ISSN 2583-3502 Vol. 7 No. 3&4, July-December 2024

Development Cooperation Review

DCR

Development Cooperation Review

Development Cooperation Review

Vol. 7, No. 3&4, July-December 2024

ISSN 2583-3502 Vol. 7, No. 3&4, July-December 2024

Development Cooperation Review

Contents

Editorial

We feel happy to present the joint issue (3 & 4) of volume 7 of Development Cooperation Review (DCR).

The global perspectives on development and the consequent means to achieve them for billions of people across the globe are facing geo-political and technological contestations. Wars and conflicts are evident in several locations. The spread of artificial intelligence (AI) to facilitate automation of routine productive works is also being felt. These concerns get further elaborated as we wonder about the role that we are required to play in maintaining a co-habitable existence of people and the planet. The observed gender inequality is also a matter of grave concern in taking care of the contestations mentioned. The growing inequality, increasing debt profiles of countries in need of further resources to move forward, and the expanding technological divide among countries point to the necessity of thinking about people-planet interaction in new ways that would reduce conflicts, inequalities and spread the benefits of development beyond the confines of history and geography.

The present issue is a compendium of contributions that touch upon these concerns in contextualised perspectives. The first article by Ansoumane Sacko and Mariama Cire Diallio, titled "How can Environmental and Ecological Perspectives be Highlighted in Developmental Programmes" emphasises on the importance of balanced people-planet interactions in view of the fact that it is important to consider natural capital as an asset integrated into the economic choices of development. The authors proposed a road map in the African context to provide important reflections on the interdependence of people – health, livelihoods and wellbeing – and natural capital and call for a green and fair economic recovery. The opportunities can be realised through a participatory engagement of communities in decision making. This approach can be further strengthened through empowering women and younger generations.

The next article by Kiari Liman-Tinguiri and Zacharie Liman-Tinguiri –"Reforming the Financing of Multilateral Development Aid in the Sahel: Towards a More Targeted and Effective Approach" expresses concerns about the reality that instead of the expected global convergence of income and livelihood status argued at the end of Second World War, there appears an increasing divergence across the world. Almost 60 per cent of the people living in extreme poverty in 2030 will be residing in fragile states or in conflict as has been found in a report from the World Bank. The paper argues in favour of creating a more effective global collective action

process in a multilateral framework to take care of the crises faced by the countries in conflict, as it is time to realise that the episodes of fragility and conflicts. If not managed effectively today, it may expand to the seemingly peaceful regions of the globe. The earlier multilateral efforts did not help much. It raises the reality of the failure of 0.7 per cent commitment of Gross National Income (GNI) from the developed countries in international cooperation, on the one hand, and the dire socio-economic impacts of Structural Adjustment Programme initiated by international financial institutions to take care of the debt crisis of the 1980s, on the other. Having identified the root causes of persistent poverty and the resultant socio-economic fragility prevailing in this region the authors argue in favour of a multilateral mechanism that takes care of the observed contradictions between the necessity of aid and the resulting risk of dependence. Such measures, the paper identifies, should emphasise breaking the structural causes of poverty and stimulate the socio-economic participation of the population – the desired beneficiaries of aid.

The necessary efforts at providing strong multilateral support to global development cannot be thought of in the presence of existing strong gender inequality. "Development Finance and Gender Budgeting" by Marija Risteska provides a framework on how the multilateral development finance agencies can systematically integrate gender in public finance management to ensure gender-sensitive budgeting. In this exercise, she considers the policies of the United Nations Development Programme (UNDP), the World Bank (WB) and the European Union (EU) and highlights a gap analysis of gender with respect to Public Expenditure and Financial Accountability framework for the assessment of Gender Responsive Public Financial Management (PEFA GRPFM) and the Sustainable Development Goals indicator 5.c.1 (SDG5c1). The analysis observes that while some of the responses exhibit some progression, others are yet to be initiated. The three agencies also exhibit different levels of achievement. In response to the analytical observations, the paper recommends that these agencies have to make further efforts to initiate gender-mainstreamed approaches in their public finance allocation mechanisms to achieve gender equality.

There has been an ongoing debate about the features of "Global South". While most of the arguments run in terms of giving a geographical perspective of the term, with some arguing that such a division of the world is possible and another group looking into the heterogeneity that exists among the southern countries and thereby questioning the relevance of such a grouping, the paper by Milindo Chakrabarti titled "An Action Plan for Global South: The Indian Perspective", argues that it has to be looked through a historical lens. The "Global South" is an aggregation of mostly countries which suffered the curse of extractive colonisation during the last few centuries, even though there are few exceptions which were not formally colonised. Colonisation also historically linked some countries belonging to "Global North" but they provided land for permanent settlement to emigrants from the European colonisers. Extractive colonisation was geared to the principle of extraction of both

human and natural resources to ensure the growth of the coloniser countries. The historical process of extraction still goes on even after the formal decolonisation process has been initiated since the end of World War II, creating the division between North and South. This distinction is evident from the recent publication of a report by a panel constituted by the United Nations that finds all the decolonised countries facing external vulnerabilities, economically, environmentally and socially. The paper looks into the similar realities that obtain in the countries identified as a group of "Global South" and argues that the southern countries have to engage in a clear process of collective action in a spirit of solidarity that helps each of them to move forward in achieving their desired state of development. The philosophy of global compact pursued by India in propagating South-South Cooperation may be one way of facilitating such active collective action among the southern nations.

DCR routinely engages with practitioners to elicit their views on development cooperation. The interview section of the present issue captures our interactions with H.E. Albert Muchanga, the Honourable Trade Commissioner of the African Union. H.E. Muchanga dealt with several questions ranging from the agenda of the African Union in the G20 platform to the other prominent priorities of AU, besides identifying the role of the Global South in advocating for more equitable development policies. The issue of the interaction of the AU with other multi-governmental institutions like the EU and ASEAN also came up in the discussion. He shared his ideas about sustainable development in the African continent, moving away from the extractive model of development followed thus far by the leaders across the globe. In his response, H.E. Muchanga was very categorical about the collective roles of annually rotating chair of the AU and the chairperson of the AU Commission, with the AU Commissioner of Economic Affairs playing the responsibility of G20 Sherpa. From a long-term perspective, going beyond the G20 platform, he puts emphasis on three interrelated issues. They are looking out for a high rate of inclusive growth and sustainable development that would require increased investments in Africa, de-fragmentation of the African economy using the African Continental Free Trade Area (AfCFTA) and closer harmonisation of the policies of the member states. Regarding the developmental strategies of Global South H.E. Machunga indicated the importance of building stronger coherence among the member nations so that they are heard as one voice in a truly multilateral framework. Adding value to resources that are today exported as primary products is also high on the agenda of the AU. Such an effort will also increase the scope of employment among the African population, reducing possible illegal emigration to other countries in the world. He also emphasised the linkage between poverty and sustainable development, indicating that they cannot go together. In this context he feels that the growing number of younger population in the African countries are simultaneously the opportunity and challenge being faced by the AU. The opportunities are to be mainstreamed through giving space to enhanced entrepreneurship and innovative practices.

AfCFTA, as a specific effort and continental economic integration in general, will pace the movement towards sustainable development and inclusive growth. In this context, he emphasised the development cooperation activities being taken up by Indonesia, India and China with the AU as effective measures to promote Southern perspectives of development cooperation. Creation of the African Trade Observatory and operationalising African Credit Rating Agencies are some of the internal efforts to promote the development of the members of the AU.

The clear divide between Global South and North was brought into the academic platform by Raul Prebisch in 1949 when he analytically argued that the global economy is structurally divided into two groups: an industrialised "centre" and the export dependent "periphery". The argument was found worthy to be pursued by others in later years and gave rise to an important argument referred to as Dependency Theory in literature. In our book review section, we have picked up a book titled *Dependency Theories in Latin America: An Intellectual Reconstruction* edited by Andre Magnelli, Fellipe Maia and Paulo Henrique Martins. Mario Pezzini has reviewed the book, to note how the idea of dependency has been revisited in the light of contemporary challenges like economic globalisation, political upheaval and ecological crises. He argues that the book attempts to situate these challenges in within broader global debates on social theory. It not only looks into an important intellectual tradition, but also invites the readers to rethink the ways in which knowledge circulates between the global North and South. The volume is considered essential for not only Latin American scholars, but also political economists and international development experts as it critically puts its central argument that dependency is not just an economic condition, but an ongoing process linked to global power structures, including those that determine environmental and climate policies.

The final section in this issue is devoted to SSC Statistics and centres around the importance of BRICS+ in the global economy. There is a clear realisation that the role of BRICS+ as a collective group is becoming increasingly important in the global system. Sushil Kumar, while collating the data for the countries in BRICS+, observes that the shares of BRICS+ in global GDP and global trade have been experiencing an increasing trend since 2000. Same phenomenon is observed with respect to intra-regional trade in BRICS+.

This issue highlights some of the disastrous problems being faced across the globe, in terms of the sustainable co-habitation of people and planet, increasing inequality that persists across geographical and historical realities and even around gender and expresses the need for collective action in a multilateral framework of trust and reciprocity. Views expressed by different authors in this issue are personal. Usual disclaimers apply.

How Can Environmental and Ecological Perspectives be Highlighted in Developmental Programmes?

Ansoumane Sacko* and Mariama Cire Diallo**

Abstract: The increasing urgency of environmental and ecological challenges necessitates their integration into developmental policies, particularly in Africa, where biodiversity loss, climate change, and resource mismanagement threaten economic stability and social well-being. This paper examines the role of natural capital in fostering sustainable development, arguing for a paradigm shift that incorporates ecological considerations into economic planning. Using a multidisciplinary approach, the study explores the interdependence of ecosystems, human livelihoods, and economic growth, emphasizing the need for structural reforms that promote environmental sustainability.

The analysis highlights the economic vulnerabilities of Africa, particularly in sectors dependent on natural resources, such as tourism and agriculture. It underscores the necessity of transitioning from fossil fuels to renewable energy, advocating for investments in green infrastructure, climate-smart agriculture, and sustainable land and water management. Furthermore, the paper discusses the significance of inclusive governance, focusing on environmental rights, equitable decision-making, and legal frameworks that enhance environmental justice. Special attention is given to the empowerment of women and youth, recognizing their critical role in advancing sustainable policies and fostering community resilience.

Ultimately, this study supports a green growth agenda as a viable pathway to long-term prosperity. It calls for integrated policies that align economic expansion with ecological conservation, ensuring resilience against future environmental and economic shocks. By advocating for stronger institutional frameworks, enhanced regional cooperation, and increased international investment in sustainability initiatives, this paper contributes to the broader discourse on sustainable development in the Global South.

Keywords: Sustainable development, natural capital, environmental governance, green growth, climate resilience, Africa

Introduction

Since the Rio Summit in 1992[1] (Rio Declaration), Africa has been building its ecological future, as demonstrated by the commitments made by most countries at the various international agreements and summits on environmental protection (Jean Claude Kouagou, Les défis et les opportunités du développement durable en Afrique, July 6, 2023).

According to African Union estimates, the economic impact on

* Senior Lecturer of Law, University G.L. Sonfonia Conakry, Guinea. Views are personal.

** Assistant Professor of Public Law University G.L. Sonfonia Conakry, Guinea. Views are personal.

Africa's tourism and travel sector alone could amount to US$50 billion (almost seven times more than the 2008 economic crisis), not to mention the widespread job losses that the AfDB estimates at between US$25 and US$30 million (AfDB, Africa 2020 Economic Outlook, supplement). As the management of national parks and other conservation assets relies heavily on tourism revenues, the potential implications for the maintenance of this essential ecological infrastructure are enormous, including its impact on the livelihoods of the many communities that depend on it (Ostfeld, 2009). Biodiversity loss and the rise of zoonotic pathogens (Zohdy *et al.*, 2019). The Coevolution Effect as a Driver of Spillover.

A number of responses have already been envisaged as a way out of this crisis, responses in terms of public health, budgetary and monetary policies, and structural policies. In this perspective, it is necessary to consider natural capital as an asset in order to integrate biodiversity into the economic choices of governments and companies.

The analysis, proposed for Africa, aims to provide important reflections on the interdependence of people, health, livelihoods and well-being, and the various economic sectors on the one hand, and natural capital on the other. This analysis will be placed in the context of Africa's economic development models and increasing globalisation. It will begin by taking stock of the extent to which natural capital and biodiversity are taken into account in the current economic strategies of governments and companies, and their sectoral extension. It will then highlight the interactions between man and nature in intra-African value chains, the resulting value creation and poverty reduction. And finally, it emphasises the integration of these three considerations into an economic policy scenario and ecological reconstruction strategy.

The global economic crisis has highlighted the volatility of markets in an increasingly interconnected world. These short-term economic crises are compounded by long-term challenges, such as climate change, which have long been identified as a threat to the achievement of the Millennium Development Goals (MDGs), and in particular, to continued progress beyond 2015.

For the immediate future, this initiative also responds to the call for a "green and fair economic recovery", including the African Union's green stimulus program and related policy advice. This study aims to indicate ways in which environmental and ecological perspectives can be brought to the forefront of development programmes.

Implementing More Ambitious Policies

Adapting to New Development Realities to Achieve Green Growth

Despite these promising developments in terms of public health, budgetary and monetary policies, and structural policies, progress has been uneven across Africa. Poverty and food security are persistent

problems. Lack of access to energy, education and infrastructure continues to hamper business growth and economic development. Limited access to skills, markets and technology means that most businesses are not sufficiently equipped to compete in an increasingly globalized marketplace (Chalox & Simand, 2021).

Among the socio-economic challenges, demographic growth and change are putting pressure on the sustainable use of Africa's resources. In 2011, the world's population exceeded seven billion for the first time in human history (UN). Africa is experiencing rapid population growth, with annual growth rates well above the global average (African Union Action Plan for Green Recovery 2021-2027). This has consequences in terms of food security, job creation and pressure on natural resources.

As for environmental challenges, Africa's key resources are geographically unevenly distributed. Africa is a continent of environmental extremes and contrasts, as shown by the rainfall gradients across the continent. This poses a challenge to effectively manage water as a resource, given that Africa has 63 river basins that cover some 64 per cent of the continent's land, contain 93 per cent of its water resources and are home to 77 per cent of the population.[2]

Land degradation, deforestation, excessive use of water resources, and the discharge of untreated pollutants into fragile ecosystems, are increasingly jeopardizing the capacity of natural resources to satisfy sustainable growth (e.g. MA 2005). All these factors pose a threat to human health and food security on the continent. There is a real opportunity to ensure that the needs of future generations are met through climate-smart investments now.

A transition from investment in fossil fuels, and in particular coal, to renewable energies would be increasingly economically viable, as renewable energies are now cheaper than new coal and create more jobs per dollar invested.

Key Opportunities

Sustainable development in Africa is crucial to the prosperity and well-being of its people, and to the preservation of the environment. However, the continent faces major challenges that hinder its progress towards a sustainable future. This article examines these challenges and explores the opportunities that lie ahead, highlighting the importance of innovation, partnerships and youth participation in overcoming these challenges. By overcoming these obstacles and seizing the opportunities, we will succeed in moving towards sustainable and resilient development, creating a promising future for its people and its environment.

The Green Growth Programme for Africa takes a more holistic and systematic approach to development than is usually the case. It focuses on strengthening the emphasis on the quality of growth, ensuring that economic

growth is sustainable by using resources more efficiently (Comeliau. 1994).

Development approaches that systematically integrate economic and social concerns can generate significant developmental co-benefits. At household level, accelerating the transition from the inefficient use of traditional solid fuels, such as biomass and coal, to more modern fuels or the use of electricity has significant health benefits.

Sustainable land and water management is another example of an integrated approach that should be implemented in the context of green growth. Given that the majority of land and water resources are transboundary, it is necessary to emphasise regional integration and cooperation. Regional integration is also important for market development and new business opportunities.

It is crucial to mobilise the necessary financial resources, develop adequate infrastructure and promote transparent, accountable governance to create a sustainable Africa, where present and future generations can thrive in a healthy and prosperous environment with inclusive and participatory governance.

Inclusive Governance

Through Participation in Decision-making

Meeting these challenges and achieving sustainable, resilient development requires effective national systems that are able and willing to provide safeguards for people and the planet. Environmental rights can contribute to this vision by providing a framework for environmental and climate justice, the protection of rights, and participatory and inclusive decision-making in which the benefits and costs of natural resource use are equitably distributed in ways that take account of poverty, deprivation and discrimination. These environmental rights are also recognised in the African Charter on Human and Peoples' Rights (ACHPR) and in the 2003 Revised African Convention on the Conservation of Nature and Natural Resources, which serves as the main environmental framework convention for the member states of the African Union (AU).

Indeed, many national laws provide for varying standards and significant exemptions. Worse still, the strong institutions needed to ensure the rigorous application and enforcement of environmental laws are sorely lacking. The aim of this initiative is to study the feasibility and possibilities of improving the recognition and effective implementation of environmental rights in Africa. The specific objectives are to:

- Assess the various African agreements, frameworks, judicial decisions and legislation on environmental rights, and identify approaches that could foster more robust implementation.
- Encourage an inclusive process for faster adoption and implementation of environmental rights and the environmental rule

of law in Africa, which aligns with the achievement of the SDGs and Africa's Agenda 2063.

This focus on development has been compounded by the need to promote economic recovery or growth, particularly in light of the social and economic impacts of the COVID-19 pandemic.

These obstacles are compounded by the low level of access to information on environmental rights and the low level of access to appropriate decision-making forums, particularly at the local level. It is necessary to highlight the gender factor and the low level of representation of women in decision-making bodies, which impacts on development.

By Empowering Women and Young People

The First World Conference on Women, held in Mexico City in 1975, led shortly afterwards to the promulgation of the Convention on the Elimination of All Forms of Discrimination against Women, adopted in 1979.

After the Third World Conference on Women, held in Nairobi, women's issues were increasingly on the agenda of major world meetings and summits, and increasingly set out in conventions. Major relevant international frameworks designed to address gender equality include the Beijing Platform for Action, the Programme of Action of the International Conference on Population and Development held in Cairo, the Copenhagen World Summit for Social Development and the Millennium Development Goals (MDGs) (which promotes gender equality and women's empowerment).

At the continental level, the Heads of State and Government of the African Union (AU) have adopted two instruments aimed specifically at promoting gender equality and women's empowerment: the Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women in Africa, adopted in Maputo in 2003, and the Solemn Declaration on Gender Equality in Africa, adopted by the Summit of Heads of State in Addis Ababa in July 2004.

Despite these commitments and declarations, progress has been slow in correcting gender imbalances and eliminating gender-based violence.

It is recognized in Africa and around the world that investing in and empowering young people to assume leadership roles through active participation in public life can contribute positively to achieving the development outcomes set out in Agenda 2063 and the 2030 Agenda of Sustainable Development Goals. Both agendas recognize the vital role of young people, emphasizing their integration and greater participation, and the principle of "leaving no one behind".

Youth, particularly young women and girls, are full members of society, and should therefore enjoy the full rights accorded to all members of society to participate in political processes.

Despite all these positive points, young people are still under-represented in political spheres, especially in the fields of politics, economics, social affairs, cultural development, science and technology (AU, 2017).

Investing in young people, particularly in education, offers the opportunity to train a skilled workforce. Indeed, education enables young people to acquire the skills they need to get a better job in a fast-changing emerging economy. It also enables us to strengthen young people's capacities and ensure that their rights and freedoms are respected, enabling them to realize their full potential.

Conclusion

Ultimately, green growth is part of a broader discussion about the quality of growth and how the international community should view development in the 21st century. The AfDB's strategic work on green growth joins and complements the work on long-term strategy and the focus on inclusive growth.

The proposed concept and approach to green growth emphasises the need for Africa to pursue economic growth and argues that this can best be achieved if a more holistic approach to development is undertaken and efforts are made to ensure that Africa's environment and natural resources are used sustainably so that the ecosystem goods and services on which many households depend are not threatened.

Endnotes

1 Rio Declaration on environment and development, Doc Off AG NU, 1992, Doc

2 "The 'Environment' Pillar in the Context of Sustainable Development", Res AG 67/213, Doc AG NU, 67th sess, Doc NU 67/213 (2023).

References

AU (2017): AU roadmap on harnessing the demographic dividend through investments in the youth: available at https://library.au.int/au-roadmap-harnessing-demographic-dividend-through-investments-youth

Chaloux, Annie and Philippe Simard,(2021) La gouvernanceenvironnementalemondiale : évolution et enjeux, available at https://www.researchgate.net/publication/359809501_La_gouvernance_environnementale_mondiale_evolution_et_enjeux

Comeliau C. (1994),"Développement durable oublocagesconceptuels?" in Après le Sommet de la terre : débats sur le développement durable, , p. 63

MA 2005. Ecosystems and Human Well-being: Synthesis. Millennium Ecosystem Assessment. Island Press, Washington, DC.

TerrAfrica. 2012. www.terrafrica.org

Ostfeld, RS (2009). Biodiversity loss and the rise of zoonotic pathogens (Clinical Microbiology and Infection, 15(1), p40-43;

Zohdy, Sarah et al. (2019). The "Coevolution" Effect as a Driver of Spillover. *Trends in Parasitology*, 35 (6): pp. 399-408.

Reforming the Financing of Multilateral Development Aid in the Sahel: Towards a More Targeted and Effective Approach

Kiari Liman-Tinguiri* and Zacharie Liman-Tinguiri**

Abstract: This paper explores the challenges and opportunities in reforming multilateral development aid for the Sahel, a region marked by extreme poverty, institutional fragility, and conflict. Despite the significant contributions of multilateral institutions to global peace, security, and poverty reduction, their aid programmes for fragile states, especially in the Sahel, have often been inadequate and poorly targeted. The paper critiques the current state of multilateral aid, highlighting the fragmentation of resources, the proliferation of aid actors, and the perpetuation of dependency. It argues for a more focused and strategic approach to aid, emphasizing the need for substantial investments in infrastructure, human capital, and governance reforms. Drawing from successful examples in Bangladesh and Rwanda, the paper suggests that aid should act as a catalyst for long-term development, supporting the strengthening of state institutions, promoting economic self-sufficiency, and encouraging private sector growth. By proposing reforms that ensure greater transparency, coordination, and accountability, the paper calls for a transformative shift in multilateral aid that can help the Sahel break the cycle of poverty and instability, contributing to both regional and global peace and prosperity.

Keywords: Multilateral system, Aid, Sahel.

Introduction

The multilateral institutions created after World War II (the United Nations system and the Bretton Woods Financial Institutions) have made a major contribution to the reconstruction of devastated countries, the prevention of nuclear conflicts and the promotion of global public goods, such as environmental protection and the fight against pandemics. Above all, they have put the eradication of poverty on the international agenda. Over the past decade, however, multilateralism has come under fierce criticism from both North and South. The proposed reforms focus on the governance of the Security Council or the representation of emerging countries in the Bretton Woods institutions, but they often neglect the fate of the poorest and most fragile countries.

This paper focuses on the critical situation of the Sahelian states,

* Professor of Practice, UNC, University of North Carolina at Chapel Hill, USA. Views are personal.
** Senior Product Manager at Google, New York, USA. Views are personal.

characterised by institutional fragility, conflict, persistent poverty and a marked dependence on aid. Going beyond a simple diagnosis, it suggests ways of refocusing multilateral aid on the essentials, so that it is both sufficiently substantial and better targeted. It also addresses the question of how to strike a balance between the inevitability of recourse to aid and the need to strengthen states to avoid chronic dependence.

A World That is Not Converging

There are still wide gaps between fragile States and States in conflict and the rest of the world. In the Sahel, economic growth remains too weak to massively reduce poverty. The demographic explosion is exacerbating vulnerability, while food insecurity and environmental degradation are fuelling a cycle of violence that is holding back any sustainable progress.

According to the World Bank, almost 60 per cent of people living in extreme poverty in 2030 will be in a fragile state or in conflict. The Sahelian states are perfect illustration of this discrepancy: in 1990, they were already among the countries with the lowest human development, and the situation has hardly changed in these years. In 1994, four of these countries (Burkina Faso, Chad, Mali and Niger) ranked in the bottom ten of the UNDP Human Development Index (HDI). In the 2023-2024 report, they still occupy last places, despite the extension of the total number of countries ranked from 173 to 193. Thus, Burkina Faso has moved from 172 places to 185, Chad from 168 to 189, Mali from 167 to 188, and Niger from 169 to 189. Furthermore, in 2022, the life expectancy of an inhabitant of Niger (62 years) remains lower than that of a Canadian in 1940 (63 years), a comparison over a gap of more than eight decades.

In these circumstances, while global peace, security and environmental protection are important matters of collective responsibility, it is essential to prioritise the drift of fragile states, which may become 'blind spots' for development. The Sahel, which concentrates a large number of these fragile states, is a crucial test for the relevance of multilateralism in the twenty-first century.

The Development of Poor Countries in the Multilateral System

From Initial Ambitions to the Reality of Crises

In 1969, the Pearson Commission recommended that developed countries increase their official development assistance (ODA) to 0.7 per cent of their GDP, believing that this volume was necessary to unlock growth in poor countries (Pearson et al., 1969). This recommendation was based on the Harrod-Domar model, according to which the lack of sufficient savings in developing countries is the main constraint to be removed in order to emerge from underdevelopment (Harrod, 1939; Domar, 1946).

Thirty years later, Jeffrey Sachs pointed out that the South Korean

example illustrates the effectiveness of consistent and targeted aid for human capital formation, compared with other countries, such as Ghana, which have remained in a poverty trap (Sachs, 2005). The recent history of Asia confirms that considerable external savings can finance accelerated growth and rapidly lift millions of people out of poverty.

Significantly, between 1960 and 1970, South Korea received around $18 billion in official aid and official assistance in constant 2021 dollars. By way of comparison, over the same period, Burkina Faso, Chad, Mali and Niger received a total of almost $5 billion (just over $1 billion per country); less than a third of the amount allocated to South Korea. This difference in volume has enabled Korea to invest massively in its human capital and infrastructure, catalysing rapid industrial development.

The Turning Point of Structural Adjustment

In the 1970s, underdeveloped countries called for a 'new international economic order' at UN meetings. In the absence of concrete measures, this demand went unheeded. The debt crisis of the 1980s brought a large part of sub-Saharan Africa under the sway of structural adjustment programmes, defined and supervised by the Bretton Woods Institutions.

The aim was to restore macroeconomic equilibrium by liberalising markets and opening up trade, making the granting of concessional loans or debt relief conditional on these reforms. Criticism of the social impact of these adjustments led the World Bank to include the fight against poverty among its conditionalities and to set up the HIPC (Heavily Indebted Poor Countries) initiative for multilateral debt relief.

UN Agencies and Human Development

The United Nations agencies (UNDP, UNICEF, etc.) refocused on human development, following the work of Amartya Sen, who advocated for broadening freedom and strengthening human capacities (Sen, 1985, 1999). The aim was to increase not only income but also access to education, health, and fundamental rights.

This global approach to development became all the rage in the 1990s, with the end of the Cold War and the ideological victory of market economies. However, it broadened the scope of aid, leading to a multiplication of actors and objectives, sometimes at the risk of diluting overall effectiveness.

The Root Causes of Persistent Poverty in the Sahel

In fragile states, and particularly in the Sahel, insecurity and poverty feed on each other. The lack of essential public goods (education, health, security) makes communities vulnerable to the slightest shock, be it climatic events, inter-community conflicts or economic crises.

Unemployment and the exclusion of young people exacerbate instability, providing fertile ground for jihadist groups.

Demographic growth remains explosive, with no real policy of birth control, because in an unstable environment, large families are seen as insurance against poverty. However, according to J.K. Galbraith, this 'accommodation' to poverty perpetuates the vicious circle: fear of tomorrow takes precedence over any dynamic of progress (Galbraith, 1979).

The Choice of Emigration

For many young people, emigration to Europe represents the only path to liberation. The phenomenon gives rise to political tensions in the host countries and is indicative of global negative externalities. A more constructive approach would be to address the root causes of migration by creating productive jobs for young people in the Sahel.

The Need for Better Targeted Aid

To break the cycle of poverty, multilateral aid must be substantial enough to finance infrastructure development and sufficiently focused on cultivating human capital. Eventually, private capital will take over, as was the case in Asia, if the security and institutional context becomes stable enough to accommodate labour-intensive industries.

Even countries reputed to be underprivileged (like Bangladesh and Burma) have embarked on industrial development, mainly in textiles. But success depends on significant improvements in security, governance and economic policy. In the Sahel, the exploitation of mineral resources could be a complementary avenue, provided that there is transparent management to avoid the 'resource curse'.

The Limitations of Multilateral Aid: Inadequacy and Dispersion

Since the mid-1980s, development aid has been the subject of much criticism, often justified by its lack of coherence and limited results in fragile states.

1. Hypertrophy of the 'aid industry'

   The broadening of development objectives (human rights, gender equality, environmental protection, etc.) has led to a proliferation of NGOs and agencies operating on multiple fronts. This swells the 'aid bureaucracy' and fragments interventions, especially when the beneficiary states, already weak, are overwhelmed by varied but scattered programmes.

2. Insufficient Volume and Scattering of Resources

   The Millennium Development Goals (MDGs) and then the Sustainable Development Goals (SDGs) have multiplied the priorities. Aid does not always match these ambitions. The result is a scattering of resources that dilutes the real impact in the countries that need it most, particularly those in conflict or extremely fragile situations.

3. Tensions Between Humanitarian aid and Development

   In crisis, humanitarian aid is often perpetuated because it is impossible to invest effectively in long-term development. Constant assistance feeds dependency, without strengthening public capacities.

4. Suspicion of Neo-colonialism

   Bilateral aid, especially in Africa, is still associated with neo-colonialism. Even when it claims to be generous, it is perceived as primarily serving the geopolitical interests of donor countries. Conversely, multilateral aid could escape this suspicion. However, it sometimes lacks volume and suffers from complex governance.

5. Lack of Coordination and Conflicts of Interest

   Projects piloted by a variety of organisations complicate the task of local governments, which find it difficult to harmonise interventions and develop coherent policies. Human and financial resources are often fragmented, limiting institutional consolidation.

Despite progress in certain areas, multilateral aid remains both inadequate and misdirected, raising the crucial question of how it can be overhauled, particularly for the Sahelian states.

Aid, Dependence and Necessity: Clarifying the Contradiction

The major contradiction lies both in the need for aid (to compensate for weak fiscal resources and stimulate development) and in the risk of dependence (which results in less accountability from national governments and the perpetuation of poverty).

Breaking with Dependency

- Transparency and Accountability: Aid must be designed to strengthen governments' tax-raising capacity and budget management. Rather than replacing governments altogether, multilateral donors can demand precise monitoring of budgets, audits, and greater transparency in order to ensure that they are properly managed.
- Gradual Transition: The aid must include an exit clause or gradual reduction. A timetable for fiscal autonomy sets out clear stages. As growth increases, the share of aid in GDP decreases, and the State increases its compulsory levies.
- Strengthening Institutions: To avoid aid being captured by corrupt elites, conditionality must focus on institutional reforms: the fight against corruption, independence of the judiciary, and professionalisation of tax administration. Technical assistance can help establish a credible tax system capable of financing public goods in the medium term.

Aid as a Temporary Investment:

Rather than locking economies into a state of dependency, multilateral aid can play the role of a 'seed investor', creating the conditions for solid growth. Once basic infrastructure (roads, energy, drinking water) and human capital (education, vocational training) are sufficiently developed, the private sector can take over.

Concrete mechanisms:

- Trust funds: Rather than continuously feeding national budgets, independently managed

multilateral trust funds can be created to finance structuring projects co-piloted by governments and civil society.
- Equitable public-private partnerships: Carefully select PPPs to ensure a fair distribution of risks and rewards.
- Governments must receive a fair rent on natural resources, reinvested in education and health.
- Contractual and flexible aid: Payments are made in instalments, subject to the achievement of realistic objectives (e.g. school enrolment rate, reduction in infant mortality, development of local taxation).

Towards Renewed Multilateral Aid

Moral and Philosophical Principles

- The imperative of changing behaviour: In areas where poverty is structural, aid must break passivity and stimulate the economic participation of populations. The aim is to create real incentives, by investing in sectors such as technical training or local entrepreneurship.
- Libertarian paternalism: Funding should encourage productive behaviour (small-scale industry, modernised agriculture) without imposing inappropriate cultural or social programmes.
- Efficient altruism: Investment choices must be based on proven social utility and evidence of effectiveness (evidence-based). Building a transport network and improving access to energy or drinking water often have a more profound impact than multiple, dispersed social programmes.

Key Sectors for the Sahel

1. Transport infrastructure: Opening up countries, reducing logistical costs and strengthening the authority of the State.
2. Renewable energies: Take advantage of the sunshine in the Sahel to supply villages with electricity. and SMEs with clean electricity, and encourage the installation of light industries.
3. Universal access to drinking water: A high social return, in particular, to reduce infant mortality and water-borne diseases.
4. Basic education: Combating illiteracy, democratic participation, and preventing radicalisation.
5. Rural development: Support climate-smart agriculture, promote livestock farming and income diversification in landlocked areas, to discourage people from joining armed groups.

Strengthening Governance and Coordination

Better Management of the Multiplicity of Players

The proliferation of international and local NGOs has often resulted in a maze of short, disjointed projects, while the beneficiary states lack coordination capacity. It is essential to:

- Consolidate aid governance: Set up a single monitoring desk for each fragile country, coordinate interventions while respecting the

principle of national ownership.

- Make NGO accreditation conditional: Require certification, financial transparency and alignment with the national development plan, to avoid unfair competition for the same resources.

Proposed Governance Tools

- Unified national plans: Each government defines clear priorities, validated by donors. Projects are part of a coherent strategic framework, with common performance indicators.
- Coordination bodies: State-led inter-agency committees oversee the implementation of projects to reduce duplication and rationalise the use of funds.
- Independent evaluation: Regular audits, carried out by independent bodies, assess the impact of the actions undertaken. The results are made public, to make both governments and donors accountable.

Supporting Policies with Case Studies

To give these recommendations a firmer footing, it is useful to briefly consider two examples:

- Bangladesh: Despite an initially unfavourable environment (overpopulation, cyclones, poverty), the country invested in microfinance and textile manufacturing. Multilateral donors supported the health sector and female education, which helped to contain population growth and improve productivity.
- Rwanda: After the genocide, massive coordinated support (IMF, World Bank, various donors) helped rebuild public administration, invest in ICTs and launch the 'Vision 2020' initiative. Despite controversies over governance, the State has carried out reforms to channel aid towards structuring projects.

These examples show that even in disadvantaged or post-conflict contexts, consistent and coherent multilateral action can lead to considerable progress provided that governance is strengthened and aid is clearly geared towards building local capacity.

Mechanisms for Anchoring Aid in a Dynamic of Sustainability

Financing in the Form of Grants and Limited Concessional Loans

In countries with a weak fiscal base, debt can quickly become unsustainable. Inspired by the recommendations of the Meltzer Commission and the HIPC initiative, aid should be largely based on grants for priority sectors (IFIAC, 2000). Concessional loans must be strictly supervised, with suspension clauses if the debt exceeds certain thresholds.

Targeted Public Investment

To break the assistance dynamic, aid must concentrate its resources on projects that have a multiplier effect: infrastructure, education, health, agricultural productivity. Monitoring must assess the direct impact on job creation and

income growth, so that the social return on investment can be measured quickly.

Support for Taxation and the Mobilisation of Domestic Resources

An essential component of multilateral aid must be aimed at modernising tax administration, combating fraud and tax evasion, and promoting export industries that create local added value. By increasing the share of domestic resources, governments acquire greater autonomy to finance social spending, while at the same time being accountable to their citizens.

Conclusion

Multilateral aid reform is crucial to restoring hope to populations trapped in endemic violence and poverty. The Sahelian states illustrate the need for aid that is both sufficient and better directed, targeting structuring sectors (infrastructure, energy, water, education, rural development) and strengthening local institutions.

The main challenge is to strike a balance between the urgent need to support countries that are virtually failing and the desire to avoid any form of dependency. This requires clear mechanisms to ensure transparency, accountability and coordination. Aid must become a genuine 'seed investor', anchoring Sahelian Africa in global growth and mitigating negative externalities (migration, conflict, food insecurity).

Ultimately, only a serious overhaul of aid governance, combined with substantial and concentrated investment, will enable the Sahel to become an area of stability and prosperity. The fate of these states is not just a humanitarian or moral issue: it concerns peace, global security and the very credibility of multilateralism in the 21st century.

All this also requires, within the countries concerned, the installation and persevering consolidation of democratic governance capable of fostering the establishment of inclusive economic institutions, and the functioning of competitive markets, with no barriers other than the regulations required to correct the failings of the market itself.

References

Banerjee, A. V., & Duflo, E. 2011. Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty. New York: Public Affairs.

Deng, X. 1994. Selected Works of Deng Xiaoping (1975-1982). Beijing: Foreign Languages Press.

Domar, E. D. 1946. 'Capital Expansion, Rate of Growth, and Employment.' Econometrica, 14(2), 137-147.

Galbraith, J. K. 1979. The Nature of Mass Poverty. Cambridge, MA: Harvard University Press.

Harrod, R. F. 1939. 'An Essay in Dynamic Theory.' The Economic Journal, 49(193), 14-33.

International Financial Institution Advisory Commission (IFIAC). 2000. Report of the International Financial Institution Advisory Commission (the Meltzer Commission). Washington, DC: U.S. Congress.

Lee, K. Y. 2000. From Third World to First: The Singapore Story: 1965-2000. New York: Harper.

Pearson, L. B., *et al*. 1969. Partners in Development: Report of the Commission on International Development. New York: Praeger.

Sachs, J. 2005. The End of Poverty: Economic Possibilities for Our Time. New York: Penguin Press.

Sachs, J. 2008. Common Wealth: Economics for a Crowded Planet. New York: Penguin Press.

Sen, A. 1985. Commodities and Capabilities. Oxford: Oxford University Press.

Sen, A. 1999. Development as Freedom. New York: Alfred A. Knopf.

Vogel, E. F. 2011. Deng Xiaoping and the Transformation of China. Cambridge, MA: Belknap Press of Harvard University Press.

Development Finance and Gender Budgeting

Marija Risteska*

Abstract: Gender-responsive budget analysis should be integrated into all agencies that manage public finance through procedures for engendering the programming and budgeting process. This paper assesses how much the multilateral development finance institutions have implemented gender-responsive budgeting, particularly related to external development spending. It uses two assessment frameworks in this respect, the PEFA GRPFM and the SDG5c1. Based on the gap analysis of gender in the policy of UNDP, EU and WB, gender in the public finance management system, and gender in budgeting, it provides conclusions and recommendations on how multilateral development finance agencies can systematically integrate gender in public finance management and gender-sensitive budgeting.

Keywords: Gender responsive budgeting, gender-responsive public fiannce management, development finance.

Introduction

Gender mainstreaming is the process of assessing the implications for women and men respectively in any planned action including legislation, policies and programs in any area and at all levels (Doorgapersad, 2016). The ultimate goal of gender mainstreaming is to achieve gender equality. Or, as Rai defines it, "is a strategy for making sure that women and men benefit equally in all political, economic and societal spheres and that inequality is not perpetuated but reduced" (Rai, 2007).

The budget is the most powerful policy instrument which provides effectiveness of policy implementation and efficiency of resources allocated for this purpose. Mainstreaming gender in each phase of the public budgeting process is called gender budgeting. Public budgeting process is based on the prevailing economic opinion, which fails to consider gender, class, age or ethnicity, and is exclusively market-oriented not reflecting historical disadvantages, geographic or social. Gender-responsive budgeting refers to disaggregating budget expenses and income and analyzing them to depict various impacts upon women and men. The objective of gender budgeting is to identify how income collection and expenditure allocation in public financing is unfair and/or inefficient. To this end, gender-responsive budgeting is a process of gender-aware analysis of public finance and government budgets conducted through

* Center for Research and Policy Making (CRPM), Executive Director, Macedonia. Views are personal.

procedures for engendering the budget process that results in the formulation of gender sensitive (gender, gender aware or gender responsive) budgets (Sharp and Broomhill, 2002). It does not aim to equally allocate all income and expenses among men and women, but to equitably address the needs and priorities of women and men and to value their contributions to economic and social development equally.

The concept of gender-responsive budgeting has been diffusing unsystematically around the world. In many regions, it was transferred through the work of international development agencies which commit to it, in others, it has been a response to the strive to have more equal development of societies, or adhering to international commitments to gender equality. This paper assesses to what extent multilateral development finance institutions have implemented gender-responsive budgeting, particularly related to external development spending.

Development Finance and Gender Equality

Development finance plays an integral role in the financial systems of developing countries as they ensure investment in areas where the market fails to invest sufficiently. It connects private and public financing towards economic, social and sustainable outcomes. Gender equality has been one of the outcomes introduced recently to development finance as a result of the gender equality initiatives by feminist movements such as the Women in Development (WID); the Women and Development (WAD); and the Gender and Development (GAD). The OECD with the Development Assistance Committee Guidance has introduced gender tracking of development assistance requiring: all development cooperation actions to be marked using a three-point scale: tracked by gender marker where zero (0) when the action has been assessed and will not contribute to gender equality; tracked by gender marker one (1) when the action will contribute to gender equality at an objective level; and tracked with two (2) when the action's main objective is to further gender equality.

What the OECD analyses of the ODA in 2021-2022 shows is that bilateral donors invested less in actions with gender equality as policy objective, as 43 per cent of the bilateral allocable ODA with value of USD 64.1 billion was marked with gender marker 1, committed for programmes that integrate gender equality as one significant policy objective amongst others, while only 4 per cent of bilateral allocable ODA was dedicated to programmes with gender equality as the principal objective (OECD, 2024).

In terms of areas of investment, most of the funding goes to actions aiming to end violence against women and girls (USD 563 million on average per year in 2021-2022), representing less than 1 per cent of total bilateral development assistance in the world. From Development Assistance Committee members, the Netherlands is ranked first with 84 per cent of overall development funding directed towards gender equality, followed by Ireland, Canada, Iceland,

Sweden and Switzerland, which have 70 per cent of development financing marked for gender equality and women empowerment.

The look at the multilateral development finance in the OECD-DAC statistics depicts a different situation. Firstly, the overall development assistance used by the multilateral development agency is not reported against the gender marker. Secondly, the report is mostly marked with gender marker 1 where gender equality is one significant objective amongst others. Thirdly, multilateral development assistance has more actions with the main objective to further gender equality as compared to bilateral development assistance.

The gender marker is, however, not gender budgeting but used to assess the amount of development financing committed and dispersed towards gender equality. Gender budgeting, in turn, provides for improved redistribution of public finances to respond to the different needs of women and men. It is tracked by the SDG 5c1 indicator which uses 3 criteria: (i) the government's intent to address gender equality by identifying policies, programs, and resources/budgets; (ii)the existence of mechanisms to track the allocation of resources towards policy goals; (iii) existence of mechanisms to make resource allocations publicly available to increase accountability to women. Gender-responsive budgeting has so far focused on governments, but it is applicable to any budget process. Considering that multilateral development financing institutions manage public money and although they do not go through the same budget process they have budgets on which GRB can be applied.

Methodology

To assess the extent to which multilaterals have applied gender-responsive budgeting in their systems and processes, the paper uses the research conducted by the Gender Budget Watchdog Network. The research is based on a methodology applying two internationally recognised frameworks in the assessment applied on three case study multilateral agencies that manage development finance: the United National Development Program (hereinafter UNDP, the European Union (hereinafter EU) and the World Bank (hereinafter WB).

First, the Supplementary Public Expenditure and Financial Accountability Framework for the assessment of gender-responsive public financial management GRPFM builds on PEFA, a framework for assessing and reporting on the strengths and weaknesses of public financial management (PFM) using quantitative indicators to measure performance. PEFA GRPFM involves a set of nine indicators that measure the degree to which a country's PFM systems address the government's goals towards acknowledging the different needs of men and women, different subgroups, and promoting gender equality. Based on hypothesis that if multilateral agencies are managing public development funding, they should apply the PEFA GRPFM

on themselves, the GBWN has adapted the framework to assess how much development funds managed by the three case studies UNDP, EU and the WB is in line with PEFA GRPFM.

Second, the United Nations Sustainable Development Goal SDG metadata guidance for measuring the implementation of SDG 5 on Gender Equality, using indicator 5.c.1.This indicator measures three important components of a gender responsive public finance system: (i) intent of a government to address gender equality by identifying whether policies, programs and resources/budgets are in place; (ii) existence of mechanisms to track resource allocations towards these policy goals; (iii) existence of mechanisms to make resource allocations publicly available to increase accountability to women. Based on the hypothesis that if multilateral agencies are managing public development funding, they should apply the SDG 5c1 indicator on themselves, thus GBWN adapted the assessment framework for application on the three case studies UNDP, EU and WB.

Findings draw from a desk review of information that is publicly available on the EU, WB, and UNDP websites. Initial findings and follow-up questions based on the two frameworks were circulated to multilaterals for participant checks, towards enhancing validity (GBWN, 2024).

The methodology has its own limitations: first, it does not examine individual countries' implementation of PEFA GRPFM or SDG 5.c.1.; nor it discusses how multilaterals are supporting gender-responsive budgeting in specific countries; second, these methodologies do not involve a holistic approach that considers overall global financial systems and the inequalities that these systems can contribute to; third, it does not consider the enabling environment for gender-responsive budgeting, such as the capacities of multilaterals' employees for implementing it, which can affect implementation and would require further assessment.

Gender Equality in Development Finance Managed by UNDP, EU and WB

The EU, UNDP, and WB have all made policy commitments to and put systems in place for monitoring expenditures on gender equality using a variety of tools such as gender markers and gender tagging. The UN has made a policy commitment to gender equality in the UN Secretary General's Data Strategy. The UNDP, in addition, operates under its own Gender Equality Strategy, where it commits to direct 70 per cent of resources to gender equality (UNDP, 2022) and, as one of the largest UN agencies, has specifically applied the gender equality marker system used at the UN system level. The Gender Equality Marker (GEM) since 2012 aims to track allocations and expenditures related to gender equality and/or women's rights (GEWE). GEM differs slightly from the OECD GM in that it has four possible scores with zero not contributing to gender equality, one contributing at an output level, two at an objective level, and 3 at an overall objective level,

allowing marking of output level results. More specifically, UNDP has required gender marker use since 2009, called "GEN" (UN Women, 2023). In its prior Gender Equality Strategy (2018-2021), UNDP committed to each country office allocating 15 per cent of its resources to GEN 3 actions and 50 per cent to GEN 2. In its current Gender Equality Strategy (UNDP, 2022), UNDP has set the target that 70 per cent per cent of its resources will contribute to "advancing gender equality and/or the empowerment of women", including both core and programmatic resources. Further, new "global, regional, and country office programmes and projects" must have at least one gender-equality focused component with 15 per cent of resources allocated to it.

The EU gender equality strategy 2020-2025 (EU, 2021) and new Action Plan on Gender Equality and Women's Empowerment in External Action 2021–2025 (GAP III), which commits to 85 per cent of all new actions throughout external relations contributing to gender equality and women's empowerment by 2025. GAP III also commits to a gender-transformative approach and furthering gender-responsive budgeting (GRB) as part of EU support for public finance reforms. In the WB, these commitments are particularly important in the context of EU Accession, where the EU is supporting several Actions related to public finance reform, public administration reform, the environment and climate change, and economic development, among others. The EU uses the OECD DAC gender marker for marking actions and measuring its external financing towards gender equality.

In the Gender Strategy 2024-30 (World Bank, 2024), the World Bank puts forward the bold ambition to accelerate gender equality to end poverty on a livable planet. It calls for innovation, financing, and collective action to end gender-based violence and elevate human capital, expand and enable economic opportunities and engage women as leaders. In 2017, the World Bank introduced its gender tag designed to identify projects that significantly contribute to narrowing gender gaps in four key areas: improving human endowments; removing constraints for more and better jobs; removing barriers to women's ownership and control of assets; and enhancing voice and agency and engaging men and boys. However, the Midterm Review of the World Bank's Strategy found that actions do not always align with commitments in actual implementation (World Bank, 2021).

Gender Responsive Public Financial Management in Development Multilateral Agencies

The application of the Supplementary Public Expenditure and Financial Accountability Framework for the assessment of gender-responsive public financial management (GRPFM) shows that some of the nine indicators are somewhat achieved across the three multilateral agencies that manage

Table 1: Multilateral Commitments to Gender Equality and/or Gender Responsive Budgeting in External Financing

Multilateral	Policy Document	Commitment	Tool for tracking
EU	EU GAP III Gender Equality Strategy 2021 – 2025	85 per cent Actions GM1 or 2 by 2025	OECD Gender Marker, 0+
UNDP	UN Secretary General's Data Strategy UNDP Gender Equality Strategy https://genderequalitystrategy.undp.org/	70 per cent of resources towards gender equality	Gender Equality Marker
World Bank	World Bank Group Gender Strategy 2024 - 2030 : Accelerate Gender Equality to End Poverty on a Livable Planet	55 per cent of operations meet gender tag aims	Gender tags

Source: GBWN 2024.

development funds. For example, all of the assessed institutions require gender impact analysis to inform actions and, thus, expenditures. However, it is not always implemented in practice for all actions in the case of UNDP and the WB, while the EU GAP III insists on gender analysis of all actions to inform gender marking, but in practice this is not done. With respect to the Gender Responsive Public Investment Management, some investments undergo gender analysis and are gender-responsive, while others are not. In UNDP, the gender-responsiveness of individual investments is unclear, while the EU does not have a clear prioritization of investments based on their gender-responsiveness. In the World Bank also the gender analysis of the public investment is inconsistently applied. UNDP and EU have guidelines on gender marking and the World Bank has guidelines for some sectors (for example, for urban development projects (see WB, 2020)) for gender tagging of investments, but some are outdated and under-promoted. Hence, none of these have clear guidance or template for gender-responsive budgeting. As a result, the budget documentation of all assessed development agencies lacks gender responsiveness. At the same time, it is very difficult to track public finances that contribute to gender equality as sex-desegregated performance information is not reported on the project level. In UNDP, data is collected regarding beneficiaries, but not for all projects; and what is paramount missing is specific reference to relevant expenditure. The WB does not require sex-disaggregated data and such information on beneficiary service delivery levels cannot be found online. Finally, the EU has recently

improved its tracking system. With the introduction of OPSYS, the operational information system used by the European Commission External Services, gender-disaggregated data on beneficiaries is tracked, but is not yet clearly tied to expenditures. This makes the budget expenditure for gender equality somewhat possible as the tracking of actions that have gender equality as the main objective is detected, but expenditures for gender equality are unclear and cannot be determined even if we look at the gender-responsive reporting as the gender equality reports in the three development agencies report on results but do not include information on budget or spending on gender equality. For example, in the UNDP case, the GEN marker is used to track expenditures, but not specifically on GEN1 & GEN2 actions. GEN3, SDG5, and Signature Solutions track expenditures specifically on gender, but this is not enough to capture financing for gender mainstreaming in other sectors that are not gender specific. In the EU the use of the OECD GM2 allows tracking of expenditures related to gender equality, but GM1 does not enable tracking of actual expenditures. The UNDP reports cannot make connection between the expenditures and impact, while the EU report templates indicate reporting on gender as a cross-cutting theme, as well as on any contributions to GAP III. However, not all actions report on their gender-responsiveness as an obligatory practice, nor are expenditures clearly linked to gender equality outcomes. Finally, the gender impacts of service delivery are not evaluated systematically across all actions, particularly related to expenditures and there is no independent scrutiny of the gender impacts of budget expenditures. In the UN system, evaluations are done every 4 years to assess gender impacts, evaluating a sample of programmes or portfolios, but these do not assess gender impacts on the budget. In the EU, the European Parliament holds an annual session dedicated to gender-responsive budgeting aiming to facilitate ex-post evaluation of GRB efforts across the Union, while the Court of Auditors also has examined the gender-responsiveness of the EU's financing overall (EU Court of auditors (2021). However, the external financing does not seem to be regularly scrutinised. While there are periodic independent evaluations in the WB scrutinising the gender impacts of its budget or expenditures is not conducted in the World Bank (WB, 2021).

Gender Responsive Budgeting in Development Multilateral Agencies

Gender responsive budgeting can be employed in all phases of the programming and budgeting processes and whether it has been done can be tracked through the application of the SDG5c1 indicator assessment framework.

With regard to the three criteria of the SDG Indicator 5.c.1, one can observe that the Criteria 1 of the assessment framework is largely met, as it is focused on the existence of policies, programs and resources that specifically address

gender equality. Namely, the EU has its Gender Equality Strategy, and additional documents such as the EU Gender Action Plan III for external financing, which commits 85 per cent of financing to be gender relevant; and Country Level Implementing Plans exist in each of the countries of their intervention. Likewise, in the UNDP the Gender Equality strategy and the Gender Seal program on country level are responding to the first criteria. The

Table 2: Assessment of Application of PEFA GRPFM Framework in UNDP, EU and WB

Indicator	Extent implemented
1. Gender Impact Analysis of Budget Policy Proposals (ex-ante)	• Somewhat: All multilaterals require gender impact analysis to inform actions and expenditures. It is not always implemented for all actions.
2. Gender Responsive Public Investment Management	• Somewhat: Some investments undergo gender analysis and are gender-responsive; others are not.
3. Gender Responsive Budget Guidance	• Somewhat: General guidance on gender marking but no clear guidance or template for gender-responsive budgeting.
4. Gender Responsive Budget Proposal Documentation	• No: Budget proposal templates do not seem to require gender-responsive documentation. UNDP sometimes links outputs with budgets in Logical Frameworks.
5. Sex-disaggregated Performance Information for Service Delivery	• Somewhat: Not all actions report this information. EU has recently improved tracking system in OPSYS, which can serve as an example.
6. Tracking Budget Expenditure for Gender Equality	• Somewhat: Gender markers allow for general tracking. BUT precise expenditures on gender equality are unclear.
7. Gender Responsive Reporting	• Somewhat: Not obligatory for all actions. Expenditures not clearly tied to gender equality results in reports.
8. Evaluation of Gender Impacts of Service Delivery	• Somewhat: Gender impacts of service delivery are not evaluated systematically across all actions.
9. Scrutiny of Gender Impacts of the Budget	• No regular independent scrutiny of the gender impacts of budget expenditures. UNDP sometimes has evaluations.

Source: GBWN 2024.

UNDP Gender Seal Programme also sets the target that "at least 50 per cent of the programme expenditure directly contributes to gender equality results (GEN2+GEN3)" and "funding secured for at least one gender-focused project in the current Country Programme". Finally, the World Bank, with its new Gender Equality, also, meets the criteria and the commitment for funding is included. However no information is provided whether there are systems in place to meet this commitment. Systems exist for tracking allocations and implementation: the new EU OPSYS system plans to link the GAP III impact or outcomes with the spending; the UN ATLAS system allows for tracking of expenditure but not yet has systematied gender responsive budgeting. Thus link of spending with gender equality outcomes is not yet made. The World Bank has a system for tracking disbursements of funds, but the Midterm Evaluation has observed that implementation of gender-equality commitments (and thus resources used for these) is insufficient.

This brings us to Criteria 2, which focuses on the existence of mechanisms to track the allocation of resources towards policy goals. To this end the analysis of the documents, procedures and reports has shown that the multilaterals managing public development funding need to employ gender budgeting systematically in order to meet the second criteria, as none of them produces a gender budget statement on planned budget allocations for gender equality. They all have guidance on marking the actions planned, and include gender equality performance indicators that are not tied with the budget spending. It is to this extent unclear whether the process of tracking allocations for gender equality is entirely informed from the ex-ante gender impact assessments as the EU GAP III requires gender analysis of all actions to inform gender marking, and so does UNDP and WB require, but this is not always implemented in practice. What is more ex-post gender impact assessment of the budget allocations for gender equality does not exist in any of the three cases although certain projects and programs include evaluation of gender impacts of service delivery and actions, but this is not a standardised requirement applied in all evaluations, and has been marked as a weakness (World Bank, 2016). There is a thinking to improve this situation, though, as the UNDP's new evaluation guidelines state that "all evaluations need to consider gender mainstreaming, human rights and disability concerns", including those that "were not gender-responsive in their design" (UNDP, 2021). The independent scrutiny of the funding for gender equality is also somewhat of a weakness of the case study development agencies. For example, while the gender audit of the EU budget is done (EU, 2021) the development assistance budget performance and delivery for gender equality is not audited(Ibid); UNDP has had performance audits that examine its work on gender equality and empowerment of women, but the financial audits do not include gender

perspective; finally, the World Bank does not have gender audits except for internal purposes and improvement of gender participation within the WB staff.

Criteria 3, which focuses on the assessment of the allocations for gender equality and their public availability, shows that there is room for improvement as information on policies and commitments is available but precise information on allocations that is timely and transparent and informs on the gender impact of the funding is still missing across all three case study agencies that manage public funds. The UNDP should be, however, singled out as their Transparency Portal contains some information on gender-related allocations, updated in real time, and user-friendly infographics allow viewing of data in different ways.

Conclusions and Recommendations

Multilateral development agencies that manage public money may not go through the traditional budgeting process but have the same rules and procedures for programming their interventions, setting their goals and tracking their results as governments do with policies and measures. Considering that they manage public money, promote gender-responsive budgeting and are assisting governments in meeting GRB commitments, the process of planning, executing and reporting on their financial allocations should also be gender mainstreamed. The assessment of the three case study agencies using a methodology based on two assessment frameworks for governments and adapted to multilaterals by the GBWN shows that multilateral development agencies

Table 3: Assessment of the Application of SDG5c1 Indicators' Framework in UNDP, EU, WB

Indicators	Extent implemented
Programs/policies to address gender equality	• Yes: All have policies and strategies.
These programs/ policies have sufficient funding	• Somewhat: All have committed funding. Difficult to assess what is "sufficient", given lack of baselines and targets, as well as clear links between objectives and expenditures.
Procedures to ensure that these resources are implemented on a budget	• Somewhat: While some requirements exist for reporting, these are not always clearly tied to how expenditures have furthered gender equality.
Gender budget statement	• No published annual statement on planned budget allocations for gender equality.

Continued...

Continued...

Gender-disaggregated statistics/ data inform budget policy	• Somewhat: All have gender-disaggregated statistics, but these do not always inform overall budget priorities, particularly at global and country levels.
Gender Performance Indicators	• Somewhat: All have indicators for progress on gender equality, but these are not clearly linked with budgets.
Gender responsive audit	• Somewhat: Audits do not regularly include gender-responsive budgeting information. Some thematic audits. Audits do not always examine relations between expenditures and outcomes.
Accessible information on gender equality allocations	• Somewhat: Some information available (e.g., for actions focused on gender equality). Information on allocations/ expenditures on specific objectives, and outputs lacking for other actions.
Timely information on gender quality allocations	• Somewhat: Data usually made available within a year. Not all information is provided.
Information on gender equality distribution public in an easily understandable format	• No: for World Bank and EU. Sometimes for UNDP (user-friendly infographics).

Source: GBWN 2024.

need to improve systematic integration of GRB in the management of the public funds they use for more effective achievement of gender equality objectives. The assessment clearly shows that the UNDP, EU and WB have committed to gender equality. They have set up systems for tracking outcomes and, to some extent, outputs for gender equality. However, links with the budget spent for these purposes and these results are missing. We cannot track how adequate is the funding and how much has been actually spent for gender equality. Making development financing more transparent and publicly accountable will show a clearer picture of how and if the development agencies are meeting the gender equality commitments they have set in their gender equality strategies and how much they contribute to closing gender gaps.

To introduce systematically gender-responsive budgeting in the work of the multilateral development agencies first need to start using programmatic budgeting, where outputs, outcomes, and impacts are clearly linked with expected expenditures. This will require

sex-disaggregated data in all reporting by making data entry fields obligatory for indicators involving people (e.g., like the EU OPSYS). Many of the multilateral agencies have already set up systems for sex-disaggregated data gathering, so this should not be a problem. Tracking expenditures on gender equality at output, outcome, and impact levels, would be a challenge considering that none of the case study agencies use gender budget analysis and therefore, do not detect gender impacts of all expenditures for all planned actions. However, UNDP's new guidance on impact assessments is a positive example that needs to be followed across the board. This should be strengthened by external scrutiny of gender impacts on budget expenditures, ideally annually but at least related to multi-year strategies.

For the finance management systems to be transformed to embrace gender budgeting, there should be training, mentoring and guidance provided, especially on how to conduct gender analyses to inform investments. To this end, establishing specific guidelines, checklists, and templates for not just gender marking, but gender-responsive budgeting in corporate data management systems is needed.

Gender responsive budgeting is about transparency and public accountability in the use of public financing for achieving gender equality objectives. Therefore, multilateral development agencies should not only publish their gender equality strategies but the budget they commit to the commitments, targets they set. To this end, publishing annual budget statements at global and country levels linking planned expenditures to anticipated results. To foster accountability, multilateral agencies need to ensure performance indicators and targets to measure progress towards global and country commitments, linking these to expenditures in logical framework templates. Gender audits provide for examination of gender-responsiveness of expenditures, and thus, periodic global audits of expenditures related to progress need to be used by all development agencies. Finally, publishing online accurate information regarding allocations towards gender equality, in real-time or at least annually, on commitments and actual expenditures towards gender equality is of the essence. Making this information user friendly through online interactive infographics visualizing expenditures' linkages to impacts (e.g., UNDP on SDGs) would be an advantage.

References

Connell, R. 1987. Gender and Power. Stanford, CA: Stanford University Press.

Doorgapersad, S.V. 2016. "Gender Mainstreaming In Policymaking Processes: A South African Perspective".

GBWN. 2024. Illuminating the issues: To What Extent Are Big Funders Walking the Gender Budgeting Talk?, Policy study

EU Court of Auditors. 2021. Special Report 10/2021: Gender mainstreaming in the EU budget: time to turn words into action https://www.eca.europa.eu/en/publications?did=58678.

EU. 2021. Court of Auditors has a Special report No. 10/2021: Gender mainstreaming in the EU budget: time to turn words into action that mentions EU commitments

to gender equality, including under EU GAP III

OECD. 2024. Development finance for gender equality and women's empowerment, available online: OECD temporary archive

Sharp, R. and Broomhill, R. 2002. "Budgeting for Equality: The Australian Experience." *Feminist Economics* 8 (1): 25–47.

Rai, S. M. 2007. "Mainstreaming gender: democratizing the state: institutional mechanisms for the advancement of woman", Piscataway, NJ: Transaction Publishers

UN. 2022. UNDP Gender Equality Strategy https://genderequalitystrategy.undp.org/

UNDP. 2021. UNDP Independent Evaluation Office, UNDP Evaluation Guidelines, Revised Edition June 2021, pp. 13, 25.

UNDP. 2022. Gender Equality Strategy (GES) (2022 -2025)

UN Women. 2023. "Gender Marker Implementation in UNDP"

World Bank. 2016. The World Bank Group, Results and Performance of the World Bank Group 2015: An Independent Evaluation, 2016, p. 17.

World Bank. 2024. World Bank Group Gender Strategy 2024 - 2030 : Accelerate Gender Equality to End Poverty on a Livable Planet (English). Washington, D.C. : World Bank Group. http://documents.worldbank.org/curated/en/099061124182033630/BOSIB17e6952570c51b49812a89c05be6a4

World Bank Group. 2021. World Bank Group Gender Strategy Mid-Term Review: An Assessment by the Independent Evaluation Group. Independent Evaluation Group, Washington, DC: World Bank, 2021

World Bank. 2020. Handbook for Gender-Inclusive Urban Planning and Design (worldbank.org)

World Bank. 2021. Who benefits from public spending? Gender responsive budget policies support inclusive societies (worldbank.org)

An Action Plan for Global South: The Indian Perspective

Milindo Chakrabarti [*]

Abstract: The main argument of this paper is that the Global South cannot be identified in terms of its geographical perspectives. Rather it has to be linked to its historical legacy attached to the process of colonialism. The historical dichotomy between colonies and colonisers still persists, and that is evident from the recently published report on "Multidimensional Vulnerability Index" prepared by a panel set up by the United Nations General Assembly. All the historically identified colonies fall in the group of vulnerable countries, facing economic, environmental and social vulnerabilities. One has to be careful not to consider countries referred to as colonised for settlement of immigrants from European countries, like the USA, Canada, Australia and New Zealand. The rest of the countries colonised with a view to the extraction of resources-both natural and human-constitute the Global South. A well-thought-out process of collective action among the Global South constituents to operationalise actions and come out of these vulnerabilities is the possible way out.

Keywords: Global South, development compact, G77.

Introduction

History, specifically the history of colonialism has played a pertinent role in the current challenges faced by the Global South (GS). From the emergence of Homo Sapiens in Ethiopia, the GS has observed a number of civilisational legacies across continents of Asia, Africa and Latin America, from Egyptian civilisation to the Mayan one. These rich societies with cultural vibrancies and the prosperity enjoyed by people continued much into the 19th century. Till the 1820s, the GDPs of China and India together were more than that of the US and Europe (Maddison, 2007). Even the GDP of the countries in the African continent was higher than that of Europe (excluding the USSR) in the year 1000 AD (Maddison, 2007). The only two older civilisations not part of the GS were the Greek (1200 BCE) and the Roman Civilisations, which started around 750 BCE. Any understanding of the GS from today's perspective must be appreciative of the grand historical legacies of their civilisational might.

[*] Visiting Fellow, RIS & Professor, Jindal School of Government and Public Policy, O. P. Jindal Global University. Views expressed are personal.

[¶] The original version of the article is in Italian and is published in the sixth edition of the Annuario Europeo of Centro Studi di Politica Internazionale (CeSPI), Rome.

The present paper would like to share ideas about three distinct but interlinked aspects of GS. First objective would be to contextualise the term. Secondly, the paper identifies the present status of GS in the global economy and finally concentrate on the future road map for GS.

What Is Global South?

Recently there have been considerable debates about the way to identify the countries belonging to the GS. Even there are issues raised about the logic of distinctive features of the differences between North and South.[1] It is argued that "there is neither agreement on who this Global South actually is, nor fundamentally on whether the Global South exists at all, given the great heterogeneity and the dynamics of those who are typically classified within it" (Prys-Hansen, 2023). Simultaneously, it is also to be recognised that the term GS is currently on everyone's lips; there can hardly be any discussion of power shifts and reorganisations of the international system without resorting to it.

Technically, as far as the available literature suggests, GS was first coined by Carl Oglesby (Oglesby, 1969) in 1969. However, the process of expression of solidarity towards a South-centred politico-economic system had been going on for quite some time. The first such attempt was observed in the organisation of the Bandung Conference in 1955, where leaders from a number of decolonised countries from Asia and Africa joined hands together to call for an anti-colonial cooperation. It framed the core principles underlying the solidarity among these countries as political self-determination, mutual respect for sovereignty, non-aggression, non-interference in internal affairs, and equality. This event also marked the beginning of a desire for promotion of economic and cultural cooperation, protection of human rights and the principle of self-determination, a call for an end to racial discrimination wherever it occurred, and a reiteration of the importance of peaceful coexistence and may be considered as the effort to lay the foundation for the ideas of South-South Cooperation (SSC) that got formalised during the Buenos Aires Plan of Action (BAPA) for promoting and implementing Technical Cooperation among Developing Countries (TCDC). Delegations from 138 States adopted by consensus the BAPA document in 1978. Another important event happened in between. In 1964, the United Nations Conference of Trade and Development (UNCTAD) was set up by the UN General Assembly to promote trade, investment and development in developing countries. It was intended to take care of the growing concerns about the place of developing countries in international trade. Raul Prebisch, well known for his thesis on "dependency Model"[2] that posed the decolonised developing countries against the features of unequal exchange, was appointed the first Secretary General of UNCTAD. BAPA was an operational model to come out of the dependency syndrome, creating space for collaborative development

cooperation among the developing countries which ultimately emerged in the institutional form of SSC.

These two groupings unified the political and economic perspectives of the decolonised developing countries bound in a spirit of solidarity to press for the establishment of a New International Economic Order (NIEO) in 1973 through the economic declaration of the NAM summit in Algiers, expressing disillusionment that the wave of decolonisation did not bring shared prosperity as the structure of the global economy remained virtually unchanged, if not worsened. Unfortunately, the NIEO argument could not gain enough support from the developed world, and the debt crisis of the 1980s threw the idea to the bins with a rather stronger argument for a structural adjustment programme under the Washington Consensus taking centre stage. This mechanism further widened the gap between the North and South.

Of late the idea that the world is divided into two unequal factions has come back to the global stage and made the term of GS an idea not to be considered irrelevant at all. The emphasis on colonisation as the main feature of the emergence of GS can be explained in terms of some simple features observed in the southern countries even today. For definitional purposes we consider the group of G77 and China as a close representative of the present state of GS. As per the available information, G77 and China were established on 15 June 1964, by seventy-seven developing countries that signed the "Joint Declaration of the Seventy-Seven Developing Countries" at the end of the first session of the United Nations Conference on Trade and Development (UNCTAD) in Geneva. The number of countries in the group has been increasing, and today, it records 134 countries even though the group is still named G77.[3] An interesting feature of this group of countries is the fact that, except Thailand and Liberia, all other nations were colonised either fully or partially by European powers. Thailand was left independent as a buffer between British-controlled Burma and French Indochina, while Liberia was spared because the United States backed the Liberian state, which was established in the early 1800s by freed American slaves who had decided to move to Africa.[4] The other countries not colonised by the European powers have been Japan and Korea which never joined the G77. However, it should be mentioned that Korea and Thailand were colonised for some period by Japan during the early 20th century.

The Present Status of Global South

The characterisation of countries is now popularly done in terms of their per capita income thresholds. Formalised by the World Bank, all countries in the world are divided into four distinct categories. They are the Low income countries (LICs), Lower middle income countries (LMICs), Upper middle income countries (UMICs) and High income countries (HICs).[5] Such characterisation also decides the eligibility of a country

to receive the share of developmental cooperation support under concessional terms. Under such characterisation, it is found that all the 26 countries identified as LICs are members of G77. There are 51 countries characterised under LMICs. 49 of them, except the Kyrghyz Republic and Uzbekistan, identify themselves with G77. Of the 54 countries categorised as UMICs, 14 are not part of G77.[6] Mexico, a founder member of G77, left the group in 1994 to join OECD. Most of the other non-members of G77 emerged after they were formed on the split of their respective countries, namely Yugoslavia (a founder member of G77), Czechoslovakia and USSR (not members of G77). Interestingly, 19 countries, categorised as HICs, are also members of G77. 10 of them graduated to HIC only after 2005, and the rest have been simultaneously members of HIC and G77 for a longer time. Thus it is imperative that G77 is not just considered an economic grouping of countries, but it also engages the political perspectives of the countries in their global relationships. Such political foundation is characterised primarily by the common feature that all the G77 countries were either formally or some of them informally colonised. However, the economic underpinning engaged with the G77 cannot be ignored either. This is because colonialism was fuelled by economic extraction facilitated by political power. It would be safe to argue that the Global South cannot be defined by drawing geographical lines or economic features alone. They are important. However, the most important factor that created the existence and strength of GS features in terms of their common and shared history of colonialism that was aimed at the extraction of natural resources and even from human beings resident of those regions. Thus, it is evident that it would be difficult to identify the countries of GS by any other parametric identity. It is to be identified with a historical legacy with countries creating a strong collective that would help them fight together in a politico-economic framework against extraction.

The High-Level Panel on the Development of a Multidimensional Vulnerability Index, formed by the United Nations President of the General Assembly, submitted its final report in February 2024 (UN, 2024). The Panel's work sought to respond with a more comprehensive assessment of a country's well-being, moving beyond the confines of Gross National Income (GNI) per capita, the present basis of not only defining development categories of countries but also identifying the conditions for graduation to an upper category only in terms of their per capita income. Estimation of the Multidimensional Vulnerability Index emphasised on the observed vulnerabilities of the countries facing low levels of wellbeing. The conceptual framework of the Report captures two pillars or domains of vulnerability: (i) structural vulnerability, linked to a country's exposure to adverse external shocks and stressors, and (ii) (lack of) structural resilience, which is associated with the (lack of) capacity of a country to withstand such shocks. It

identified three distinct but interlinked sources of vulnerabilities faced by them – economic, environmental and social and simultaneously looked for the corresponding levels of structural resilience enjoyed at the country level. Incidentally, the report captures estimates of vulnerability indices and the lack of vulnerability resilience in 142 countries. We may count them as the truly vulnerable countries in the world today. Out of them, 133 are members of G77 and the rest are non-members. Only Palestine as a G77 country is missing from the list, whereas Armenia, Georgia, Kazakhstan, Kyrgyzstan, Mexico, Turkey, Uzbekistan, Palau and North Korea are considered to be suffering from vulnerability but they are not members of G77. The rest of the countries – none of them is a member of G77 – are not considered worthy to be estimated in terms of their vulnerabilities. This report may be considered, with the exception of the nine countries that are not members of G77, as somewhat a clear endorsement of the almost complete overlap between Global South and the members of G77 and China.

At first glance at the estimates, it is clear from Table 1, that the G77 countries are more vulnerable than the countries that have not joined the group. The results clearly suggest not only the higher level of vulnerability index for the countries belonging to the G77 group but also their lack of structural resilience to absorb the emergent shocks. These comparative estimates show the status of G77 countries compared to some few other countries that are non-members of the group.

If we go to further details evidenced from the report, a clear understanding of the vulnerabilities GS countries suffer from is revealed. The Panel defined three dimensions of vulnerability and resilience, economic, environmental and social (UN, 2024). Economic vulnerability is understood as the risk of harm from exposure to adverse external economic shocks, while environmental vulnerability represents the risk of harm from exposure to natural hazards. Social vulnerability takes care of the risk of harm from exposure to social shocks. On the other hand, structural economic

Table 1: Group Level Results: Comparison Between G77 Members and Non-members

	MVI - Score	Structural Vulnerability index	Lack Of Structural Resilience Index
Members of G77 (133)	53.4	49.8	56.2
Non-members of G77 (9)	45.6	41.0	49.5
All countries (142)	52.9	49.2	55.8

Source: Author's compilation.

resilience relates to the inherent economic capabilities and economic capital of a country and considers factors that strengthen the economy's ability to absorb the consequences and recover from adverse effects, while environmental resilience focuses on the inherent environmental capital of a country. It pertains to the ecological resources, infrastructure, and systems that contribute to reducing vulnerability to environmental shocks and stressors. Social resilience takes care of the inherent social capabilities and social capital within a country referring to social cohesion, social institutions, demographic structure and human capital that enhance the capacity to withstand and adapt to shocks and stressors.

It is observed that the G77 countries are more vulnerable than their non-G77 counterparts in terms of all the indicators of vulnerability tried at (Table 2). Relatively they are more vulnerable in respect of economic and social indicators. The indicator of environmental vulnerability is not that wide, even though it is greater with respect to G77. Table 3, on the other hand, reports the estimates of the lack of resilience. Here also it is evident

Table 2: Vulnerability Indicators: Comparison Between G77 Members and Non-members

	Economic vulnerability	Environmental vulnerability	Social vulnerability
Members of G77 (133)	50.6	49.7	42.3
Non-members of G77 (9)	34	45	33
All countries (142)	49.8	49.5	41.4

Source: Author's compilation.

Table 3: Lack of Resilience: Comparison Between G77 Members and Non-members:

	Lack of Economic resilience	Lack of Environmental resilience	Lack of Social resilience
Members of G77 (133)	51.3	59.2	53.2
Non-members of G77 (9)	38.1	63.5	37.1
All countries (142)	50.8	59.3	52.4

Source: Author's compilation.

that the GS countries are less resilient in economic and social terms. The lack of environmental resilience is less stark between G77 members and others.[7] These observations create a clear case of initiation of immediate actions to ensure that the Global South collectively initiate some immediate steps to reduce their vulnerabilities and increase resilience.

The Future Roadmap for Global South

According to Gilmartin, there were three waves of colonialism that were linked to the spread of European might over the globe (Gilmartin, 2009). These three waves of colonialism were also influenced by colonisation for settlement and colonisation for extraction.

The Latin American countries were the first set of countries considered by Portugal and Spain for the extraction of gold and silver. This phase gradually shifted to the settlement of people of European origin in those countries, who established communities, farms, and towns, displacing or assimilating the indigenous population. They also were decolonised early. The second process involved colonisation for permanent settlement as was observed in the USA, Canada and Australia. Europeans in droves started settling there permanently and bringing in slaves from colonies and also engaging indigenous communities in forced labour to facilitate their production system. The third phase of colonisation can be termed as colonisation for extraction alone. Because of unfavourable weather conditions, such colonies were not found suitable for settlement by Europeans. These colonies spread over tropical Africa and Asia were full with a variety of lucrative natural resources like minerals and forests necessary as inputs to promote the industrial revolution and also provided opportunities to open up markets for the finished products generated in the colonial countries (Ralph, 2022). Exploitation of human resources also went on simultaneously, first through slavery (Inikori, 2022), followed by freeing labour (Wright, 2021) from agricultural practices to serve the manufacturing sector.

The fundamental characteristics of the trade structure have remained unchanged. 95 of 142 developing countries (66.9 per cent) were commodity-dependent during 2019–2021. During 2019–2021, 101 of the 191 UNCTAD member States (52.9 per cent) were commodity-dependent, meaning that commodities constituted more than 60 per cent of the value of their exports, on average. For an additional 14 countries, commodities constituted more than half of exports during the period, but below the 60 per cent threshold.[8] The substantial differences between the value of import and that of export, aided by the technological differentials, created the main source of development of countries that are tagged as Global North (GN) today. The trend of extraction from labour continues even today as a competitive model of global trade looks for the investment of capital in regions where labour is cheaper and has reduced labour rights (Hickel *et al*, 2024; Gilbert,

2023). The increasing casualisation of labour associated with high levels of unemployment and reduced share of labour in national income across countries are testament to the sustained exploitation of and extraction from labour.[9]

The countries of GS have to respond to such challenges. Such responses are required to include a well-drawn plan for collective action that involves all the southern countries. As the estimates of vulnerability and resilience suggest, the economic vulnerabilities emerge from the continuation of the colonial structure of international trade – exporting commodities and importing finished goods. This structure has to be altered. Initiatives are to be introduced in GS to ensure that the commodities are not exported in raw forms. Processing of commodities within GS for international trade is to be made a primary objective for future development. Surely, it cannot be done in a day. Still a long-term strategy has to be prepared to achieve the goal. Recent research amply suggests that South-South trade is on the rise. The main factors that led to such fundamental changes in the international trade basket from the GS are to be identified and pursued with serious vigour. Such an effort will invariably involve the sharing of technology across the southern states, necessitating the creation of pooled shared funds to be used for such purposes. R&D expenditures are to be made in a collective manner to attain scale efficiency, involving the participation of experts from across the southern countries. Technology development is based on the creation of capacity. Shared efforts at capacity building among GS countries are always possible and can be highly effective in enhancing the productivity in the southern nations. Such capacity-building exercises will generate skills and knowledge among the southern citizens. Financial support for development is also necessary. A contributory Sothern Development Fund may be a possible way out to find solutions to the existing educational and health-related problems. The scope of use of local currencies as much as possible in facilitating exchanges among southern countries may also be thought of earnestly. Emerging Southern countries can play an important role in the provision of low-interest credit to the deserving countries as much as possible. Provision of humanitarian assistance and grants to low-income countries may also be considered as a collective Southern effort.

These processes are to be done simultaneously, not independently of one another. This is the spirit India is consciously trying out while pursuing her goal of development assistance for mutual benefit. The idea proposes a comprehensive "Global Development Compact," based on India's development journey and experiences of development partnership. This Compact will be inspired by the development priorities set by the countries of the Global South themselves. Under this 'development compact', the focus will be on trade for development, capacity building

for sustainable growth, technology sharing, project-specific concessional finance and grants with humanitarian assistance in an interconnected manner whenever necessary.[10] This idea has to be contextualised in a spirit of collective Southern action. The use of Official Development Assistance (ODA) or the recent efforts at Triangular Cooperation (TrC) will be expected to continue. However, the Global Development Compact will be treated as a GS-owned initiative to accelerate the developmental aspiration of the Southern countries in a complementary way. Such an effort is all the more necessary in view of the realisation that most of the GS nations are facing the risk of getting stuck into a middle-income trap.[11]

Endnotes

1 See, for example, Hornidge, Anna-Katharina & Axel Berger. (2023). Why "South"/"North" framings are not useful in a shifting world order. CEBRI Journal 2 (8), 217-237. Available at https://www.idos-research.de/en/others-publications/article/why-southnorth-framings-are-not-useful-in-a-shifting-world-order/.

2 For a detailed review of Dependency model see Schmidt, S. 2018. "Latin American Dependency Theory" available at https://globalsouthstudies.as.virginia.edu/key-thinkers/latin-american-dependency-theory

3 https://www.g77.org/doc/members.html

4 https://www.vox.com/2014/6/24/5835320/map-in-the-whole-world-only-these-five-countries-escaped-european

5 https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups

6 Albania, Armenia, Belarus, Bosnia and Herzagovina, Georgia, Kazakhstan, Kosovo, Mexico, Moldova, Montenegro, North Macedonia, Serbia, Turkiye, and Ukraine are the UMICs that are not part of G77.

7 For a detailed indicator level elaboration of vulnerability and lack of resilience see the Report of High Level Panel on the Development of a Multidimensional Vulnerability Index (2024) available at https://www.un.org/ohrlls/mvi

8 See for detailed analysis UNCTAD (2023) The State of Commodity Dependence available at https://unctad.org/publication/state-commodity-dependence-2023

9 See ILO (2024). Global Employment Trends for Youth 2024

10 See RIS Diary Special Issue August 2024, available at https://www.ris.org.in/en/ris-diary?field_ris_diary_year_target_id=All

11 See The World Bank: World Development Report 2024 available at https://www.worldbank.org/en/publication/wdr2024

References

Davis, R. "English foreign trade, 1700–1774." In The Atlantic Staple Trade, pp. 145-163. Routledge, 2022.

Gilmartin, M. 2009. "Colonialism/imperialism". In Gallaher, C., Gilmartin, M., & Dahlman, C. T. (eds.). Key Concepts in Political Geography. Key Concepts in Human Geography. London: SAGE. p. 115. ISBN 9781446243541

Hickel, J., Hanbury Lemos, M., & Barbour, F. 2024. Unequal exchange of labour in the world economy. Nature communications, 15(1), 6298. https://doi.org/10.1038/s41467-024-49687-y

Inikori, J. E. 2020. "Atlantic slavery and the rise of the capitalist global economy". Current Anthropology, 61(S22).

Maddison, A. 2007. The world economy volume 1: A millennial perspective volume 2: Historical statistics. Academic Foundation.

Oglesby, C. 1969. "After Vietnam, What?," Commonweal 90(1).

Prebisch, R. 1959. "Commercial Policy in the Underdeveloped Countries." The American Economic Review, 49(2): pp. 251-273.

Prebisch, R. 1962. "The Economic Development of Latin America and its Principal Problems." Economic Bulletin for Latin America, 7(1): pp. 1-23.

Prys-Hansen, M. 2023. The global south: a problematic term. Internationale Politik Quarterly.Summer 2023 Issue: Europe and the Global South. Available at https://ip-quarterly.com/en/global-south-problematic-term

UN. 2024.: High Level Panel on the Development of a Multidimensional Vulnerability Index: Final Report available at https://www.un.org/ohrlls/mvi.

Wright, A. 2021. "From slaves to contract workers: genealogies of consent and security in Indian labor migration". Journal of World History, 32(1), pp. 29-43.

Interview

H.E. Albert Muchanga*

H.E. Ambassador Albert Muchanga is serving his second mandate as the Commissioner for Economic Development, Tourism, Trade, Industry and Minerals at the African Union Commission (AUC). H.E. Commissioner Muchanga is also the Sherpa of the G20.

Previously, Ambassador Muchanga worked in the Zambian Civil Service at home and abroad, including as Permanent Secretary, Ambassador of Zambia to Brazil, Ambassador of Zambia to Ethiopia and Permanent Representative to the African Union and United Nations Economic Commission for Africa and as Deputy Executive Secretary of the Southern African Development Community (SADC).

Development Cooperation Review (DCR): During India's presidency of the G20, the African Union was invited as a permanent member. As the African Union's Sherpa of the G20, Ambassador Albert Muchanga, what are the priorities of the African Union's agenda-both at the G20, within BRICS, and in other international fora such as the G7 and G77?

H.E. Albert Muchanga (AM): Let me begin by saying that the African Union is most appreciative of the very broad-based support received from other members of the G20 for the African Union (AU) to become a permanent member under India's presidency in September 2023. We are grateful for that gesture and as soon as the permanent seat was awarded, we brought a number of issues to fellow member states. As we are an intergovernmental organisation, we are guided by the decisions of the members.

One of these issues agreed upon with the members and one of them concerns the modalities of the participation of the African Union in the G20. The African Union is represented at the G20 summit by the country chairing that year (which varies, with countries rotating the chairing of the African Union each year) and by the chairperson of the African Union Commission (AUC), who oversees the AU's executive branch, and that the Sherpa should be the Commissioner of Economic Affairs. Their combined participation ensures that the AU's perspectives and interests are effectively represented in G20 discussions.

In this capacity, the Commissioner represents the AU in G20 ministerial meetings and working groups. The Commissioner can be accompanied by the administrators chairing the specific committees of the African Union. Finally, the expert groups are attended by the officers in the various departments of the African Union.

We established the priorities and one of them was to leverage our membership within the G20 to assist us with implementing the Agenda 2063, which is our development framework, as well as attain the UN Sustainable Development Goals and also

Interviewer: Eleanor Legge-Bourke, Press Report House, UK

address the issues of food security, issues of the green transition, including energy, and issues of trade and investment, as well as issues of health, including the manufacturing of vaccines. So, these are the preliminary priorities, and we have been discussing them with South Africa as they preside over the G20 process this year.

Of course, a number of issues also emerge, one of which is the question of external debt. It was a prominent topic under the Brazilian G20 presidency and the issue of food security, which is aligned with us, and the energy transition. Those are very, very important.

There is also an ongoing activity, which is the G20 Compact with Africa. As we are in the G20 now, our focus is to bring in other African member states to be part of the Compact, of course, if they are willing to undertake the reforms as well as to assess whether the G20 membership is aligned with the Compact with Africa.

DCR: As the African Union Commissioner for Economic Development, Tourism, Trade, Industry and Minerals, you have been overseeing these matters for a long period. Apart from the AU's priorities for the G20, what are the other priorities for Africa overall?

AM: There are three issues which are of critical importance to Africa, and they are all interrelated. The first one is to position Africa to attain high rates of inclusive growth and sustainable development. When you look at the GNI per capita of Africa, especially south of the Sahara, even adjusted for inflation, it is more or less at the same level as it was around the 1970s. Now with this state of affairs, it is not reducing poverty.

Realising this, even before the studies started coming out, one of my major focus areas in my mandate was to come up with the strategic framework for Inclusive growth and sustainable development. That report was presented to heads of state and government this February at the AU Assembly meeting. It aims to position a majority of African countries to attain 7 to 10 per cent annual growth rates in the next forty to fifty years.

The IMF also now emphasised the importance of high levels of inclusive growth and that we need to increase investments from 20 per cent of GDP to 40 per cent of GDP. That is why we are now trying to leverage the Compact with Africa, so that we initiate reforms across Africa towards helping attract investments. That comes against a background of the Africa Wealth Report 2024 that indicates that approximately 135,000 high-income individuals across Africa have a combined resource base of about USD 2.5 trillion which they are not able to invest on the continent because the environment is not conducive. You compare that to the USD 2.8 trillion that Africa needs to meet Nationally Determined contributions under the Paris Agreement. If we initiate those reforms, those funds are going to be mobilised. So, the number one priority is inclusive growth and sustainable development.

Priority number two is to de-fragment the African economy. We started with the African Continental Free Trade Area (AfCFTA) and when we

established the African Continental Free Trade Area, we had the complimentary protocols for the free movement of people, intellectual property rights, investment, and competition policy. All those are foundations for moving us towards a customs union. So, we need a level of economic integration so that we have a large market base, which will bring us to the third priority, which is the industrialisation of Africa. These are the priorities that we are pursuing at the African Union.

Now, when we tie that with the G20, it brings in another priority. And that is the issue of closer harmonisation of the policies of member states so that we're able to speak with one voice. Moving towards the customs union and also promoting macroeconomic convergence is going to make it possible to harmonise those policies.

DCR: Thank you. How can Global South countries better position themselves within international organisations such as the United Nations, the IMF, the World Trade Organisation, etc., to advocate for more equitable development policies?

AM: We've been working on it for quite some time. Within the G20, there's also the consultative meeting of the emerging and developing countries, where we try to come up with a common position, just like the G7 does within the context of the G20. Then, at the UN you have the group of 77 plus China. Now we move into the implementation of the pact of the future, and the emphasis is on multilateralism.

The Global South, I think, is going to really emphasise the importance of building stronger coherence so that we speak with one voice in so far as the development of multilateralism is concerned.

In terms of numbers, there are more countries of the Global South, and in terms of demography, again, it is quite large, and in terms of natural resource base, again, it is quite large. So, there are assets that can really give us a voice in the multilateral system.

DCR: Ambassador Albert Muchanga, are you also working with regional multi-governmental institutions such as the European Union or ASEAN?

AM: That's why I have a cooperative arrangement with the European Union. We have a high-level dialogue on economic integration. We have not really linked up with ASEAN or Mercosur. We are in the process of linking up. When we established the African Continental Free Trade Area, our colleagues from South America and the Caribbean were very impressed with that achievement so there has been a process of exchange of information.

DCR: How do you perceive the evolution of Africa's economic and social relations with other major regions of the world, including Asia, Latin America, and North America, as you have just mentioned?

AM: Well, as we go into the green transition, the question of critical minerals or strategic minerals is going to arise. On

this matter, the position of Africa is that we should add value at the source so that we use this transition to generate more jobs for the young population. These are some of the issues that are going to emerge.

Of course, the other issue is that if we can create high-income employment opportunities within Africa, the process of illegal migration is going to minimise. So, it is in the interest of developed countries to really give us space for development to help minimise illegal migration.

Then, in the field of agriculture, Africa has adequate reserves of arable land, unlike in other parts of the world. So, in the future, Africa can emerge as the breadbasket of the world. Then when you also look at the issue of demography, we have the labour force, which will bring employment, and then the consumption is going to emerge - other countries can export their products to Africa. And we are going to emerge as a major global consumption hub.

DCR: With regards to adding value at the source - Sustainable development shifting from an extractive model of development to a model that creates a clear linkage between all living beings and their habitat is deemed crucial for some global South superpowers, such as India. What are your priorities for sustainable development on the African continent, besides, of course, adding value at source?

AM: There are a number of factors, one of which is the carbon trading. Right now, the experience is that for most of our member states, when they go into carbon trading, they are under-served and under-priced, compared to what they are selling to the rest of the world. Now, that is going to sustain underdevelopment. I think the experience is that poverty is not conducive to sustainable development, so we need to avoid that. And of course, there's also the issue of energy. The experience in Africa is that because of climate change, if countries rely too much on hydro for electricity it cannot be sustainable. The water levels go down, and so power generation also gets affected. So, we need to utilise other opportunities like green hydrogen, solar energy and wind energy. These are some of the elements of sustainable development vis-a-vis the green transition.

DCR: Given your deep understanding of the continent, you're very well positioned to discuss to the past, present and future agenda for Africa's economic situation. What dynamics are currently underway in Africa? What are the main challenges as well as the opportunities that you foresee in the mid-term?

AM: I believe that the major challenge is that Africa has a young population and that population is increasing. Now, with that state of affairs, the duty of every policymaker is one - to educate those people, and two - to provide jobs for them so that they will have a decent livelihood. The formal employment sector, I think has proved to be inadequate. So, entrusting the young with startups is one way of ensuring that they can also emerge as the entrepreneurs and the generators of employment and opportunities. That is one challenge.

The other challenge, which we talked about earlier, is the fragmentation of the African economies as a result of their colonial history. So now we are de-fragmenting by creating a single African market, starting with the African Continental Free Trade Area (AfCFTA) and this is very, very important.

Then another one is at the global level. When you look at the sphere of trade and investment at the global level, there is a process of fragmentation, protectionism is emerging in various forms. So, we really need to ensure that the African economy is resilient in this process of global fragmentation. And that brings us back to the issue of continental economic integration.

DCR: How would you describe the current landscape of development cooperation among countries in the Global South? In which ways does the Southern perspective of development differ from that of the North? You described the potential relations between different areas of the South, but apart from the potential, how is the situation at present in terms of cooperation between the countries of the South?

AM: I think it is very dynamic. I can give you three examples: one is Africa with Indonesia – we have a cooperative framework; Africa with India also enjoys a cooperative framework; and the third would be Africa with China. So, through these, we have issues of trade and investments and loans being negotiated among the parties and also trade exchanges. I believe trade relations among the countries of the South are deepening.

DCR: I have a somewhat personal question for you. During your mandate, you have put in place a series of tools to understand what to do and also to understand the situation, including the African Development Dynamic Report, the Africa Forum, the Revenue Statistics. So, you have put in place a very useful army of tools. Do you see any additional tools that could further help your work in terms of analysing trends?

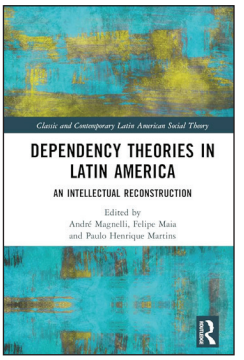
AM: There were two tools underway. One is operating - We've got the African Trade Observatory, which is going to give us strategic information on trade flows across Africa and trade flows between Africa and the rest of the world.

Then, we are also establishing the African Virtual Investment platform where similar information related to investment is going to be made available on the internet, which will facilitate the discussion among countries on how to improve the environment.

Also, we are working on the African Peer Review Mechanism (APRM) to operationalise the African credit rating agencies so that it can assist us in really having a better assessment of the rating of African borrowers in the capital markets. I will be meeting with the chief executive of the African Peer Review Mechanism, to discuss the mechanism on how best to move forward the operationalisation of the African Credit rating agency. So, there are quite a number of tools emerging.

Dependency Theories in Latin America: An Intellectual Reconstruction

Magnelli, A., Maia, F., & Martins, H.P. (Eds.) 2024. Dependency Theories in Latin America: An Intellectual Reconstruction. United Kingdom: Taylor & Francis. (256 pp)
ISBN: 978-1032543116)



Mario Pezzini *

Introduction

Dependency Theories in Latin America: An Intellectual Reconstruction is an ambitious exploration of one of Latin America's most distinctive contributions to social theory. The volume examines the intellectual origins and development of dependency theories and offers a comprehensive reconstruction of their historical development and contemporary relevance. The book is divided into three parts. The first part traces the historical and systematic perspectives that have shaped dependency thinking. The second part looks at the reception of the debate in other intellectual traditions, and the third part extends these theories to pressing global issues such as post-colonialism, the environmental crisis and the energy transition. Through this multidimensional approach, the editors and authors provide both an introduction for newcomers and an analysis for scholars familiar with the topic.

At its core, the book argues that dependency theories in Latin America emerged not only as a critique of modernisation, but also as an alternative framework for understanding the region's structural position in global capitalism. The volume emphasises the pluralistic and contested nature of the idea of dependency and highlights its engagement with Marxist, developmentalist and decolonial perspectives. The intellectual trajectories of figures such as Celso Furtado, Fernando Henrique Cardoso and Aníbal Quijano are examined, as well as how these theories have influenced or been challenged by other global debates. Particular attention is paid to how the idea of dependency has been revisited in the light of contemporary challenges such as economic globalisation, political

* Economist and Former Director of the OECD Development Centre, Paris, France. Views are personal.

upheaval and ecological crises. More than a historical overview, however, *Dependency Theories in Latin America* attempts to situate these ideas within broader global debates on social theory. The book not only revisits an important intellectual tradition, but also invites the reader to rethink the ways in which knowledge circulates between the global North and South. This volume is essential reading for Latin American scholars, political economists and international development experts, as well as policymakers who want to engage with alternative perspectives on global inequalities.

The Historical and Systematic Perspectives

The first part of *Dependency Theories in Latin America* offers a historical and systematic reconstruction of the origins and development of dependency theory in Latin American social thought. The section is divided into three key chapters that analyse the emergence of dependency theories, the intellectual and political trajectories of their main proponents and the theoretical framework underlying this school of thought.

The book contextualises dependency in the longer historical development of Latin American thought and shows that concerns about economic subordination date back to the late 19th century, when intellectuals debated issues of "Mental Emancipation" and "Second Independence." In the mid-20th century, these discussions were transformed by the post-war decolonisation movements and the rise of structuralist economics, which saw underdevelopment not as a lack of modernisation but as an active consequence of global economic structures. The book analyses how dependency emerged as a critical response to modernisation theory and structuralist economics, particularly through the work of the United Nations Economic Commission for Latin America and the Caribbean (CEPAL/ECLAC) and key figures such as Raúl Prebisch. Prebisch's 1949 study introduced the idea that the world economy is structurally divided into an industrialised "centre" and an export-dependent "periphery" that is limited to the production of natural resources. The countries of the periphery were, therefore, confronted with an unequal distribution of the benefits of technological progress. Their terms of trade deteriorated and they had to export more in order to import the same amount of industrial goods, as technological progress benefited the industrialised countries.

In view of the underdevelopment, the structuralists initially proposed import substitution industrialisation (ISI) as a solution. But in the 1960s, a new generation of thinkers - particularly those around Fernando Henrique Cardoso, Enzo Faletto and Theotonio dos Santos-began to criticise the limits of ISI. They argued that national economic policies alone were not able to overcome structural dependencies that were reinforced by internal class structures and international capital flows. This marked a shift from purely economic

explanations to an integrated analysis of politics, class relations and historical structures and positioned dependency theory as an interdisciplinary field.

The Brazilian military coup of 1964 and the increasing radicalisation of Latin American politics drove many intellectuals to the CEPAL-affiliated research centres in Chile, where interdisciplinary debates flourished. Under the government of Salvador Allende, Santiago became a hub for Latin American intellectual production, fostering a dynamic academic circuit that combined economic analysis, sociology and political theory. In addition, dependency theorists exchanged ideas with international academic circles and integrated their ideas into broader debates on global capitalism, imperialism and post-colonial theory.

In any case, there were intense theoretical debates during this period, especially on the question of whether dependency was primarily an external or internal phenomenon. While some scholars, such as André Gunder Frank, emphasised a rigid centre-periphery structure, others, such as Cardoso and Faletto, argued for a more contingent, historically specific approach that left room for national political agency. This tension between structural determinism and political agency remains a central theme of the book and shows how dependency theory has been shaped by both historical analysis and contemporary struggles over Latin America's economic future. Not to mention the personal and professional careers of the most important dependency theorists. Garcia Jr. meticulously reconstructs the collaborative yet sometimes contradictory relationship between Furtado and Cardoso, highlighting their shared academic careers at ECLAC and their divergent paths in the context of Brazilian political history.

Interestingly, Andre Magnelli introduces the concept of a "constellation" of dependency ideas and argues that dependency should not be understood as a single, unified theory, but as a dynamic intellectual field that encompasses different interpretations. He distinguishes, for example, between the structuralist-industrialist school (associated with Furtado, Fernando Henrique Cardoso and Enzo Faletto) and the socialist-revolutionary strand (represented by André Gunder Frank, Theotonio dos Santos and Vania Bambirra). By outlining the theoretical overlaps and ideological divergences within dependency studies, the chapter promotes a more nuanced understanding of how these theories have evolved in relation to the global political economy and contemporary development debates. Overall, the book presents dependency theory as a plural and evolving intellectual tradition rather than a monolithic framework. It provides an argument for the continuing relevance of dependency theories in contemporary social science debates.

To summarise, the first part of *Dependency Theories in Latin America* provides an insightful overview of the origins and internal dynamics of dependency thinking. In doing so, it

helps to raise further questions: Did a broader engagement and influence with intellectual traditions from other non-Latin American regions, particularly from the South, take place? How have dependency theories been applied in recent decades, challenged by financialisation, global value chains and the rise of China as an alternative development model? Is dependency theory still a useful analytical tool today or does it need to be fundamentally revised to take account of changing socio-economic dynamics?

Reception and Dialogues with Other Intellectual Traditions

The second part of the book examines how dependency theory has been received, criticised and reinterpreted in the various intellectual traditions of the world. A central theme in this section is the contrast between the Latin American and European reception of the idea of dependency. While in Latin America dependency theory was closely linked to concrete political struggles and political debates, its reception in Western Europe was characterised by misunderstandings and criticism of its alleged reductionism and economism. Many European academics, who were frequently confronted with André Gunder Frank's formulations, dismissed dependency theory as too deterministic and neglected its socio-political and historical dimension. However, this rejection was not purely intellectual, but was also characterised by historical events such as the decline of progressivist movements and the rise of neoliberalism, which pushed development debates into the background.

Beyond Europe, the book sheds light on the global circulation of ideas of dependency and their adaptation to other contexts, particularly in Africa and Asia. Studies of dependency in Africa reveal parallels between Latin American and African experiences, particularly in relation to the historical development of colonial domination and postcolonial economic subordination. Some African scholars engaged directly with Latin American dependency thinking, while others adapted these ideas into a regionally specific critique of global capitalism. In Asia, dependency perspectives were often subsumed under broader development studies, but the book points to the continuing relevance in critiques of financial globalisation and trade imbalances. At the same time, some scholars rejected dependency theory in favour of theories that emphasised successful industrialisation in East Asia, arguing that global integration could help rather than hinder development.

Unsurprisingly, the dialogue between dependency theory and original and more independent thinkers or other critical traditions, particularly world-systems analysis and decolonial thought, is a central theme in this section. The book examines how Immanuel Wallerstein's world-systems theory builds on the insights of dependency theory, overcoming the nation-state as the primary unit of analysis. Wallerstein's framework of core, semi-periphery and periphery expanded

dependency theory, but also shifted its focus to historical capitalism as a global system, leading to collaboration and critique between dependency theorists and world systems scholars. Another important dialogue explored in the book is with decolonial theory, particularly the work of Aníbal Quijano, who expanded the dependency perspective to include issues of ethnicity, coloniality and epistemic dependency. The book highlights how decolonial theorists criticised dependency theory for its economic focus while recognising its fundamental role in the postcolonial critique of global inequality.

It is worth saying a few words about some independent thinkers who engaged in an intense dialogue with the main figures of dependency thinking, but who maintained a significant, rich and fruitful autonomy. Their trajectories could inspire further analysis following the example of this book.

Albert O. Hirschman, for example, did not explicitly belong to the dependency school, but was already concerned with similar concerns regarding structural obstacles to development at an early stage. With his work "National Power and the Structure of Foreign Trade", published in 1945, Hirschman is one of the "grandfathers" of dependency theories, which deal with how foreign trade influences power relations. His ideas on unbalanced growth and the role of interdependence in economic development offered an alternative to both orthodox modernisation theories (such as those of Walt Rostow) and dependency-inspired approaches. His influence is particularly relevant in the context of 'possibilism', i.e. the political economy and reforms that could actually be implemented to mitigate structural conditions through strategic economic and political choices. Hirshman's difference was not merely theoretical, but had significant practical implications, influencing whether scholars and policymakers favoured revolutionary or reformist approaches to overcoming dependency. The tension between structural determinism and political agency reflects broader debates in the Latin American social sciences.

Another example is Jorge Katz. He, too, is not directly associated with dependency theory, but his work enriches the debate by focussing on industrial and technological transfer in the context of economic subordination. Katz has emphasised that the region's ability to adopt and adapt technologies is crucial to overcoming structural constraints. He argues for a more integrated view of development that recognises the interdependence of different sectors of the economy. His work shows that the mere acquisition of foreign technology is not enough if the local population is unable to adopt, adapt and innovate. Katz argues that the main source of technological advantage for subsidiaries is often the technological stock and knowledge base of the parent company, rather than the subsidiary's own domestic achievements, which constitute a decisive advantage. Katz, therefore,emphasises adaptive technological activities such as

learning by doing, engineering design, and incremental innovation, rather than focusing exclusively on basic research. These activities enable companies to master existing technologies, adapt them to local conditions and develop their own competitive advantages. This perspective develops links between macro- and microeconomic policies for industrial modernisation and self-sustaining growth. It challenges some simplistic dependency frameworks by showing that domestic economic policies, technological capabilities and local agencies play crucial roles in overcoming structural constraints.

Ultimately, this part of the book presents dependency theory as a dynamic and evolving intellectual tradition that is in constant dialogue, adaptation, and critique in different disciplines and regions. Although it has lost prominence in mainstream debates with the rise of neoliberal globalisation, its central insights remain relevant in contemporary discussions of global inequalities, financial dependency and neo-extractivism. The book argues that dependency is not a static theory of the 1960s and 1970s, but a living framework that is constantly being challenged and reinterpreted by new generations of scholars and activists around the world. Given the specific focus of the development co-operation review, the book offers an interesting proposal for future work. It invites further consideration of the role of non-Latin American, southern influences on the idea of dependency. How have African and Asian development writers contributed to expanding the ability to fully contextualise theories of dependency within a broader global critique of modernisation?

Extending Dependency Theories to Global Issues

The third part of *Dependency Theories in Latin America* examines how dependency theory can be applied to current global issues such as the environmental crisis and the energy transition. A central argument is that dependency is not just an economic condition, but an ongoing process linked to global power structures, including those that determine environmental and climate policy. The book shows how the ecological crisis and the geopolitics of energy have reinforced old patterns of resource extraction and economic subordination, often in new forms. Latin America, historically positioned as a supplier of raw materials, now finds itself at the centre of 'green extractivism', where the push into clean energy technologies — such as lithium mining for electric vehicles— reproduces rather than breaks dependency dynamics. The authors discuss the emergence of a "decarbonisation consensus" that, while touted as a solution to the climate crisis, would deepen inequalities between North and South.

An important theme in this section is the overlap between postcolonialism and dependency theory, particularly through the lens of decolonial thinking. Some contributors argue that coloniality remains embedded in contemporary global governance and determines the ways in which environmental policies,

financial mechanisms and technological innovations are implemented in Latin America. They examine how global environmental agreements often reinforce asymmetrical power relations in which the Global South is expected to adhere to preconceived frameworks that do not take into account its historical role in sustaining global economic growth. The book criticises 'green colonialism'," in which sustainability narratives are used to justify new forms of economic control that draw on historical patterns of land and resource appropriation. Concepts such as "eco-social transitions" and "energy sovereignty" are proposed as counter-discourses that argue in favour of development models that prioritise social justice, indigenous rights and democratic control over natural resources.

The section, therefore, looks at the political and institutional dimensions of eco-social transitions and questions whether existing states and international organisations are capable of facilitating truly transformative policies. It criticises the 'technocratic green transition' driven by multinational corporations and financial institutions and argues that many climate policies repeat the same market-driven logic that caused the crisis in the first place. Rather than promoting a top-down transition, the book emphasises grassroots movements advocating for energy democracy, agroecology and post-extractivist economic models. The discussion goes beyond Latin America and draws parallels with African and Asian struggles against extractivist economies, emphasising the idea that dependency is a global and not just a regional phenomenon.

Ultimately, this section of the book argues that dependency theory remains a crucial analytical tool for understanding contemporary global inequalities, particularly in the context of climate change and resource governance. While modernisation narratives suggest that technology and market mechanisms will solve environmental crises, the authors argue that without structural changes in global economic relations, the transition to sustainability will become another phase of dependency rather than a break with it. Integrating insights from decolonial thinking, ecological economics and political ecology, the book argues for rethinking dependency theory in a way that recognises both economic and ecological subordination and offers new perspectives on how the Global South can assert greater autonomy in shaping its future.

Conclusion

This volume emphasises the continuing relevance of dependency theory for understanding the structural challenges facing Latin America and other regions of the Global South. While there is still considerable debate about the role of external constraints and internal influence, the book shows that scholars agree that dependency is not a static condition, but a dynamic relationship shaped by historical, economic and political forces. Dependency is not simply imposed from outside; it is mediated by domestic class structures, institutional arrangements and patterns of

technological and economic integration. The book underlines that dependency theory remains a crucial framework for analysing persistent inequalities, structural heterogeneity and exclusionary economic models, even as it evolves to incorporate contemporary issues such as financialisation, environmental crises and energy transition.

At the same time, the book challenges conventional dichotomies by showing how internal and external factors are closely linked in shaping development trajectories. It also extends the discussion beyond Latin America by examining how theories of dependency have been influenced and enriched by intellectual traditions from Africa and Asia. This comparative perspective opens up new ways of rethinking the relevance of dependency theories in an era of multipolar globalisation. By positioning dependency theory as a pluralistic and evolving intellectual tradition rather than a rigid analytical model, this volume not only revisits past debates but also invites further dialogue on how nations in the Global South can achieve greater autonomy over their development trajectories.

Importance of BRICS+ in the Global Economy

Sushil Kumar*

Introduction

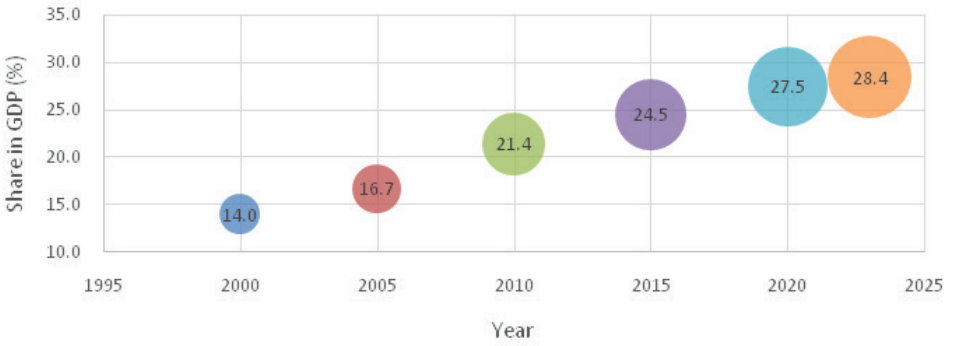
BRIC, a term first used by Jim O'Neil (a Goldman Sachs Economist) in 2001 in his report "Building Better Global Economic BRICs" (O'Neill, 2001), brings together some rapidly growing emerging economies with the potential to play an important role in the world economy. The grouping was formed in 2009, when Brazil, Russia, India, and China came together; with South Africa joined in 2011, BRIC rebranded as BRICS. In 2023, at the annual summit in Johannesburg, South Africa, on August 22–24, the Argentine Republic, Arab Republic of Egypt, the Federal Democratic Republic of Ethiopia, the Islamic Republic of Iran, the Kingdom of Saudi Arabia, and the United Arab Emirates, were invited to join the group. Later, in December 2023, Argentina withdrew its agreement and Saudi Arabia has not yet responded to the invitation to join BRICS. The BRICS after the addition of the 5 new member countries, i.e., Egypt, Ethiopia, Iran, Saudi Arabia and UAE, hereafter called BRICS+,[1] represents 45 per cent of the world's population, more than 28 per cent of global GDP, and around 21 per cent of global exports. In this context, this write up explores whether the expansion of the BRICS+ has a significant impact on global GDP and international trade. It also analysis the intra-regional trade dynamics among BRICS+ member countries.

BRICS+ and Global GDP

This section analyses the impact of BRICS+ (including the new members added in 2024) on global GDP. The share of BRICS in global GDP has increased significantly from 11.9 per cent in 2000 to 26 per cent in 2023, increased about 14 percentage points over the past decades. Figure 1 shows the share of BRICS+ countries in global GDP from 2000 to 2023, starting at 14.0 per cent in 2000, the share gradually rose each year, reaching 28.4 per cent by 2023. Notably, the most significant growth occurred during and after the global financial crisis, with the

* Assistant Professor, RIS. Views are personal.

Figure 1: Share of BRICS+ in World GDP



Source: Author's calculation data from WDI (accessed on 13-01-2025).

share increasing from 19.4 per cent in 2008 to 27.5 per cent in 2020. This rise can be attributed to the rapid economic expansion of countries such as China and India. It is important to mention that, in 2023, the BRICS+ nations collectively represented around 63 per cent of the Gross Domestic Product (GDP) of the Global South.

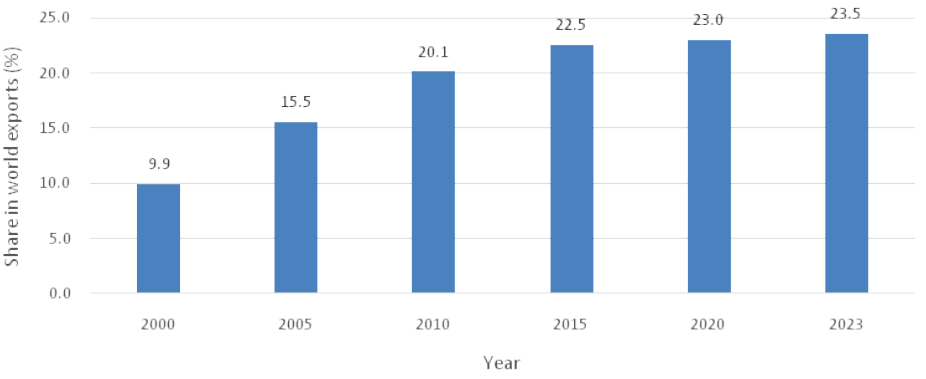
BRICS+ and Global Trade

As the previous section analyses the share of BRICS+ in global GDP, it is equally important to analyse the share of BRICS+ in global trade to understand the significance of BRICS+ in terms of their share in global trade. It is very important to analyse the flow of BRICS export to the world. Data shows that it was USD 0.48 trillion in 2000 and increased to USD 4.69 trillion in 2023, and its share has increased from 7.43 per cent in 2000 to 19.58 per cent in 2023. Specifically, we see the share of BRICS+ in global trade, which was 9.92 per cent in 2000, has increased to 23.54 per cent in 2023 (see Figure 2). In absolute term, it has increased from USD 0.64 trillion in 2000 to USD 5.63 trillion in 2023. In 2023, the BRICS+ group accounted for approximately 52 per cent of global South exports.

Intra-Regional Trade of BRICS+

While previous sections analysed the share of BRICS+ in global GDP and global trade, in this section, it is important to analyse the trade (exports) among the BRICS+ in terms of their share in total global trade. It is equally important to mention that the share of intra-regional trade of BRICS in their trade was 3.72 per cent in 2000 and in 2023, it was 11 per cent. When we compare the intra-regional trade of BRICS+, it was 5.2 per cent in 2000, which increased 16.2 per cent in 2023 (see Figure 3). As noted by UNCTAD (2024), South-South trade reached USD 5.6 trillion in 2023. Of this total, intra-BRICS+ trade accounted for approximately 16 per cent of their overall trade.

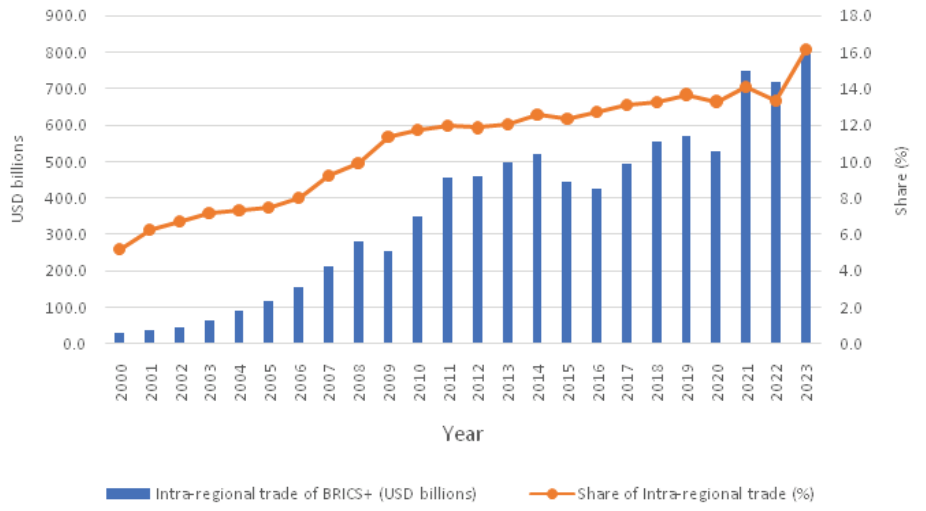
Figure 2: Share of BRICS+ in Global Trade (percentage)



Source: Author's calculation data from WDI (accessed on 13-01-2025).

BRICS (Brazil, Russia, India, China, and South Africa) has significantly expanded its economic influence, contributing 26 per cent of the global GDP and 21 per cent of global trade in 2023, while also dominating the Global South with its GDP. Recently, the group's membership grew with the inclusion of Egypt, Iran, Ethiopia, Saudi Arabia, and the UAE, increasing its share of global GDP to 28 per cent. The share of BRICS+ in the GDP of the Global South was 63 per cent in 2023. As per the outcome document of the BRICS summit (2023), the key areas of cooperation and priorities are promoting

Figure 3: Intra-Regional Trade of BRICS+ (2000-2023)



Source: Author's calculation data from WDI (accessed on 21-01-2025).

the use of local currencies in trade, strengthening the New Development Bank, and addressing key challenges of the Global South, including food security, climate change, digital divide and issues related to multilateralism and the WTO's reform (UNCTAD, 2024). Further, the economic importance of BRICS has grown significantly following the inclusion of new member states, positioning the bloc as a prominent entity in the global economy. The analysis shows that BRICS+ accounts 23.5 per cent of global exports. Additionally, its share of trade in the Global South is approximately 52%. In 2023, intra-regional trade among BRICS+ members amounted to USD 810 billion.

Endnote

[1] The member countries of BRICS+ are Brazil, Russia, India, China, South Africa and five new member countries Egypt, Ethiopia, Iran, UAE and Saudi Arabia (Saudi Arabia has not yet responded to the invitation to join BRICS) and in this write up we call expansion of BRICS+

References

O'Neill, J. 2001. Building better global economic BRICs (Global Economics Paper No. 66). Goldman Sachs. https://www.goldmansachs.com/intelligence/archive/archive-pdfs/build-better-brics.

UNCTAD. 2024. Trade and Development Report 2024: Rethinking Development in the Age of Discontent.

Call for Contributions

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

Guidelines for Contributors

1. DCR is a refereed multi-disciplinary international journal. Manuscripts can be sent, as email attachment, in MS-Word to the Managing Editor (milindo.chakrabarti@ris.org.in).
2. Manuscripts should be prepared using double spacing. The text of manuscripts should not ordinarily exceed 1500 words. Manuscripts sent for peer review section may be limited to 5000 words. Such submissions should contain a 200-word abstract, and key words up to six.
3. Use 's' in '-ise' '-isation' words; e.g., 'civilise', 'organisation'. Use British spellings rather than American spellings. Thus, 'labour' not 'labor'. (2 per cent, 3 km, 36 years old, etc.). In general descriptions, numbers below 10 should be spelt out in words. Use thousands, millions, billions, not lakh and crore. Use fuller forms for numbers and dates— for example 1980-88, pp. 200-202 and pp. 178-84, for example, 'the eighties', 'the twentieth century', etc.
Reference Style: References should be appended at the end of the paper. References must be in double space, and same author(s) should be cited, and then arranged chronologically by year of publication.
All references should be embedded in the text in the APA style. For details, please refer to Course and Subject Guides: https://pitt.libguides.com/c.php?g=12108&p=64730

Invitation to Join our Mailing List

If the reader wishes to be added in our mailing list in order to receive the soft version of *Development Cooperation Review*, kindly send in details along with organisational affiliations to RIS at email : dgoffice@ris.org.in. Also specify if hard copy is desired.

About Development Cooperation Review

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

About Research and Information System for Developing Countries (RIS)

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

About Global Development Centre (GDC)

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

About Network of Southern Think Tanks (NeST)

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

About Forum for Indian Development Cooperation (FIDC)

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

Published by:

RIS@40

RIS
Research and Information System for Developing Countries
विकासशील देशों की अनुसंधान एवं सूचना प्रणाली

Core IV-B, Fourth Floor, India Habitat Centre
Lodhi Road, New Delhi-110 003, India.
Ph. 91-11-24682177-80 Fax: 91-11-24682173-74-75
Email: dgoffice@ris.org.in Website: www.ris.org.in

Follow us on:

www.facebook.com/risindia @RIS_NewDelhi www.youtube.com/RISNewDelhi

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