support those countries who had shared in the battle against colonialism. For this purpose, India developed specific programmes focussed on improving the skills and capacity building in the nations with which it cooperated.

In the 1990s, as the result of the end of the Cold War at the global level, and the launching of the neoliberal economic reforms in India, there was a strategic change in New Delhi's development cooperation policy, especially in relation to Africa. It now followed an approach quite different from the one pursued by Nehru, as its focus was essentially on economic relations, through long term programmes. These programmes were based on soft loan policies pursued through the EXIM Bank, on free contributions, on the support for investments as well as on the promotion of India's trade in partner countries. A Partnership Administration was created as a prime vehicle for coordinating aid programmes, and, in 2008, New Delhi started to organize the India-Africa Forum Summits (IAFS), further consolidating her cooperation with African countries and the African Union. India – a perfect example of rapid economic growth – and the African Continent shared a colonial past and post-colonial reconstruction, but above all today they share the urgent need for a multi-sectoral, manifold partnership. The solidarity and complementarity between India and Africa fully mirror the new aspirations of both parties to attain their development needs, old and new. However, in the course of time, New Delhi has increasingly prioritized the economic factor over the initial commitment to the South – South Cooperation principles.

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The commerce between India and Africa will be of ideas and services, not of manufactured goods against raw materials after the fashion of western exploiters.

Mahatma Gandhi

1. *Introduction*

The challenge of India's extraordinary passage from being a recipient country to a donor country was marked by the fundamental stages of her internal history and the complex transformation of global international relations in the 20th and 21st centuries. During the last twenty years, we have seen a progressive change in equilibria and roles among the sovereign states, consisting of an upheaval of the system that brought about a new «multipolar» global order. Obviously, this landmark change has also transformed the sector of international development cooperation. Countries traditionally considered to be donors sought rules to be shared and, among these, economically advanced countries such as the United States of America reviewed their aid agendas also by following policy guidelines to expand the goals of cooperation aid by introducing actions such as the fight against terrorism. By contrast, a new category of donors was being established which was, with a simplification understating the complexity of their role, called «emerging donors», even if this conceptual category has a wider meaning than «emerging».¹

The latter were guided by different principles compared to those commonly recognized up to that time by the traditional donors. They were promoters of a cooperation model based on the assumption of new equilibria in relations among countries with different income levels and strategic guidelines formulated outside those channels defined by the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD).

The arrival of these new political protagonists on the international landscape has also changed the aid system. The strategy adopted by the majority of the, so-called, emerging donors presents us with important differentiation elements, obliging traditional donors to rethink their operating methods. The most recent innovation involving

¹ To better conceptualize the phenomenon of «emerging donors», in my PhD thesis at Sapienza – University of Rome, *India in Africa. Old schemes and new balances of South-South Cooperation between India and the African continent*, I propose the use of the neologism «don-actor», a term that describes the action of South donors, such as India, in the context of international cooperation more accurately.

aid from the emerging donors can, therefore, be summarized in two basic points: on the one hand, a dynamic approach to aid, capable of challenging the traditional donors in a credible manner and forcing the Western powers to ask themselves questions; on the other, the growing extent of a phenomenon undermining the equilibria in the consolidated DAC system.

A demonstration of this new awareness of the Western powers led to the *High-level forum on aid effectiveness*, held in Busan, South Korea, in December 2011. At this forum, the emerging donors succeeded for the first time in affirming the principle of South-South Cooperation (SSC), prevailing over the traditional donors. The Busan Partnership Document adopted in 2011 explicitly refers to the importance of SSC, recommending that it be coordinated with North-South Cooperation, and recognizes a political role for the South of the world that could change the rules of the game. In this context, India and China have assumed a special relevance, protagonists of a progressive change in equilibria and roles, precursors of a real change in pattern between donors and recipients.

Through a non «west-centric» vision of the world, it is possible to observe a new world structure taking shape based on relations between two states, India and China, and a continent, Africa. These three macro realities share a common factor, the demographic factor, with an expected increase in population to 1.5 billion in each by 2030,² as well as their migrant flows and new markets, which will open up. Therefore, in 2030, one half of humanity will be Chinese, African and Indian, and *Chindiafrique*, to quote Boillot and Dembinski's³ neologism, will account for two thirds of the young population between fifteen and twenty-five years of age.

By operating outside the DAC model, India and the other emerging donors have defined a different cooperation model in which business and cooperation increasingly intertwine with an exponential involvement of the private sector. The aid supplied by these countries is underpinned by a common and extremely broad vision, characterized in particular by: i) the absence of political conditionality (the loans are not bound by any change in the regime in the recipient country, nor by international standards in the matter of human rights, environmental protection, etc.); ii) a business-oriented approach (aid is only a minimal part of a wider «package» of loans, credit lines, trade agreements in neuralgic sectors such as the development of infrastructure and the extraction of natural resources); iii) the easily administered low cost aid granted to meet recipients' precise needs (demand driven) or fundamental shortages.

² Jean-Joseph Boillot & Stanislas Dembinski, *Chindiafrique. La Chine, l'Inde et l'Afrique feront le monde de demain*, Paris: Odile Jacob, 2014, pp. 8-11.

³ *Ibid.*

India could claim not only to be different from the traditional donors but also a specific, independent role: the country was proposing to her partners, above all her African partners, a development model based on her own recent development experience. In this way, India also marked a distance from the other donors. On the one hand, the country shared some characteristics with other donors, such as the absence of conditionality, the demand driven mode, reciprocity and a certain financial sustainability – principles not substantially distant from the ones introduced by China⁴ or by other emerging economies. On the other hand, she presented herself as a different, unique actor compared to the other emerging economies due to her history, methods and approach. By maintaining a focus on the first of these aspects, India was able to draw strength from her history, from her role as an ex-colony (as opposed to China, for example) that has become the protagonist of a rapid, imposing economic development. It thus succeeded in positioning herself as the bringer of an ideal, sustainable (in the financial sense) and inclusive (bottom-up) model founded on the equalitarian principle of SSC for her African partners. At the same time, India promoted actions close to Western sensitivities, yet again as a result of her history. With regard to China, for example, the political differences are substantial. Compared to the Confucian Socialism of the new China, India offers an original democratic system which is deep-rooted, and distinguished by an extended regional autonomy and a model of capillary social organization, in the context of a school system still heavily influenced by the British cultural matrix. In particular, universities are considered one of the determining factors behind the Indian role in the Information and Communication Technology (ICT) sector. It is in this historical context of a democratic, institutional order that the production of intangible assets with high innovative content has developed, becoming the centre of India's cooperation strategy.

⁴ Premier Zhou Enlai announced China's Eight Principles of foreign aid at a 1964 people's congress in Somalia in January 1964. Zhou was visiting Africa from December 1963 to February 1964. The Eight Principles are still in effect today and they are: mutual benefit; no condition attached; the no-interest or low-interest loans would not create a debt burden for the recipient country; to help the recipient nation develop its economy, not to create its dependence on China; to help the recipient country with projects that need less capital and quick returns; the aid in kind must be of high quality at the world market price; to ensure that the technology can be learned and mastered by the locals; the Chinese experts and technicians working for the aid recipient country are treated equally to the locals with no extra benefits for them.

2. *The historical perspective: From the socialist and centralised planning of Nehru to economic liberalisation*

It is above all in the historical context of the internal political and economic changes – in particular the green revolution and the move towards liberalism – that it is possible to identify and understand the path which led India from being a country receiving aid to becoming an emerging world power. India is one of the most striking examples of accelerated growth in terms of gross domestic product (GDP). The determinants can certainly be traced to the reforms implemented at the beginning of the 1990s, but the roots are decidedly older. India's GDP growth rate has shown a very notable increase from the mid-60s to 2011, from 3.2% (1960-1965, Third Five-Year Plan) to 8.4% (2009-2011).⁵

It was Indira Gandhi who gave impetus to a national strategy directed towards business, by creating fertile ground for the accumulation of capital. There were three major strategic axes: the Green Revolution, an essential component of the «new agricultural development strategy» launched in the Fourth Five-Year Plan (1969/74); the nationalization of the banks and, lastly, the programme of «expansionary adjustment», financed by a loan from the International Monetary Fund (IMF) «Special Drawing Rights» (SDR) corresponding to US\$ 530 million (1980) after the second oil crisis and the drought in 1979, which included measures to enhance exports and cut trade barriers (tariff and non-tariff).

Rajiv Gandhi continued to strengthen the pro-business strategy commenced by Indira and adopted a series of more liberal economic measures between 1985 and 1989. This mix, with a wider spectrum than the preceding ones, consisted of a true industrial deregulation. An important break occurred in 1991 when, to deal with the macroeconomic crisis after the Iraqi invasion of Kuwait, Narasimha Rao's government negotiated a programme of economic stabilisation and structural adjustment in exchange for a loan from the International Monetary Fund. The post-1991 reforms were based on three pillars: (i) the retreat of the state from the economy by cutting investment, industrial and import licences and by privatising the public sector; (ii) the creation of an environment favourable to private investments by reducing the fiscal burden and increasing investments in infrastructure and (iii) by opening up the Indian economy to international competition by reforming the trade regime, new regulations on foreign investments (direct and portfolio) and the reform of capital markets.⁶

Therefore, the turning point was marked by the shift from Nehru's socialist and centralised planning to the business-oriented

⁵ Planning Commission website, 'Macro-economic Summary', (<http://planningcommission.nic.in>). The growth rates are computed at factor cost.

⁶ Michelguglielmo Torri, *Storia dell'India*, Roma-Bari: Laterza, 2010, pp. 737-740.

strategy begun by Indira Gandhi and pursued by Rajiv, consolidated and developed by the post 1991 reform which veered towards economic liberalization.⁷

2.1. *Nehru's idealism and the Bandung Conference*

India demonstrated an authentic vocation for cooperation right from her debut as a democracy at the end of the 1940s. Prime Minister Jawaharlal Nehru was committed to the fight against inequality also on a global level, so much so that from Independence in 1947, India started to support countries which had shared in the battle against colonialism in South Asia. Even before the declaration of independence, the first Asian Relations Conference – a joint platform among developing countries which would facilitate bilateral cooperation agreements – took place from 23rd March to 2nd April 1947. The intent was, as underlined by Nehru's own words⁸, to rebuild aid and trade relations among Asian countries, interrupted by Western colonialism, affirming India's availability to offer technical assistance in multiple sectors.

Based on the same principle and enhancing it, the *Colombo Plan for Cooperative and Social Development in Asia and the Pacific*⁹ conceived in 1950 during the Commonwealth Conference on Foreign Affairs in Colombo (then Ceylon and now Sri Lanka), but officially launched a year later on 1st July 1951, was (and is) a cooperative regional aid organization for the economic and social development of the peoples of South and South-East Asia, which has expanded over time. The participants provided funds and technical assistance. India in particular, convinced of the need to share experience and knowledge, offered training in practically every sector, from medicine to agriculture, from engineering to administration, to all the peoples of South East Asia and many other countries including Nigeria, Kenya and Afghanistan.

Therefore, the period straddling the 1940s and the 1950s marked the strengthening of relations between countries in the South of the world (Asia but also Africa) with India playing an important role, once again at the wish of her Prime Minister. It was during this period that

⁷ *Ibid.*, pp. 686, 701-703, 738-740.

⁸ 'Speech Delivered at 1st Asian Relations Conference by Pt. Jawaharlal Nehru's', New Delhi, 24th March 1947 (delhi.info/asianrelationsconference/stories/jawaharlalnehru.pdf).

⁹ Until 1977 it was called *Colombo Plan for Cooperative Economic Development in South and South East Asia*, started by a group of seven Commonwealth countries: Australia, Great Britain, Canada, Ceylon, India, New Zealand and Pakistan.

the seeds of one of the fundamental concepts of SSC were sown: reciprocity matching trade, the *win-win strategy*. To give an example among the many available, Ethiopia provided India with 500 tons of wheat in exchange for a Rupees (Rs) 10.000 loan for the construction of a maternity home in Addis Ababa.¹⁰

However, Nehru saw what he had been working for take shape when in the Bandung Conference in April 1955: cooperation among countries as a political act. His speech, the most impassioned one, was an ideological manifesto. In that context, the non-Western countries broke their silence and a political alternative and the culture of the Afro-Asian peoples were placed at the forefront of general attention. These countries found consensus also outside the Asia-Africa axis, first among all, in Tito's Yugoslavia. Twenty-nine countries were present in Bandung¹¹ and the agenda contained key issues such as anti-colonialism, economic development, disarmament, the role of international organizations, the implementation of strategic economic and cultural cooperation plans. The joint platform was composed of the five principles of peaceful coexistence, the five moral precepts of Buddhism, the «Panchsheel» applied to relations among states: mutual respect for each other's territorial integrity and sovereignty; mutual non-aggression; mutual non-interference in domestic affairs; equality; and peaceful coexistence.

The pivot of the debate was active neutralism of which Nehru explained the fundamental aims: war would become inevitable when the world became rigidly and ideologically divided into two blocs as was happening then. At the Bandung conference, a third way began to take shape, by seeking to merge Asian and African nationalisms, different religions and humanist traditions. The Non-Aligned Movement (NAM) was inaugurated as a synthesis of the different neutralist and third force doctrines.

The participants to the Bandung Conference created a new axis of interest for global confrontation, no longer only the East-West divide but also North-South, whose issues since then have become increasingly topical and are also a focal point for the debate on development cooperation issues.

¹⁰ International Development Institute, Evidence report n. 95, *Indian Development Cooperation: The State of the Debate*, September 2014, p. 6.

¹¹ Among them: China with Zhou Enlai, India with Nehru, Egypt with Nasser, Yugoslavia with Tito and the Ethiopian Empire.

2.2. *From the 1960s to the 1990s*

Between the end of the 1950s and the beginning of the 1960s, India continued to be active in the Colombo Plan and in bilateral initiatives in the wake of the enthusiasm created by Bandung. In addition to Nehru's central political principles already mentioned, India's action was also inspired by the principle of the necessity, non-negotiable, of re-claiming the historical, ancient, boundaries of India. It was a principle that came from the belief – both to Nehruvian nationalism and Hindu nationalism – in the ancient existence of the Indian nation. This principle was important for the Indian foreign policy of the time, especially in the case of relations between China and India. It was the cause of the political debacle of Nehru in 1964.¹²

With the changes in the leadership of the country halfway through the 1960s, there was a new drive towards cooperation and relations between India and Africa. In 1964, Indira Gandhi, then Minister for Information and Broadcasting, undertook a safari to Africa to understand the status of Indian relations with that continent. At the same time, «India stopped treating African countries as a bloc (a characteristic which it has maintained, and which distinguishes her current relations with the continent) and consequently became more selective in her friendships.»¹³ That same year, also as an instrument of economic diplomacy, India created the Indian Technical and Economic Cooperation programme (ITEC) which, since 1964, together with the Special Commonwealth Assistance for Africa Programme (SCAAP), provides training courses and capacity building in the agricultural, scientific and technological sectors in India to people coming from 158 countries in Asia, Africa, Latin America, the Caribbean and Eastern and Central Europe. Founded by the Indian Cabinet, ITEC was inspired by Nehru's thinking. This was the initiative which, more than any other until then, led to the implementation of bilateral cooperation agreements between India and other economies in the South, by exchanging experts, training and demonstration equipment.

Compared to Nehru's idealism, anti-colonialism and struggle against inequality, strategy seemed to veer, in parallel, towards other, more pragmatic reasoning already being applied to domestic economic policies. Mawdsley pinpoints three reasons: a need for energy, which took the form of investing in hydropower projects; the desire to create a buffer zone with China, in order to improve her security, leading to infrastructure development in Nepal; and the desire to be

¹² Michelguglielmo Torri, *Storia dell'India*, pp. 650-659.

¹³ Ruchita Beri, 'India's Africa Policy in the Post-Cold War Era: An Assessment', *Strategic Analysis*, Vol. 27, Issue 2, Apr-Jun 2003.

an international player, exemplified by her leadership of the ‘Third World’ through the NAM.¹⁴

The subsequent years saw consolidation in the pursuit of this strategy without any events of particular note. It should be highlighted that, throughout this period, India continued to receive aid: according to data from the Ministry of Foreign Affairs, from 1951 to 1991 India received approximately US\$ 55 billion in development aid.

We can trace a true shift towards a more market-oriented approach, to 1991, a less third world Nehruvian approach and which coincided with the programme of economic stabilisation and adjustment negotiated by the government of Narasimha Rao in exchange for a loan from the IMF and the subsequent post-1991 reforms. It is at this time that India’s interest in Africa grew. After the end of the Cold War (with an exponential loss in importance of the East-West axis) and the introduction of her economic liberalisation programme, India’s foreign policy departed from Nehru’s non-aligned policy and Gandhi’s idealism towards more pragmatic policies to attract investments and to expand trade and foreign investments on the African continent.

3. 2003: *The watershed*

During his Budget speech on 28th February 2003, the Finance Minister, Jaswant Singh, announced that India would no longer be accepting foreign aid except from certain, selected, Western governments (G8 and others) and institutions, (among others WB, IMF). At the same time, India returned US\$ 1.6 billion to fourteen bilateral donors and cancelled the debt of seven poor, highly indebted countries.¹⁵ Moreover, it launched the «India Development Initiative» to channel aid in the form of grants or aid projects to developing countries. Therefore, India started to put into place a broad development aid strategy and to refer to the poorest countries as «development partners» rather than using the term «recipients». In 2005, during the Tsunami crisis, India very clearly defined her role by refusing any external aid for relief operations but offering to provide funds for the reconstruction of the countries hit. In the 2007/2008 Budget, the creation of the India International Development Cooperation Agency (IIDCA) was announced, to channel all activities related to cooperation under a single coordinating unit, but after delays and discordant opinions, it was replaced almost five years later by an internal department of the Ministry of Foreign Affairs (MFA).

¹⁴ Emma Mawdsley, *From Recipients to Donors: Emerging Powers and the Changing Development Landscape*, London: Zed Books, 2012, pp. 72-3.

¹⁵ Mozambique, Tanzania, Zambia, Guyana, Nicaragua, Ghana and Uganda.

The Development Partnership Administration (DPA) is an internal division of the MFA and was created as the prime vehicle for implementing aid programmes for Indian development. It is not yet an agency, as the IIDCA, but it has a mandate to render the implementation of Indian programmes more efficient. Like any ministerial general management, it is made up of several offices:

- DPA I: LoCs (Lines of Credit) and grants to Africa, Bangladesh and Sri Lanka;
- DPA II: capacity building programmes (ITEC, SCAAP, TCS - Colombo Plan), Asia, Latin America, humanitarian aid and relief;
- DPA III: assistance for grant projects in Afghanistan, Maldives, Myanmar, Nepal and Sri Lanka.

The DPA is involved in all the programme processes: conception, approval, realisation and monitoring. All Ministries cooperate with the DPA. All the programmes are based on the exchange of know-how and expertise and this interaction has been recognized as a prime need for the correct performance of cooperation programmes. With its creation, India has once again confirmed the importance of capacity building in cooperation programmes and the development of human resources as a hallmark of and instrument for inclusive growth for her development partners. Its mandate is that of ensuring rapid and efficient implementation of the development aid programmes, which have grown both in terms of volume of investments and geographic expansion. Above all, the DPA's mandate includes leading and strengthening the capacity building programmes (ITEC and others). This instrument enables the MFA to enhance coordination of all the divisions involved in cooperation, and valuation of the lines of credit and projects.

It is useful to recall the major architectural components of India's cooperation today, which is the obvious fruit of its historical development while showing a lack of continuity with Nehru's fundamentals. These components are the Indian Technical & Economic Cooperation (ITEC), Lines of Credit (LoC), the Trade and Investment Support and lastly, the Grants.

ITEC is the longest surviving, and most famous, programme for Indian cooperation. In constant growth from 1964 onwards, as mentioned above, strongly pressed for by Jawaharlal Nehru, ITEC has been the principal instrument of Indian bilateral cooperation with the purpose of developing technical cooperation and building capacity in developing countries. That it is still one of the programmes in which India is investing is shown by the constant increase in its resources: allocations by the government for the ITEC programme have seen a

substantial increase, from Rs.134 million in 1990-1991 to Rs.1.2 billion in 2012-2013.¹⁶

Lines of Credit (LoCs) are an important component of Indian cooperation, even though they are not a recent acquisition. India had already started to grant these soft loans in the early 1950s, especially to South-East Asian countries like Burma. The LoCs are granted by the Export-Import Bank of India (Exim Bank of India)¹⁷ to governments, regional development banks, other foreign entities mainly to enable buyers in those areas to import Indian goods and services. The boundary between aid and the promotion of international trade is obviously very weak. The LoCs are also the instrument which allows Indian companies, including the small-medium enterprises, to have access to the development partners' markets. They are loans linked to the 85% mark (i.e. 85% of the goods and services must come from Indian companies). As they are soft loans not in line with the market, the Government acts as guarantor and compensates any interest differential between the market cost and what is requested by the development partners. Sub Saharan Africa is the main recipient (over 50% of total LoCs), in particular Sudan and Ethiopia, followed by South Asia with 39% and the rest of Asia with 9%. The total LoCs commitment in 2012 was US\$7.7 billion, covering 153 LoCs in 94 countries in Africa, Asia, the Commonwealth of Independent States (CIS), Europe and Latin America. About US\$ 4.2 billion, through around 100 Indian LoCs, was received by more than 40 countries in Africa.¹⁸ To participate in the promotion of economic growth in partner countries, India participates in multisector projects, particularly railways, information technology, power generation and transmission and agricultural projects.

Trade support is a third substantial component of Indian cooperation, part of a «development compact» which is definitely outside the guidelines set forth by the OECD-DAC and participates in what we could define as wider cooperation according to an extended, hetero-comprehensive vision of SSC.

More than the other components, it indicates the shift in perspective toward a platform concentrating more on trade relations albeit with development objectives.

Wider cooperation or broader international cooperation (BIC) is an «extensive» definition of development cooperation. It also includes funds which traditional donors do not calculate in their official development assistance (ODA) but is a type of loan which the emerging

¹⁶ P. Srinath, 'Infographic: Foreign Aid Going Out of India', *Pragati. The Indian National Interest Review*, December 2013 (<http://pragati.nationalinterest.in/2013/12/infographic-foreign-aid-going-out-of-india>).

¹⁷ Exim's mission is also the promotion of India's trade.

¹⁸ Exim Bank of India, *Annual Report*, Delhi: Exim Bank, 2012.

economies generally use to sign «development agreements» with developing countries and which, for various reasons, contributes to the general budget for the Sustainable Development Goals (SDGs). Like China and the other emerging economies, India uses every possible instrument for her actions in Africa. However, unlike other emerging economies, India can use a softer strategy – *soft power* – in her international relations by drawing support from her particularly resilient civil society and from her well-developed, flexible and creative private sector, including the growing global cultural and show business industry well represented by Bollywood. In this sense, we should not ignore the use of certain traditions such as, for example, yoga, which has become an instrumental symbol of «Indian identity» and used by Prime Minister Modi – who proclaimed International Yoga Day in 2015 – to achieve greater popularity for India through recognition of such a widespread activity.

In this way, India's cooperation is a true heterogeneous and complex network – aid, trade, investments, culture, training and spirituality – and much more contemporary compared to the exclusive Diplomatic Club of the Nations. Moreover, India is a leader in a sector which represents the key factor in the new development policies: the transfer of know-how and the capacity building of human resources.

The historical and constant presence of numerous, influential Indian communities in East and South Africa, which date back to the colonial era, sustain this «soft power» strategy. The Indian communities even contributed to the foundation of the capital of the African Union, Addis Ababa (1886). This substantial Indian migration has served over time also as a political, economic and cultural transmission belt.

Today, India proposes herself as the only country able to be a real model for Africa in terms of democratic and inclusive development. In this sense, India is not only proposing to Africa a feasible and valuable model for economic growth but also a brilliant example of democratic consolidation and sustainability.

The fourth component is represented by the grants. In terms of investment volume, they are less important, albeit growing continually, but certainly used very well by India as an element of «accompaniment» to other programmes such as the ITEC and loan investments. With reference to acquisition of higher consensus and, therefore, of soft penetration, India often supports small projects through grants, which have an immediate impact on the local population and contribute to giving a positive image of the country, strengthening trust. As an example, in March 2017, with a grand ceremony filmed by all the national media, the Indian Ambassador in Senegal, Rajeev Kumar, delivered a US\$ 50,000 cheque to the Minister of Health, Coll Seck, for a programme to assist people with motor disabilities. At the same time, he made an undertaking on behalf of his country to share

Indian avant-garde techniques for quality prosthesis manufacture with Senegal, thus reinforcing the telemedicine programme already implemented and, in fact, also opening up a new trade channel. The programme was presented by the Minister as part of an important Indian-Senegalese partnership to benefit the most vulnerable strata of the Senegalese population.

India's economic diplomacy toolkits have expanded to allow for the participation of more actors in various arenas. The India-Africa Forum Summits (IAFS) have been created to give India's cooperation initiatives in the Continent a homogeneous strategic framework. They have certainly strengthened cooperation with the African Union (AU) and they have facilitated co-existence and dialogue with the traditional OECD cooperation. The first Forum took place in 2008 in New Delhi, the second one – not a coincidence – in the African city that is home to the African Union headquarters, Addis Ababa, in 2011 and the latest one in 2015 in New Delhi, chaired by the current Prime Minister, Narendra Modi.

The manifesto of intentions was outlined by the opening words of Prime Minister Singh at the First India-Africa Summit Forum in 2008 who referred to the beginning of a new chapter in the long history of cooperation and friendship between India and Africa, with the aim of achieving economic dynamism, peace, stability and self-reliance. «As I look into the 21st Century, I am convinced that free people of a new Africa and a new India will come ever closer, through mutually beneficial relationships based on equality and fraternity.»¹⁹

As the Indian ambassadors in Africa love to repeat, IAFS is the platform on which all relations between India and African countries are built. As mentioned, the second IAFS was held in Addis Ababa, home to the headquarters of the African Union. The central theme of the forum was the debate on how to enhance and expand the partnership for greater mutual benefit. The Forum was attended by fifteen African leaders selected according to the Banjul formula decided in 2006 by the African Union in the Gambian capital. This established the number of African representatives as 15 according to a very well-defined protocol, which included five members of the New Partnership of Africa's Development (NEPAD), Chairs and General Managers of the Regional Economic Communities (REC), the Chair in office and the previous Chair of the AU and others.

The third IAFS was not simply a consolidation of relations and intents. It also represented a triumph for the image of Prime Minister Modi's foreign policy, making his strategy for the integration of political and trade diplomacy even clearer. This latter Summit was attended by forty-one African leaders (forty were Heads of State) out of

¹⁹ 'PM's Opening Statement at the India-Africa Forum Summit', New Delhi, April 8, 2008 (<https://archivepmo.nic.in/drmannmohansingh/speech-details.php?nodeid= 643>).

fifty-four representatives from all over the AU, thus breaking the protocol established in Banjul (the «Banjul formula») which, as we have seen, had been adopted until then and had established that the highest number of representatives should be 15. Modi imposed his political aspiration and therefore gathered together a broader grouping of African leaders since the NAM Summit in 1983, as a symbol of his standing on the African Continent. However, in the draft of the final declaration, India tried to be cautious, deliberately avoiding any reference to colonialism lest it be interpreted as anti-western sentiment. Among the announcements on new funds amounting to US\$ 10 billion²⁰, Indian representatives avoided including the lines of credit, despite the fact they are an essential component of India-Africa relations. On the African side, the language used in the IAFS statement on the Indian seat on the United Nations Security Council also showed extreme prudence, just taking note of India's aspirations to become a permanent member. Despite this, however, the Delhi Declaration of the third India-Africa Forum Summit in 2015 highlighted and reinforced strong commitment on the part of participants to work together for shared challenges.

Perhaps the best description of India's conviction about her role in the African continent can be found in a passage contained in an article published on *The Hindu* at the time of the Summit: «For most countries there, India doesn't represent just a 'white knight' or trading partner; it represents a country with similar problems, tropical climate, and challenges of poverty and disease, but has overcome many of these challenges through low-cost innovations. As a result, India's rural healthcare, water conservation techniques, scientific expertise, educational facilities and programmes for women mean much more than the amount of aid would»²¹.

4. Conclusion. «African countries admire China, but they want to be like India»

This catch phrase by the Indian former international civil servant, politician and author, Shashi Tharoor, underlines a characteristic which India has always had from her debut as a democracy and as an actor in cooperation, that of sharing a similar past and context of poverty from which to free herself together with her development partners, by presenting herself not only as an ideal, but also as an objective and concrete model. A wealth of empathy exists towards India among her African development partners on which India is seeking to capitalise in her partnerships.

²⁰ India announced mostly infrastructure projects and study grants.

²¹ 'Beyond the event', *The Hindu*, 9 November 2015.

From her independence in 1947, the agenda uniting India and developing countries, particularly in Africa, was the struggle against colonialism, a certain form of Western supremacy and all the claims which emerged in Bandung. All this has lost relevance since the end of the Cold War. At the same time, India implemented liberal economic reforms at home. These two factors have brought about a change in India's relations with African countries by targeting economic cooperation while maintaining the traditional focus on capacity building, transfer of know-how, peace keeping, etc. In addition, for reasons of demographic growth and structural transformation of their economies, Africa and India will be the main areas involved in the experimentation of development models in the 21st century. This will open up new horizons for India as a development partner, above all compared to traditional donors who have a more rigorous vision of economic development and in line with the dictates of the OECD. From this standpoint, India is the most original actor among the new protagonists of international cooperation. At present, New Delhi is pursuing Beijing without catching up: the two countries are often competitors, especially in the sectors of hydrocarbon extraction rights and the acquisition of fertile land. Nonetheless, at the same time, India has become a fundamental pivot in geostrategic equilibria with the new dimensions her foreign policy is achieving, which aims at amalgamating political and trade diplomacy, and her aspiration to play a preeminent role.

Like all the other emerging donors, India's action highlights the connection between development aid and the pursuit of national interests, such as economic cooperation, promotion of regional stability, religious and cultural bonds and trade opportunities. The «mutual advantage» – *win win-cooperation* – is one of the central principles of India's initiative and characterises India's cooperation and assistance with many African countries. Currently, India is able to have relations both with individual African states and in the context of regional economic communities (REC) and especially in pan-African projects, and not only by means of a one-to-one relationship, which appears to be the priority method (if not the only one), that countries like China use in the field of international cooperation. Moreover, this «practice», her technological competence and her good reputation have enabled India to become a model for other non-Western states, especially for the BRICS and even for China.

Various studies have underlined the importance that India attributes to local ownership and to the employment of local human resources in her cooperation and business-oriented projects. This is the opposite of China which, instead, intervenes in the field with predominantly Chinese workers, thus creating separate communities which are not integrated with the local population, and where strong identity through language, food and customs is maintained.

As a consequence of her undertakings in Africa, India has considerably increased her diplomatic influence and gained a role as an international actor. It is an investment perspective: Delhi is convinced that, in international forums like the United Nations or the World Trade Organization (WTO), this special relationship with the African continent will bear fruit in the medium term.

While China's predominant presence in Africa is currently undeniable, India is rapidly shortening the distances and consolidating her «expansion» in Africa. The country has a comparative advantage also owing to the large community of the Indian Diaspora present in many African countries: her greater geographical proximity to the Continent, her quality education system, the development of civil society organisations and her democratic tradition could render India increasingly competitive.

With the idea of consolidating her partnership with Africa, India has developed what is possible to define as a «development compact» which essentially includes trade and investments, technology, capacity building, lines of credit, soft rate aid grants.

Lastly, it should be underlined that among the emerging donors, India is the one with the longest democratic pedigree as well as being a country which passed from a long, complex colonial era to a solid democracy. Today, India's aspirations for leadership, security and natural resources are mirrored in the parable of change which her development cooperation has undergone from its idealist beginnings to the present day: from the liberal reforms to the crucial shift in 2003, to the emphasis on trade and investment with her development partners and finally to aspirations for global leadership.

These are the elements of great interest which make India a unique case in the scenario of the new world cooperation and which render evolution in the architecture of India's development cooperation and consolidation of her historical relationship with the Sub Saharan Africa extremely interesting.

While India and the African continent share a past as victims of colonialism and post-colonial reconstruction, they also share the urgency for a multisector, heterogeneous partnership. The solidarity and complementarity between India and Africa fully reflect the new aspirations of both to achieve their old and new development objectives.

CHINA AND THE DEVELOPMENT DISCOURSE AT THE UNITED NATIONS.
MULTILATERALISM «WITH CHINESE CHARACTERISTICS»?

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Transformations in China's foreign policy in the last forty years, along with its economic growth, have been the subject of numerous analyses, which have inter alia focused on the Chinese attitude towards international organizations. The interest of international aid scholars has instead turned to the growing activism that China has been showing in this field over the past fifteen years. This is at a time when the international development cooperation landscape is rapidly changing, with the emergence of new actors – also non-state actors – and new funding instruments. Less attention instead has been paid to China's attitude towards multilateral development cooperation, in particular within the United Nations system, although it has been the main forum for discussing and analysing development problems for over seventy years. A long-term analysis of Chinese policy in this area can contribute to a greater understanding of Chinese objectives in the Third World and, more generally, towards international organizations. It may also help explain the role that China attaches today to its multilateral development policy and also show the level of adaptation or «challenge» of the Chinese policy to the existing international order, at least in the development cooperation field. Through an analysis of Chinese policy at the UN on issues relating to development, this contribution aims to frame the current Chinese multilateral cooperation policy from a historical perspective, indicating elements of continuity and discontinuity with respect to the past.

1. Introduction

The transformations in China's foreign policy in the last forty years, which accompanied the surprising growth of the Chinese economy in the same period, have been the subject of numerous analyses and historical reconstructions.

These have focused in particular on the evolution of its relations with Western countries and, recently, on the Chinese attitude towards international organizations.¹ The interest of international aid scholars has instead turned to the growing activism that China has shown in this field over the past 50 years, at a time when the international development cooperation landscape is rapidly changing, with the emergence of new actors – also non-state actors – and new funding instruments. There are now numerous studies on China's bilateral aid policy towards African, Latin America and Southeast Asian countries,² while the number of studies dealing with the One Belt One Road initiative is constantly increasing.³ Less attention instead has been given

¹ The most recurrent question is whether China wants to reform international institutions from within, to make them better reflect its values, principles and interests, or whether it wants to create a Sinocentric international order, in alternative to the liberal one. In the impossibility of giving an account of the numerous references in literature, I limit myself to referring to the useful review of the literature on China's policy toward multilateral institutions up to 2011 contained in Mingjiang Li, 'Rising from Within: China's Search for a Multilateral World and Its Implications for Sino-US Relations', *Global Governance*, Vol. 17, No. 3, 2011, pp. 331-333. Among more recent contributions: Randall Schweller & Xiaoyu Pu, 'After unipolarity: China's visions of international order in an era of U.S. decline', *International Security*, Vol. 36, No. 1, 2011; Shaun Breslin, 'Global Reordering and China's Rise: Adoption, Adaptation and Reform', *The International Spectator*, Vol. 53, No. 1, 2018, pp. 57-75; Ren Xiao, 'A reform-minded status quo power? China, the G20, and reform of the international financial system', *Third World Quarterly*, Vol. 36, No. 11, 2015, pp. 2023-2043; Scott Kennedy & Shuaihua Cheng (eds.), *From Rule Takers to Rule Makers: The Growing Role of Chinese in Global Governance*, Bloomington-Geneva: RCCPB and ICTSD, 2012; Rosemary Foot, '«Doing some things» in the Xi Jinping era: The United Nations as China's venue of choice', *International Affairs*, Vol. 90, No. 5, 2014, pp. 1085-1100.

² As the literature on China's relations with developing countries is extensive and still growing, I limit myself to referring to the works included in Carla P. Freeman (ed.), *Handbook on China and Developing Countries*, Cheltenham-Northampton: Edward Elgar, 2015.

³ See, for example, among the articles published since 2016, Francesca Congiu, 'China 2015: Implementing the Silk Road Economic Belt and the 21st Century Maritime Silk Road', *Asia Maior 2015*, pp. 19-52; Peter Ferdinand, 'Westward ho – the China dream and «One Belt, One Road»: Chinese foreign policy under Xi Jinping', *International Affairs*, Vol. 92, No. 4, 2016, pp. 941-957; Yiping Huang, 'Understanding China's Belt & Road Initiative: Motivation, framework and assessment', *China Economic Review*, Vol. 40, September 2016, pp. 314-321; Hong Yu, 'Motivation behind China's «One Belt, One Road» Initiatives and Establishment of the Asian Infrastructure Investment Bank', *Journal of Contemporary China*, Vol. 26, No. 105, 2016, pp. 353-368; 'Eurasian Perspectives on China's Belt and Road Initiative' (Giovanni Adornino & Giorgio Prodi eds.), *China & World Economy Special*

to China's attitude towards multilateral development cooperation, in particular within the United Nations system. This, however, has been the main forum for discussing and analysing development problems for over seventy years and the place where laboriously – and not without failures – the international community has striven to find a consensus on principles and good practices.

A long-term analysis of Chinese policy in this area can instead contribute to a greater understanding of Chinese objectives in the Third World and, more generally, towards international organizations. It may also help explain the role that China attaches today to its multilateral development policy and show the level of adaptation or «challenge» of the Chinese policy to the existing international order, at least in the development cooperation field.

Through an analysis of Chinese policy at the UN on issues relating to development, this contribution – based on archival documentation, published documents and international organizations official documents – aims to frame the current Chinese multilateral cooperation policy from a historical perspective. In addition, elements of continuity and discontinuity with respect to the past are discussed. It examines the evolution of the Chinese contribution to the activities of the UN development system and the role played by China in the debates on the definition of the development strategies at the United Nations from 1971 to today. The values, principles and interests that have shaped this role in different periods and their effects on the international debate are highlighted.

2. 1971-1978: «We, the developing countries»⁴

China is often defined as a «new donor». Actually, its foreign aid policy towards several African countries – although limited – started in the early 1950s and intensified in the first half of the 1960s, as a challenge more to the Soviet Union than to Western countries.

The visit of the Prime Minister Zhou Enlai and of the Foreign Minister Chen Yi to ten African countries between December 1963

Issue, Vol. 25, No. 5, 2017; Astrid H. M. Nordin & Mikael Weissmann, 'Will Trump make China great again? The belt and road initiative and international order', *International Affairs*, Vol. 94, No. 2, 2018, pp. 231-249; Jeffrey Reeves, 'China's Silk Road Economic Belt Initiative: Network and Influence Formation in Central Asia', *Journal of Contemporary China*, Vol. 27, Issue 112, 2018, pp. 502-518.

⁴ «We, the developing countries, should not only support one another politically but we should also help each other economically. Our co-operation is a co-operation based on true equality and has broad prospects». General Assembly Official Records [Gaor], Sixth Special Session, 2209th plenary meeting, 10 April 1974, Teng Xiao-ping, p. 18 (A/PV.2209).

and February 1964 marked the emergence of a more assertive strategy towards the continent. It was aimed at expanding Chinese influence in the newly independent countries and at developing relations with moderate governments, also for the purpose of gaining diplomatic recognition from a growing number of states.⁵ From the mid 1960s, Beijing increased its economic assistance to various countries of the continent by about 160% compared to previous years and intensified trade relations with them. These offers were well received by most of the governments, as they allowed them to limit their dependence on a single source of assistance and replace the declining aid of the former motherlands.

Projects financed by Beijing often provided for the use of local labour and concentrated mainly on the construction of infrastructure and small manufacturing facilities, in particular in the textile sector and in the processing of local agricultural products.⁶ Loans offered very advantageous conditions and, unlike Western loans, could be repaid in kind. Finally, Beijing financed most of the local costs generated by the projects it carried out, at least until the late 1970s, thus succeeding in not aggravating the often-precarious conditions of the receivers' national budgets.⁷ During that journey, in a speech given in Accra, Zhou Enlai clarified the principles by which Chinese cooperation was inspired, and which it continues to refer to today.⁸ Along with economic aid, Beijing also used strong anti-Western and anti-Soviet propaganda. The main objective was to convey to Africans that

⁵ Department of State, Research Memorandum, *Communist Economic Aid to Less Developed Countries in 1964 Reaches Highest Level*, February 1, 1965, pp. 4-5, US Declassified Documents Online [DDO] (<http://tinyurl.galegroup.com/tinyurl/3Tey43>).

⁶ Economic Intelligence Committee, R14-S17, *Aid and Trade Activities of Communist Countries in Less Developed Areas of the Free World, 1 January-30 June 1964*, August 1964, pp. 23-37, DDO (<http://tinyurl.galegroup.com/tinyurl/3Terp3>).

⁷ CIA, Intelligence Memorandum, *The New Look in Chinese Communist Aid in Sub-Saharan Africa*, September 1, 1968, p. 6, DDO ([http://tinyurl/3TfRP3](http://tinyurl.galegroup.com/tinyurl/3TfRP3)); CIA Report CS 311/12408-66, *Chinese communist Economic Aid*, August 26, 1966, DDO ([http://tinyurl/3TKEG5](http://tinyurl.galegroup.com/tinyurl/3TKEG5)).

⁸ They are: 1. Equality and mutual benefit in providing aid to other countries; 2. Respect for the sovereignty of the recipient country; 3. Economic aid provided in the form of interest-free or low-interest loans; 4. Self-reliance; 5. Quick results; 6. Best-quality equipment provided and material of Chinese manufacture at international market prices; 7. Emphasis on technology transfer through technical assistance; 8. The experts dispatched by China will have the same standard of living as the experts of the recipient country. «The Chinese Government's Eight Principles for Economic Aid and Technical Assistance to Other Countries», 15 January 1964, History and Public Policy Program Digital Archive, *Selected Diplomatic Papers of Zhou Enlai*, Beijing, Zhongyang wenxian chubanshe, 1990 (<http://digitalarchive.wilsoncenter.org/document/121560>).

China was the real revolutionary power, which shared the experience of colonial domination and the urgent need for economic development with them.⁹

At the end of 1968, after registering some failures,¹⁰ China concentrated 90% of its aid (which in absolute terms accounted for nearly a quarter of US aid flows) in five countries: Guinea, Mali, Tanzania, Zambia and Congo (Brazzaville). Contemporarily, about half of Chinese aid to non-communist countries was directed to sub-Saharan Africa, where the two-thirds of Chinese engineers abroad also worked.¹¹

The strategy of approaching the newly independent countries soon bore fruit. China, as is known, regained its seat in the UN in 1971 thanks, above all, to the vote of countries of the Afro-Asiatic group in the General Assembly.¹² Furthermore, it did not abandon its policy of opening up to the Third World, within which it placed itself.

The first years of its participation in the activities of the UN were marked by a low-profile policy and, as has been written, by a posture fitting more to a «diligent apprentice» rather than to a «revolutionary challenger» of the international system.¹³ This choice was due both to the need to project an image of the country as a reliable and responsible partner in international affairs,¹⁴ and to the fact that China only

⁹ CIA, Office of Current Intelligence, Special Report, *Chinese Communist Activities in Africa* (624/64B), 19 June 1964, DDO (<http://tinyurl.galegroup.com/tinyurl/3TfhH1>).

¹⁰ They were due, on the one hand, to the fact that Beijing supported anti-government activities in some countries. In 1966, for example, some Chinese officials were expelled from Kenya for funding opposition leaders. On the other hand, the coups held in several countries during the 1960s, especially in Ghana and the Central African Republic, led to the emergence of conservative regimes that broke relations with the PRC.

¹¹ CIA, Intelligence Memorandum, *The New Look in Chinese Communist Aid*, p. 3. The bulk of Chinese aid was committed for the construction of the Tanzania-Zambia railway from 1970 to which Beijing devoted the largest loan granted up to that time to the countries of the continent. George T. Yu, *Chinese Aid to Africa; The Tanzania-Zambia Railway*, in Warren Weinstein (ed.), *Soviet and Chinese Aid to Africa*, New York: Praeger, 1976, pp. 29-55.

¹² Pietro Paolo Masina, *La Cina e le Nazioni Unite. Dall'esclusione al potere di veto*, Roma: Carocci, 2012.

¹³ Samuel S. Kim, *China, the United Nations and World Order*, Princeton: Princeton University Press, 1979, p. 110.

¹⁴ Samuel S. Kim, 'International Organizations in Chinese Foreign Policy', *Annals of the Academy of Political and Social Sciences*, Vol. 519, Issue 1, 1992, p. 142. In 1973, the Chinese request to the Committee of Contributions, to increase its share of the UN regular budget from 4% to 5.5% can be read in this context. See Richard E. Bissell, 'A Note on the Chinese View of United Nations Finances', *The American Journal of International Law*, Vol. 69, No. 3, 1975, pp. 628-633.

gradually defined what the role of the UN in its international relations was to have been. Finally, it must never be underestimated that the first Chinese representatives at the UN, although high-ranking diplomats,¹⁵ knew very little about the functioning of multilateral diplomacy. As the representatives of other countries also easily noticed, after twenty years of isolation Chinese diplomats experienced some difficulty in acquiring confidence with new procedures and working methods. Moreover, they were completely unfamiliar with the functioning of international organizations, and could rely only on a few experts with good knowledge of foreign languages.¹⁶

Thus, during the early years at the UN, China's participation in the various agencies and organs of the organization was rather selective.

Beijing decided not to participate in the work of many committees of the General Assembly (GA) and ECOSOC and, although adhering to the informal group of Asian countries, it refused to act as a leader in it, as it had always refused to join the Group of 77 (G77), which was the strongest and most numerous pressure group at the UN on development issues.

In this first period, Chinese interventions at the various UN organs were not very numerous and were marked by a strongly declaratory rhetoric. Disarmament, development, issues related to decolonization and opposition to the hegemony of the superpowers were the most recurrent themes in the speeches of the Chinese representatives, both in the technical commissions and in the annual general debate at the UN General Assembly. The latter was generally used by member states as an opportunity to expose the main lines of their foreign policy and world view and, above all, to project a specific image of themselves to the world.

¹⁵ The Chinese delegation to the XXVI General Assembly was led by Chiao Kuan-ha and by his deputy Huang Hua – later permanent representative to the United Nations, Minister of Foreign Affairs (1976-82) and Deputy Prime Minister (1980-82) – which were both senior officials and among Zhou Enlai's closest advisors. Samuel S. Kim, *China, the United Nations and World Order*, pp. 106-107.

¹⁶ The UK mission reported from Geneva: «The Chinese representatives here are like new boys at school. [...] Their contributions in these organs have, on the whole, been serious, modest and restrained; they have even publicly admitted that they have much to learn». Letter, UK mission to UN (Geneva, Warburton) to T.W. Keeble, *The CPR and UN work in Geneva*, 17 August 1973. See also Letter, Weir to Solesby, *Chinese and the UN*, 20 December 1973, both in The National Archives of the UK [TNA], Foreign and Commonwealth Office [FCO] 21/1094; Tel. n. 6079, Usun to State, *China in the 29th UNGA*, 23 December 1974, Central Foreign Policy Files, 1973-1979, Record Group 59, National Archives at College Park, College Park, MD, electronic record (www.archives.gov).

The themes that during the 1970s were to become the leitmotifs of Chinese rhetoric at the UN were already all present in the first speech that the head of the Chinese delegation Chiao Kuan-hua delivered at the General Assembly in 1971. These were the «irresistible» trend of history going towards the revolution of the poorest against the established international order («Countries want independence, nations want liberation and the people want revolution»); the five principles of peaceful coexistence which were to be placed at the basis of international relations; Chinese people were «opposed to the power politics and hegemony of big Powers bullying small ones or strong nations bullying weak ones»; all countries had to be equal («the affairs of the world must be handled by all the countries of the world», as «the affairs of the United Nations must be handled jointly by all its Member States»); China was a member of the Third World, it had «experienced untold sufferings under imperialist oppression» and would «resolutely support the struggles unfolded by the petroleum-exporting countries in Asia, Africa and Latin America [...] to protect their national rights and interests and oppose economic plunder».¹⁷ In the following years, Chinese representatives almost always used this rather limited repertoire, presenting their country to the world as the only large developing country that sat at the Security Council. From that position, it aimed at transforming the international order in favour of the poorest and the least powerful.

Another constant feature of Chinese speeches at the UN was the attack on the Soviet Union, which took on particularly harsh tones. While the anti-hegemonic rhetoric of China was directed also against the United States and, to a lesser extent, to European countries, the worst criticisms were reserved for Moscow. The USSR was accused of pursuing hegemony like the US, of being a «merchant of death» with its selling of arms and ammunitions to countries in conflict, and of being insincere in its disarmament proposals.¹⁸ Criticisms sharpened when the Chinese took Soviet policy towards Third World countries into consideration, which Beijing considered exploitative relationships similar to those established by Western countries. Speaking at

¹⁷ Gaor, Twenty-sixth Session, 1983rd plenary meeting, 15 November 1971, Chiao Kuan-hua, pp. 17-20, A/PV.1983.

¹⁸ In particular, China did not welcome the 1973 proposal to convene a World Disarmament conference and vehemently attacked the idea of discussing at the General Assembly the proposal of a 10% cut of the military budgets of the Security Council permanent members to use the resources thus saved in development activities. See Gaor, Twenty-eighth session, 2126th plenary meeting, 25 September 1973, Gromyko, p. 10, A/PV.2126, e 2137th plenary meeting, 2 October 1973, Chiao Kuan-hua, p. 10, A/PV.2137; Letter, Huang Hua to the UN Secretary General, 14 August 1974, A/9713; Gaor, Twenty-seventh session, 2051th plenary meeting, 3 October 1972, Chiao Kuan-hua, p. 18, A/PV.2051.

the Second commission of the GA the Chinese representative maintained that the policies of the «social imperialist» countries were even more insidious. «Although they represented themselves as friends of the developing countries, they were in fact seeking to acquire strategic resources [...] and were reaping exorbitant profits by re-exporting products which they purchased from them at low prices. Those countries were actually attempting to return the developing countries to a state of slavery.»¹⁹ Teng's statements of a few years later were similar. «Under the name of so-called 'economic co-operation' and 'international division of labour', [the Soviet Union] uses high-handed measures to extort super-profits in its 'family'. In profiting at others' expense, it has gone to lengths rarely seen even in the case of other imperialist countries». Soviet policy was, in short «socialism in words and imperialism in deeds».²⁰

Such statements were so frequent that the impression that may possibly derive from them is that in those years much of the Chinese activity at the UN was aimed at isolating Moscow and undermining its credibility with Third World countries. This objective was pursued not only by attacking the Soviets directly in almost every speech, but also by circulating press releases, very detailed and based also on Western sources, to the various UN missions. They dealt with topics such as the invasion of Czechoslovakia, and Soviet neo-colonialism, as heir to the foreign policy of imperial Russia and as a tool of Soviet infiltration in less developed areas.²¹ The Chinese attacks on the USSR were, of course, welcomed by the Western chancelleries, as they showed the world the inconsistency of Soviet Third Worldism and the ambiguity of its cooperation policies.²²

From 1971 to 1978 China learned how to work in international organizations. In those years, Beijing also made a series of values clear to the world that should guide the policy of development cooperation and that referred directly to the principles of foreign aid expressed by Zhou Enlai as early as 1964.

Chinese representatives referred frequently in their speeches to the principles of national sovereignty and of self-reliance. The former implied the rejection of any form of aid conditionality and of any interference in the recipients' domestic economic decisions. Aid was not to be conceived as a form of charity, but as a horizontal relationship between equal partners. The concept of self-reliance was central to China's thinking on development cooperation and consistent with

¹⁹ Gaor, Twenty-eighth Session, Second Committee, 1522nd meeting, 3 October 1973, Wang Jun-sheng, p. 44, A/C.2/SR.1522. See also Gaor, Twenty-ninth Session, 1639th meeting, 27 November 1974, Chuang Yen, p. 391, A/C.2/SR.1639.

²⁰ Teng Xiao-ping, A/PV.2209, p. 17.

²¹ Letter, Weir to Solesby, *Chinese and the UN*.

²² *Ibid.*, p. 2.

its vision of international relations and its history, as well as its capacity for intervention. According to this approach, receiving countries had a duty to rely primarily on their own resources. This did not imply the refusal of any form of assistance from abroad, but that assistance should not result in dependence. Rather, it should be given on the basis of equality, used to activate the resources of the receiving countries and be seen as a complement to them. Autonomous growth was the only way that could allow the less developed countries to emerge from the vicious circle of unequal exchange and break the mechanisms that perpetuated their conditions of poverty and dependence. Strict adherence to this principle led Beijing, until 1978, to refuse any help from the international community, even in the form of humanitarian assistance. It became the only developing country to be a net donor of the UN system. In 1972, the Chinese representative at ECOSOC defined the concept in this way: «The developing countries should rely mainly on the strength of their own people to eliminate the forces and influences of imperialism, colonialism and neocolonialism, and to exploit their natural resource. They should endeavour to accumulate development funds from internal sources, take steps to train their own technical and managerial personnel, gradually transform the single-crop economy inherited from colonial rule, and establish an independent and relatively comprehensive economic system».²³

The constancy with which Beijing reaffirmed this principle in all international forums was also coherent with its national interests. Firstly, it underlined China's ability to make it on its own and therefore to act as a model of development for the newly independent countries. This model was an alternative to that offered by former colonizers, who bore prime responsibility for the backwardness of the latter's economies. Secondly, it emphasized horizontal, south-south cooperation (SSC), thus reinforcing its role as a champion of Third World countries. Finally, it was also useful to somehow curb the expectations of many countries regarding China's financing capacity for their development plans. This point was immediately clarified when

²³ ECOSOC Official Records, Fifty-third session, 1824th meeting, 6 July 1972, Wang Jun-Sheng (E/SR.1824). For similar statements see also, Gaor, Twenty-seventh Session, 2051st plenary meeting, 3 October 1972, Chiao Kuan-hua A/PV.2051; Gaor, Thirtieth session, 2363rd plenary meeting, Chiao Kuan-hua A/PV.2363; Gaor, Twenty-eighth Session, II Committee, 1522nd meeting, 3 October 1973, Wang Jun-sheng, A/C.2/SR.1522 and 1538th meeting, 24 October 1973, Wang Tzu-chuan, A/C.2/SR.1538; Gaor, Twenty-ninth Session, II Committee, 1594th meeting, 2 October 1974, Chang Hsien-wu, A/C.2/SR.1594; Gaor, Thirty-first Session, II Committee, 13th meeting, 15 October 1976, An Chih-yuan A/C.2/31/SR.13; Gaor, Thirty-third Session, II Committee, 13th meeting, 24 October 1978, Wu Shiao-ta A/C.2/33/SR.13.

Chiao, in his first speech at the GA, stated that «as China's economy is still comparatively backward [...] what we provide is mainly political and moral support».²⁴

The approval in 1974-75 of the three fundamental documents relating to the New International Economic Order (NIEO)²⁵ seemed the most striking legitimacy of the Chinese interpretation of the great forces that were moving history. Developing countries were about to change the international balance of political and economic power and break the hegemony of the superpowers.

And it was precisely during the Sixth Special Session of the GA, dedicated to «Raw materials and development», that China, which had sent a high-level delegation to New York for the occasion, chose to expose the so-called «Three worlds theory».²⁶ While it has been written that Teng Xiaoping's speech at the April 1974 GA «was perhaps one of the most important statements of PRC's conceptualization of world order ever made at any international forum»,²⁷ during that session, the Chinese delegation seemed to have little to offer beyond anti-imperialist rhetoric. With some reservations, China supported the resolutions on the NIEO, which reflected many of the principles that underlay its foreign policy. Indeed, respect for national sovereignty, the right to full sovereignty over natural resources and various references to the principle of self-reliance are found in the Declaration, in the Action Program and in the Charter.

Even in this case, however, where one could expect greater Chinese activism, Beijing maintained a rather background role and passive posture. This is seen not only in the process that led to the convocation of the Sixth Special Session, but also during the negotiations and subsequent attempts to implement the resolutions on NIEO.

Moreover, in the final declaration of vote, the Chinese representative noticed the ambiguity of the documents with respect to two concepts. One was «interdependence», which – he argued – could become a channel through which the principle of state sovereignty over natural resources would be deprived of meaning. It was a concept that could «be distorted by the super-Powers to mean that the developing

²⁴ Gaor, Twenty-sixth Session, 1983rd plenary meeting, 15 November 1971, Chiao Kuan-hua, p. 20, A/PV.1983.

²⁵ General Assembly resolutions 3201 (S-VI), *Declaration on the Establishment of a New International Economic Order* and 3202 (S-VI), *Programme of Action on the Establishment of a New International Economic Order*, 1 May 1974; GA resolution 3281 (XXIX), *Charter of Economic Rights and Duties of States*, 12 December 1974.

²⁶ Herbert S. Yee, 'Three World Theory and Post-Mao China's Global Strategy', *International Affairs*, Vol. 59, No. 2, 1983, pp. 239-249.

²⁷ Samuel S. Kim, *China, the United Nations and World Order*, p. 260. Teng Xiaoping, A/PV.2209.

countries must depend on the latter and must obtain the latter's approval for any sovereign act they take to defend their economic rights and interests».²⁸ The other was the «international division of labour», which could be used by the same superpowers to perpetuate their specific idea of division of labour and economic integration, that of an industrialized north selling manufactured goods at rising prices to a south producing raw materials paid at decreasing prices.²⁹ The same reservations were expressed in the course of the approval of the Charter on the economic rights and duties of states.³⁰

Beijing combined the support of Third World countries at the UN with the active attempt to widen its bilateral relations with many of them. This strategy was expressed mainly through an increase in bilateral aid, especially to African countries,³¹ and resulted in the diplomatic recognition of the People's Republic of China by a growing number of states.

On the contrary, contributions for development activities provided to the various UN bodies and agencies were always very small. During the 1970s, Beijing limited itself to paying its assessed contributions to the UN specialized agencies and provided the UN Development Programme (UNDP) with almost symbolic sums. From 1973 to 1979 Chinese voluntary contributions totalled about US\$ 9.6 million,³² while it is estimated that bilateral aid to several African countries from 1970 to 1977 hovered around US\$ 2 billion.³³

In October 1973 the UNDP Administrator, Rudolph Peterson and his deputy, John Oliver, visited Beijing with the aim of encouraging China to increase voluntary funding to the UN development cooperation activities and the quota provided in convertible currency (which

²⁸ Gaor, Sixth special session, 2229th plenary meeting, 1 May 1974, Huang Hua, A/PV.2229. On the Chinese interpretation of the concept of international division of labour see also Gaor, Ad hoc Committee of the Sixth Special Session, 17th meeting, 24 April 1974, para. 26-28, A/AC.166/SR.17.

²⁹ *Ibid.*

³⁰ Gaor, Thirty-ninth session, 2315th plenary meeting, 12 December 1974, Chang Hsien-wu, para 51, A/PV.2315 and Corr.1; Gaor, Twenty-ninth session, II Committee, 1647th meeting, 6 December 1974, Chang Hsien-wu, A/C.2/SR.1647.

³¹ Jeremy Friedman, *Shadow Cold War. The Sino-Soviet Competition for the Third World*, Chapel Hill: University of North Carolina Press, 2015, pp. 199-200.

³² The data are drawn from United Nations Development Programme, *Financial Reports and Accounts and Report of the Board of the Auditors*, New York: UN, years 1974-1980.

³³ George T. Yu, 'Sino-Soviet rivalry in Africa', in David E. Albright (ed.), *Communism in Africa*, Bloomington and London: Indiana University Press, 1980, pp. 170-171.

was at that time around 20%).³⁴ The result was a slight increase in the Chinese commitment to the UNDP budget in the years 1974-76 (almost US\$ 2 million a year) which declined to zero for the years 1977-78 and then resumed in 1979 at an average of just over a million a year.³⁵ For a long time, Beijing showed little interest and deep scepticism towards UNDP, although it was at the heart of the UN development system and despite the election of China to the Board of Governors for the years 1974-78. This hostility did not diminish even when the Programme, with an openness to the demands of the developing countries and in the context of the NIEO implementation process in 1975, launched a new program to support SSC activities.³⁶ Chinese criticism concerned the approach itself of UNDP to the problems of development, as well as its operational procedures. Beijing did not like UNDP either as it was not useful in the direct pursuit of its interests in the Third World, and because its working methods contradicted the principles of Chinese cooperation. Beijing did not accept the necessary mediation between the national needs of the recipients and the agency's working practices, which it considered as an interference in the national sovereignty of receiving countries. It believed that the latter should have more decision-making power on the selection and implementation of the agency's projects. Nor did it accept the idea that the largest contributors had a greater say in the allocation of funds. In addition, China criticized UNDP for its excessive bureaucracy and mismanagement of resources and suggested that the agency would have to recruit experts especially in developing countries, instead of using most of its resources to pay technicians from abroad. Finally, it rejected what it thought was a too functionalistic and not very political approach to development cooperation.³⁷

³⁴ British Embassy Peking (Preston) to Far Eastern Department, FCO, *Visit of UNDP Administrator*, 12 December 1973, TNA, FCO 21/1095; Tel. n. 191926, State to Peking, *UNDP - Travel of Administrator to PRC*, 26 September 1973, CFPP, 1973-1979, Rg 59, National Archives at College Park, electronic record ([ww.archives.gov](http://www.archives.gov)).

³⁵ UNDP, *Financial Reports and Accounts and Report of the Board of the Auditors*. China suspended its contributions to UNDP on grounds that its earlier funds, in non-convertible national currency, were not used by the agency. Tel. 3808, Usun to State, *UNDP assistance to China*, September 27, 1978, CFPP, 1973-1979, Rg 59, National Archives at College Park, electronic record ([ww.archives.gov](http://www.archives.gov)).

³⁶ UNDP Governing Council Decision 75/34, *New dimensions in technical co-operation*, 25 June 1975, Governing Council Report, Twentieth Session, pp. 15-16, E/5703/Rev.1.

³⁷ See, for example, General Assembly, Twenty-eighth Session, Second Committee, 1559th meeting, 16 November 1973, Wang Tzu-chuan, A/C.2/SR.1559. See also Samuel S. Kim, *China, the United Nations and World Order*, pp. 315-328.

Actually, as the declaration of Kuwait City in 1977 affirms, the singular element of South-South cooperation could be traced back precisely to its being based on political reasons.³⁸

During the 1970s, as in the following decades, the need to reconcile Chinese national interests, in the context of confrontation with the Soviet Union, with the radical positions expressed on the role of the Third World in international politics, translated at the UN into frequent recourse to non-participation in the vote.³⁹ The main contradictions in China's multilateral diplomacy emerged in its relations with the G77, although it represented the fulcrum of its multilateral diplomacy.

Despite the support that China consistently showed towards the position of the G77 at the UN, Beijing did not seem ready to marry indiscriminately, and to the end, every Third World cause and never tried to act as a leader of the Group, with regard to either economic or political issues (as in decolonization issues or the South African question), but opted instead «to walk a rather lonely path».⁴⁰ During the VII Special session of 1975, on «Development and international economic cooperation», in which the implementation of new measures for development was discussed, China participated little in the debate evaluating the «relatively positive results» achieved with a certain disenchantment. «The resolution already adopted – the Chinese representative stated – is only something on paper and it requires protracted and arduous struggles to translate it into reality».⁴¹

China also participated without enthusiasm in the process of implementation of NIEO. It did not take part in the ad hoc Committee on the reform of the UN development system, although it had repeatedly stated the need to reform and make it more efficient.⁴² Furthermore, it was not among the members of the ad hoc Committee on the special program, created by the VI Special session to establish the

³⁸ As part of the preparations for the UN Conference on Technical Cooperation among Developing Countries (TCDC), the UNDP convened a Panel of Consultants in Kuwait to analyse the main issues to be examined at the World Conference on TCDC to be held in Buenos Aires in 1978. The Kuwait City Declaration defined South-South cooperation as «a conscious, systematic and politically motivated process developed to create a framework of multiple links between developing countries». On the origins and evolution of the UN commitment to South-South cooperation see the article by Angela Villani in this issue.

³⁹ Samuel S. Kim, *China, the United Nations and World Order*, pp. 176-177.

⁴⁰ Letter, Solesby to Parsons, *China and the UN*, 2 November 1973, TNA, FCO/1094.

⁴¹ Gaor, Seventh Special Session, 2349th plenary meeting, 16 September 1975, Huang Hua, p. 4, A/PV.2349.

⁴² The Commission was established by the resolution of the General Assembly of 16 September 1975.

Special Fund⁴³ nor did it participate in the Economic Cooperation among Developing Countries (ECDC) Committee established in 1976 by UNCTAD, although it represented the best synthesis of the principles of self-reliance and horizontal cooperation so dear to the Chinese. In addition, while taking part in the 1974 Rome World Food Conference, it refused to become a member of the World Food Council and take responsibility in a field of primary interest for developing countries.

The insistence and zeal with which the Chinese representatives criticized the Soviet Union were not particularly constructive in the eyes of the non-aligned. The Chinese attitude at the VI Special session, made up of often gratuitous attacks on the USSR, highlighted the gap between declarations of solidarity with the Third World and lack of willingness to negotiate for concrete proposals coming from the G77.⁴⁴ It also stressed China's lack of understanding of the expectations that the G77 had set in that session and in the negotiations that were to follow.

Lastly, Chinese national interests did not always coincide with the wishes of the majority in the GA. For example, China's emphasis on self-help was not so popular among Third World delegations and contrasted with the requests for increased aid advanced by them. The harshness with which China rejected the Soviet proposal for a percentage cut in armament expenditures by the permanent members of the Security Council to be used for development purposes was not in line with the way many developing countries had welcomed it. The refusal to pay for peacekeeping operations was not appreciated by the majority of the GA, just as the moderation that China repeatedly showed towards European countries on colonial issues was very far from the treatment reserved to them by some of the non-aligned members. Finally, on UN Charter reform, China expressed only a general favour without making specific proposals. The logic of the principle of equality among states should have led Beijing to support the abolition of the veto power as well as to demand greater powers for the GA. However, there was no initiative in this direction nor any signal that China intended to renounce the privileged powers of a

⁴³ The UN Special Fund was created on the basis of GA resolution 3202 (S-VI) of 1 May 1974 as part of the Special Program that the NIEO Action Program had planned to provide emergency relief and development assistance to the developing countries most seriously affected by the economic crisis, to the land-locked countries and to the least developed countries.

⁴⁴ See, for example, the speeches at the Ad hoc Committee of the VI Special session of 15 and 16 April 1974, almost entirely dedicated to attacking the Soviets. Gaor, Sixth Special Session, General Committee and Ad hoc Committee, Summary Records of Meeting, 10 April-1 May 1974, Chou Nan, A/AC.166/SR.4 and A/AC.166/SR.5.

permanent member,⁴⁵ even though it used its veto power only six times from 1971 to 2009.⁴⁶ At the end of the decade, tensions with the developing countries surfaced also when China, submitting more accurate statistics on the state of its economy to the GA Committee on Contributions, asked and obtained a reduction of its contribution to the UN regular budget, which gradually decreased from 5.5% to 0.88% in 1983.⁴⁷

Finally, as Samuel Kim points out, the Chinese invasion of Vietnam in 1979 represented the «dramatic evidence of the extent to which the post-Mao leadership was willing to bend the pledge never to act like a superpower»,⁴⁸ often repeated in speeches at the GA.⁴⁹

3. *The 1980s and 1990s: «Socialist modernization in a peaceful international environment»*⁵⁰

Between the end of the 1970s and the beginning of the 1980s Chinese foreign policy underwent a significant reorientation linked to the domestic economic reform and the launch of the «Four modernizations» (in agriculture, industry, national defence, science) which aimed to transform China, by the end of the century, into a powerful socialist country.⁵¹ The opening up to the outside world thus became an integral part of the domestic economic reform project. Only an improvement of its relations with Western countries and full participation in the international system would allow China to access the

⁴⁵ Letter, Solesby to Parsons, *China and the UN*, November 2, 1973, TNA, FCO/1094.

⁴⁶ Joel Wuthnow, *Chinese Diplomacy and the UN Security Council. Beyond the veto*, London and New York: Routledge, 2013, pp. 16, 19, 21, 29.

⁴⁷ General Assembly Resolution A/RES/37/125A, *Scale of assessments for the apportionment of expenses of the United Nations*, 17 December 1982; UN Secretariat, *Status of contributions as at 31 December 1983*, 1 March 1984, ST/ADM/SER.B/271.

⁴⁸ Samuel S. Kim, 'Whither Post-Mao Chinese Global Policy?', *International Organization*, Vol. 35, No. 3, 1981, p. 440.

⁴⁹ For example, in his 1974 speech, Teng stated: «If one day China should change its colour and turn into a super Power, if it, too, should play the tyrant in the world, and everywhere subject others to its bullying, aggression and exploitation, then the people of the world should identify it as social imperialism, expose it, oppose it and work together with the Chinese people to overthrow it». Teng Xiao-ping, A/PV.2209, p. 19.

⁵⁰ Gaor, Thirty-sixth session, 10th plenary meeting, 23 September 1981, Zhang Wenjin, p. 162, A/36/PV.10.

⁵¹ On the economic reform see Barry Naughton, *Growing out of the plan. Chinese economic reform, 1978-1993*, Cambridge: Cambridge University Press, 1995 and Guido Samarani, *La Cina Contemporanea. Dalla fine dell'Impero a oggi*, Torino: Einaudi, 2017, pp. 310-369.

resources it needed (technology, managerial know how, machineries and equipment, investment capital as well as export markets).⁵²

The Chinese position at the UN, of course, reflected the extent of these changes in the country's foreign and domestic policy, as well as reassessment of its role in world affairs.

While in the previous years the UN system had been seen and used as a source of legitimization on the international scene, from the end of the 1970s it also became a source of aid and financial flows needed to carry out the reforms. Moreover, it was a forum through which China pursued the priority objectives of its foreign policy, in particular the strengthening of political and economic ties with the European Community, the US and Japan, in an anti-Soviet function and in continuity with the support, at least rhetorical, to the Third World.

Since the end of the 1970s and during the 1980s, China expanded its participation in the various agencies and organs of the UN, signalling willingness to become an increasingly active actor in the life of the organization. It was aware that its interests coincided more and more with a growing multilateral commitment, but it now had the ability to manage the huge amount of work on different issues that this involved.⁵³ In 1979, they signed the new Constitution of UNIDO, which was transformed into a UN specialized agency. A decision was made to participate in the Global Environmental Monitoring System⁵⁴ and it attended, for the first time, the preparatory committee for the Conference on Science and Technology for Development.⁵⁵ In 1980, China established formal relations with UNICEF and decided to take part in the work of the UN Committee on Disarmament.⁵⁶ In

⁵² John W. Garver, *China's Quest. The History of the Foreign Relations of the People's Republic of China*, New York: Oxford University Press, 2016, pp. 351-353; Martin Albers, *Britain, France, West Germany and the People's Republic of China, 1969-1982. The European Dimension of China's Great Transition*, London: Palgrave-Macmillan, 2016, pp. 143-144.

⁵³ Tel. n. 439, UK Mission to the UN (New York) to FCO, *China's role at the UN*, 28 March 1979, TNA, FCO 58/1559.

⁵⁴ GEM was established in 1973 by the United Nations Environment Programme, for monitoring atmosphere, climate, pollution, and renewable resources.

⁵⁵ The Conference was held in Vienna in August 1979 and aimed at reaching an international agreement on governing principles, and institutional arrangements as well as on financing mechanisms for the transfer of technology to developing countries.

⁵⁶ China had for long remained uninterested in international discussions on disarmament, insisting on each state's right to independently develop its means of defence. Huang Hua, the Chinese Foreign Minister, speaking at the General Assembly special session on disarmament in 1978 had even denounced the Disarmament Committee as a forum under the control of the superpowers. Gaor, Tenth special session, 7th plenary meeting, 29 May 1978, p. 141-142, A/S-10/PV.7; Brief,

October 1982, it was elected to the World Food Council and participated for the first time in a meeting of the Executive Committee of the United Nations High Commissioner for Refugees in Geneva. On that occasion, for the first time it appealed to the World Food Programme for help to meet the needs of 250,000 refugees from Indochina, arguing that the number of Indochinese refugees presented a problem which the UN had to face. In the same year, Beijing was granted almost US\$ 7 million in emergency food⁵⁷ and, since then, the country has become one of the major recipients of WFP assistance.⁵⁸ In 1984, a Chinese, Ni Zhengyu, was elected to the International Court of Justice.⁵⁹ In 1988 China became a member of the UN special committee on Peacekeeping operations, after its 1981 decision to pay its contribution to finance UN peacekeeping forces.⁶⁰

In 1978, China decided to ask for assistance from UNDP for the first time. In the summer of 1979, despite the technical terms for entering the 1977-81 programming period having expired, and despite the criticisms by the USSR and Cuba, the Governing Council decided to allocate US\$ 15 million for assistance to China until 1981, and to open its first office in the country, to start a stable and continuous cooperation. The activities of UNDP in China were linked to the development strategies of the Chinese government and in a few years, they moved from a number of *ad hoc* projects to a series of coordinated projects based on thematic and sectoral interventions. The first country programme (1982-86) focused on providing China with access to the most advanced technology and training in all sectors of the economy,⁶¹ while the second programme introduced projects in hu-

Chinese attitude towards the UN and its role there, 16 October 1979, TNA, FCO 58/1559.

⁵⁷ Tony Saich and Gerald Segal, 'Quarterly Chronicle and Documentation', *The China Quarterly*, Vol. 81, n. 1, March 1980, pp. 175-176.

⁵⁸ My elaboration from data contained in Query Wizard for International Development Statistics [Qwids] (<http://stats.oecd.org/qwids>).

⁵⁹ China membership in international organizations increased from 21 in 1977 to 51 in 1996. Samuel S. Kim, 'China and the United Nations', in Elizabeth Economy & Michel Oksenberg (eds.), *China Joins the World*, New York: Council on Foreign Relations, 1999, pp. 45-46.

⁶⁰ See Gaor, Thirty-sixth session, V Committee, 27 November 1981, Ling Qing, pp. 7-8 A/C.5/36/SR.56.

⁶¹ Among the most successful programs funded by UNDP it is worth citing the TOKEN program (Transfer of Knowledge through Expatriate Nationals), which allowed Chinese specialists living overseas to work in China as consultants for short periods and the Star program (Senior Technical Advisers' Recruitment Program) aimed at non-Chinese experts. See William R. Feeney, 'China's Relations with Mul-

man resources development, economic research and agricultural production. Subsequent programs added a very wide spectrum of activities, from improving management skills in the economic and public administration spheres to environmental issues, from poverty alleviation to basic education, with an emphasis on programs focused on technical cooperation among developing countries.⁶²

In 1979, the UN Population Fund also established cooperative relations with China. Also in this case, international assistance was requested to support the development strategies designed by the Chinese government, which considered the growth rates of the population of the country incompatible with its modernization strategies. For this reason, at the beginning of the 1980s, the government launched a strongly coercive antinatalist policy, with the aim of stabilizing the population at 1.2 billion people by 2000.⁶³ In May, a Fund mission signed an agreement with the Chinese government that identified the main areas of intervention. A year later, a US\$ 50 million/4 year assistance program was approved to support different activities, such as the carrying out of the 1982 census and census data analysis, training of demographers, establishment of a population information center, promotion of family size limitation, and improvement of contraception production.⁶⁴ During the 1980s, the Chinese program became a priority for UNFPA and China the first recipient of agency

trilateral Economic Institutions', in *China's economic dilemmas in the 1990s. The problems of reform, modernization, and interdependence*, Study papers submitted to the Joint Economic Committee, Congress of the United States, Washington: US GPO, 1991, p. 798.

⁶² UNDP Governing Council, *First Country Programme for the People's Republic of China (1982-1986)*, 18 February 1982, DP/CP/CPR/1; UNDP Governing Council, *Second Country Programme for China (1986-1990)*, 17 March 1986, DP/CP/CPR/2; UNDP Governing Council, *Third Country Programme for China. Note by the Administrator*, 21 March 1991, DP/CP/CPR/note/3; Executive Board of UNDP and UNFPA, *First Country Cooperation Framework for the People's Republic of China (1996-2000)*, 8 July 1996, DP/CCF/CPR/1.

⁶³ The 1982 census reported that the Chinese population had exceeded one billion; if the growth rate remained unchanged it was estimated that this figure would be reached as early as 1993. See UK Mission to the UN (New York) to ODA, *UNFPA Briefing: China Programme*, 15 June 1983, TNA, FCO 21/2451. On Chinese demographic policies see Tyrene White, *China's Longest Campaign. Birth Planning in the People's Republic of China, 1949-2005*, Ithaca-London: Cornell University Press, 2006; Thomas Scharping, *Birth Control in China 1949-2000. Population Policy and Demographic Development*, London-New York: Routledge Curzon, 2003.

⁶⁴ UNDP, Governing Council, Twenty-seventh session, *Recommendation by the Executive Director Assistance to the Government of China. Comprehensive Population Programme*, 14 May 1980, DP/FPA/II/Add.22.

assistance (US\$110 million from 1980 to 1989), followed by India (US\$ 103 million) and Indonesia (US\$ 38 million).⁶⁵

By actively requesting multilateral assistance from the UN, China relinquished its unique status as the only developing country that did not accept aid but provided it, to acquire another one, as the only member of the Security Council who was both a donor and one of the major recipients of the UN development system. From 1979 to 1989, China was in fact the third largest recipient of aid from UNDP, and the fourth largest recipient from all UN agencies (after Pakistan, India and Bangladesh). In the 1990s, it remained among the largest ten recipients,⁶⁶ despite the fact that the conflicts that broke out after the end of the Cold War and, in particular, the war in former Yugoslavia had widened the potential audience of those who could have access to multilateral assistance.

The international community, in particular Japan and the European countries, reacted to Chinese openness also through offers of bilateral aid. Starting from 1978, Germany, France, Great Britain and Italy provided important flows of Official Development Assistance (ODA) to China which, together with direct investments, were crucial to the modernization of the country.⁶⁷ Their choice was made on political, economic and developmental grounds. Firstly, European countries viewed a richer and more stable China as a possible counterweight to the Soviet Union, in a moment of resumption of the Cold War and of growing tensions with Moscow. They believed that foreign aid, by demonstrating the advantages of interdependence and cooperation over self-reliance, would be useful to bind the country more closely to the West. Secondly, none of the major European countries

⁶⁵ My elaboration from data contained in Qwids (<http://stats.oecd.org/qwids>). The abuses related to the so called «one-child policy» soon became known to Western governments and the international public opinion. For this reason, the commitment to assistance to China has cost UNFPA repeated cuts in US allocations since 1985. On Western reactions to the reported human rights violations in the implementation of the Chinese demographic policy, see, for example, Memorandum, Peking to FCO, *Population control*, 21 February 1983; Memorandum, Peking to FCO, *Population control*, 25 March 1983; Peking to FCO, *Female infanticide*, 11 April 1983; Memorandum, Peking to FCO, *Population control*, 11 June 1983; Memorandum, FCO to ODA, *China's population policy: human rights*, 13 July 1983, all in TNA, FCO 21/2451.

⁶⁶ My elaboration from data contained in Qwids (<http://stats.oecd.org/qwids>).

⁶⁷ Tsukasa Takamine, *Japan's Development Aid to China: The Long Running Foreign Policy of Engagement*, London and New York: Routledge, 2006; Martin Albers, *Britain, France, West Germany and the People's Republic of China, 1969-1982*. On China's relations with European countries in the preceding years see Carla Meneguzzi Rostagni & Guido Samarini (eds.), *La Cina di Mao, l'Italia e l'Europa negli anni della Guerra fredda*, Bologna: il Mulino, 2014.

wanted to lose the opportunities that the huge Chinese market could offer their economies in the medium to long term, especially after the normalization of diplomatic relations with the US, at the beginning of 1979, showed the emergence of another strong competitor.⁶⁸ Finally, China was a very poor country, with a per capita income only slightly higher than that of India and, the Foreign Office reasoned, «in the long term it could provide an international model of successful development.»⁶⁹

Between the end of the 1970s and the beginning of the 1980s, European countries, together with Japan, Canada and Australia, started technical assistance programs in various sectors (agricultural and industrial development, cultural cooperation and training programs, infrastructures, energy) and granted concessional loans to China. These programs began gradually, to then triple their total value from 1984 to 1989,⁷⁰ and continued to grow over the next decade to hit their peak in 1995, when DAC countries provided China with ODA of US\$ 2.5 billion.⁷¹ From 1979 to 1989, the largest donors were, in order, Japan, Germany and Italy,⁷² while Germany and Japan remained the first two donors also during the 1990s.⁷³

Beijing accompanied the request for aid from the international community with reassurances on its greater commitment to the development activities of the UN. During the 1980s and 1990s, however, its

⁶⁸ Tel. n. 432, Peking to FCO, *Sino-British Relations*, 11 May 1979, TNA, FCO 58/1559. Martin Albers, *Britain, France, West Germany and the People's Republic of China, 1969-1982*, pp. 171-198.

⁶⁹ Brief, Elliot (Fed) to Donald (ODA), *FCO/ODA aid policy board*, 4 May 1982, TNA, FCO 21/2129. To these reasons Great Britain added the need to show to Beijing its commitment to long-term cooperation with China, in light of the upcoming Sino-British negotiations on the future of Hong Kong.

⁷⁰ For the evolution of the UK technical and financial assistance program, see, for example, ODA Background Brief, *Aid to China*, April 1989, attached to Letter, Brooks to Seaton, 30 August 1989, TNA, FCO 21/4254.

⁷¹ My elaboration from data contained in Qwids (<http://stats.oecd.org/qwids>).

⁷² *Ibid.* Enrico Fardella, 'A significant periphery of the Cold War: Italy-China bilateral relations, 1949-1989', *Cold War History*, Vol. 17, No. 2, 2017, pp. 13-15.

⁷³ Tsukasa Takamine, *Japan's Development Aid to China*, p. 5.

contributions continued to remain at a rather modest level. In this period, contributions to the UN ordinary budget were below 1%,⁷⁴ while voluntary contributions to UNDP saw only small increases.⁷⁵

Perhaps the most striking aspect of the Chinese conversion from the rhetoric of the revolution of the poorest to the most pragmatic use of international organizations was the request, in 1979, to join the World Bank, after the establishment of full diplomatic relations with the US.⁷⁶ After having long criticized international financial institutions (IFIs) and repeatedly declared its lack of interest in them, China not only became a member of the International Monetary Fund (IMF) and the World Bank in 1980, but immediately asked for an increase in its shares, which determined the level of loans that could be granted to the country and the number of its votes in the two organizations. In both institutions, China became a single-state constituency, with a number of votes that allowed it to elect its own executive director.⁷⁷

The IFIs responded promptly and positively to the Chinese initiative⁷⁸ and, as was the case for the UN agencies, China managed to

⁷⁴ Only since 2001 China's assessment level started again to exceed 1%, while China's rate of assessment to the UN regular budget for the years 2016-2018 was fixed at 7.9% (the third highest after US and Japan). UN Secretariat, *Assessment of Member States' advances to the Working Capital Fund for the biennium 2018-2019 and contributions to the United Nations regular budget for 2018*, 29 December 2017, ST/ADM/SER.B/973.

⁷⁵ From 1980 to 1989, China contributed approximately 20 million dollars to UNDP, and in the 1990s nearly 30 million. Data are from UNDP, *Financial Reports and Accounts and Report of the Board of the Auditors*, years 1981-2000.

⁷⁶ A very useful account of the development of China-World Bank relations is in Harold K. Jacobson & Michel Oksenberg, *China's Participation in the IMF, the World Bank and GATT. Toward a Global Economic Order*, Ann Arbor: The University of Michigan Press, 1990, pp. 57-81. See also Edwin Lim, 'Learning and working with the giants', in Indermit S. Gill & Todd Pugatch (eds.), *At the front lines of development. Reflections from the World Bank*, Washington DC: The World Bank, 2005, pp. 89-119; Anne Kent, *Beyond Compliance. China, International Organizations, and Global Security*, Stanford: Stanford Univ Press, 2007, pp. 103-143; William R. Feeney, 'China's Relations with Multilateral Economic Institutions', pp. 795-816; Gregory Chin, 'The World Bank and China: the long decade of realignment', in Carla P. Freeman (ed.), *Handbook on China and developing countries*, pp. 169-192.

⁷⁷ Samuel S. Kim, 'Whiter Post-Mao Chinese Global Policy?', p. 457; Harold K. Jacobson & Michel Oksenberg, *China's Participation in the IMF, the World Bank and GATT*, pp. 76-77.

⁷⁸ The speed of the response was mainly due to World Bank President Robert McNamara, who resisted the demands of the Carter administration to postpone China's participation for a year, to avoid problems with Congress over the alloca-

obtain substantial loans from the International Development Association (IDA). Thus, it became within a few years one of its biggest recipients up to 1999, when it graduated to «lower middle-income country» status and lost access to the Bank's soft-loan window. In 1983, China also joined the Asian Development Bank and in 1985 the African Development Bank.

The first projects approved by the World Bank, where China was eligible for blend financing by both the IDA and IRBD, were in the fields of higher education and research,⁷⁹ agriculture,⁸⁰ infrastructures⁸¹ and assistance in industrial reform.⁸²

Although «the 'Washington consensus' [...] brought established donors into a system in which one set of ideas about economic policy

tions of funds for the international financial institutions. See Summary of Conclusions of a Presidential Review Committee Meeting, *US- Enlai China Economic Relations*, March 27, 1980, Foreign Relations of the United States, 1977-80, XIII, *China*, Washington, US GPO, 2013, doc. 305 and Memorandum from the President's Deputy Assistant for National Security Affairs (Aaron) to President Carter, *PRC Entry into the IMF/IBRD*, April 2, 1980, *ibid.*, doc. 306.

⁷⁹ In June 1981 the IBRD and IDA approved their first loan to China to implement a «University Development Project» (US\$ 253 million) aimed at strengthening 28 top-level universities «in selected scientific and technical fields». World Bank, Project performance audit report, China, *University Development project*, 30 December 1988, p. v. (<http://documents.worldbank.org/curated/en/441011468913807285/pdf/7561-PPAR-PUBLIC.pdf>).

⁸⁰ In June 1982 the North China Plains Agricultural Project (US\$ 60 million) was financed by IDA. It aimed at bringing new land into production and improving productivity on existing farms in the North China Plain. World Bank, Project Performance Audit Report, China, *North China Plain Agriculture Project*, 28 April 1989 (<http://documents.worldbank.org/curated/en/132501468913857706/pdf/7736-PPAR-PUBLIC.pdf>).

⁸¹ In November 1982, the World Bank approved a new project (US\$ 124 million) aimed at modernizing facilities at the three ports of Guangzhou, Shanghai and Tianjin. World Bank, Project Performance Audit Report, China, *Three Ports Project*, 10 June 1991 (http://documents.worldbank.org/curated/en/268821468_914766843/pdf/multi-page.pdf).

⁸² In December 1982, the Bank financed the first of five credits that were granted to China between 1982 through 1989 (for a total amount of US\$ 939 million) to modernize state-owned enterprises and support the establishment and operations of the China Investment Bank, designed to provide investment loans for small and medium-size industries. World Bank, Project Completion report, China, *First Industrial Credit Project*, 21 June 1991 (<http://documents.worldbank.org/curated/en/704741468025137202/pdf/multi-page.pdf>).

was cemented into the foundations of the aid regime»,⁸³ China was able to maintain a high level of control on the projects implemented by the Bank. Indeed, its gradual transition to the market economy was not always consistent with its receipts and advice.⁸⁴ Notwithstanding this, Chinese relationships with the Bank gradually became strong and very broad. The lending program extended rapidly, but the work of the Bank in the country was not confined only to financing and supervising development projects. It also included a significant transfer of knowledge and expertise to Chinese officials, bureaucrats and economists. Indeed, the Bank staff actively participated in the process of reform of the Chinese economy through policy dialogue, research work, organization of conferences on various economic issues, fellowships for students and training programs for Chinese economists working in government agencies.⁸⁵

From 1980 to December 2017, the IDA and the IBRD supported 416 projects in China for a total amount of about US\$ 60 billion.⁸⁶

During these years only the violent repression of the Tiananmen Square demonstrations in June 1989 caused tensions with international donors.⁸⁷ A few days after the massacre, the US, member states of the European Community (EC) and Japan decided to impose a series of multilateral and bilateral sanctions that included an arms em-

⁸³ Ngaire Woods, 'Whose aid? Whose influence? China, emerging donors and the silent revolution in development assistance', *International affairs*, Vol. 84, No. 6, 2008, p. 1216.

⁸⁴ Edwin Lim, 'Learning and working with the giants', p. 107. On the relationship between the Bank's and Chinese economists see Julian Gewirtz, *Unlikely partners. Chinese reformers, Western economists, and the making of global China*, Cambridge: Harvard University Press, 2017.

⁸⁵ *Ibid.*, pp. 104-106.

⁸⁶ The main sectors involved were pollution management; rural services and infrastructures; climate change; environmental policies; water resource management; services for private sector development. World Bank, Projects and operations, China (http://projects.worldbank.org/search?lang=en&searchTerm&country_code_exactCN).

⁸⁷ On Western reactions to Tiananmen Square events see: Rosemary Foot, *Rights beyond borders. The global community and the struggle over human rights in China*, New York: Oxford University Press, 2000, pp. 113-149; Dianne E. Rennack, *China: Economic Sanctions*, CRS Report for Congress, 1 February 2006; James D. Seymour, 'Human Rights in Chinese Foreign Relations', in Samuel S. Kim (ed.), *China and the World: Chinese Foreign Relations in the Post-Cold War Era*, Boulder: Westview Press, 1994, pp. 202-225.

bargo, the suspension of high-level bilateral meetings and the freezing of bilateral aid agreements.⁸⁸ At the urging of the US government,⁸⁹ and despite resistance of the IFIs,⁹⁰ the G7 countries also decided the indefinite postponement of the concession of new loans to China by the World Bank and the Asian Development Bank. However, even in those months, the World Bank remained Beijing's best ally: officials intensified their efforts to persuade Western governments to ease the sanctions and to allow the Bank to resume its normal activities in the country,⁹¹ arguing that the aid programs should be evaluated on economic and not on political grounds.⁹² Mostly, they feared for the institution's credibility with the Chinese government and believed that a prolonged suspension of activities in China would be counterproductive to the same long-term interests of the West. In fact, it risked provoking the weakening of the reformers thus driving the country back towards isolationism. In January 1990, the US eased their positions and decided to resume their support for World Bank loans to China, but only for projects aimed at the basic needs of the population.⁹³ The economic sanctions policy continued to soften in

⁸⁸ Several bilateral meetings took place anyway in the margins of multilateral meetings, and technical assistance as well as operations related to loans already approved continued, both bilaterally and multilaterally. Also, the UN continued to implement its aid activities and to prepare new projects. Note for the record, *UNDP donors' group meeting, 14 September*, TNA, FCO 21/4254.

⁸⁹ Tel. 520, FCO to Tokyo, *World Bank: China Loans*, 22 June 1989; Tel. 422, Rome to FCO, *World Bank: China loans*, 23 June 1989; Tel. 827, Paris to FCO, *World Bank: China loans*, 23 June 1989, all in TNA, FCO 21/4254.

⁹⁰ Tel. 190, UK delegation to IMF/IBRD, *World Bank: China Loans*, 21 June 1989; Fax n. 441273-16/19, Bühler (ED-Asian Development Bank) to ODA, *Bank Cooperation with China*, 11 August 1989; Note for the record, *Meeting with Conable, Sunday, 24 September 1989*, 25 September 1989, all in TNA, FCO 21/4254.

⁹¹ Note for the record, *Visit by Mr. S. J. Burki, World Bank*, 1 September 1989; Note for the record, *Call by Mr. Burki, Director World Bank China Country Department*, 31 August 1989; Note of a meeting with Mr. Shahid Burki, Director, Asia Department, World Bank, 1 September 1989; Memorandum, Barras (Cabinet Office) to Millington (FCO), *China and the World Bank*, 11 September 1989, all in TNA, FCO 21/4254.

⁹² At a meeting of UNDP donors the representative of the World Bank stated, in line with the official view expressed by the institution, that «[...] the World Bank did not want to upset the US Congress by restarting lending too soon. However, he felt it was not the Bank's business to get involved in philosophical discussions about human rights». Note for the record, *UNDP donors' group meeting, 14 September*, TNA, FCO 21/4254.

⁹³ In the summer of 1990, at the Houston summit G7 countries added a new waiver for environmental projects.

the following months, also because China's cooperation in the Security Council was needed when the Gulf crisis broke out. After a Security Council vote on Resolution 678 (November 1990), in which China abstained, the World Bank granted its first loan not linked to basic needs to China and resumed normal lending, while the EC made new funding available, starting in 1991.⁹⁴

China's participation in IFIs marked the greatest distance from the development discourse of the Maoist era: it questioned not only the concept of development based on self-reliance, but also the principle of international egalitarianism, since IFIs-weighted voting placed China among the most influential countries. Furthermore, Beijing was forced to abandon its adherence to a rigid conception of the principle of respect for national sovereignty. It had to provide the World Bank and IMF with detailed economic information and statistics, some of which were considered highly confidential data,⁹⁵ accept the scrutiny of the status of its economy and trade relations before the Bank could start its first projects and, subsequently, agree to periodic monitoring.⁹⁶

These changes in perspective were soon evident in the statements of the Chinese representatives at the UN, where a new Chinese narrative of development emerged. Development was no longer described as the result of a struggle of the poorest for the definition of a fairer international economic order, but as a process of modernization which had as its basis the creation of conditions of peace and interdependence between the economies of different countries. The perspective was thus completely reversed, and reform of the international system postponed. «The long-term objective of establishing the new international economic order should be linked with the solution of the immediate urgent problems»,⁹⁷ the Chinese representative to

⁹⁴ Samuel S. Kim, 'China and the United Nations', p. 84.

⁹⁵ Information on Chinese gold reserves and currency in circulation were considered as «top-secret». Harold K. Jacobson & Michel Oksenberg, *China's Participation in the IMF, the World Bank and GATT*, p. 71.

⁹⁶ From October through December 1980 an economic mission of the World Bank visited China. The result was a nine-volume country study that was approved by the Board of Governors in 1981. World Bank, *China: Socialist Economic Development*, Washington DC, World Bank, 1983, 9 vols. In 1984, a new economic mission visited the country and produced a second main report (*China: Long term development issues and options*, Baltimore, The Johns Hopkins University Press, 1985) and six sectoral studies. Since 1985 the Bank published further general and sectoral economic reports on China, most of which at the request of the Chinese government. See Pieter Bottelier, 'China and the World Bank: how a partnership was built', *Journal of Contemporary China*, Vol. 16, No. 51, 2007, pp. 246-248.

⁹⁷ Gaor, thirty-eight session, 8th plenary meeting, 27 September 1983, Wu Xueqian, p. 93, A/38/PV.8.

the second commission of the GA stated in 1983. Likewise, the concept of self-help was redefined as a long-term goal, which was to be balanced with «the short-term imperative of utilizing foreign capital, technology and market»⁹⁸ for the realization of the primary objective of the country's modernization. Thus, requests to the industrialized countries to provide more aid to the developing world became frequent in the speeches of the Chinese representatives, especially in light of the difficult conditions of some states, tight in the grip of the debt crisis. «In those circumstances, it was unrealistic to ask those countries to rely entirely on self-sufficiency. [...] The international community, particularly the developed countries, should show a renewed political will and assume more commitments to help the developing countries, particularly the least developed countries, to overcome the problem of the alarming inadequacy of funds and technology that obstructed their development.»⁹⁹

Economic interdependence, which for Maoist China was nothing but a different way of defining the policies of exploitation of the rich countries towards the Third World, now seemed accepted as an unavoidable datum of international relations. However, China pointed out the need to understand that the wealth of the richer countries depended also on the well-being of developing countries and that a system where there were too many poor was not sustainable, especially in times of stagflation. «The economies of nations are closely interrelated. The developed countries are increasingly dependent on the developing countries for their economic growth. From the long-term point of view, the prolonged impoverishment of the latter will not be in the economic interests of the former. A number of developed countries have come to realize that their own economic 'stagflation' may be alleviated as a result of the economic growth of the developing countries».¹⁰⁰

At the basis of this reconceptualization of development, the Chinese representatives placed an «indissoluble» link between the latter and peace, a link to which they had begun to make frequent references since 1980. They identified the construction of peaceful relations between states and domestic development as the primary objectives of the country's foreign and domestic policies: «Peace and development are two major issues in the world today. They also constitute the primary objectives of China's domestic and foreign policies.

⁹⁸ Samuel S. Kim, 'Post-Mao China's Development Model in Global Perspective', in Neville Maxwell & Bruce Mcfarlane (eds.), *China's Changed Road to Development*, New York: Pergamon Press, 1984, p. 218.

⁹⁹ Gaor, Thirty-sixth session, Second Committee, 36th meeting, 11 November 1981, Mi Guo-Jun, p. 3, A/C.2/36/SR.36.

¹⁰⁰ Zhang Wenjin, A/36/PV.10, p. 162. See also Gaor, Thirty-ninth session, 8th plenary meeting, 26 September 1984, Wu Xueqian, A/39/PV.8.

The Chinese people are now engaged in a large-scale socialist modernization drive. Their goal can be attained only through long years of efforts in a peaceful international environment.»¹⁰¹ From this point of view, Beijing favoured the G77 call for conducting North-South negotiations within the UN, the only legitimate forum to negotiate an «orderly restructuring of international economic relations through dialogue.»¹⁰²

In these years, the radical change in Chinese rhetoric at the UN testified to the will to accept and use the system, rather than to transform it.¹⁰³ Chinese declarations acquired a softer and more conciliatory tone and were marked more by realism and by the clear definition of Chinese national interests than by the declamation of principles. In this context, in the mid-1980s, regular bilateral meetings with several countries began on the issues to be debated at the UN. They were not solicited by the Chinese government,¹⁰⁴ but were welcomed by it as, while on the one hand they helped strengthen the bilateral relations of China, on the other, they were a clear sign of growing attention to the role of the country both within the organization and, more in general, in an international context that, according to Beijing, was becoming more and more multipolar.¹⁰⁵

What did not change at this time in China's rhetoric was its constant identification with Third World countries and their interests, and the search for good relations with the non-aligned.

In every debate on international economic cooperation and development, the Chinese representatives stressed the difficulties of developing countries, the burden of debt on their economies, and called for a reform of the «unfair and unreasonable international economic system.»¹⁰⁶ In addition, they promoted the end of protectionism on the part of the industrialized countries, more aid, especially for the LDCs, the stabilization of the prices of raw materials, and the strengthening of SSC. In particular, they constantly underlined the

¹⁰¹ *Ibid.*, p. 122.

¹⁰² Gaor, Thirty-sixth session, 47th plenary meeting, 5 November 1981, Ling Qing, p. 854, A/36/PV.47, emphasis added.

¹⁰³ Samuel S. Kim, 'China and the United Nations', pp. 47-48.

¹⁰⁴ China held UN talks on a regular basis with the UK, USA, Federal Republic of Germany, German Democratic Republic, Sweden, Cuba, Peru, Chile, Yugoslavia, Romania and North Korea (even if the latter was not a member of the UN). Memorandum, FCO to Peking, *China: UN talks*, 6 June 1988, TNA, FCO 21/3973. For UK-China first and second meetings on UN matters in 1987 and 1988 see the documentation contained in TNA, FCO 58/4677 and TNA, FCO 21/3973.

¹⁰⁵ Provisional verbatim record, General Assembly, Forty-fifth session, 12th meeting, 4 October 1990, Qian Qichen, p. 51, A/45/PV.12.

¹⁰⁶ Gaor, Forty-fifth session, II Committee, 6th meeting, 10 October 1990, Jin Yongjian, p. 7, A/C.2/45/SR.6.

right of each country to decide its model of development autonomously.¹⁰⁷

However, China no longer represented itself as a model of development. Instead, the role that it seemed to offer was more that of a mediator, a large developing country that drew the attention of the developed countries to the imbalances of the international economic system and the inequalities it created.¹⁰⁸ At the same time, the peculiarity and autonomy of the Chinese choice of building «socialism with Chinese characteristics» were underlined.¹⁰⁹

During the 1980s and 1990s, Chinese solidarity with the Third World expressed itself in various ways and at different levels. It swept broadly from veto to the re-election of Kurt Waldheim in favour of a Secretary General coming from a Third World country, to high-level participation, with Zhao Ziyang, at the Cancun conference in 1981; from the latter's journey in 11 African countries in 1983, to the long series of Third World leader visits to Beijing.¹¹⁰ Although at that time China could only offer scarce resources to substantiate such solidarity, support for the Third World and identification with it brought advantages to the country, which was using more and more international aid to speed up its modernization. Moreover, the G77 represented a sort of alternative to its difficult relations with the superpowers and, in the long run, developing countries could represent an important export market for China.

The growing expansion of China's relations with the international institutions that represented the quintessence of capitalism, expressed in those years in its neoliberal paradigm, in the context of the debt crisis and of the structural adjustment programs, put a strain on the credibility of the Chinese statements of support of the Third World, showing its contradictions.

The state that up to then had encouraged self-reliance in the framework of SSC suddenly became a competitor of the developing countries in the international race for aid. Indeed, its World Bank membership soon posed the problem of adapting IDA resources to

¹⁰⁷ General Assembly, Eighteenth special session, provisional verbatim record of the third meeting, 4 May 1990, Zheng Tuobin, A/S-18/PV.3; Qian Qichen, A/45/PV.12, p. 57; Jin Yongjian, A/C.2/46/SR.6, p. 8.

¹⁰⁸ «Without solving the development problems of four-fifths of the world population, it would be impossible either to achieve sustained and stable growth of the world economy or to maintain international peace and security.» Zheng Tuobin, A/S-18/PV.3, p. 43. See also Qian Qichen, A/45/PV.12, pp. 56-57.

¹⁰⁹ See, for example, Jin Yongjian, A/C.2/46/SR.6, p. 8.

¹¹⁰ Despatch, Peking (ambassador Cradock) to Francis Pym, Foreign Secretary, *China and the Third World*, 21 June 1982, TNA, FCO 21/2079.

the needs of «another aid-hungry giant»,¹¹¹ especially with respect to funds destined for India (which had been receiving nearly 40% of IDA resources since 1973).¹¹² At a time of a general reduction of international aid, including multilateral aid, there was no possibility of a future increase in IDA resources. Thus, the amounts to be allocated to China had to be diverted from programs intended for other countries.¹¹³ This happened in the contextual decrease in the 1980s of Chinese bilateral aid compared to previous decades, especially in Africa, where the big infrastructural projects on the model of the Tan-Zam railway were abandoned for a more low-profile cooperation.¹¹⁴

4. *Conclusions. The new millennium: «International influence, ability to inspire and power to shape»*¹¹⁵

China's accession to the WTO in 2001 signalled, even symbolically, the completion of its integration into the world economy and international institutions.¹¹⁶

The first years of the new millennium – according to many observers – marked a new phase in Chinese foreign policy characterized by abandonment of the low-profile policy held in the previous period in

¹¹¹ Brief, Elliot to Manning, *Aid to India and China*, 23 January 1982, TNA, FCO 21/2129.

¹¹² As the Sixth IDA replenishment was negotiated before China assumed membership, and without regard to that possibility, the Bank offered US\$ 400 million on IDA terms to China financed from other sources, and a further US\$ 400 million from IRBD funds. ODA note, *Aid to China: Financial considerations*, March 1982, TNA, FCO 21/2129.

¹¹³ *Ibid.* China aspired, from the first moment, and eventually got, to have a share of IDA funds similar to that of India (30%). Letter, Davies (FCO) to Atkinson (Peking), *China aid and trade*, 12 March 1982, TNA, FCO 21/2129.

¹¹⁴ Letter, Watson to Cox, *Some Third World visitors*, 10 May 1982, TNA, FCO 58/1559. On the contradictions of China's Third Worldism see Peter Van Ness, 'China and the Third World: Patterns of Engagement and Indifference', in Samuel S. Kim (ed.), *China And The World: Chinese Foreign Policy Faces The New Millennium*, Boulder: Westview Press, 1998, pp. 151-170.

¹¹⁵ «China champions the development of a community with a shared future for mankind and has encouraged the evolution of the global governance system. With this we have seen a further rise in China's international influence, ability to inspire, and power to shape.» Xi Jinping, Report at 19th national Congress of the Communist Party of China, *Xinhuanet*, 18 October 2017.

¹¹⁶ It is worth noting that Western countries have not yet granted China the full market economy status within the WTO.

favour of a growing international assertiveness,¹¹⁷ which was expressed, inter alia, by a more active participation in the UN. This change in perspective accentuated after the international financial crisis of 2008-2009 and was experienced with a good deal of suspicion by the major Western countries, who saw a challenge to the existing international order in Chinese activism, especially in multilateral fora.¹¹⁸

For the purposes of this contribution, what is interesting to notice is that this activism also manifested itself in Chinese foreign aid policy. From about 2004, in fact, China has significantly increased its bilateral aid as well as its contributions to the UN development system.¹¹⁹ Between 2012 and 2014, the major Chinese flows went to the UN Department of Peacekeeping Operations, the World Health Organization, FAO and the World Food Programme (WFP).¹²⁰ In particular, voluntary contributions to the latter have increased from US\$ 4 million in 2012 to US\$ 18 million in 2016, to reach 70 million in 2017, with 70% earmarked for specific projects or countries.¹²¹ The OECD calculated that China's major multilateral engagement in 2009-2013 was with regional development banks,¹²² that received about half of Chinese multilateral resources (about US\$ 809 million), while the UN received 37% (US\$ 608 million) and the World Bank group 12% (US\$ 191 million to IDA).

¹¹⁷ Shaun Breslin, 'Global Reordering and China's Rise', p. 62.

¹¹⁸ See footnote 1.

¹¹⁹ The 2011 White Paper estimates this increase at nearly 30% from 2004 to 2009. State Council of the PRC, *China's Foreign Aid*, April 2011, Beijing (<http://english.gov.cn/archive/whitepaper>). The 2014 White Paper provides the estimate of US\$ 14.4 billion provided by China in bilateral and multilateral aid from 2010 to 2012. State Council of the PRC, *China's Foreign Aid*, July 2014, Beijing (<http://english.gov.cn/archive/whitepaper>).

¹²⁰ Willem Luijckx & Julia Benn, *Emerging providers' international co-operation for development*, OECD Development Co-operation Working Paper 33, April 2017, p. 8.

¹²¹ In 2017, China allocated almost all of its contributions to WFP to projects directed at 11 African countries and five Asian countries. For further details see: WFP donor profile: (<http://www.wfp.org/about/funding/governments/china?Year=2017>).

¹²² The Inter-American Development Bank received 66% of the resources devoted to the regional banks (US\$ 531 million), the African development Bank received 26% (US\$ 209 million dollars), while the Asian Development Bank and the Caribbean Development Bank received less (6% and 3% of the total). OECD, *Multilateral Aid 2015: Better Partnerships for a Post-2015 World*, Paris: OECD Publishing, 2015, pp. 194-195 (https://read.oecd-ilibrary.org/development/multi_lateral-aid-2015_9789264235212-en).

In this same period, China became a net donor, giving more aid than it received.¹²³ Once again, however, its status is singular in character, since it continues to receive both bilateral and multilateral aid, although it has now become the second largest economy in the world and, according to some estimates, the second or third largest donor.¹²⁴

In addition to funding multilateral cooperation, China is actively working with UNDP and the World Bank to implement trilateral cooperation projects. In 2005, the Chinese government established the International Poverty Reduction Centre in China (IPRCC) in Beijing, with the help of UNDP and other international donors to support SSC programs. In 2007, the China Exim Bank and the World Bank signed a Memorandum of Understanding to improve cooperation in development assistance, above all in the fields of economic infrastructure development and energy investment projects in Africa.¹²⁵ In 2016, UNDP and the Chinese government reached a cooperation agreement for the implementation of the Belt and Road Initiative.¹²⁶

Strong elements of continuity with the past can be found in current Chinese politics at the UN. The most important concern its self-representation as a Third World country, with the contradictions that managing different identities continues to imply; its continuing «special relationships» with developing countries, in particular with the

¹²³ Gregory Chin, 'China as a «net donor»: tracking dollars and sense', *Cambridge Review of International Affairs*, Vol. 25, No. 4, December 2012, pp. 579-603.

¹²⁴ *Ibid.*, p. 599. Assessing the exact size of Chinese aid is not easy, since the definition of foreign aid to which China refers does not correspond to the definition of ODA used by the DAC, and because the Chinese Government does not release complete data on its activities. The 2011 and 2014 White books represented a step forward in the direction of a greater transparency, but they still lack important information, for example, on Chinese aid to individual countries and disaggregated data in short periods. Julie Walz & Vijaya Ramachandran wrote that «China's aid estimates range anywhere from \$1.5 to \$25 billion; if the upper estimate is accurate, it ranks as the second largest donor after the United States.» See *Brave New World. A Literature Review of Emerging Donors and the Changing Nature of Foreign Assistance*, Center for Global Development, Working Paper 273, 21 November 2011, pp. 3-4 (<http://www.cgdev.org/content/publications/detail/1425691>).

¹²⁵ In 2007 the director of the World Bank office in Beijing pointed out that in that year Chinese aid to Africa – US\$ 3 billion – had exceeded the amount of aid provided by the Bank – US\$ 2 billion. Gregory Chin, 'China as a «net donor»', p. 584.

¹²⁶ UNDP, China, 'Belt and Road Initiative' (<http://www.cn.undp.org/content/china/en/home/belt-and-road.html>).

other so-called «emerging» countries; the tendency to act as a «veritable Group of One»¹²⁷ at the multilateral level; the emphasis on SSC and the referencing to the foreign aid principles of the 1960s. Finally, there is the using of the UN to legitimize its great power status. In recent years, increase in its economic and political power has allowed China to strengthen its criticism of the international order and of some of its rules and principles (especially in the field of human rights and on the issue of representation in the IFIs). In particular, in the field of international aid cooperation this criticism has taken the form of a constant disassociation from the policies of the traditional donors and an attempt to propose alternatives based on different principles and norms.¹²⁸

However, on several occasions, the Chinese government has used the UN to announce and give global prominence to the «new stage» that its foreign aid policy has entered into.¹²⁹ For example, in September 2005, on the occasion of the GA High-Level Plenary meeting on Financing for Development, President Hu Jintao announced a series of measures aimed at extending China's foreign aid. These included the provision of a zero-tariff treatment for some products from all 39 LDCs, and the expansion of its aid program to the heavily indebted poor countries and the LDCs, along with the forgiveness of their debt in the following two years. Moreover, the provision of US\$ 10 billion in concessional loans to developing countries was foreseen,

¹²⁷ Samuel S. Kim, 'China's International Organization Behaviour', in Thomas W. Robinson & David L. Shambaugh (eds.), *Chinese Foreign Policy. Theory and Practice*, Oxford: Clarendon Press, 1995, p. 407.

¹²⁸ In the 2011 White paper, it is stated: «China's foreign aid policy has distinct characteristics of the times. It is suited both to China's actual conditions and the needs of the recipient countries. China has been constantly enriching, improving and developing the Eight Principles for Economic Aid and Technical Assistance to Other Countries – the guiding principles of China's foreign aid put forward in the 1960s. [...] As development remains an arduous and long-standing task, China's foreign aid falls into the category of South-South cooperation and is mutual help between developing countries.» *China's Foreign Aid*, 2011. The 2014 White Paper reiterates the same concept: «When providing foreign assistance, China adheres to the principles of not imposing any political conditions, not interfering in the internal affairs of the recipient countries and fully respecting their right to independently choosing their own paths and models of development. The basic principles China upholds in providing foreign assistance are mutual respect, equality, keeping promise, mutual benefits and win-win.» State Council, The People's Republic of China, *China's Foreign Aid*, 2014. See also Deborah Bräutigam, 'Aid «With Chinese Characteristics»: Chinese Foreign Aid and Development Finance Meet The OECD-DAC Aid Regime', *Journal of International Development*, Vol. 23, Issue 5, 2011, pp. 752-764.

¹²⁹ *China's Foreign Aid*, 2011.

to improve their infrastructure and promote cooperation between enterprises on both sides. Finally, an increase in Chinese contributions in the health sector was put forward, especially in Africa, and the extension of the Chinese training programme.¹³⁰ Then, in 2015, President Xi Jinping announced a new series of Chinese initiatives at the GA with the establishment of an assistance fund for SSC and an increase of Chinese investments in the LDCs. The establishment of an «international development knowledge center to facilitate studies and exchanges by countries on development theory and practice suited to their respective national conditions» was proposed¹³¹ and the creation of a US\$ 1 billion «peace and development fund to support the work of the United Nations, advance multilateral cooperation and promote world peace and development.» He concluded with the provision of US\$100 million of free military assistance to the African Union.¹³²

At the same time, in his speeches at the UN, Xi Jinping reiterated the Chinese vision of development. Still marking the distance from Western approaches, he highlighted the importance of the state's management of the process of economic growth.¹³³ He pointed to the right of each country «to formulate a development strategy that is tailored to its own resources and national conditions», and that the international community has the duty to sustain. The need to first «uphold equity and social justice, with a view to ensuring that everyone has access to the opportunities and benefits of development» was also mentioned, together with the centrality of SSC.¹³⁴

The Chinese rhetoric of «justice before interests», the projection of an idea of development as mutual benefit make Chinese aid policies no doubt more attractive and credible than the strategies proposed by traditional donors, on whose effectiveness many receivers can easily raise doubts. The absence of political conditions, reference

¹³⁰ Gaor, Sixtieth session, 3rd plenary meeting, 14 September 2005, Hu Jintao, pp. 22-23, A/60/PV.3.

¹³¹ Gaor, Seventieth session, 7th plenary meeting, 26 September 2015, Xi Jinping, p. 14, A/70/PV.7.

¹³² Gaor, Seventieth session, 13th plenary meeting, 28 September 2015, Xi Jinping, p. 21, A/70/PV.13.

¹³³ «The 2008 international financial crisis taught us that allowing capital to blindly pursue profit can only create a crisis and that global prosperity cannot be built on the shaky foundation of a market without moral constraints. The growing gap between rich and poor is both unsustainable and unfair. It is important for us to use both the invisible hand and the visible hand to create synergy between market forces and Government function and strive to achieve both efficiency and fairness». *Ibid.*, p. 20.

¹³⁴ Xi Jinping, A/70/PV.7, p. 13.

to the respect of the growth strategies decided by each recipient, accompanied by substantial aid flows and by a successful development experience undoubtedly also go far to enhance the policies.

The choice of the Chinese government to support multilateral aid alongside its growing bilateral flow is dictated by several reasons.

Firstly, working through the UN helps Beijing to strengthen the credibility of the commitment in SSC, which could be questioned by the fact that China, now an upper-medium income country (according to World Bank definition), is still receiving aid, in some way subtracting resources from others. Secondly, multilateral aid gives greater legitimacy to its bilateral cooperation, which is periodically accused of having neo-colonial purposes and exploitative aims, not unlike what happened to the Western one. Finally, participating in UN development allows China to project an image of itself as a «responsible stakeholder»¹³⁵ in the international system.

Thus, participating in the UN development system is useful for global Chinese strategy in the Third World. At the same time, China now feels able to influence the international aid regime, in the light of its status as a great power,¹³⁶ and to project its principles and experiences into it. Actually, after the 2008-2009 crisis, which China perceived as «a notable decline of the West and a significant reduction of Western influence in global multilateralism»,¹³⁷ it can legitimately propose itself again as a model of development, an alternative to the one linked to the «Washington consensus», also on the basis of the success it obtained in the reduction of poverty. In his 2015 speech at the GA, Xi Jinping reminded the world that «over the 30 years or so that have elapsed since it embarked on reform and opened up, China has followed a development path with distinctly Chinese characteristics, which was chosen in the light of China's national conditions. By lifting 439 million people out of poverty and making remarkable progress in the areas of education, health and women's welfare, China has realized the Millennium Development Goals».¹³⁸

Next to the silent revolution, which Ngarie Woods referred to in 2008,¹³⁹ a somewhat «noisier» revolution is emerging. While China continues to use its ties with the developing countries to urge reforms

¹³⁵ In 2005, Robert Zoellick, the US Deputy Secretary of State, used this term to describe what the US expected from China's participation in the international system. Robert Zoellick, «Whither China: From Membership to Responsibility?», Remarks to National Committee on U.S.-China Relations, New York, 21 September 2005 (<https://2001-2009.state.gov/s/d/former/zoellick/rem/53682.htm>).

¹³⁶ Zheng Bijian 'China's «Peaceful Rise» to Great Power Status', *Foreign Affairs*, Vol. 84, No. 18, 2005, pp. 18-24.

¹³⁷ Mingjiang Li, 'Rising from Within', p. 334.

¹³⁸ Xi Jinping, *A/70/PV.7*, p. 13.

¹³⁹ Ngarie Woods, 'Whose Aid? Whose Influence?', pp. 1205-1221.

of international institutions, with the aim to gain greater weight and voice in them,¹⁴⁰ from outside the system it calls into question the international aid architecture with greater force, mainly in three ways.

Firstly, it provides more than 80% of its aid bilaterally, according to its own principles and rules, which only partly harmonize with those on which the international community has reached a certain degree of consensus. But Chinese bilateral cooperation also has enormous influence on multilateral aid, if only because it opens up alternative spaces for recipients, who can now choose which creditor and model of development to rely on.¹⁴¹ Secondly, in recent years, China has been committed to creating or strengthening multilateral forums that are alternative to the existing ones. An example of this strategy is the activism that China showed within the G-20, considered as the best representation of the current balance of power on the international scene, which Beijing used to coordinate positions with the other BRICS countries on climate change policies and on the reform of international institutions. Other examples include the New Development Bank, established by the BRICS countries in 2014, and the China-led Asian Infrastructure Investment Bank (AIIB), established in 2015¹⁴². In November 2016, there was the Chinese proposal to establish the Shanghai Cooperation Organization Development Bank, linked to an organization that now represents about half of the world's population.¹⁴³ Then, there are the various Chinese-led multilateral forums that since 2000 Beijing uses as coordination mechanisms of its aid flows at the regional level. The main example is the

¹⁴⁰ Ren Xiao, 'A reform-minded status quo power?'; Mingjiang Li, 'Rising from within', pp. 335-337.

¹⁴¹ Shaun Breslin, 'Global Reordering and China's Rise', p. 59.

¹⁴² Evan Feigenbaum, 'China and the World. Dealing with a Reluctant Power', *Foreign Affairs*, Vol.96, No. 1, 2017, pp. 33-40, p. 33; Ren Xiao, 'China as an institution builder: the case of AIIB', *The Pacific Review*, Vol. 29, No. 3, 2016, pp. 435-442.

¹⁴³ The Shanghai cooperation organization (emerged from the Shanghai Five Mechanism) was established in 2001 by the Republic of Kazakhstan, the People's Republic of China, the Kyrgyz Republic, the Russian Federation, the Republic of Tajikistan, and the Republic of Uzbekistan. In June 2017, also India and Pakistan joined the organization. Jiajun Xu & Richard Carey, *China's international development finance. Past, present, and future*, WIDER Working Paper, December 2015, p. 16.

Forum on China-Africa Cooperation, but the same pattern is repeated in Latin America and South East Asia.¹⁴⁴ Perhaps the most ambitious challenge to the international aid architecture is the One Belt One Road initiative.¹⁴⁵

Thirdly, China refused to join DAC, and despite various attempts made by the major traditional donors to involve it in its activities, it showed only limited willingness to dialogue.¹⁴⁶ Beijing does not accept the principles of effectiveness and consistency of aid on which DAC has been working for more than a decade, claiming the uniqueness and peculiarity of SSC, to which the same rules of north-south cooperation cannot be applied.

It also sees the attempts to *harmonize* donors' aid policies as a way to *shape* the new donors' policies according to Western values and codes of conduct. Consistently, therefore, China has not signed the 2005 Paris Declaration on Aid Effectiveness, and in 2011 it adhered to the Busan final document only after the addition of a clause stating that «the principles, commitments and actions agreed in the outcome document in Busan shall be the reference for South-South partners on a voluntary basis.»¹⁴⁷ Scepticism however, remained and in 2014 China did not participate in the following High-Level Meeting on Development Financing.

¹⁴⁴ The China-Caribbean Economic and Trade Cooperation Forum, the China-Pacific Island Countries Economic Development and Cooperation Forum, the Forum on Economic and Trade Cooperation between China and Portuguese-Speaking Countries and the China-Arab Nations Cooperation Forum are further examples. See Jakub Jakóbowski, 'Chinese-led Regional Multilateralism in Central and Eastern Europe, Africa and Latin America: 16+1, FOCAC, and CCF', *Journal of Contemporary China*, Vol. 27, Issue 113, 2018.

¹⁴⁵ See footnote 3.

¹⁴⁶ On DAC outreach and dialogue activities towards China see Sebastian Paulo and Helmut Reisen, 'Eastern Donors and Western Soft Law: Towards a DAC Donor Peer Review of China and India?', *Development policy review*, Vol. 28, N. 5, 2010, pp. 546-550; Xu Jiajun, 'China's rise as development financier. Implications for international development cooperation', in Scott Kennedy (ed.), *Global Governance and China. The Dragon's Learning Curve*, London and New York: Routledge, 2018, pp. 217-224; Anna Katharina Stahl, *EU-China-Africa Trilateral Relations in a Multipolar World. Hic Sunt Dracones*, London: Palgrave Macmillan, pp. 73-82.

¹⁴⁷ On the DAC aid effectiveness agenda see Talaat Abdel-Malek, *The Global Partnership for Effective Development Cooperation: Origins, actions and future prospects*, Bonn: Deutsches Institut für Entwicklungspolitik, 2015; Emma Mawdsley, *From recipients to donors. Emerging donors and the changing development landscape*, London-New York: Zed Books, 2012, pp. 39-46 and 210-218. On Brics views on Busan HLF see BRICS Policy Center, Policy Brief, *BRICS, cooperation for development and the Busan 4th High Level Forum on Aid Effectiveness*, December 2011.

The Chinese commitment to the creation and strengthening of alternative multilateral institutions and forums aroused the concern of Western countries, especially the US, who see an attempt to create a Sinocentric system of international institutions as an alternative to the existing one in this approach.¹⁴⁸

Underlying the transformation of China's role in international institutions from «system maintainer»¹⁴⁹ to a sort of «institution builder»¹⁵⁰ is the growing discontent with the failure it perceives in «the current system to reform and embrace a larger Chinese role fast enough, as well as a warning that China has the capacity and will to work outside it.»¹⁵¹ Beijing, in fact, now feels that its interests and its international status are not adequately represented within existing international institutions, and in its reaction to this state of affairs it recognizes the countries of the Global South as its main interlocutors. China knows the potentials and risks of their economic growth and sees their development as closely linked to the possibility of giving greater solidity and sustainability to its own growth in the long run.

¹⁴⁸ The United States refused to join the Bank, and also tried to dissuade its allies from doing so, with no results. Today the AIIB has 84 member countries, including many US allies.

¹⁴⁹ Samuel S. Kim, 'China and the United Nations', p. 61.

¹⁵⁰ Ren Xiao, 'China as an institution builder'.

¹⁵¹ Evan A. Feigenbaum, 'China and the World', p. 36.

HISTORY OF JAPANESE COOPERATION IN CAMBODIA
BEYOND REALIST AND IDEALIST APPROACHES

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Since 1991, Japanese aid offered to Cambodia has been the most significant in the context of the donor community, contributing to Cambodian conflict resolution, material reconstruction of infrastructures, national reconciliation and democratisation. The Realist school of international relations sustains that cooperation is an instrument of soft power, used by Japan to contain China's assertiveness in Southeast Asia while the Liberal school affirms that Japanese cooperation aims to create «comprehensive regional security» where the basic idea is founded on economic development as a precondition of human development.

This article aims to argue that through Official Development Assistance (ODA) Japan wants to reach multiple objectives. Apart from the strengthening of soft power, mutual confidence and trust based on «heart-to-heart» dating back to Fukuda doctrine (1977) in Southeast Asia, Japan aims to create a fertile environment in Cambodia to replicate its economic development model, functional to the Japanese production chain.

1. *Introduction*

Having the opportunity to travel through Cambodia, one could probably use banknotes of 500 Riel, a small cut frequently used for purchases of little value. The more curious will be surprised to find there reproduced an image of the Cambodia-Japan Friendship Bridge, built by the Japanese in 1963, and reconstructed again by the Japanese in 1994, after its destruction by the Khmer Rouge.¹ For its

¹ Funded by a grant from the Japanese government through Japan International Cooperation Agency (JICA), this bridge is expected to be completed by the end of 2019. 'Japan funding renovation of iconic Chroy Changvar Bridge', *Phnom Penh Post*, 19 February 2018.

futuristic shape and technologies used, the bridge has become a tourist attraction as well as a critical link which connects the east and west of the country.

In October 2017, the Tokyo government started a US\$ 33 million renovation project of this bridge, a sign that from a political point of view, the bridge has embodied the emblem of Japanese cooperation in Cambodia or, in other words, the image of Japanese soft power in Cambodia and in Southeast Asia. It is curious to note that the repair works were announced in the very moment when Cambodia was hit by serious political events: the Cambodian government arrested the leader of the Cambodian National Rescue Party (CNRP), the main opposition party and later the Supreme Court ruled to dissolve it. The official reason was that CNRP had fomented a foreign-backed «revolution».²

This anecdote introduces the theme of this article, namely, the role of Japan's international cooperation in Cambodia, analysed in a period between the end of the Cold War and contemporaneity. The analysis aims to further study the effects that Japanese cooperation had both in Japan and in Cambodia, at local and regional levels.

Since the mid-1990s and up to 2007, Japanese aid offered to Cambodia was the most significant in the context of the donor community, contributing to conflict resolution, material reconstruction of infrastructures, national reconciliation and democratisation.³ Just over the past ten years (2006-2016), US\$ 720 million (US\$ 170 million through international organizations and US\$ 550 million on a bilateral basis) was provided to Cambodia by the Tokyo government.⁴ From the point of view of Cambodian economic policy, cooperation with Japan favoured the adoption of a neo-liberal model, stimulating

² 'Developing: CNRP leader Kem Sokha arrested for «treason», *The Phnom Penh Post*, 3 September 2017; 'Cambodia top court dissolves main opposition CNRP party', *BBC News*, 16 November 2017. For a deep analysis of this facts see Nicola Mocchi, 'Cambodia 2016-2017: the worsening of social and political conflicts', *Asia Maior 2017*, pp. 117-129.

³ As declared by the Japanese Ministry of Foreign Affairs: « [from 1997 to 2007] (on a net disbursement basis) US\$ 720 million (US\$ 170 million through international organizations and US\$ 550 million on a bilateral basis)». Embassy of Japan in Cambodia, 'Japan's Assistance Policy for Cambodia', (<http://www.kh.emb-japan.go.jp/economic/cooperation/cooperation.htm>). During the 1990s, Japan also continued as a major donor in spite of the domestic economic slowdown. For example, in 1998 Japan's total ODA was still US\$ 10,731 billion, approximately. In 1999, according to OECD statistics, the aid flow from Japan increased to US\$ 15.32 billion – an increase of 44 %. At 1998 constant prices, this amounted to US\$ 13.45 billion – still an increase of 26.4 % in real terms.

⁴ The Government of Japan, 'Japan's assistance policy for Cambodia', (<http://www.kh.emb-japan.go.jp/economic/cooperation/japc/japc.htm>).

a surge of capital inflows and supporting an export-oriented production system of textile, clothing and footwear. While on the one hand this system has contributed to the economic growth of the country, on the other, it has given rise to serious criticality such as social exclusion, economic gap between social classes, gender divide, wild urbanization, abandonment of the countryside, violent land eviction, and fragmentation of the working class. Faced with these difficulties, the measures adopted by the Cambodian government have sought, firstly, to secure (foreign) investors and their capital and, secondly, ensure government stability. Violent repression of any form of dissent and the continued violation of human rights have, in fact, eroded the democratic principles constructed with great effort since the early 1990s.⁵

Despite a progressive authoritarian drift of the Cambodian government, Tokyo has never suspended its cooperation program with Phnom Penh nor has it requested or imposed any conditionalities on respect of human rights or enduring democracy. On the contrary, it has continued its cooperation projects with Cambodia, paradoxically strengthening the political legitimacy of Prime Minister Hun Sen.

Based on this premise, this article aims to argue that through Official Development Assistance (ODA) Japan wants to create a fertile environment in Cambodia to replicate its economic development model, functional to the Japanese production chain.

Through a long-term analysis of the economic history of Japanese cooperation in Cambodia, based on primary sources coming from the Ministry of Foreign Affairs of Japan, and secondary sources, we will proceed, firstly, by grading the historiographical debate linked to the role of international cooperation of Japan, secondly, the reconstruction of transfer of development model from the US to Japan and, finally to Southeast Asian Countries, which will be the fundament of our thesis. Subsequently, the argument of the thesis will be analysed examining cooperation between Japan and Cambodia since 1991, in the last section.

⁵ Simon Springer, *Cambodia's Neoliberal Order. Violence, authoritarianism, and the contestation of public space*, London and New York: Routledge, 2010. Simon Springer, *Violent Neoliberalism. Development, Discourse, and Dispossession in Cambodia*, New York: Palgrave MacMillan, 2015.

2. *Grading historiographical debate linked to the role of international cooperation of Japan*

Since the late 1970s, Japan has consolidated its relationship with Southeast Asian countries, basing its diplomacy on the Fukuda doctrine.⁶ After the Cold War, Japanese ODA was extended to Cambodia, Vietnam, Laos and Myanmar, aiming to support rebuilding infrastructures. Since 1991, ODA in Cambodia has increased and the Japanese government never suspended its cooperation program or threatened to limit aid even when the Phnom Penh government used violence to crack down on political opponents, press freedom or worker protests. On the contrary, since 2008, Japanese ODA in Cambodia has increased further, notwithstanding the fact that in 2010 Japan announced its desire to exit from the system of aiding poor countries.⁷

Most analysts have tried to explain this attitude of Japan with two arguments stemming from two major, different theoretical approaches. The first argument proposed by the realist school considers Japanese ODA as a soft power used to contain China's assertiveness in South East Asia, to strengthen cooperation with Cambodia and ASEAN countries and to bridge the perception gap on US commitment to Asia.⁸ From this point of view, in fact, through a substantial

⁶ Fukuda doctrine was enunciated by Prime Minister Takeo Fukuda on 18 August 1977, and was based on three high-level guiding principles: 1) Japan is committed to peace, and rejects the role of a military power; 2) Japan will do its best to consolidate the relationship of mutual confidence and trust based on «heart-to-heart» understanding with the nations of Southeast Asia; and (3) Japan will cooperate positively with ASEAN [the Association of Southeast Asian Nations] while aiming to foster a relationship based on mutual understanding with the countries of Indochina and will thus contribute to the building of peace and prosperity throughout Southeast Asia. Ministry of Foreign Affairs of Japan (hereafter MOFA of Japan), *Diplomatic Bluebook for 1977: Review of Recent Developments in Japan's Foreign Relations* 'Chapter Three: Diplomatic Efforts Made by Japan', i.l.

⁷ Oliviero Frattolillo, 'Beyond Japan's Foreign «Aid Fatigue»: The Path from the Cold War Gaiatsu to the New Millennium Agenda', *Asia-Pacific Journal of Social Science*, Special Issue No 3, December 2012, pp. 16-32.

⁸ David Arase, 'Japanese policy Towards Democracy and Human Rights in Asia', *Asian Survey*, Vol. 33, no. 10, Oct. 1993, pp. 935-952; David Arase, *Buying Power: The Political Economy of Japan's Foreign Aid*, Boulder, CO: Lynne Rienner Publisher, 1995; Iokibe Makoto, 'Gaiko senryaku no nakano nihon ODA [Japanese ODA as a part of foreign policy strategy]', *Kokusai mondai* 517, April 2003, pp. 2-20; Mikio Oishi & Furuoka Fumitaka, 'Can Japanese aid be an effective tool of influence? Case studies of Cambodia and Burma', *Asian Survey*, 43, 6, 2003, pp. 890-907. David Arase (Ed.), *Japan's Foreign Aid: Old Continuities and New Directions*, London and New York: Routledge, 2005. Lam Peng Er (ed), *Japan's Relations with*

aid and investment plan, exceeding those coming from the entire community of donors, since 2008, China has exercised a decisive influence over the foreign policy of many countries of Southeast Asia, including Cambodia.

According to the realist school, Japan's role in the international arena is considered equal to the major powers. Starting from the end of the Cold War, but particularly after 2001, the Tokyo government accomplished an impressive journey aimed at the quest of greater power in the international arena. This approach was required to overcome the incongruity of its accustomed image of «economic giant and political dwarf». From this point of view, according to the realists, international cooperation was instrumental in making Japan a great regional and international power and the peace-keeping intervention in Cambodia, guided by Japan in 1991, was considered as a testing laboratory of new engagement doctrines.⁹ Other scholars state that Japan uses ODA as a soft power not just directly on recipients through delivery but also indirectly through influencing emerging donors in East Asia, such as China, South Korea, Thailand and Vietnam.¹⁰

The second argument, proposed by the liberal school, is based on the long term Japanese project to create «comprehensive regional security» where the basic idea is founded on economic development as a precondition of human development.¹¹ In this way, Japan intended to reinforce the idea that economic development can be realized through a dirigiste state, legitimizing the «Development State model» and rejecting neo-liberal orthodoxy.¹²

Southeast Asia: The Fukuda Doctrine and Beyond, New York: Routledge, 2013. Kei Koga, 'Transcending the Fukuda Doctrine Japan, ASEAN, and the Future of the Regional Order', *Center for Strategic & International Studies*, 2017.

⁹ Michael J. Green, *Japan's Reluctant Realism. Foreign Policy Challenges in an Era of Uncertain Power*, New York, Palgrave MacMillan, 2001; Glenn D. Hook, Julie Gilson, Christopher W. Hughes, Hugo Dobson (eds.), *Japan's International Relations: Politics, Economics and Security*, New York: Routledge, 2001; Christopher W. Hughes, *Japan's Remilitarisation*, New York: Routledge, 2009; Michael Auslin, 'Japan's New Realism. Abe Gets Tough', *Foreign Affairs*, March/April 2016; Alessio Patalano, «Commitment by presence»: naval diplomacy and Japanese defense engagement in Southeast Asia', in James D.J. Brown & Jeff Kingston (Eds.), *Japan's Foreign Relations in Asia*, London and New York: Routledge, 2017, pp. 100-113.

¹⁰ See Marie Söderberg, 'Japan's ODA as soft power', in Purnendra Jain & Brad Williams (eds.), *Japan in Decline: Fact or Fiction?*, Folkestone: Global Oriental, 2011, pp. 37-54.

¹¹ Purnendra Jain, 'Japan's foreign aid: old and new contests', *The Pacific Review*, 2016, Vol. 29, No. 1, pp. 93-113.

¹² Tsuyoshi Kawasaki, 'Between Realism and Idealism in Japanese Security Policy: The Case of the ASEAN Regional Forum', *The Pacific Review*, 1997, vol. 10, pp. 480-503. John Mueller, 'The Essential Irrelevance of Nuclear Weapons: Stability

Lastly, according to other analysts, Japan should be considered as a «middle power» because of its active role in the international arena through the promotion of human security, to compensate for its inability to act militarily in the context of military security.¹³

Actually, as Beeson suggested, the idea of comprehensive regional security needs some clarification. While from the point of view of national security or regional security, aimed at containing China, it can offer plausible explanations, from the point of view of human security it completely ignores the problems of «sequencing». In other words, if one analyses cooperation between Cambodia and Japan only from the point of view of dynamically engaging/containing China in Asia, political analysis of the social and political consequences deriving from the development model induced by donors appears to be neglected.¹⁴ The violent social conflicts, repression of any form of dissent and the exploitation of the working class are in clear contradiction with the «human security» pursued by Japan in Cambodia. The development state model that was to have been induced by the Japanese in Cambodia does not differ from a neo-liberal model, non-inclusive, unfair and unequal, in which welfare, education and healthcare are progressively dismissed by the state. On the basis of these elements, through this analysis, we aim to argue that the cooperation of Japan in Cambodia is intended essentially to create a fertile ground for Japanese investments in Cambodia and to maintain a condition of political stability within the Japanese production chain in South East Asia.

3. *Japanese «economic diplomacy» in Southeast Asia and critics on the Development Model*

After the Second World War, with US economic and financial support, the Japanese government started a process of reconstruction and economic recovery which on the one hand privileged exports of

in the Postwar World', *International Security*, Vol. 13, No. 2, Autumn, 1988, pp. 55-79; Thomas U. Berger, Mike Mochizuki & Jitsuo Tsuchiyama (eds.), *Japan in International Politics: The Foreign Policies of an Adaptive State*, London: Lynne Rienner publishers, 2007.

¹³ Lam Peng Er, 'Japan's human security role in Southeast Asia', *Contemporary Southeast Asia*, Vol. 28, n. 1, 2006, pp. 141-59; Soeya Yoshihide, *Nihon no Middle Power Gaiko [Japan's Middle Power Diplomacy]*, Tokyo: Chikuma-shinsho, 2005.

¹⁴ Mark Beeson, 'The political economy of security: Geopolitics and capitalist development in the Asia Pacific', in Anthony Burke & Matt McDonald (ed.), *Critical Security in the Asia Pacific*, Manchester: Manchester University Press, 2007, pp. 56-71.

high added value products and, on the other hand, favoured the accumulation of US dollar reserves.¹⁵ This latter fact allowed Japan to keep the value of its currency low and, consequently, benefit from two advantages. The first was the continuous outlet for its hi-tech products characterized by increasing quality, and the second was the purchase of US agricultural products.¹⁶

Starting from the 1970s, the Japanese development model was applied to Eastern and Southeast Asian states. There, «thanks to systematic state intervention and forms of capitalism highly organised», «the potential advantages of coming late especially by combining ever increasing technological sophistication with relatively cheap labour and orienting production to exports for the world market»¹⁷ were realized.

The industrialization process triggered by these new emerging economies – South Korea, Hong Kong, Taiwan, Singapore and, later, Thailand, Malaysia, Indonesia – was based on Japanese economic strategies, also from the point of view of the «unending purchases of dollar assets with the goal of keeping the value of their currencies down, the competitiveness of their manufacturing up, and the borrowing and the purchasing power of US consumers increasing made for a rising supply of subsidized loans».¹⁸

The replica of the Japanese development model to other countries is often effectively explained through the so-called «Flying Geese Paradigm», based on the image of geese in flight forming the letter «V». The vertex of the «V» is Japan and the following geese represent the other Asian countries. In political-economic terms, this means that the development process is characterized by a relocation of labour-intensive sectors to the poorest countries, while the richest ones specialize in new products.¹⁹

¹⁵ Andrew McGregor, *Southeast Asian development*, New York: Routledge, 2008.

¹⁶ A new document that outlined US policies toward Japan, NSC 6008/1, was approved in June 1960. It pointed out that on the economic front, Japan was not only the second-largest export market for the United States, but also the largest purchaser of American agricultural products, while the United States was the largest importer of Japanese products. The approval of this document provoked riots and protests in Japan, supported by leftist forces of socialist and Communist parties. See NSC 6008/1 Washington, June 11, 1960.

¹⁷ Robert Brenner, *What is Good for Goldman Sachs is Good for America. The Origins of the Present Crisis*, Centre for Social Theory and Comparative History, 2009, p. 9. See also Robert Brenner, *The Economics of Global Turbulence. The Advanced Capitalist Economies from long Boom to long Downturn, 1945-2005*, London: Verso, p. 269.

¹⁸ Robert Brenner, *What is Good for Goldman Sachs is Good for America*, pp. 2, 36.

¹⁹ The «flying geese» metaphor was drawn up by the Japanese scholar Akamatsu Kaname in 1932 and subsequently submitted to the English academy in 1961, applying it to describe the Japanese product cycle. Kaname Akamatsu, 'A

As the United States had done with Japan after the Second World War, and Japan itself, starting from the 1970s, with Southeast Asian countries, the US sustained the emerging Asian economies for two main reasons. The first was of a strategic nature, aimed to encourage the growth of capitalist economies in a context where satellites of the communist block gravitated. The second was of an economic nature, as it favoured the consolidation of the US dollar as a reference and international exchange currency.²⁰

However, while this process allowed the US to increase the political hegemony in the Asian region, its negative consequences cannot be overlooked. The competitive mechanism triggered by the US determined the need to reduce production costs to push American companies toward the so-called «trap of profits», i.e. that stage of capitalism in which profits are so low that it is no longer convenient to invest. This phenomenon arose in the US in 1973 and resulted in two main consequences: first, it determined the need to find new geographies where higher profits were guaranteed, which means relocation of production to poor countries, where labour costs are lower. Second, it pushed investors to reduce wages and increase the productivity of workers. Briefly, these were the fundamentals of neoliberal ideology that was developing in that very period.²¹

In the 1970s, Southeast Asian countries offered a way to escape from the Western and Japanese multinationals' trap of profits and thus, first Singapore, Taiwan, Hong Kong and South Korea and then Thailand, Indonesia, Malaysia and The Philippines began to create the necessary infrastructure to host the manufacturing production of foreign countries. Low labour costs, weakness of trade unions, rules protecting ownership rights, free transport and equipment infrastructures and adequate logistics were the characteristics that enabled the region to base its economy on the export-led model.

Starting from the 1990s, the developmental state model based on the active role of the state to «govern the market» was also implemented in Cambodia and Vietnam and, later, Laos and Myanmar. On the one hand, it had the advantage of contributing to the rise of per capita income of the Asian countries, but on the other it had several negative consequences: wild urbanization and environmental destruction, drainage of human resources from the countryside to the cities, reduction of areas intended for intensive agriculture, division

Historical Pattern of Economic Growth in Developing Countries', *The Developing Economies*, Vol. 1, n. 1, 1962.

²⁰ Suetō Sudo, *The International Relations of Japan and South East Asia*, New York: Routledge, 2001, pp. 2-3.

²¹ David Harvey, *A Brief History of Neoliberalism*, New York: Oxford University Press, 2007.

of labour where the welfare system was still non-existent or at the embryonic state, and restriction of workers' rights.²² After the economic crisis of 1997-2000, which struck the Southeast Asian countries particularly hard, these critical issues worsened. This was a sign that the development state model, which became a myth just because it was the only alternative to the neo classic model based on the free market, should be dispelled.²³ In fact, this development paradigm reduces the state-society relations to state-capital relations and, consequently, to a mere government and business relationship.²⁴ In the final instance, the state guarantees the bourgeoisie-capitalist class and, consequently, the working class is subordinated.

4. *How this development state model (neoliberal) was exported to Cambodia*

4.1. *Starting bilateral relations between Japan and Cambodia after the Second World War*

Relationships between Cambodia and Japan started in the early 1950s and were fruitful for both, for several reasons. First, after the Second World War, the US gave Japan the role of a pivotal anti-communist strong-hold in East Asia, facing the imminent victory of Communist China and the majority of the left-forces in Japan. Consequently, Japanese domestic and external policy was rigidly imposed by the US, as in the San Francisco Treaty in 1951, establishing *inter alia* (art. 14) the payment of war damage repairs to all countries that had undergone Japanese occupation.²⁵

²² Ben Fine, Daniela Tavasci & Jyoti Saraswati (eds.), *Beyond the Development State: Industrial Policy into the Twenty-First Century*, London: Pluto, 2013.

²³ On the development state model and its myth, see Chalmers A. Johnson, *MITI and the Japanese Miracle: the Growth of Japanese Industrial Policy, 1925-1975*, Stanford: Stanford University Press, 1982. Alice H. Amsden, *Asia's Next Giant*, Oxford: Oxford University Press, 1989. Robert Wade, *Governing the Market: Economic Theory and the Role of Government in East Asian Industrialisation*, Princeton: Princeton University Press, 1990.

²⁴ Dae-Oup Chang, *Capitalist Development in Korea. Labour, capital and the myth of the development state*, New York: Routledge, 2009, in particular ch. 2. By the same author, see also *Fetishised State and Reified Labour. A critique of the developmental state theory of labour*, (http://www.iippe.org/wiki/images/a/a0/Fetishised_state_and_reified_labour-daeoup.pdf).

²⁵ Some of them did not ratify the San Francisco treaty, such as The Philippines and Indonesia. Consequently, Japan signed different peace treaties: India (1952), Taiwan's Chang Kai-shek (1952), Burma (1954), Cambodia (1955). Some others, such as Sri Lanka, refused Japanese reparations, arguing that this would affect the Japanese economy. See Wolf Mendl (ed.), *Japan and South East Asia: The Cold War*

Second, in the same period, also Cambodia was in a situation of great political fragility. Just a few days after the invasion of Indochina by Japan on 9 March 1945 and the arrest of the French officials, King Norodom Sihanouk proclaimed Cambodian independence. However, after the Japanese surrender, the French General Leclerc imposed a soft colonial regime restoration.

From 1949 to 1953, following the capitulation of Japan, Cambodia had to renegotiate its independence with France, in a context characterized by many critical points: strong rivalry between the political forces, in particular between conservative and left parties. The Communist Party, Khmer People's Revolutionary Party (KPRP), was created in June 1951 and soon after started to collaborate with the Indo-Chinese Communist Party, who, having an acting role in Vietnam, threatened the monarchy and its prerogatives.²⁶ In the international arena, France did not intend to lose its colonies and, in the face of a Communist victory in China and the invasion of Korea, began to involve the US in its project to maintain control over the colonies. For these reasons, Sihanouk sought support also abroad, denouncing the intransigence of France during his travels in the US, Canada and Japan.²⁷

In October 1953, France granted independence to Cambodia and in July 1954 independence was internationally recognised by the Geneva Conference on Indochina. King Norodom Sihanouk started to govern his country as a «benign dictatorship».²⁸ In the same year, relations with Japan were renewed, favoured by the fact that the Japanese invasion, in fact, did not create great destruction in Cambodia and did not provoke huge resentment among Cambodian people, to such an extent that the Legation of Japan was established in 1954. In March 1955, Sihanouk abdicated leaving the throne to his father and, a few months later (December 1955), he went to Japan on an official visit as prime minister. Sitting next to Emperor Hirohito, Sihanouk

era 1947-1989 and issues at the end of The Twentieth Century, London and New York: Routledge, 2001, Vol. II, pp. 18-20.

²⁶ The Cambodian Communist *The Khmer People's Revolutionary Party* (KPRP) was founded in September 1951 and KPRP's leaders in the early 1950s (until 1954) accepted Vietnam's leadership in the struggle to liberate Indochina from the French. See Thomas Engelbert & Christopher E. Goscha, *Falling Out of Touch: A Study on Vietnamese Communist Policy towards an Emerging Cambodian Communist Movement, 1930-1975*, Melbourne: Centre of Southeast Asian Studies, Monash University, 1995.

²⁷ David Chandler, *A History of Cambodia*, Boulder: Westview Press (4th ed.), 2008, p. 7. Milton Osborne, *Sihanouk, Prince of Light, Prince of Darkness*, Bangkok: Silkorm, 1994.

²⁸ *Ibid.*, p. 227.

signed a friendship treaty with Japan renouncing to sue for war damages. In exchange, Japan offered Cambodia 100 million Yen.²⁹

During the conflict between the US and Vietnam, Japan maintained an ambiguous attitude towards both Vietnam and Cambodia. In the 1970s, in fact, Tokyo diplomacy began a new course of foreign policy in Asia and in South East Asia. This was partly due to the fact that the US had lost influence in the Southeast Asian countries during the Vietnam war, and partly because of the normalisation of US-China relations at the beginning of 1970. In this context, in Tokyo there was a strengthening of the idea that Japan could and should play a proactive role in Asia, independently of the US, especially with respect to Southeast Asian countries.³⁰

Anti-communist ideology became less important, particularly after the announcement of the 1972 Sino-US Shanghai Communiqué that thawed US-China relations. In that period, Japan started a «omni-directional diplomacy» (*Zenhoi gaiko*) or «multidirectional peace diplomacy» (*zenhoi heiva gaiko*) aimed at improving the relationship with communist Indochina and achieving neo-mercantilist goals.³¹ Indeed, Japan officially supported the US position but, at the same time, maintained open commercial channels with both North and South Vietnam, trying to take advantage of any opportunity to continue business. In this perspective, also relations with Cambodia followed the same footprint but were interrupted in 1975, after the Khmer Rouge coup. During the Khmer Rouge rule, the relationship was neither active nor proactive.³²

²⁹ Yukiko Nishikawa, *Japan's Changing Role in Humanitarian Crises*, New York: Routledge, 2005, p. 86.

³⁰ Actually, after the creation of ASEAN, in 1967, Japan had difficulty engaging a neutral group. Some countries, such as Thailand and Malaysia, in particular, were reluctant to resume relations with Japan, due to the terrible inheritance of the Second World War. In Thailand, the anti-Japanese movement started from the late 1960s due to the dissatisfaction of the trade imbalance and in 1972 the «Japanese product boycott» campaign occurred. Equally worried was Malaysia, since Japan started to export synthetic rubber that would have limited the Malaysia export quotas. See Sueo Sudo, *The International Relations of Japan and South East Asia*, New York: Routledge, 2001, p. 34.

³¹ William R. Nester, *Japan's Growing Predominance Over East Asia and the World Economy*, London: MacMillan 1990, p. 80; Akitoshi Miyashita & Yoichiro Sato (eds.), *Japanese Foreign Policy in Asia and the Pacific: Domestic Interests, American Pressure, and Regional Integration*, New York: Palgrave MacMillan, 2001, p. 83. Cf. Yoshihide Soeya, 'Vietnam in Japan's Regional Policy', in James W. Morley & Masashi Nishihara (eds.), *Vietnam Joins the World*, New York: M. E. Sharpe, 1997, p. 176.

³² Wolf Mendl, *Japan's Asia policy. Regional security and global interests*, London: Routledge, 1995.

Only after the Vietnamese intervention in Cambodia in 1979, aimed at putting an end to the Pol Pot regime, did Japan align with the US and the Atlantic block. Indeed, it condemned the Vietnamese invasion, freezing aid to Vietnam to put pressure on Hanoi to abandon their Cambodian adventure.³³ Moreover, at each of the four General Assembly meetings, Japan voted to allow representatives of the ousted Pol Pot regime to retain the Cambodian seat.³⁴ Nonetheless, as Wolf Mendl pointed out «It did not work, but served as Japan's contribution to the Western stand and as a symbol of its solidarity with ASEAN. It was also intended to persuade the Vietnamese not to rely too much on Soviet support – an objective in line with the general policy of containing Soviet influence in the region».³⁵ However, from 1987, cooperation between Japan and Vietnam restarted with a series of projects and a rescheduling of Vietnamese debts by Japanese banks.

Between 1989 and 1994, a series of events led to the end of the Cold War in Southeast Asia, such as the withdrawal of Vietnam from Cambodia and the Peace Agreement of Hat Yai in 1989, that marked the end of the Communist insurgency in Malaysia (1968-89).³⁶ Consequently, also China, the US and Japan changed their relations in respect to Southeast Asian countries, in an attempt to redesign a new

³³ In 1975, soon after the unification of Vietnam, Tokyo provided a three year ODA programme (¥ 27.5 billion) in grants and loans to Vietnam. In 1980, after the invasion of Cambodia, the Japanese government immediately froze US\$ 135 million, and exports to Vietnam fell by almost one half. Ming Wan, *Japan Between Asia and the West: Economic Power and Strategic Balance*, Armonk: M.E. Sharpe, 2001, p. 106.

³⁴ See for example UN General Assembly, Voting record. *The situation in Kampuchea: resolution / adopted by the General Assembly*, A/38/251, 23, Situation in Kampuchea, 27 October 1983. Cfr. Andrea Pressello, *Japan and the shaping of post-Vietnam War Southeast Asia: Japanese diplomacy and the Cambodian conflict (1978-1993)*, New York: Routledge, 2018.

³⁵ Wolf Mendl, *Japan's Asia policy*, p. 97.

³⁶ The 27th ASEAN Ministerial Meeting (1994) stated that «The ARF could become an effective consultative Asia-Pacific Forum for promoting open dialogue on political and security cooperation in the region». It comprises 27 members: the 10 ASEAN member states (Brunei, Cambodia, Indonesia, Laos, Malaysia, Burma, Philippines, Singapore, Thailand and Vietnam), the 10 ASEAN dialogue partners (Australia, Canada, China, the European Union India, Japan, New Zealand, the Republic of Korea, Russia and the United States), one ASEAN observer (Papua New Guinea), as well as the Democratic People's Republic of Korea, Mongolia, Pakistan, Timor-Leste, Bangladesh and Sri Lanka.

regional order. In particular, with the end of bipolarity, Japanese international relations were oriented toward a multilateral approach, putting an end to the US «hub and spoke».³⁷

It was in this context that Japan and Cambodia renewed their relations soon after the signing of the Paris peace agreement in October 1991 by all four Cambodian factions.³⁸ This agreement paved the way for an international peace-keeping/building mission carried out by the United Nations Transitional Authority in Cambodia (UNTAC) and guided by Japan. For the first time after the end of the Second World War, Japan led an international mission abroad, headed by the Japanese diplomat Yasushi Akashi, and the Japanese Self-Defense Forces were displayed abroad. Japan, in early 1991, also proposed a special commission of inquiry into the crimes committed by the Khmer Rouge, but the US blocked the initiative.³⁹

Despite a series of criticalities, UNTAC was able to support the pacification of Cambodia, to start the process of reconciliation and, within a few years, to hold free elections.

These positive results allowed Japan to strengthen relationships and consequently to replicate its economic diplomacy, which had been brought forward in Southeast Asia in the previous 20 years, in Cambodia.

4.2. *Japan-Cambodia Cooperation since 1991*

After the UNTAC intervention in 1991, reconciliation and reconstruction proceeded quickly thanks to a series of international aid that arrived, partly directly to the NGOs involved in the territory and partly to the Cambodian government. In the latter case, the government used the aid for the realization of projects that had been approved ex ante by the donor community.

Until 2008, donations, grants and loans came to Cambodia essentially from bilateral donors, in particular Western countries plus Japan, Australia and New Zealand, and from multilateral donors, such as the Asian Development Bank (ADB), the World Bank (WB) and the International Monetary Fund (IMF). Any grant or donation was given with strings-attached conditionalities aimed at strengthening the reconciliation and democratisation process.

³⁷ Alice Ba, 'Systemic Neglect? A Reconsideration of US-Southeast Asia Policy', *Contemporary Southeast Asia*, Vol. 31, No. 3, 2009, pp. 369-98.

³⁸ Sueo Sudo, *Evolution of ASEAN-Japan Relations*, Singapore: ISEAS-Yusof Ishak Institute, 2005.

³⁹ Tom Fawthrop & Helen Jarvis, *Getting Away with Genocide? Elusive Justice and the Khmer Rouge Tribunal*, London: Pluto Press, 2004.

These conditionalities were felt even more urgent considering that after the royalist political party FUNCINPEC won the UNTAC-organized elections in May 1993, the coalition formula with Prince Norodom Ranariddh and Hun Sen as co-Prime Ministers, imposed by the international community and then Prince Norodom Sihanouk, ignited conflicts. The conflict between FUNCINPEC and Hun Sen's Cambodian People's Party (CPP) led to an escalation of instability, till the coup of 1997.⁴⁰

What happened during this coup has still not been clarified in detail. In Phnom Penh, during a rally in the capital, there was an attack on one of the leaders of the FUNCINPEC party, with the launch of two grenades that caused the death of 20 people and 150 injured. Responsibility has never been established and the reaction of the donor communities was very cold. A freeze on the promised aid was initially announced, but within a few months, cooperation projects resumed their natural course.

The World Bank announced the suspension of aid and the IMF withdrew its representative. ASEAN hid behind the non-interference principle but, as pointed out by Lee Jones, it deeply conditioned the instauration of the Hun Sen regime.⁴¹ Indeed, it is worth noting that during that period, capital-starved Cambodia depended strongly on ASEAN investments (Singapore invested US\$ 35 million, Thailand US\$ 47, and Malaysia more than US\$109 m).⁴² Obviously, these figures considered, ASEAN had a basic interest in safeguarding these investments by encouraging stability⁴³. This interest appears even more urgent after US reaction.

The US government condemned the attack but never considered it as a coup, confirming humanitarian aid (US\$ 20 million) but suspending non-humanitarian help. But only a month after the coup, as Hun Sen was consolidating his control over the Cambodian government, Washington granted Cambodia the Generalized System of

⁴⁰ One of the most detailed analyses is that of Thomas Hammarberg, the United Nations Special Representative on Human Rights in Cambodia, and his report to the UN General Assembly published in 'Cambodia: July 1997: Shock and Aftermath', *The Phnom Penh Post*, 27 July 2007.

⁴¹ Lee Jones, 'ASEAN intervention in Cambodia: from Cold War to conditionality', *The Pacific Review*, Vol. 20, No. 4, 2007, pp. 523-550.

⁴² Kai Moller, 'Cambodia and Burma: The ASEAN Way Ends Here', *Asian Survey*, Vol. 38, No. 12, Dec. 1998, pp. 1087-1104, here 1089; Sorpong Peou, *Intervention and Change in Cambodia: Towards Democracy?*, Singapore: ISEAS, 2000, pp. 373-4.

⁴³ Lee Jones, 'ASEAN intervention in Cambodia: from Cold War to conditionality', p. 541.

Preferences (GSP) status.⁴⁴ This is not a trade agreement, but rather a benefit offered to less economically developed countries to allow them to increase economic growth and diversify their trade with the US. Indeed, GSP status eliminates tariffs for roughly 1,800 raw materials and manufactured goods for some 140 countries and territories, but at the same time, it establishes some conditionalities. These include recognising workers' rights, implementing commitments to eliminate the worst forms of child labour and effectively protecting intellectual property rights.

Having this status granted led to two main results for Cambodia: first, an improvement of bilateral Cambodia-US trade and, second, a shift of investments from other ASEAN countries like Malaysia and Thailand, that only have the «Most Favored Nation» (MFN) status. Comparatively, GSP recipients have greater trade advantages than countries which only have tariff reduced status offered by MFN. This is the reason why investors shifted their production to Cambodia.

In the light of the above, despite being accused of acting behind the coup, the donors' community negotiated with Hun Sen, obtaining an agreement that the elections planned for 1998 would take place in a peaceful and fair manner.

After the coup of 1997, Japan did not move any protests and it is worth noting that it never protested or condemned authoritarian actions regarding Cambodia or other Southeast Asian countries.⁴⁵ Even in those cases of denounced limitations and abuses against press freedom and workers' rights, the response of Japan was always cold and, in the end, legitimized the ascent and strengthening of Hun Sen.

Since 2000, Japanese ODA to Cambodia has never been interrupted and has been directed mainly to the strengthening of infrastructure such as roads, bridges and pipelines. During this period, following the basic philosophy of its «ODA Charter», the principle of human security has always been the strategic flagship of the Japanese government.⁴⁶ The Tokyo Government has always preferred an ap-

⁴⁴ U.S. Embassy in Cambodia, 'USTR to Assess GSP Eligibility of Beneficiary Countries'.

⁴⁵ Actually, Japan never raised any note of protest against the coups that were repeated in the region, such as those in Thailand, or against the military junta in Burma, and much less in respect of attempted coups that had occurred in Myanmar. After the last coup in Thailand, the Minister of Foreign Affairs of Japan, during his visit to Bangkok in May 2016, stated that «Thailand is a stakeholder that Japan cannot be without as many big and medium-sized Japanese firms from over 4,500 companies are based here». Foreign minister reaffirms Japan's economic ties to Thailand', *Reuters*, 1 May 2016.

⁴⁶ MOFA of Japan, 'Basic Approaches of Japan's ODA (philosophy and principles)', (<http://www.mofa.go.jp/policy/oda/summary/1995/1basic.html>).

proach of positive linkage rather than a negative one. In fact, the results of the cooperation necessarily not only led to economic development but also to a democratization of society. Japanese ODA to the military regime of Myanmar, for example, has never been suspended and the strengthening of the democratisation process of Myanmar has been considered by Japan as a successful example in applying its theory. As it did in Myanmar, in Cambodia too Japan refrained from proposing any negative linkage, suspending aid or imposing sanctions, even when violence ignited political life and social conflicts. In the history of Japanese cooperation, there had only been one case of negative linkage in Japan's aid: aid was suspended following Vietnam's invasion of Cambodia in 1978.

However, alongside ODA, Japan has always established a diplomatic economic policy, proposing liberalisation policies to Cambodia aimed at favouring Japanese investment.

In 2005, for example, the Japanese Parliament approved US\$18.5 million (in addition to US\$3m already approved under its 2004 budget) for UN-backed trials of former Khmer Rouge leaders in Cambodia.⁴⁷ Also, a few years later, in 2008, the agreement between the two countries for the Liberalization, Promotion and Protection of Investment entered into force,⁴⁸ coupling the Agreement on Comprehensive Economic Partnership between Japan and Member States of the Association of Southeast Asian Nations (Japan-ASEAN Comprehensive Economic Partnership Agreement).⁴⁹

On the basis of this dual-track approach (ODA and Economic Diplomacy), in 2013, Prime Minister Shinzo Abe and Prime Minister Hun Sen met in Tokyo and upgraded diplomatic relations to a «strategic partnership»⁵⁰. During this meeting, Japan agreed to again provide Cambodia with a total of US\$ 17 million of ODA loans for three

⁴⁷ After a long, difficult negotiation between the Cambodian government and the UN, the Supreme Court Chamber of the Extraordinary Chambers in the Courts of Cambodia (ECCC) settled in 2006, thanks to Japanese funds. Since then, Japan has provided roughly US\$ 85.12 million (US\$ 68.58 million to the international side and US\$ 16.54 million to the domestic side), or about 32% of the international assistance for the Khmer Rouge Trials. MOFA of Japan, 'Statement by Foreign Minister Fumio Kishida', 23 November 2016.

⁴⁸ MOFA of Japan, 'Exchange of Diplomatic Notes for the Entry into Force of the Agreement between Japan and the Kingdom of Cambodia for the Liberalization, Promotion and Protection of Investment', 1 July 2008.

⁴⁹ MOFA of Japan, 'Notification of the Entry into Force of the Japan-ASEAN Comprehensive Economic Partnership Agreement by Cambodia', 27 November 2009.

⁵⁰ MOFA of Japan, 'Japan-Cambodia Summit Meeting', 15 December 2013. As of 2015, Japan has concluded 10 strategic partnerships, including with two regional organizations: ASEAN and the European Union.

projects (strengthening connectivity such as the Southern Economic Corridor, transport in metropolitan areas, renovation/improvement of irrigation and sewage systems). Abe Shinzo confined himself to expressing «his expectation that the political situation in Cambodia would be normalized in a timely fashion through dialogue and reconciliation».⁵¹

Since then, the number of Japanese companies investing in Cambodia has rapidly increased. According to the Japan External Trade Organization (JETRO web), there were only 19 Japanese companies in Cambodia in 2010. By 2015, since the JETRO web established an office in Phnom Penh, the number jumped to 1500, making Japan the third largest foreign investor in the country.

However, in 2016-2017, the political situation in Cambodia worsened further. In July 2016, the activist, physician, and political commentator and prominent critic of the government, Kem Ley was shot dead in the capital Phnom Penh. In June 2015, he had founded his own political party, the Grassroots Democracy Party, and was preparing for the 2018 elections. Moreover, in autumn 2017, members of the main opposition party, Cambodian National Rescue Party (CNRP), were arrested or forced to seek refuge abroad with the accusation of subversive acts and, finally, on 16 November, the Supreme Court ruled to dissolve the CNRP.⁵²

Even in this case, the reaction of the Western Donors and of Japan was very weak. The US, for example, confined itself to a press statement, announcing that «the US is taking concrete steps to respond to the Cambodian government's actions that have undermined the country's progress in advancing democracy and respect for human rights».⁵³ Japan's Foreign Minister joined the EU in voicing alarm over the dissolution of the CNRP to Cambodian Minister of Foreign Affairs Prak Sokhonn,⁵⁴ but a few of months later, in February 2018, Abe's government granted about US\$ 7.5 million in aid to the Cambodian National Election Committee for the elections scheduled on 29 July 2018.⁵⁵

⁵¹ MOFA of Japan, 'Japan-Cambodia Summit Meeting', 15 December 2013, §3.

⁵² Nicola Mucci, 'Cambodia 2016-2017: the worsening of social and political conflicts', pp. 117-129.

⁵³ US Department of State, Press Statement, 'Visa Restrictions on Individuals Responsible for Undermining Cambodian Democracy', 6 December 2017.

⁵⁴ Japan 'expresses concern' over CNRP, *The Phnom Penh Post*, 22 November 2017.

⁵⁵ MOFA of Japan, 'Provision of Japanese-made Ballot Boxes and other Election equipment to Cambodia. (The Economic and Social Development Programme Grant Aid)'.

5. *Conclusions*

In 2017, Japan and Cambodia celebrated 65 years of friendly bilateral relations with a series of cultural events, and relations between the two countries still deepen. If we exclude the period of the Khmer Rouge, when relations were interrupted, during this long path Japan has always been at the side of Cambodia. Japanese aid has contributed to the reconstruction of the country and to the growth of the material condition of the population. The ODA Chart of Japan has essentially sought to realize economic development as a precondition of improving human security. However, although Cambodia has made huge progress in increasing its GDP, the unequal distribution of wealth has generated class struggles which are often violently repressed by the government. Actually, in the last twenty years, the democratisation process in Cambodia seems to have been in decline. Trying to face these criticalities, the Tokyo government has always preferred a positive linkage approach to a negative one and has never suspended aid to Cambodia. The appeasement attitude of Japan in respect to authoritarian Southeast Asia governments has contributed to creating a fertile environment to relocate their businesses to, exploiting low costs of production. Cambodia, together with the poorest countries of the Indochinese Peninsula, is only one of the countries Japan has exported a development state model to, considered by the mainstream as a successful model. Finally, this model is characterised by deregulation and liberalisation that has ensured high profits of invested capital, but which does not guarantee labour. If one considers the criticality that this model has provoked in Cambodia, it can be argued that the cooperation of Japan in Cambodia has helped to consolidate an unfair and unequal production system. Cambodian authoritarianism is actually the product of a neoliberal economic model exported from Japan along with cooperation.

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This article aims to analyse relations between the EEC/EU and ASEAN during the 1980s and 1990s. These are examined from a bilateral point of a view and in the larger context of the relations that the European Community developed with Asian countries. While the Cooperation Agreement with ASEAN was only signed in 1980 relations started in the 1970s after the enlargement of the EEC to include the United Kingdom. The article examines the reasons leading to the signature of the Cooperation Agreement, how the relationship between the two regional organizations evolved in the 1980s and 1990s and what impact the Cold War and globalization had on the evolution of this relationship. The article ends analysing the first summits of the Asia-Europe Meeting, ASEM, an initiative proposed by Singapore and strongly supported by ASEAN and European countries.

1. Introduction

This article aims to analyse relations between the European Economic Community (EEC), now European Union (EU) and the Association of South-East Asian Nations (ASEAN) during the 1980s and 1990s. These relations are analysed from a bilateral point of a view and in the larger context of the relations that the European Community developed with Asian countries. After rapidly examining the birth of regionalism in Asia and the first contacts between ASEAN and the EEC, we will see the reasons leading to the signature of the 1980 Cooperation Treaty and its implementation in the 1980s. The end of the Cold War brought about many important changes in Europe and Asia which influenced relations between ASEAN and the European Community. We will see therefore how the two organisations adjusted to the new international context and how the proposal leading to the new Asia-Europe Meeting (ASEM) was developed. Based on French and European sources, we will try to

identify the elements explaining the evolution, limits and outcomes of this relationship.

2. *The Cold War and the birth of regionalism in Asia*

After the end of World War II, Southeast Asian countries gradually gained independence. But, as a consequence of international developments (the birth of Communist China, the Indochinese war, the division of the Korean peninsula and the Korean war), the region was strongly marked by East-West tensions. The birth of regionalism in South-East Asia was itself inspired by Cold War logic: in 1954, the US promoted the creation of the South-East Asia Treaty Organization – SEATO (along with France, Great Britain, New Zealand, Australia, the Philippines, Thailand and Pakistan). However, SEATO ceased to have any meaning when the US was defeated in Vietnam and was dissolved in 1977.

When ASEAN was founded, in 1967, the aim to oppose the expansion of communism and limit the military influence of external actors to the regions was one of the main reasons leading Indonesia, Thailand, Malaysia, Singapore and Philippines to reinforce cooperation.¹ Equally important was the need to limit tensions and competition among member states (a grouping of non-communist states) and to promote socio-economic development (so as to limit the appeal of the communist parties).² In 1984, Brunei, after independence, became the sixth member of ASEAN. During most of its first decade, ASEAN barely survived the tensions between member states. However, uncertainty surrounding the international situation in Asia (retreat of the US forces from Vietnam, Chinese, Russian and Vietnamese ambitions in the region) drove the ASEAN member states to stand together. In 1978, the Vietnamese invasion of Cambodia and the Chinese attack against Vietnam further complicated the regional equilibrium. Thailand was at the frontline of the conflict and China regularly sent aid to the Khmer Rouge through its territory. Thailand wanted the support of its ASEAN allies in the conflict with Vietnam. Despite significant differences among its member states, «ASEAN was at the forefront of international opposition to the Vietnamese invasion.»³

¹ Wen-Qing Ngoei, '«A Wide Anticommunist Arc»: Britain, ASEAN, and Nixon's Triangular Diplomacy', *Diplomatic History*, Vol. 41, Issue 5, 2017, pp. 903-932.

² Shaun Narine 'Forty years of ASEAN: a historical review', *The Pacific Review*, Vol. 21, Issue 4, 2008, p. 414.

³ *Ibid.*, p. 416.

3. *The beginning of EEC-ASEAN contacts*

Notwithstanding their significance, Cold War questions and regional conflicts were not the only reasons behind ASEAN. The latter was indeed a grouping of developing countries (albeit with important differences among its member states), experiencing significant economic growth at the end of the 1970s. Against this background, reinforcement of links with European countries was useful for reducing ASEAN market-dependency on the US and Japan. Initial contacts between the EEC and South-East Asian countries took place at the time of the first enlargement of the EEC. British adhesion to the EEC alarmed these countries, now afraid of seeing their exports decrease. However, unlike India, Sri Lanka or Pakistan which concluded bilateral agreements with the EEC, ASEAN countries intended to develop their relations with the EEC as a regional group. A Joint Committee was created in 1975 in Brussels, bringing together ASEAN ambassadors and the Commission.

In 1977, Hans-Dietrich Genscher, the German Foreign Affairs Minister, proposed to reinforce links with South-East Asian countries. West-Germany, together with Great Britain and the Netherlands, was among the main European investors in South-East Asia. Bonn was probably worried about the poor level of commercial exchanges between the EEC and ASEAN. South-Eastern Asian countries represented only 2.3% of EEC trade (less than Latin America, 5.3%, or the African, Caribbean and Pacific Group of States (ACP), 6.9%). The same held true for investments, with Japan in first place (representing 32% of foreign investment in the area) followed by the US (16%) and EEC countries (14%). To improve its position in Asia, the EEC organized a conference on industrialization in Brussels in 1976, in Jakarta in 1979 and again in 1983 in Kuala Lumpur. From 1976, the EEC started to allocate development funds (mainly grants) to Asia and Latin-America. At first consisting of only 20 million ECU for the two regions, they were gradually augmented. The priority was to develop the agricultural sector of the poorest countries and reinforce regional organizations. In Asia, ASEAN was the main organization concerned. The EEC also insisted, bilaterally and in international organizations, on an adhesion of the Asian countries to GATT and on the approval, on their part, of guarantees for foreign investments. Meanwhile, the Asian countries benefited greatly from the EEC Generalized System of Preferences (GSP). The EEC extended the scheme to new products and introduced modifications concerning the rules of origin to encourage intra-ASEAN cooperation. As a result, in just a few years, ASEAN countries were among the countries which benefited most from the GSP.

The idea that it was necessary to increase relations with an area of the world which was of strategic importance for raw materials and

economic growth gained currency inside the EEC at the end of the 1970s. Following the proposal of Genscher, a Conference was organized in Brussels on 20-21 November 1978 with ASEAN representatives. The meeting concluded with the adoption of a Joint Declaration in favour of political dialogue and economic cooperation.⁴ The following year, the Commission established a delegation in Bangkok, and in March 1980, the EEC and ASEAN signed a Non-Preferential Cooperation Agreement. Both sides granted each other the benefit of the GATT most-favoured nation clause. The European and Asian member states committed themselves to «undertake to promote the development and diversification of their reciprocal commercial exchanges to the highest possible level taking into account their respective economic situations.»⁵ In the field of economic cooperation, particular attention was paid to the promotion of the industrial and mining sector in the ASEAN regions, and to the export of raw materials from the Asian countries. The third part of the agreement concerned development aid: the main sectors were food production, rural development, education and training. Part of the aid was allotted to the reinforcement of regional cooperation inside ASEAN. The agreement also established a Joint Cooperation Committee which was to meet once a year to discuss matters of common interest.

It is interesting to observe how ASEAN was not an isolated case in Asia: during the 1980s, the EEC reinforced links with other key countries. In 1981, the European organization signed a Non-Preferential Agreement with India, followed in 1983 by the opening of a delegation in New Delhi responsible for South-Asia. In 1985, an agreement was signed with Pakistan and the same year a new cooperation agreement with China replaced the EEC-China Trade Agreement signed in 1978. Development funds for Asian and Latin America (ALA) countries grew steadily from 20 million ECU in 1976 to 200 million in 1982.⁶ Asian countries received 70-75% of this sum due to their demographic importance and level of (under-) development. EEC development aid consisted of a limited system of guarantees of export incomes, and food aid (especially to China and India), and aimed at promoting agriculture to assure food self-sufficiency, and regional integration.

⁴ French Diplomatic Archives, from here onwards FDA, DE-CE 1981-83/1924, Note n. 591/CE, 'Relations entre la Communauté et l'ANSEA', 9 octobre 1981.

⁵ Art. 2, Cooperation Agreement (<http://ec.europa.eu/world/agreements/downloadFile.do?fullText=yes&treatyTransId=815>).

⁶ University of Pittsburgh, Archive of European Integration, from here onwards AEI, EU Commission, Press Notice: *The Community's project aid in Asia*, 1982 (<http://aei.pitt.edu/id/eprint/65053>).

4. *Limits and achievements of EEC-ASEAN cooperation in the 1980s*

In spite of these efforts, during the 1980s, relations between ASEAN and EEC countries were often cause of frustration for both parts: the ASEAN countries sought a more significant engagement on the part of the Europeans and the right to be consulted before the EEC took any decision which might affect them. In particular, ASEAN countries asked to be consulted before any reforms of the Common Agriculture Policy (CAP) and the Common Commercial Policy took place. Their requests were refused by the EEC countries on the grounds that they concerned a matter of internal competence. European countries recognized the economic (and political) role of the ASEAN countries but could not or did not want to do more. In this context, EEC-ASEAN cooperation could only improve marginally.

In 1982, the Community and five ASEAN countries – members of the Multifibre Arrangement – negotiated bilateral agreements covering the period 1983-1986: in exchange for wider access to the Common Market, the ASEAN countries accepted to limit the growth of their exports to 6% for some sensitive products. However, this solution was regularly criticized by ASEAN countries which asked for total liberalization of trade. These countries also asked to access European Investment Bank (EIB) funds. They estimated that EIB action was the best way to reinforce the European position in their area. Their demand provoked much negative reaction among EEC member states. The EIB operated only in EEC countries and, because of a derogation in the ACP and Mediterranean states, European member states feared that widening EIB operations would put the financial capacity of the Bank at risk.⁷ A last minute compromise was found before a ministerial meeting in Dublin (15-16 November 1984): the EEC and ASEAN agreed that «it was in their mutual interest to study seriously the appropriate means of extending cooperation in the financial sector, including the possibility of closer regional banking and business contacts and of drawing upon the experience of the European Investment Bank.»⁸ The compromise permitted to mention the EIB without engaging the Bank in the region. Nevertheless, the EEC committed itself to reviewing cooperation with ASEAN countries as well as the means to develop its presence and investments in the region.

Consistently, ASEAN countries proposed a meeting of the Ministers of Finance to reinforce European financial presence in their

⁷ FDA, DE-CE 1984-86/2376, Note d'information, 12 novembre 1984.

⁸ AEI, Joint Declaration, 5th EC-ASEAN Ministerial Meeting, Dublin, 15-16 November 1984 (<http://aei.pitt.edu/id/eprint/65043>).

area. Initially, European countries were extremely reluctant as they did not want a new forum where the ASEAN countries could exert more pressure on them. However, confronted with the risk of seeing ASEAN countries neglect Euro-Asian cooperation in favour of an Asian-Pacific partnership, the EEC accepted to hold the meeting specifying that it was just an extraordinary reunion. Therefore, in Dublin, it was agreed that the member states would organize a special meeting among their Ministers to be held on economic matters as soon as possible to review the first period of cooperation and to adapt the agreement to the next five years. Lastly, also EEC aids to the region needed to be reconsidered: the ASEAN region received 20% more than the aid for ALA countries. But this aid, focused on the rural sector, did not meet their needs and ambitions anymore, which now concerned the industrial sector. ASEAN countries wanted more transfers of technologies and actions in the field of education and training.

The EEC regularly pointed out the benefits of the GSP to ASEAN critics. Asian countries recognized the importance of the GSP in promoting their exports but feared that the Community's reform proposal would benefit the least competitive countries. They also asked to create a Joint Committee for the management of the GSP,⁹ a request refused by the Europeans. In their discussions with the EEC, ASEAN Ministers often compared the Japanese or American presence to the European one, pointing out the limits of the latter.¹⁰ The Commission representative answered that, in spite of a problematic economic situation, the Community had kept its markets opened in sensitive sectors such as textiles; it had not reduced its imports from Asian countries and it had implemented tax reductions agreed in the Tokyo Round in advance, to the benefit of the developing countries.¹¹ However, in 1985, the EEC was still only the third supplier and customer of ASEAN. While the volume of exchanges had increased in that last decade, the increase had become less significant in the last years. The situation was similar in the investment sector, with the EEC holding 3rd position (19%) behind the US (21%) and Japan (27%). At the same time, European aid was reduced (passing from \$431 million in 1982 to \$345m in 1984) while Japanese and American aid rose, and Canada and Australia were investing more funds in the region.¹²

⁹ FDA, DE-CE 1984-86/2376, Télégramme de Singapour, n. 554, 13 novembre 1984.

¹⁰ FDA, DE-CE 1984-86/2376, Télégramme DFRA Bruxelles n. 1618, 22 novembre 1984.

¹¹ *Ibid.*

¹² FDA, DE-CE 1987-89/3043, Note n. 979 sur les relations entre la CEE et l'ASEAN, 6 juillet 1987.

Claude Cheysson, the French Commissioner in charge of external relations of the Community (and responsible for ALA countries), in summing up a meeting with ASEAN, observed that in spite of the absence of any important commercial dispute and the openness of the European market in comparison to the Japanese or the American markets, the EEC was losing position in favour of Tokyo and Washington. It was necessary to find new forms of cooperation which would have to include private European firms: investments had to be stimulated, along with technology transfers, and executive training programs and student exchange programs financed. The development funds were to become only a limited aspect of the cooperation. In particular, it was vital to focus more on the strengthening of partnerships between private operators than on financing infrastructures.¹³ Consistently with these ideas, the EEC Council discussed new proposals in the fields of human resources and science and technology. An ASEAN-EEC High Level Working party on Investment was created after the meeting of the Economic Ministers in Bangkok on 17-18 October 1985 with the task «to examine investment conditions in the two regions, to identify any difficulties hampering the investment flow from EEC countries into ASEAN, to study ways and means of facilitating European investment in the ASEAN countries and to formulate recommendation on steps/actions to be taken.»¹⁴ The report presented by the Working Group some months later insisted on the benefits for ASEAN countries to realize a common market so as to attract European firms. It also suggested strengthening coordination of the European Chambers of Commerce, Development Banks and the creation of a joint (EEC-ASEAN) data-bank in investment.

Following the EEC-ASEAN Ministerial Meeting of October 1986, the two organisations agreed to set up Joint Investment Committees in each of the ASEAN capitals. These committees, composed of public and private sector representatives from both sides, were to make a number of recommendations to promote European investments. The Commission also appointed a senior Investment Consultant to favour contacts between the Joint Committees and European Chambers of Commerce.

Despite these initiatives, cooperation remained severely limited. The European position continued to deteriorate in favour of Japan and the US. The most important commercial questions were dealt with in multilateral fora (such as GATT) or bilaterally (see, for instance, the agreements to be signed under the Multifibre

¹³ FDA, DE-CE 1984-86/2376, Télégramme DFRA Bruxelles n. 904, 17 juillet 1985.

¹⁴ FDA, DE-CE 1984-96/2382, Report of the ASEAN-EEC High Level Working Party on Investment, March 1986.

Agreement). The EEC had always projected a protectionist image and ASEAN countries criticized CAP, adopting however a more moderate position than the Latin-American countries during the Uruguay Round negotiations.¹⁵ The Commission's proposal to adopt a new tax on seed oil did not improve the situation: ASEAN countries reacted strongly against this idea, underlining the damage it would cause to their exports.

As far as foreign (European) investments were concerned, there were many differences among the EEC member states: the only significant investors in the region were the United Kingdom, West Germany and the Netherlands. Nevertheless, if considered globally, European direct investment in South-East Asia was only a small part of their foreign investments. European investments were focused on one or two countries: in Malaysia and Singapore for the British funds, in Singapore for the German and French funds, and were far behind Japanese or even American funds. In the opinion of the French Foreign Ministry, there were many reasons for this situation: the strong fractioning and variety of the ASEAN market, where every country retained national regulations, discouraged foreign investments. The most important problem for Europeans was, however, infringement of intellectual property (IP) rights. The Joint Committees were contributing to identify the most interesting projects for European firms,¹⁶ but the situation remained complicated. A member of the European Commission spoke of an «*affaiblissement du prestige de la Communauté [qui] nécessite d'un redressement.*»¹⁷ Reacting to this situation, in 1987 the German and British delegates recommended abandoning the proposed EEC tax on seed oil, strongly contested by ASEAN countries, to develop more concrete projects of cooperation (and to organise less reunions and meetings), to strengthen the ASEAN secretariat, and relaunch cooperation in the field of human resources.

From the European point of view, the assessment of the situation was clear: European countries recognized the interest to strengthen their links with ASEAN countries, whose growth was extremely important. The EEC was ready to discuss reform of the 1980 Cooperation Agreement but required better access to ASEAN countries. However, the international situation did not favour Euro-ASEAN relations. In the second half of the 1980s, the priority of the EEC and its member states was the realization of the single market,

¹⁵ FDA, DE-CE 1984-96/2382, Note n. 1250 sur les relations CEE-ASEAN, 1 septembre 1986.

¹⁶ FDA, DE-CE 1984-96/2382, Note n. 448 sur les investissements européens dans l'ASEAN et les Comités d'investissements CEE-ASEAN, 7 avril 1988.

¹⁷ FDA, DE-CE 1984-96/2382, PVD 22 Asie (Résultat des travaux du Groupe Asie en date du 23 septembre 1987), 1^{er} octobre 1987.

and the rapid evolution of the final years of the Cold War contributed to maintaining Europe at the centre of the attention of the EEC member states.

In this situation, the implementation of the Single European Act (1 July 1987) caused some concern among ASEAN Members, who feared a negative impact on market access for their products to the EC. The reassurances given by the EC were welcomed but they needed to be confirmed by concrete actions. Probably as a way to address these concerns, during the Ministerial Meeting organized in Dusseldorf in May 1988, the Community presented a list of 128 sectors where joint ventures were possible and announced that 70 projects were actually under examination. In general, the debates were oriented towards the definition of new areas of cooperation more than on examination of commercial disputes.¹⁸

At the end of the 1980s, new areas of cooperation were launched in the industrial, scientific, and management fields. A data bank on training opportunities in the EC was created from a network of national data collection centres, including courses in informatics, engineering and managements fields open to ASEAN graduates and professionals.¹⁹ In the field of business management, the programmes financed by the Community focused on the promotion of mutual knowledge and understanding and on training. As far as scientific and technological cooperation was concerned the activities aimed to strengthen links among national industrial research institutions and promote joint scientific research projects in the areas of environment/pollution control, biotechnology and health care. A special funding was established for the «Science and Technology for Development» program, focusing on tropical medicine and tropical agriculture. Energy was another new area of cooperation with the creation of the ASEAN-EC Energy Management Training and Research Centre in Jakarta, and new funds were established to support ASEAN member countries in energy planning. Finally, a new financial instrument was created: the «EC-International Investment Partners facility» to favour the constitution of joint ventures for operating in Latin-America, Mediterranean and Asian regions. But the funds allocated, 14.5 million ECU for three years (1988-1990), were too small to permit a radical transformation of the European financial presence in Asia.²⁰

¹⁸ FDA, DE-CE 1984-96/2382, Note n. 999 sur les relations entre la CEE et l'ASEAN, 13 juin 1989.

¹⁹ FDA, DE-CE 1984-96/2382, Commission of the European Communities. Draft: Information note on EEC/ASEAN relations, March 1988.

²⁰ AEI, COM (90)575, Communication from the Commission on the 'EC-International investment partners' facility for Latin America, Asia and the Mediterranean', 7 March 1991 (<http://aei.pitt.edu/id/eprint/4933>).

During a trade experts' meeting, held in Brussels in November 1988, the Commission representative reasserted the interest of European countries in exporting and investing more in the region, but to this end it was crucially important to open markets and improve the protection of IP rights. For their part, ASEAN representatives recalled the measures already taken for the protection of IP rights, expressed their concern for the increasing number of anti-dumping investigations which could affect ASEAN exports, and asked for improvements in GSP for agricultural products.²¹ The Community began questioning the developing country status of some of ASEAN's members but continuation of GSP tariff rates was of particular concern to ASEAN. Its members feared that if they lost their developing status they would be forced to extend reciprocity to the EU and thereby open their protected sectors to EU competition.²²

This dialogue was quite representative of the long-standing limits of Euro-Asian cooperation: Europe was not going to have the assurances it wanted concerning the respect of IP rights. At the same time, the EC could not abandon their anti-dumping investigations, and improvements in GSP for agricultural products were not easy to adopt because of Community production or because certain products were included in the Lomé Convention (and had a special status inside the Common Market). The Community was ready to discuss reform of the Cooperation Agreement towards a more equal partnership, but for the Europeans this meant better access for their exports to ASEAN markets.

The EC-ASEAN Ministerial Meeting held in Luxembourg in 1991 revealed clearly how the situation was worsening. ASEAN representatives wanted four main points to be included in a revised cooperation agreement: a trade consultation mechanism, participation in EC Sciences and Technology Programmes open to third world countries (thus, to have a right to a say in the management of the programme), the extension of EIB funding to the ASEAN region and the EC's support for transfer of EC industries to South-East Asia. The Community wanted to insert a reference to human rights, economic development, protection of the environment, improvement of the business climate and human resources in the Joint Declaration. It was open to discussing the first three points proposed by ASEAN but not the relocation of European industries. For their part, ASEAN countries did not want any reference to human rights and economic development. In the end, both sides agreed not

²¹ FDA, DE-CE 1987-89/3043, Commission of the European Communities, DG I, 2nd EEC-ASEAN Trade Experts Meeting (Brussels, 28 November 1988), 9 December 1988.

²² May T. Yeung, Nicholas Perdakis & William A. Kerr, *Regional trading blocs in the Global Economy. The EU and ASEAN*, Cheltenham: Edward Elgar, 1999, p. 97.

to list their priorities in the final declaration. No agreement was possible on the Uruguay Round which went beyond a simple statement on the desirability of an early conclusion and a balanced package. The presence of only 7 European Ministers out of 12 contributed to giving ASEAN countries the impression of European indifference and fatigue. In the conclusions of the meeting a Commission document asserted: «it is difficult to reconcile the time spent or the expense involved, with the results achieved.»²³

5. *The post-Cold War period*

It seems logical that between 1989 and 1992 the Twelve were focusing on the management of the new situation created in Europe with the end of the Cold War, the reunification of Germany and then the negotiations leading to the Treaty of Maastricht and the birth of the European Union in February 1992.²⁴ However the perspective of a «Fortress Europe» provoked many concerns in ASEAN countries in spite of the reassurances given by the Community. In the post-Maastricht period, ASEAN feared the risk of seeing Europe focusing on the preparation of accession for its Eastern countries, thus neglecting ASEAN partnership; even with its limits, the European presence was still a useful counterweight to the US and Japanese role in ASEAN countries.²⁵

At the same time, the end of the Cold War had a strong impact on Asia too. The uncertainty linked to the evolution of the US military presence in the region and the new role of China forced ASEAN to redesign itself and strengthen its institutions: in 1992 ASEAN reformed its institutional structure, formalizing summit meetings and increasing the duties and rank of the ASEAN Secretary-General. The decision to create a Free Trade Area by 2003 is worth-mentioning. In 1994, ASEAN held the first meeting of the ASEAN Regional Forum

²³ AEI, Commission of the European Communities, DG I, Working Document: 9th EC-ASEAN Ministerial Meeting, Luxembourg May 30-31 1991, Brussels, 3 June 1991. (<http://aei.pitt.edu/id/eprint/64969>).

²⁴ See among others Wilfried Loth, *Building Europe. A history of European unification*, Berlin, Boston: De Gruyter Oldenbourg, 2015, pp. 271-322. Desmond Dinan (ed.), *Origins and evolution of the European Union*, Oxford: Oxford University Press, 2014; Mark Gilbert, *European Integration: a concise history*, Lanham: Rowman & Littlefield Publishers, 2012; Martin Dedman, *The origins and development of the European union 1945-2008: a history of European integration*, London, New York: Routledge 2010.

²⁵ May T. Yeung, Nicholas Perdikis & William A. Kerr, *Regional trading blocs in the Global Economy. The EU and ASEAN*, p. 100.

(ARF) to discuss questions of security and conflict resolution.²⁶ ARF included most of the Asian countries, North America, EU and Russia. The discussions were, on the basis of the ASEAN model, consensus-oriented, and participants wished to avoid conflictual debate. Formalization of these discussions occurred when ASEAN realized that if it wanted to remain relevant in the post-Cold War order it needed to impose its procedures on the Asia-Pacific security discourse and be part of all Asia-Pacific security deliberations.²⁷ The adhesion of Vietnam, in 1995, the most important opponent of the past decade, coupled with a growth rate of 7-8% until 1996, contributed to making ASEAN more assertive at an international level.

Taking this evolution into account, in 1994 the EU approved a new strategy not only towards ASEAN but encompassing all the continent.²⁸ The proposal of the Commission, formalized by a Communication, was approved by the Council in its meeting in Essen in December 1994. Many elements pushed the EU to review its position in Asia. First of all, there was the basic need not to be excluded by one of the most dynamic regions in the world. Secondly, it was essential to balance the Japanese and American influence as well as the organisations supported by Tokyo and Washington (such as the newly founded APEC)²⁹. Moreover, the EU wanted to show that it was not focusing only on the transition in Eastern Europe and the preparation of the East-enlargement but was ready to reinforce its partnership with Asian countries. It was more necessary than ever to reinforce mutual knowledge and to make European, as well as Asian business communities, conscious of the opportunities for both parts. In a document summarizing the EU strategy the Commission explained: «L'Europe comprend peu les changements considérables intervenus en Asie durant les 20 dernières années et perçoit les

²⁶ Shaun Narine, 'Forty years of ASEAN: a historical review', p. 418.

²⁷ Sheldon W. Simon, 'ASEAN and South-East Asia. Remaining Relevant', in David Shambaugh & Michael Yahuda (eds.), *International relations of Asia*, Lanham: Rowman & Littlefield Publishers, 2014, p. 235.

²⁸ COM(94)314, Communication from the Commission to the Council, 'Towards a new Asia strategy', 13 July 1994 (<http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex:51994DC0314>).

²⁹ «APEC was established in November 1989 with an original membership comprising of the ASEAN countries, Canada, the US, Australia, New Zealand, Japan and South Korea. In 1991 the Republic of China-Taiwan, Hong Kong and the People's Republic of China joined. Mexico and Papua New Guinea were added in 1993 and Chile in 1994. [...] APEC is a non-confrontational, high-level form to identify strong common global economic interests for East Asia and its North-American trading partners. It also serves as a framework for Japan to increase its leadership role as a counterbalance to the US». May T. Yeung, Nicholas Perdikis & William A. Kerr, *Regional trading blocs in the Global Economy*, p. 60.

économies asiatiques dynamiques comme une menace; L'Asie perçoit l'Europe comme protectionniste et avant tout préoccupée par ses problèmes internes et périphériques.»³⁰ To change the situation and improve the European image in Asia it was necessary to make the European position in favour of the liberalization of trade known, to reinforce cultural and university exchanges and to support European firms investing in Asian markets.

As already argued, the new strategy concerned all of Asia, not only ASEAN. In a few years, the Community updated its relations with all the main Asian countries. In 1993, the EIB was finally authorized to operate in Latin America and in Asia, where the Bank invested 440 million ECU in 12 projects between 1993 and 1997.³¹ In 1994, a new Cooperation agreement with India was implemented. Based on respect of human rights, it included provisions aimed at diversifying trade, improving market access and developing cooperation in a number of fields.³² Taking into account the growing importance of India, the Commission also proposed the adoption of a stronger partnership (followed in June 2000 by a bilateral Summit held in Lisbon). In 1996, a new framework trade and cooperation agreement was signed with South Korea with the aim to step up cooperation in a number of relevant areas, such as trade, industrial cooperation, scientific research and technology, and environmental protection.³³ China was, of course, part of this large movement of revision of the existing agreements. In 1995, the Commission pointed out the relevance of this country for Europe, and the need for a smooth transfer of Hong Kong and Macao to China.³⁴ In 1998, the Council approved the proposal of the Commission for a new partnership with China, based on five priorities: to foster China's integration into the international community by stepping up political dialogue, to support China's transition to an open society founded on the rule of law and human rights, to make China a more integral part of the world economy, to make better use of European financing and to consolidate the image of the EU in China.³⁵ The same year, the first

³⁰ Historical Archives of the European Union, Fonds Jacques Delors, JD 1634, Note d'information à la Commission sur le suivi de la nouvelle stratégie asiatique.

³¹ Bruno Kermarec, *L'UE et l'ASEAN: mondialisation at intégrations régionales en Europe et en Asie*, Paris: L'Harmattan, 2003, p. 110.

³² European Commission, *General Report on the Activities of the European Union, 1994*, Luxembourg: OPOCE, 1995, p. 306.

³³ European Commission, *General Report on the Activities of the European Union, 1996*, Luxembourg: OPOCE, 1997, p. 367.

³⁴ COM(95)279, 'A long term policy for China-Europe relations', 5 July 1995, (<http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:51995DC0279>).

³⁵ AEI, COM(1998)181, 'Building a comprehensive partnership with China', 25 March 1993 (<http://aci.pitt.edu/id/eprint/4353>).

EU-China Summit in London was organized, and the President of the Commission, Jacques Santer, paid an official visit to the country: it was the first visit of the President of the Commission since Delors in July 1986. Discussions focused on China's economic reforms, the financial crisis in Asia, the human rights situation in China, the effects of the launch of the euro and EU-China trade relations and cooperation.³⁶ In South-East Asia, the EU concluded a new set of agreements – called «third generation» agreements, as they were based on respect of human rights and democratic principles – with Vietnam (1996), Laos (1997) and Cambodia (1999).

As far as ASEAN was concerned, the Commission proposed the adoption of a new strategy in 1996. It officially recognized the importance of the ASEAN role in the restructuring of relations in Asia from a political and economic point of view: «ASEAN is on the way to achieving a political and economic community adapted to the needs of the whole variety of its member countries.» The ASEAN Summit in Bangkok in December 1995 showed, in the opinion of the Commission, a «clear will to consolidate economic links and pursue a political vision for the whole region.»³⁷ Discussion for the adhesion of Myanmar, Cambodia and Laos reinforced the ambition of the organization to play a bigger role in the region. Growth in the region had been impressive: between 1989 and 1994 average growth was 7% per annum, with some countries such as Singapore, Thailand and Malaysia achieving growth rates of nearly 9%.³⁸ In the early 1990s, the EU had improved its position becoming ASEAN's largest export market and the third largest trading partner (always after Japan and the US). In 1995, for the first time since 1984, EU exports to ASEAN had risen by almost 20%. The EU had nonetheless lost its market share, mainly to Japan, and access to the ASEAN countries market remained difficult. However, Europe had become the second largest investor in ASEAN member states ahead of the US (but behind Japan).

Still, this evolution was not without problems. From an economic point of view, Europe asked for better access to the ASEAN developed markets: for example, the EU wanted an end to restrictions on its exports in the textiles trade: Spain, Italy and Portugal could be direct competitors with ASEAN producers in ASEAN markets.³⁹ At the same

³⁶ European Commission, *General Report on the Activities of the European Union, 1998*, Luxembourg: OPOCE, 1999, p. 315.

³⁷ COM (96)314, 'Creating a new dynamic in EU-ASEAN relations', 3 July 1996, p. 4 (<http://aei.pitt.edu/id/eprint/6271>).

³⁸ *Ibid.*, p. 5.

³⁹ J. Weiss, 'Another Single Market', *Europe*, 1990 (256), p. 23-24, cit. in May T. Yeung, Nicholas Perdakis & William A. Kerr, *Regional trading blocs in the Global Economy. The EU and ASEAN*, p. 99.

time, the EC insisted on the removal of restrictions on repatriation of capital and greater foreign investment liberalization. Respect for IP rights was always a central question for Europeans who insisted on this point when facing the ASEAN requests of technology transfer.⁴⁰ From a more general point of view, the EU put ASEAN under pressure to respect social, security and environmental norms. European governments wanted to avoid risks of social dumping and considered that ASEAN economies were now sufficiently developed to respect the same working conditions as industrialized countries. These requests were however not well received by the South-East Asian governments which defended the idea of «Asian values» at the core of their social and economic life: Mahathir Mohammad, the Malaysian Prime Minister, openly criticized the neo-colonialist attitude of European governments.⁴¹ The question of East Timor and its occupation by Indonesia was also a recurrent problem in relations between Europe and Indonesia; Portugal had already refused to take part in the EU-ASEAN meetings organized in Indonesia to protest against the situation on the island. Repression of student movements in Timor Est in November 1991 renewed tension.

In this sensitive, complex situation, the Commission affirmed the need to develop a clear vision of the future of relations between the EU and ASEAN. An intricate web of ties had been developed since the 1980 agreement, but without a common project and a new instrument, EU-ASEAN relations risked becoming only routine discussions. Without abandoning the defence of human rights, it was necessary to become more pragmatic, the Commission said, and adjust the framework of the partnership with ASEAN to the existing situation: Europe could not risk being excluded by one of the most dynamic regions in the world. At the same time, the EU could play a useful role as a counterbalance to Japan and the US and influence economic and social process in the region. The Commission proposed to reinforce political dialogue, to support ASEAN countries' integration into the multilateral system and to adopt measures to increment trade and investment. These proposals were approved by the European Council and ASEAN members during a meeting in Singapore in February 1997. The participants insisted especially on the importance of economic cooperation, which, given the East-Asian economic crisis, was not surprisingly. However, the admission of Myanmar to ASEAN in 1997 made the situation more sensitive from a political point of view. The Europeans refused to meet with an authoritarian regime regularly violating human rights and the meeting with ASEAN was suspended until a compromise was found

⁴⁰ *Ibid*, p. 102.

⁴¹ David M. Milliot, 'Europe-Asie, le XXI siècle', *Outre-Terre*, Vol. 1, Issue 6, 2004, p. 277.

in 1999 on the 'passive' (without right to speak) presence of the Burmese representative.

6. *The ASIA Europe Meeting (ASEM)*

Linked to, but independent from, the EU-ASEAN dialogue was the Asia-Europe Meeting (ASEM): the main channel for communication between Europe and Asia as the Commission described it in 2007.⁴² Singapore played a key role, when its Prime Minister, visiting France in October 1994, proposed to organize a broad meeting between the EU and the Asian countries. This initiative arrived in a crucial moment and helped the Commission to implement the New Asian Strategy with concrete proposals and activities.⁴³ The purpose behind this proposal was to establish a clear, open channel of dialogue between Europe and East Asia, complementing what East Asia had already established with the US within the APEC framework.⁴⁴ In the opinion of the Commission, the new partnership was to be based on the promotion of political dialogue, the deepening of economic relations and reinforcement of cooperation in various fields, and should contribute to the global development of societies in Asia and Europe.⁴⁵ From the Asian side, the perception was that in the post-Cold War context, it was possible to establish an economic agenda freed from ideological competition.⁴⁶ In the preparation of the agenda, however, there were fundamental differences between the Asian and European members, the former being mainly interested in closer economic relations, while the latter wanted to discuss regional security and human rights. The question of East Timor continued to split the Europeans and the Asian countries supporting Indonesia which did not want to open a discussion on this issue. Moreover, the EU governments needed to

⁴² Jörn Dosch, 'Europe and the Asia Pacific. Achievements of inter-regionalism', in Michael Kelly Connors, Remy Davison & Jörn Dosch, *The new global politics of the Asia Pacific*, London, New York: Routledge, 2011, p. 146.

⁴³ Jacques Pelkmans, 'A bond in search of more substance: reflections on the EU's ASEAN policy' in Chia Siow Yue & Joseph L. H. Tan (eds.), *ASEAN & EU. Forging new linkages and strategic alliances*, Singapore: Institut of Southeast Studies, 1997, p. 42.

⁴⁴ AEI, Horst G. Krenzler, Director General, DG I European Commission «Europe and Asia – a New Approach», CEPS, 21 February 1996 (<http://aei.pitt.edu/id/eprint/65039>).

⁴⁵ *Ibid.*

⁴⁶ David Camroux, 'The Rise and Decline of the Asia-Europe Meeting (ASEM). Asymmetric bilateralism and the limitations of interregionalism', *Les Cahiers européens de Sciences Po*, n. 6, Paris: Centre d'études européennes (CEE) at Sciences Po, 2004, p. 4.

take into account the pressure of their lobbies or NGOs which wanted their leaders to include labour rights and environmental protection in any discussion with Asian countries. From an economic point of view, the EU sought to use ASEM to adopt a statement of support on some World Trade Organisation issues such as negotiations on trade in information technology and telecommunications and financial services. The Asian countries, for their part, tried to focus on protectionism, particularly with regard to antidumping.⁴⁷ The final agenda was a combination of Asian and European concerns, even though the pragmatic approach defended by the Asian countries prevailed due to divisions among the EU members: «the telling sign was that human rights and labour standards barely made it on the agenda; the East Timor issue was deftly handled on the fringes of the summit in a breakthrough meeting between the Portuguese premier, Antonio Guterres and President Suharto of Indonesia.»⁴⁸

The Summit was held in Bangkok in 1996 and brought together EU member states, the Commission, ASEAN member states plus China, Japan and South-Korea. From an organizational point of view, it consisted of an informal meeting of Heads of State or Prime Ministers with a very general agenda.⁴⁹ The Summit, in spite of the uncertainties and differences among its members, was considered a success. The major accomplishment was the commitment to hold a second Summit, in London, two years later and a third in South Korea in 2000. At the same time, it was established that several ministerial meetings would be organized before the second Summit in London. In the following months, numerous follow-up meetings were held to discuss customs cooperation, investment promotion and measures to facilitate trade. The first Asia-Europe business forum took place in Paris in October 1996.⁵⁰ In February 1997, the Asia-Europe Foundation, in charge of cultural cooperation, was inaugurated in Singapore and the Asia-Europe Centre for environmental technology, established in Thailand, was launched concurrently with the second Summit in 1998.

ASEM revealed its usefulness during the East-Asian financial crisis, providing European and Asian countries with a forum to discuss and adopt measures in favour of the Asian states. From a wider, political, point of view, it proved European interest in Asian countries,

⁴⁷ Lay Hwee Yeo, *Asia and Europe: the development and different dimensions of ASEM*, New York: Routledge, 2003, p. 73.

⁴⁸ *Ibid.*

⁴⁹ AEI, COM (96)4, «Regarding the Asia-Europe Meeting (ASEM) to be held in Bangkok on 1-2 March 1996», 16 January 1996 (<http://aeci.pitt.edu/id/eprint/65993>).

⁵⁰ European Commission, *General Report on the Activities of the European Union, 1996*, p. 345.

in a difficult economic moment for the Asian continent, and in a complex situation for the EC which was preparing its «big bang»: enlargement to 10 East-European countries. Tensions were not absent in the preparation of the London Summit (April 1998), with the Europeans refusing to extend an invitation to Myanmar, but the most challenging problem was to dispel the impression that the «Europeans had done too little, too late, to help the Asians in the advent of the economic crisis.»⁵¹ European leaders took advantage of the Summit to reaffirm their interest towards Asia. This manifestation of attention was followed by the adoption of several initiatives, such as the creation of an ASEM trust fund at the World Bank, a European network of financial experts to facilitate financial reform in Asia, action plans to promote trade and investment and a ‘Vision Group’ charged with examining long-term prospects for relations between Asia and Europe.⁵² The Trust fund began operations some months later, in June 1998. Supposed to operate till the end of 2001, its existence was prolonged during the third ASEM summit in Seoul.⁵³

7. Conclusions

In two decades, relations between Europe and ASEAN countries evolved considerably, moving from a donor-beneficiary relationship to a more equal partnership. However, this evolution was not smooth nor without contradictions. A key factor contributing to the evolution was, of course, the end of the Cold War due to the impact it produced on the restructuring of relations in Europe and Asia. From a wider point of view, the end of the East-West divide contributed to the politicization of bilateral relations, with the EU raising the question of respect of human rights in ASEAN countries, refusing to meet the Myanmar High Representatives, asking for better protection of the environment and respect of international norms of decent work. For their part, ASEAN countries considered these requests as a manifestation of European protectionism and often arrogance. Their impressive growth (at least until 1997) justified their economic policies and, as far as the human rights issue was concerned, it was seen as an excuse to interfere with domestic affairs. At the same time, other factors favoured the search for more important collaboration from both sides: Asian and European countries considered that there

⁵¹ Lay Hwee Yeo, *Asia and Europe: the development and different dimensions of ASEM*, p. 75.

⁵² European Commission, *General Report on the Activities of the European Union, 1998*, p. 311

⁵³ Lay Hwee Yeo, *Asia and Europe: the development and different dimensions of ASEM*, p. 75.

were important trade opportunities to exploit in strengthening commercial relations. For Asian countries, Europe was lagging behind the US and Japan in exports and investments, but it was still relevant and could play a useful role as a counterbalance. For the Europeans, it would be economic nonsense to be excluded from one of the most dynamic regions in the world. Moreover, the multilateral economic negotiations of the 1980s and 1990s (such as the UNCTAD negotiations, the Uruguay Round) showed opportunities of cooperation between them and eventually the possibility of common positions against other economic players (for example, to protest against restrictions of the Japanese market). Nevertheless, in spite of all the reasons commanding a more significant presence in the area, European potential always remained underdeveloped as the Commission's constant proposals for relaunch show. Competing in Asia with Japan or the US demanded a much more sustained investment, an effort that the EU could not agree on, even without considering the differences in terms of instruments and resources between a state and an international organisation. A consequence of this situation is however that the EC could not «make the difference» from a political or economic point of view.

If compared to relations with other developing areas, it is interesting to point out how ASEAN countries were immediately perceived by the European Community as crucial actors of the international political economy. Special conditions were concluded in favour of the developing ASEAN countries, but the region was conceived as part of an economic international system based on GATT rules.⁵⁴ Moreover, ASEAN countries had national structures and identities which were generally stronger than other developing states. They could adopt and implement national economic strategies more easily than other developing countries. These factors conditioned the type of cooperation which was possible to establish between them and the EU. While some thematic actions were typical of the EU development policy since the 1980s (environment protection, the promotion of sustainable development, food aid, the promotion of gender equality and women status), some elements were specific to ASEAN-EU relations. These include the importance of trade and investment issues, the rapid questioning of the developing status of some ASEAN countries, the evolution of trade patterns between the two regions (with the growing importance of ASEAN manufactured exports towards Europe) and efforts (especially since the 1990s but without much success) to establish bodies of common governance. Actually, the military irrelevance of the EU was a constant

⁵⁴ The Lomé Convention, signed by the European Community and the ACP countries in 1975 and renewed every five years, was based on clauses which were in large parts exceptions to the GATT rules.

obstacle for playing a significant role in the region, especially in a context marked by nuclear proliferation risks, terrorism, and growing military tensions. In this situation, what the Community tried to put forward for enhancing its position was a more «neutral» political role (compared to the US or Japan), insisting on the benefits that a partnership with the EU could provide in terms of energy, scientific and technology development of the region.

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