# Economic Integration and Development Partnerships: Southern Perspectives

## Report


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

# Economic Integration and Development Partnerships: Southern Perspectives

## Report

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

ISBN 81-7122-126-2



*Published in 2017 by:*

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

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

# Contents

# PREFACE

**Prof. Sachin Chaturvedi**
Director General, RIS

As part of its work programme on capacity-building among developing countries on global and regional economic issues RIS has been conducting its flaghship Capacity-Building Programme on International Economic Issues and Development Policy (IEIDP) under the ITEC/SCAAP programme of the Ministry of External Affairs. The programme is aimed to inculcate in participants enhanced understanding on challenges and opportunities associated with the processes of globalization and development. It is also designed to expose the participants to the growing complexities of global economic issues and negotiations and to build their analytical skills to deal with them. In this year's programme, conducted from 13 February-10 March 2017, 33 participants from 25 countries took part.

The participants enthusiastically engaged in technical sessions and group discussions. They identified critical areas to deliberate upon and eventually come up with status papers highlighting regional and global contexts and country experiences. Based on individual areas of expertise and inclination, they formed five thematic groups as follows: 1) Regional Economic Integration, 2) Development Partnership, 3) Financing for Development, 4) Pathways of Economic Growth in Developing Countries and 5) National and Regional Priorities of Development & the SDGs. We are pleased to publish this short Report comprising contributions from each group.

We are sure the Report will be found interesting and useful by scholars, policy makers, and practitioners from developing countries.

Sachin Chaturvedi

# I

# Drivers and Experience of Regional Integration in Asia and Africa

**Jane Karonga**
Economic Affairs Officer, United Nations Economic Commission for Africa (UNECA), Zimbabwe

**Abdul Mohammad Bashardoost**
Assistant Expert, Administrative Office of President, Afghanistan

**Haji Makame Ali**
Economic Officer, Ministry of Finance and Planning, Tanzania

**Parvina Rakhmatulloeva**
Teacher, Secondary School, Tajikistan

**Rishat Shamsutdinov**
Leading Expert, International Relations Department, Ministry of Industry and Trade, Republic of Tatarstan, Russia

**Sirojiddin Bazarov**
Senior Research Fellow, Institute for Social Researches, Uzbekistan

**Thein Thein Nyunt**
Staff Officer, Central Statistical Organization, Myanmar

**Vilavanh Viyavong**
Technical Staff, Bank of Lao PDR, Laos


*(From left to right: Vilavanh Viyavong, Rishat Shamsutdinov, Haji Makame Ali, Jane Karonga, Thein Thein Nyunt, Sirojiddin Bazarov, Parvina Rakhmatulloeva)*

## I. Introduction

Regional integration (RI) is a process by which countries enter into an agreement to upgrade cooperation through common institutions and rules. The objectives of the agreement could range from economic, political and environmental, although typically they take the form of a political economy initiative where commercial interests are the focus for achieving broader socio-political and security objectives, as defined by national governments. Regional integration has been organized either via supranational institutional structures or through intergovernmental decision-making, or a combination of both.

The impetus and rationale for regional integration comes from the standard trade theory which states that free trade is superior to all other trade. Therefore, all formal regional integration arrangements reduce barriers (such as tariffs) to trade among member countries. Lately, RI has become very popular all over the world as a way in which countries can overcome small markets, pool resources and benefit from economies of scale in production and trade in the same note, regional integration increases competition in global trade and improves access to foreign technology, investment, and ideas.

The literature on regional integration is very rich with seminal contribution from Viner, (1950); Schiff and Winters (2003)[1] and Das *et. al* (2012) who suggested that the effects of regional integration on trade can either be trade creating or trade diverting given that it involves preferential reductions in trade barriers.[2] Economic theory predicts that free trade will improve welfare by enabling citizens to procure goods and services from the cheapest source, leading to the reallocation of resources based on comparative advantage.[3] Trade creation increases welfare by displacement of higher cost of domestic production with lower cost production from partner countries due to lower barriers within regional integration arrangements. Trade diversion which reduces welfare gains happens when there is a displacement of lower cost production from non-members by higher cost production from partner countries due to lower barriers. Consequently, regional integration arrangements can only generate welfare gains when trade creation dominates trade diversion—an outcome that cannot be determined in advance.

Regional integration arrangements also create two other trade effects, whose importance varies among member countries. First, such kind of engagements reduce government revenue from tariffs, directly through tariff cuts among members and indirectly through a shift away from imports from nonmembers subject to tariffs. The cost of this loss depends on how easily members can switch to alternative ways of raising funds, but it can be high in countries that rely heavily on tariff revenues. Second, RI arrangements may improve the terms of trade of member countries if there are changes in trade volumes (because of more demand for goods originating from an integration area and less demand for the same goods originating from outside it, due to higher costs imposed by tariffs) which lower world prices. The greater the regional arrangement's share in the world market, the larger the potential gain will be. But because the terms of trade gain come at the cost of non-members, it has an unclear effect on global welfare.

With respect to political features of RI, countries can gain political bargaining power which is especially more beneficial for small countries in trade negotiations when they band together through regional integration arrangements (Schiff and Winters 1998). Likewise, mainstreaming environmental approaches to regional integration frameworks in light of global warming concern ensures that societies are not vulnerable to climate change.

## II. Diversity, Pluralism and Modalities of Engagement

Regional integration groupings can take several forms ranging from the Free Trade Area (FTA), Customs Union, Common Market, Economic Union and lastly Political Union. In relation to political aspects, Hoekman *et al.* (2002) pointed out that many regional economic communities have been driven by political rather than economic goals. These political objectives include, among others, security, governance, democracy, and human rights. A good example is the European integration, whose founding fathers sought to create a framework within which Franco-German wars would no longer be possible. Hoekman *et al.* (2002) argue that regional economic integration can enhance security when it increases the level of trade between member countries and, in so doing, increases familiarity between the people of the member countries and lessens the degree of misconception.[4]

RI frameworks differ in the discretion they allow members to set policies—Particularly commercial policies—towards nonmembers. Preferential and free trade areas allow members to set commercial policies. Customs unions set commercial policies uniformly. Arrangements also vary in depth of integration. Preferential and free trade areas offer members preferential tariff reductions. Common markets and economic unions synchronize product standards and harmonize tax and investment codes. The breadth of activities covered by regional integration arrangements also differs. Some arrangements are restricted to trade in goods; others extend to factor mobility and trade in services.

Regional integration arrangements take a variety of forms:

- Preferential trade area: an arrangement in which members apply lower tariffs to imports produced by other members than to imports produced by nonmembers. Members can determine tariffs on imports from nonmembers.
- Free trade area: a preferential trade area with no tariffs on imports from other members. As in preferential trade areas, members can determine tariffs on imports from nonmembers.
- Customs union: a free trade area in which members impose common tariffs on nonmembers. Members may also cede sovereignty to a single customs administration.
- Common market: a customs union that allows free movement of the factors of production (such as capital and labor) across national borders within the integration area.
- Economic union: a common market with unified monetary and fiscal policies, including a common currency.
- Political union; the ultimate stage of integration in which members become one nation. National governments cede sovereignty over economic and social policies to a supranational authority, establishing common institutions and judicial and legislative processes—including a common parliament.
- Countries can start with any of these arrangements, but most begin by removing impediments to trade among themselves. They then introduce deeper and wider integration mechanisms.

## III. Benefits and Challenges of Regional Integration

As Schiff and Winters (2003) clearly pointed out, the increasing trend towards regionalism has made regional economic integration a part and parcel of the present global economic order. This trend is now a recognized feature of the international scene and has achieved new meaning and new significance. Many factors contribute to this current growing trend of regionalism and they include among others the desire to obtain more secure access to major markets, the pressure of globalization, the fear of being left out while the rest of the world sweeps into regionalism, and governments desire to bind themselves to better policies including democracy and to signal such intentions to domestic and foreign investors.

Regional integration offers many benefits to the participating member countries. However, these benefits are not pre-determined and they depend among other things on the internal design of the integration including the degree of political commitments by the Member States. Regional integration arrangements can benefit member countries through increased scale and competition, usually when countries, their endowments, or both are small and market size limited (Venables 2000; Hoekman 2002). Small markets constrain the number and scale of firms or projects that can be sustained, hindering competition among firms and the development of scale economies. Regional integration can combine markets, enabling firms to expand and markets to be more competitive. More competition and the increased possibility of bankruptcy may induce firms to eliminate internal inefficiencies and raise productivity. The consequent reduction in staffing and more intense competition can increase worker productivity, an attractive benefit to small and low income countries.

RI can enhance the credibility and ensure the continuity of economic and political reforms in member countries because such arrangements function as a collective agency of restraint and provide a framework for coordinating policies and regulations (Hoekman 2002). The effectiveness of regional integration arrangements as a commitment device depends on their provisions and on how enforceable those provisions are. High costs for breaking the rules of an arrangement, leaving it, or being expelled from it, make agreements more effective. Stronger economic ties among members and more willingness to punish violations of rules also create more effective agreements.

Banding together through regional integration arrangements can enhance member States international economic bargaining power which is especially beneficial for small countries in trade negotiations as stated earlier on in this chapter. However, members must negotiate as a group an approach not always taken because of divergent national interests. The use of regional integration arrangements to enhance bargaining power can have serious drawbacks. The Economic Partnership Agreements serve as a good example. A related goal of regional integration arrangements is to raise the profile of members.

RI frameworks provide a basis for cooperation on resources (such as rivers, road and rail links, and electricity grids) or problems (such as pollution or transport bottlenecks) shared by members and bolsters enforceability. Likewise, the regular contact and collaboration among policymakers due to the arrangements create and enhance rapport and trust and facilitate cooperation in areas not explicitly covered by an agreement, including on security. According to Schiff and Winters 1998; World Bank 200b) interdependence among members makes conflicts more costly. Economic integration tends to pave way for political and social integration, substantially reducing the risk of internal conflict. In some cases, security arrangements and conflict resolution mechanisms are included in regional integration arrangements.

Regional integration can contribute positively to economic growth by magnifying the impact of the three factors. First, trade is often associated with technological spillovers because a country can import technology and knowledge developed abroad. By stimulating trade, regional integration can increase the rate of technological progress over that under autocracy. When regional integration promotes foreign direct investment (FDI) the technological spillovers grow due to enhanced channels of technology and knowledge across borders.

Second, adhering to specific macroeconomic convergence criteria and forcing countries to create a macroeconomic environment supportive of international competition, facilitate sound economic outcomes such as low inflation, low deficits, and consistent exchange rates. Deciding to participate in regional integration can increase the credibility of a government's commitment to macroeconomic stabilization, with additional positive spillovers to growth. Third, as a part of integration, countries are often required to update and improve their legislative and regulatory frameworks. Integrating with countries that have efficient institutions—bureaucratic procedures, rule of law, enforcement of property rights, efficiency of judicial system, transparency of governance—can stimulate other countries to reform.

RI is not without its own challenges, the arrangements can create winners and losers, making it essential that partners assess the prospective benefits and costs of regional integration to boost gains and minimize losses. The RI frameworks must include a transparent, equitable, rules-based system of sharing gains and resolving disputes and implementation of the arrangements costs money. Realizing the benefits of regional integration requires strong, sustained commitment from member countries. RI can foster good governance and leadership within partner States and lead to creation of domestic policies and institutions aimed at promoting growth, macroeconomic stability, and poverty reduction but such outcomes cannot pre-determined.

Disparity in the economic size of the partner States can foster asymmetries which may undermine the objectives of RI. While integration may yield substantial benefits, it can also aggravate the macroeconomic vulnerabilities of member states. As production chains become more integrated, shocks to world trade (such as that in 2008) permeate quickly through regional economic blocs. As a result, output contractions can be amplified through close trade linkages and so affect the strength of subsequent recovery.

Additional challenges may include interference of RI arrangements within internal affairs of member States, which may compromise sovereignty. The pressure and obligation to confirm to the values, principles and protocols of the regional grouping may also negatively affect domestic policy. Similarly, payment of membership fees may be a burden to the tax payers of impoverished member states. Finally, in the event of violent conflict in a member country, member states may pay with the lives of their citizens.

## IV. Lessons of Regional Integration Experiences from Central Asia, South-East Asia and Africa

### Africa-East Africa Community (EAC) Experience

#### *Background*

Regional integration has been part of Africa's strategy for economic transformation for more than four decades-and in some cases for almost a century. The first experiment with integration, the Southern African Customs Union, began in 1910. The Southern Rhodesia Customs Union emerged in 1949 between South Africa and present- day Zimbabwe. The Ghana–Upper Volta Trade Agreement between Ghana and Upper Volta (now Burkina Faso) started in 1962, as did the African Common Market linking Algeria, United Arab Republic (Egypt), Ghana, Guinea, Mali, and Morocco. In 1962 the Equatorial Customs Union, the predecessor to the Customs Union of Central African States, joined Cameroon, Central African Republic, Chad, Congo, and Gabon. The East African Community, comprising then Kenya, Tanzania, and Uganda, began in the 1967 is perhaps the most far-reaching early integration attempt in Africa.

For the purposes of this chapter, focus will be on the East African Community (EAC) which is a common market as of 2010 and has since signed monetary union protocol as of 2013. It is part of seven Regional Economic Communities (RECs) in Africa recognized by the African Union. On the onset, it should be noted that the process of integration for EAC actually started in 1948 when formal institutions of cooperation were created under the East African High Commission (EAHC), and its transformation in 1961 into the East African Common Services Organization (EACSO). EAC (now comprised of Kenya, Burundi, Rwanda, Uganda, Tanzania and South Sudan) is home to 150 million citizens of which 22per cent is urban population. It occupies land area of 1.82 million square km. and it has a combined GDP of US$146billion (EAC Statistics 2016).

### *EAC Achievements*

The shift of mindsets from negative and little excitement to strong political will demonstrated by the Heads of States of the 6 partner States has catalyzed business confidence and improved people's awareness about the cost and benefits of integration in the region. The establishment of EAC Customs Union Protocol in 2005, skipping the preferential trade area and free trade area demonstrates high level of enthusiasm in the region.

The protocol has four elements common external tariff; establishment of the EAC rules of origin (RoO) including certificate of origin and simplified certificates of origin; and internal elimination of tariffs on goods that meet the EAC RoO criteria and elimination of non-tariffs barriers (NTBs).

Kenya's GDP is 37 per cent of the total of the EAC's, followed by Tanzania's GDP of 29 per cent, Uganda 17 per cent; South Sudan 9 per cent while that of Rwanda and Burundi are only 6 per cent and 2 per cent (Byiers *et al.*, 2015). During 2015, economic performance in the East Africa Community (EAC) experienced a slowed growth. Real GDP declined by 3.4 per cent compared to 5.8 per cent growth registered in 2014. In Tanzania, real GDP growth slowed to 6.9 per cent in 2015, compared to an expansion of 7.2 per cent in 2014. The slowdown in growth was mainly associated with uncertainties emanating from general elections during the year under review. The contraction in economic growth of 7.2 per cent in Burundi was attributed to political instability experienced during the year under review. The EAC's inflation eased to 5.5 per cent in 2015 compared to 5.6 per cent rate in 2014. The current account as a percentage of GDP improved from a deficit of 12.7 per cent in 2014 to a deficit of 9.5 per cent in 2015.

The EAC region has vast investment opportunities in all sectors of the economy such as agriculture, tourism, manufacturing, mining, extraction, ICT, banking, tertiary education Energy, and Oil & Gas. To harness its potential and also promote economic growth and development, the governments of Partner States continue to the improve business environment by ensuring macroeconomic and political stability. Partner States have undertaken economic reforms to enhance an investor friendly environment that supports growth of the private sector. In addition, the EAC Custom Union Protocol provides for the establishment of Export Promotion Schemes and Special Economic Zones (SEZs) that give specific incentives to attract FDI and Cross-Border Investments (CBI). Examples of cross boarder investments includes the acquisition of 51 per cent Tanzania Serengeti Breweries shares by East African Breweries, Kenya; Trans Century of Kenya's substantial investments into Tanzania Cables and Tanzania's TANELEC while BIDCO has significant investment in the edible oil sector in Kenya, Uganda and Tanzania. On the other hand, Tanzanian food processing companies such as AZAM have made some inroads into Uganda and Rwandan markets.

With the establishment of EAC Customs Union Protocol in 2004, intra-EAC trade grew by 40 per cent between 2005-2009.Uganda's exports to Kenya increased more than tenfold from US$15.5million in 2004 to US$172 million in 2009 while Tanzania's exports to Kenya over the same period nearly tripled from US$95.5million to US$300 million (EAC Development Strategy 2011/12 –2015/16). Kenya, Uganda and Tanzania continue to dominate intra-East African Community trade even though its value fell from $5.8 billion in 2013 to $5.63 billion in 2014.The share of intra-EAC trade to the total trade declined to 10.1 per cent from 11.1 per cent in the same period. Intra-EAC trade is mainly dominated by agricultural commodities such as coffee, tea, tobacco, cotton, rice, maize, and wheat flour and manufactured goods such as, cement, petroleum products, textiles, sugar, beer and salt. Uganda remains a key market for Kenya's exports, according to Kenya's Economic Survey (2016). Kenya's total exports to Uganda over the 2011-2015 period stood at $3.28 billion, followed by Tanzania ($1.98 billion), Rwanda ($734.93 million) and Burundi ($303.83 million). Exports to South Sudan, which was admitted to the EAC in March 2016, stood at $71 million.

Similarly Kenya imported the most goods from Uganda at Ksh81.57 billion ($815 million) over the period 2011-2015, followed by Tanzania ($748.64 million) and Rwanda ($36.45 million). But major imports came from South Africa, totaling $3.19 billion. A 2015 study by Kenya's Ministry of East Africa Community revealed that the volume of Kenya's exports to the EAC had fallen sharply largely due to unfair competition from Chinese traders and the country's unfavorable taxation regime. Unfavorable taxation measures such as value added tax, industrial development fee as well as the railway development fund make Kenyan manufactured goods 5 per cent more expensive than imports from Common Market for Eastern and Southern Africa (COMESA) and SADC countries, according to the survey.

The advanced level of integration in EAC and Ethiopia has influenced the whole East African region to be Africa's leading subregions in its growth performances over the period below (Figure 1). According to United Nations Economic Commission for Africa (ECA), East Africa's growth continues to lead in the continent, growing by 5.9 per cent in 2016, though a drop from 6.2 per cent in 2015, mainly driven by good growth performance in Rwanda, Tanzania, Kenya and Ethiopia. In Kenya, investment in infrastructure, and buoyant household consumption, underpinned by strong underlying demand for goods and services have continued to drive growth in the subregion. However, weakness in tourism due to security concerns and the high interest rate that has pushed the cost of credit, could adversely impact growth. In Rwanda, growing agriculture and service sectors drove growth; though lower commodity (coffee and tea) prices and poor infrastructure will remain a significant barrier to growth that weighs down sub-regional growth. In Tanzania, the robust domestic demand together with growing services and manufacturing were the main drivers of growth.

In terms of physical integration, EAC identified five main corridors within the community (a total length of about 12,000 km), which constitute a strategic priority and require rehabilitation and upgrading to complete the Community's road network. There is a notable improvement in the implementation of EAC joint infrastructure policy, particularly railway planning and management of the Northern Corridor which was a focus of the 2010-15 EAC Transport Strategy. After a number of years of slow progress in improving East Africa's railways, 2014 represented significant progress in implementing the EAC Railways Master Plan. Kenya entered into a contract with China Roads and Bridges for the construction of a Standard Gauge Railway (SGR) from Mombasa to Malabar, and Uganda has entered into an agreement with another Chinese firm (albeit with recent challenges).

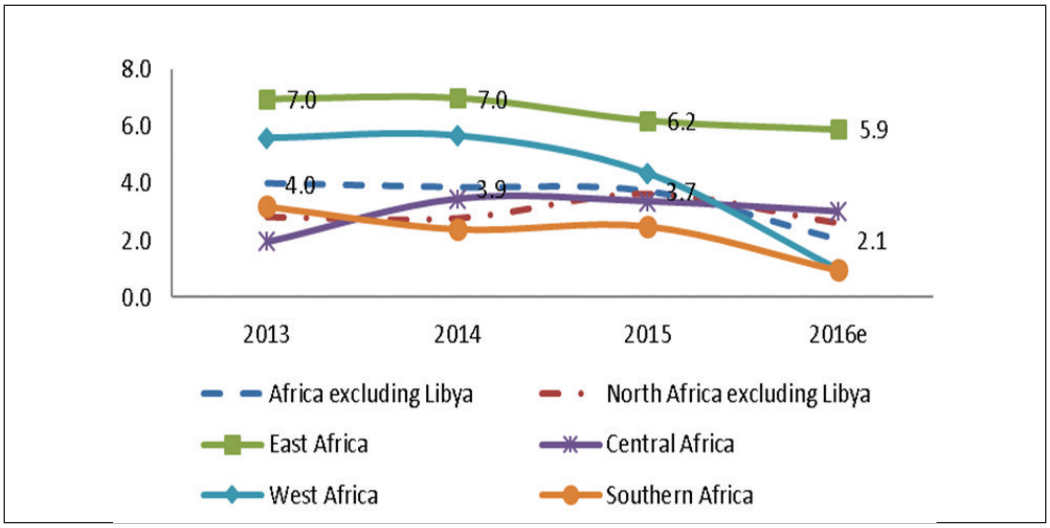
Further, Kenya, Uganda and Rwanda are making progress towards establishing a joint financing agreement for further roll-out of SGR. Such coordination stands in contrast to the previous 10-15 years. East African states progressed even further with the official launch of the East Africa Exchange (EAX) in Kigali, Rwanda. This is a transparent electronic trading platform that will facilitate a regional commodity exchange for the first time. The regional commodity exchange will connect buyers and sellers throughout East Africa and create easier access to intra-African and global markets.

## Challenges

Since inception in 1999, the EAC has taken bold steps to create a framework and structures to address issues of Peace and Security. However, the effectiveness of the structures has been hampered by the absence of clear strategic direction on the critical areas of co-operation. In 2013, the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD/DAC) in its Fragile States 2013 report classified four of the five EAC countries (all but Tanzania) as fragile. Technical support to the EAC Secretariat towards the establishment of structures and mechanisms for early detection of conflicts, their prevention, management and resolution are provided by development partners. This includes the set-up of a regional Early Warning Centre, with a "Situation Room" for anticipating, monitoring and analyzing conflicts within the region as well as in the surrounding countries. GIZ (a German development agency) is also developing capacities of the EAC Secretariat for conflict analysis, data collection and management, policy formulations and for political mediation in regional conflicts.[5]

Challenges to the implementation of EAC policies agreed by member states remain. The 2014 EAC common market scorecard indicates that despite significant achievement, barriers to the movement of goods, services and capital still remain as a result of member state laws, regulations and capital controls, as well as membership in different RECs (EAC 2014c). Implementation of the Common Market has been constrained by exemptions, bans and non-tariff equivalent measures (AfDB, 2014). Non-tariff barriers and double taxation for companies operating in two or more member countries are among key challenges facing businesses in the EAC regional integration agenda, according to the Kenya Private Sector Alliance.

**Figure 1 Africa's growth performance (in percentage) by sub-Region, 2013-2016**




***Source***: ECA's calculations based on UN-DESA (2016) data

***Note:*** e=Estimates

Kenya's position as the regional hegemon tends to have a dominant position in most aspects of inter-state relations. It also has military superiority in the region, with a defense expenditure in 2013 at US$861 million, followed by US$465 million in Uganda (SIPRI, 2013). Likewise, Kenya has a highly strategic position in the regional transport and trade network. This is due to the pivotal role of the port of Mombasa in the transit network for landlocked EAC states; for instance, 80 per cent of Uganda's transit traffic passes through Mombasa port. As a result of these factors, the Kenyan Government has the capacity to exercise disproportionate influence on other member states in the EAC and dominate the regional policy agenda. This is reflected in the government's ability to set up the Northern Corridor Countries Initiative (known in the media as the Coalition of the Willing - Kenya, Uganda and Rwanda) in the face of explicit resistance from Tanzanian authorities who have been more cautious about the integration process and wary of Kenya's leading role in it.[6] Kenyan-led parallel initiatives such as the Northern Corridor Countries Initiative occur with no oversight or control from the EAC Secretariat and could be seen to undermine the EAC's role.

## Central Asia Shanghai Cooperation

### *Background*

The Shanghai Cooperation Organization (SCO) is a Eurasian permanent intergovernmental international political, economic and military organization creation of which was proclaimed on 15 June 2001 in Shanghai (China) by the Republic of Kazakhstan, the People's Republic of China, the Kyrgyz Republic, the Russian Federation, the Republic of Tajikistan and the Republic of Uzbekistan. It is unique free trade arrangement whose member states occupy a territory of around 30 million 189 thousand square kilometers, which makes up three fifths of the Eurasian continent, and have a population of 1.5 billion and makes up almost quarter of the planet's population. The organization later accepted Mongolia, India, Pakistan and Iran as observer states, and Sri Lanka and Belarus as dialogue partners, broadening international cooperation as an open, cooperative and transparent organization. The SCO also established partnerships with regional and international organizations such as the UN, the EU, World Customs Organization, Association of Southeast Asian Nations and the Eurasian Economic Community. It has also gained observer status in the UN General Assembly.

The main goals of the SCO are to strengthen mutual confidence and good-neighbourly relations among member countries; promotion of effective cooperation in politics, trade and economy, science and technology, culture as well as education, energy, transportation, tourism, environmental protection and other fields; and making joint efforts to maintain and ensure peace, security and stability in the region, moving towards the establishment of a new, democratic, just and rational political and economic international order.

### *SCO Achievements*

In general terms, the SCO's activities can be divided into three areas of cooperation: regional security, economy, and culture. The greatest progress was made in the first of these areas. The member states have signed a number of important international treaties and regularly hold joint military exercises. Of particular importance is their coordinated effort against international terrorism, because all SCO member states have come under attack from international terrorists. Following the withdrawal of the International Security Assistance Force (ISAF) from Afghanistan, this threat can only grow. The SCO security agenda also includes the fight against drug trafficking, information security, and illegal migration.

In 2010, the total GDP of SCO member states was $7.6 trillion, and trade between SCO members and other countries reached

$3.6 trillion. The organization has made great contributions to world economic recovery from the 2008 financial crisis. Trade among SCO member states has made headway during the past decade. Trade between Uzbekistan and other SCO members reached 42.1 percent of the country's total foreign trade in 2006. In Tajikistan, the ratio was 36.6 percent for the year 2008. China's trade volume with other SCO members in 2010 was eight times higher than in 2000, reaching $83.97 billion, with average annual growth rate of about 40percent. Sino-Russian trade hit $55.45 billion in 2010, five times higher than in 2000. China is now Russia's top trading partner.[7]

Regarding security cooperation, SCO members have achieved much in defence and law enforcement cooperation through agreements such as the 2001 Shanghai Convention on Combating Terrorism, Separatism and Extremism. Since then, SCO has successfully conducted seven large-scale bilateral and multilateral anti-terror military drills, which helped safeguard member states' security and social stability. Additionally, financial cooperation in the organization has also deepened. The SCO has established an inter-bank union to serve as a financing platform for multilateral cooperation among member states. It has also launched an initiative against money laundering and terrorist financing.

The 2008 financial crisis tested the organization's coordination ability and thanks to the anti-crisis decisions made at SCO summits and prime ministers' meetings, SCO member states stepped out of the swamp of economic stagnation earlier than other regions. Furthermore, cooperation in the fields of science, technology, agriculture, disaster relief, tourism and culture has improved as well. The SCO member states have conducted bilateral and multilateral discussions on issues such as climate change, environmental protection, natural resources exploitation and regional food safety

### *Challenges*

Looking back over the SCO's evolution, it is important not to overstate or discount the progress it has made. Although the SCO has achieved steady development during the past decade, it remains a young regional organization. It still faces tough challenges. Its security concept runs counter to that of the United States and NATO. The SCO insists on the principle of "non-alignment, non-confrontation and not targeting third countries," and calling on countries to settle disputes and conflicts by peaceful means. The United States sticks to Cold War thinking of realizing its own security and the security of its allies by maintaining a military advantage and strengthening NATO. Therefore, SCO confronts challenges as it tries to coordinate with Washington and NATO on their different security concepts.

The SCO's traditional and non-traditional security cooperation needs to be improved. Large-scale multinational military exercises can do little to curb individual suicide bombings and other small-scale terrorist activities. When social turmoil broke out in Kyrgyzstan, the SCO failed to find any efficient measures to same the situation from deteriorating, except for expressing support and concern. Furthermore, China and Russia have different understandings of the SCO's status. China hopes to improve its political influence and to maintain vigorous economic development. Russia looks forward to cementing bonds with its Central Asian partners through SCO cooperation to reinvigorate the Russian-led Collective Security Treaty Organization and Eurasian Economic Community, so as to regain its influence in Central Asia. Therefore, Russia is not willing to see the SCO develop too rapidly, especially in economic and energy cooperation.

The Central Asian SCO members are paradoxical about conducting win-win economic and trade cooperation with China. Although China's giant market and huge investment potential and Central Asian nations' underdeveloped manufacturing industry and investment shortages could form complementary framework for cooperation, the Central Asian members argue that such a framework is not helpful to their long-term economic development. As a result, they are often hesitant to deepen and expand cooperation with China, worrying about excessive economic dependence on China. With reference to the SCO enlargement protocol of accepting new member states which was formally signed in 2010, the cooperation is yet to reach a consensus on which applicant should be accepted first. If this problem continues to be unresolved, it can negatively affect the SCO's reputation.

## South-East Asia-The ASEAN Experience

### Background

The Association of Southeast Asian Nations (ASEAN) is a regional grouping that promotes economic, political, and security cooperation among its ten members: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam. The free trade arrangement was established on 8 August 1967 in Bangkok, Thailand. ASEAN recognizes that regional economic integration is a dynamic, ongoing process as economies as well as domestic and external environments are constantly evolving. In 2003, ASEAN leaders decided to establish the ASEAN Economic Community (AEC) by 2020 (Bali Declaration II). In 2007, the leaders affirmed their strong commitment to accelerate the establishment of AEC to 2015 (Cebu Declaration on the Acceleration of the Establishment of ASEAN Community by 2015). The implementation of the ASEAN Economic Community (AEC) Blueprint 2015 has been substantively achieved by among others, eliminating tariffs and facilitating trade; advancing the services trade liberalization agenda; liberalizing and facilitating investment; streamlining and harmonizing capital market regulatory frameworks and platforms; facilitating skilled labour mobility; promoting development of regional frameworks in competition policy, consumer protection and intellectual property rights; promoting connectivity; narrowing the development gap; and strengthening ASEAN's relationship with its external parties .

The agreement on the creation of an ASEAN Economic Community signed on 22 November 2015 in Kuala Lumpur, Malaysia by the leading nations of Southeast Asia finally entered into force with much fanfare on 31 December 2015. Economic integration in East Asia is picking up speed, due to foreign direct investments (FDI). This integration is increasingly based on production networking of agglomeration and fragmentation by optimizing the process of globalization. However, there are visible evidences of constraints such as income gap, development gap, and institution gap. Globalization has relatively widened further the gap between the more-developed and the less-developed countries in the region. This has resulted in an uneven economic integration in East Asia. It is considered as necessary, therefore, to develop policy packages and incentives in order to utilize globalizing and regional production network. There is, in fact, a clear sign that economic agglomeration is starting to influence industrial location, whereby Cambodia, Laos, Myanmar and Vietnam (CLMV) could benefit from such process.

The geographical proximity of China, India, Thailand, and Vietnam as growth centres are definitely an advantage, as long as CLMV can reduce setup cost and service link cost. In turn, reducing such costs will require a gradual but vast improvement in infrastructure, institutions, human resource development, and governance of CLMV. Toward this objective, it is suggested that multilateral stakeholder fund is put in place through policy recommendations and further commitment to increase and coordinate intra-ASEAN Official Development Assistance (ODA) is established. These will have to support infrastructure development, human resource development, and domestic policy reform. In the end, reducing development gaps will go a long way in improving ASEAN economic competitiveness and in moving towards a common production base and single market as embodied in the ASEAN Economic Community (AEC).

### Regional economic integration in South East Asia - the case for Lao People Democratic Republic (PDR) and Myanmar

#### *The case for Laos*

Lao PDR is located in the center of the Indochina Peninsula. It is the so-called land-linked country or land-bridge among Greater Mekong Subregion (GMS) countries. Therefore, the Lao PDR's great potential for the integration is its strategic location, which can be an important overland transit point for trade in the Mekong region and between South-East Asia and the Chinese and East Asian economies. Socio-political stability is an important foundation and an essential precondition for socio-economic development, which is an advantage that the Lao PDR enjoys now. The sustained political and social stability since the foundation of Lao PDR in 1975 has positively influenced the country as a safe destination for investment flows and tourism.

The country's market-based economy structure has progressively improved with production capacities and abilities of its industries having increased substantially. Laos' enterprises and the national economy have adapted better to regional and international market and the competitiveness of its products is improving steadily. However, the country is still facing extremely difficulties in its ability to develop several industries at the competitive regional and international levels, because in principle it is required to reduce its tariffs to the 0-5 per cent range for all imported commodities. The government's development priorities have been implemented methodically in priority projects.

The full membership of the Lao PDR in the regional and global political, economic, and monetary organizations continues to boost the dynamism of the economy and accelerate the country's development. Lao PDR possesses relatively huge potentials in untapped natural resources and its integration into the ASEAN market provides enhanced markets for its commodities, particularly in the fields of hydro and bio-energy production, forestry, agriculture, and mining.

The preferences already enjoyed by Laos from ASEAN integration are tariff reductions under the Common Effective Preferential Tariff Scheme (CEPT) and the ASEAN Integrated System of Preferences (AISP) offered by the six original ASEAN members.The volume of foreign trade between Laos and ASEAN countries increased from US$1,301.6 million in 2006, accounting for 83.8 per cent of the total volume of foreign trade, to US$2,484 million in 2012, about 51.8 per cent of the total foreign trade. This represented an increase of 90.8 per cent in foreign trade during that time. The Lao PDR export to ASEAN increased from US$ 590 million in 2006, accounting for 95 per cent of total exports, to US$ 1.292 and 4 million in 2012, about 59 per cent of total exports, an increase of 119.3 per cent over the period, of which exports to Thailand and Vietnam increased 85.2 per cent and 14 per cent, respectively. Similarly, Lao imports of goods from ASEAN increased from US$ 711.6 million in 2006, representing 76.4 per cent of total imports, to US$ 1.191,6 million in 2012, equivalent to 45.8 per cent of total imports, and an increase of 67.46 per cent over the period: of this the import from Thailand and Vietnam accounted for 84.5 per cent and 14 per cent respectively.

Total investment capital from ASEAN during 2006-2012 amounted to about US$ 6,254 million, which represented 44.1 per cent of total foreign investment. Investment from Thailand amounted to US$ 5,065.2 Million, accounting for 80.1 per cent of total investment from ASEAN and 35.7 per cent of total foreign investment, followed by investment from Vietnam about US$ 916.9 million, representing 14.7 per cent of total investment from ASEAN and 6.5 per cent of total foreign investment. Investment from other ASEAN member countries amounted to US$ 272 Million, representing 4.35 per cent of total investment from ASEAN and 1.9 per cent of total foreign investment.8

## Challenges facing Laos in ASEAN integration and the Road Ahead

In Laos, most of the domestic economic regions are not unified, mainly due to the lack of infrastructure in transportation and communication, and to the underdevelopment of the nationwide market economy. Lao PDR is a nation that is topographically segmented, sparsely populated, although the population is growing rapidly and many of its regions are still characterized by a subsistence economy. Likewise, Laos' domestic commerce-and-market network has not been adequately formed, and institutions are not sufficiently developed for the unification of its domestic market. In Laos, the level of wages is significantly lower than its neighboring countries, labor is not abundant and hence any strategy based on the use of abundant labor is challenging for country, at least for the coming decade. In addition, since the literacy rate of the population remains low and human resources are not sufficiently available to uphold the activity of a market economy.

The participation of Laos in the ASEAN Free Trade Area (AFTA) has remarkably shortened the remaining preparation time of its integration into the regional and global markets. Beyond AFTA, Lao PDR needs to reform its domestic economic policies and institutions to make them more compatible to the ASEAN-China FTA and ASEAN-Japan Economic Partnership Agreements, mainly by identifying the industries and commodities that have high potential for international competitiveness.

In order to cope with its integration to AEC, in particular to maximize the benefits and to minimize the negative impacts, Laos needs to disseminate information on the ASEAN blueprint to all stake holders including colleges and universities, business sectors, and all citizens in order to raise their awareness.

All stakeholders need to review the progress in the implementation of their commitments for the ASEAN, by focusing on the legal and institutional framework requirements and other measures needed for the integration, and by seeking solutions where progress has been lagging. All stakeholders should try to make use of what opportunities they have in the ASEAN integration by and after 2015 so that they maximize the benefits from these opportunities, particularly in trade, services, investment, and labor migration. At the same time, each sector is required to develop its own long-term strategy and work plan in order to anticipate and to cope with potential challenges and negative impacts.

There is a need to strengthen the human resource development of Lao PDR, particularly to improve the quality of education to catch up with other member countries so that the Lao labor force can be recognized by other ASEAN members within the framework of Free Flow of Skilled Labor. All economic sectors, particularly the business sector, should focus on enhancing competitiveness in order to expand their exports to the ASEAN. Enterprises that produce goods and services to meet the domestic market need to improve the quality of their goods and services to compete with goods imported from ASEAN countries that are highly competitive (better quality and lower price).

### *Case for Myanmar*

Myanmar's recent reforms opened up a wide range of economic opportunities (including foreign investment in key sectors that were outdated due to decades of isolation), with its strategic location playing a key role. Myanmar's strategic location between the region's two emerging economic superpowers and between Asian subregions provides enormous opportunities to benefit from regional economic activities. Rising South-South trade and increased connectivity within the region will make Myanmar's geographic position increasingly important in the years ahead.

Myanmar will likely benefit more from the ASEAN reforms than most other member States. Aside from Cambodia, in 2004 Myanmar had the lowest GDP per capita among member states, at $1127, according to data from the IMF, as compared to $2862 in the Philippines, $3524 in Indonesia and $5896 in Thailand. From 2011 through 2014 the nation posted a compound annual GDP growth rate of 8.1 per cent, compared to 3.6 per cent in Thailand, 6.6 per cent in the Philippines and 5.5 per cent in Vietnam. The ASEAN-wide rate for the same period was 5.6 per cent. Myanmar's relatively low level of economic development as compared to many of its neighbors, plus its competitively priced workforce and vast reserves of natural resources, mean that the country is well positioned to grow under the ASEAN, which is expected to make trade and investment easier and cheaper between member states.

Investment into Myanmar comes from a similar ASEAN grouping of countries. Singapore dominated in 2014/15, with around $5bn of the total $8.1bn in FDI coming from the city-state. Under the ASEAN Comprehensive Investment Agreement, which came into effect in 2012, firms operating out of an ASEAN member state are granted various investment benefits in Myanmar. Other major sources of FDI in Myanmar were China, Vietnam, South Korea and a handful of Western players including the Netherlands, the UK and Canada.

Myanmar has abundant renewable energy potential from hydro, biomass, wind and solar resources. Among these, only hydropower is being commercially exploited, while the others remain at the research and development or pilot test stages. Myanmar offers opportunities for investment within the ASEAN and foreign markets virtually in all sectors mentioned above as it continues to modernize and liberalizes its economy.

### *Challenges facing Myanmar in ASEAN integration and Road Ahead*

A key challenge for Myanmar is to manage trade effectively, and to ensure that the country does not simply rely on raw natural resource exports for too long. The government has worked to encourage valued-added exports across a variety of segments, but a considerable amount of work is still required here. The country's trade situation has completely changed since 2011, as result of its export-led policy, which has seen trade more than doubled in the past five years.

Myanmar products lack competitiveness due to high production costs caused by the shortage of electricity, high fuel and transportation costs, difficulty in accessing internet, telephone and e-mail, and foreign currency exchange fluctuation.

## V. Conclusions and Policy Recommendations

The basic objectives that underpin the pursuit for regional integration are still valid. From country experiences highlighted in this chapter, we observed that regional integration continues to foster competition, subsidiarity, access to wider markets (via trade), larger and diversified investment and production, socio-economic and political stability and bargaining power for the countries involved. The arrangements can be multi-dimensional to cover the movement of goods and services (i.e. trade), capital and labor, socio-economic policy coordination and harmonization, infrastructure development, environmental management, and reforms in other public goods such as governance, peace, defense and security.

In this age of globalization and multileralism, integration can be complicated owing to perceived real gains or losses among the members that can lead to disputes and a sense of "loss" of national sovereignty. A successful integration agenda requires strong commitment in implementing the agreed arrangements, fair mechanisms to arbitrate disputes and equitable distribution of the gains and costs of integration. Proponents of regional integration are facing growing discourse on how regional integration is exporting jobs and its negative impacts on social and environment matters. The push back against integration and globalization has given birth to Brexit and perceived United States of America's policy stance by President Trump, America First. Yet what is really happening is short run technological unemployment where loss of jobs are due technological changes. In the long run, labor force will adjust as they retrain and retool for needs of the emerging job markets.

Understanding and considering the rising wider political, economic and social concerns of RI and its impacts for the future of globalization, economic and trade-based integration, sovereignty and multilateralism cannot be overemphasized.

Exploring and finding solutions to reinforce intended objectives of RI economic model that advocates for trickle down development effects to all against the rising perception that integration has failed to fulfil its intentions such as jobs creation and that it is eroding welfare provisions and promoting declining standards is critical. The answers to those questions have the potential to lead to a more robust set of political, economic and trade relationships globally that seeks for inclusive and equitable outcomes for nations and businesses.

Rethinking and learning from the experiences of South South cooperation and existing traditional models of integration is necessary to find new pathways to quality led integration that does not undermine national priorities and safeguards jobs during this age of technological innovations and spillovers. In the same note, interconnectedness of policies and people must be mutual and sustainable to all parties. The rise of populism and anti-Europe movements in European countries and Trump factor call for all governments around the world to articulate new integrated frameworks that ensure better cooperation prospects than going it alone. The world we want calls for common aspirations built on sustainable, prosperous and secure world is only achievable through cooperation.

Forward, it is increasingly clear that promotion of sustainable and equitable economic growth and socio-economic development that ensures poverty eradication is a universal goal. The major rationale for regional integration based on strength in numbers and in unity and that this strength can speed up the pace of sustainable development as well as enhance security is still valid. Co-operation and integration remain an effective strategy for overcoming perceived weaknesses and development obstacles incurred in integration. A new integration architecture must find solutions to these rising concerns of RI at the same time, comprehensive and multidimensional enough not only include trade and economic development but also environmental, social, and security issues. Modern integration must go far beyond free trade and addresses multiple concerns as the world struggles to adapt the transforming and globalizing world.

**Endnotes**


1. Viner J (1950). The Customs Union Issues. New York: Carnegie Endowment for International Peace
2. Venables (2003). Winners and Losers from Regional Integration Arrangements, The Economic Journal, Volume 113 (490) pp 747-761
3. Schiff, M. & Winters L. A. (2003). Regional Integration and Development. Washington DC; The World Bank
4. Hoekman, Bernard, Matoo Aaditya and English Philip. Development, Trade and the WTO, The World Bank, 2002.

5. http://eacgermany.org/peace-security/; assessed March 5, 2017
6. Craig Mathieson, January 2016;The Political Economy of Regional Integration in Africa; East Africa Community (EAC) Report
7. http://www.ciis.org.cn/english/2011-08/11/content_4400582.htm: accessed March 04 2017
8. Lao People Democratic Republic; Department of Investment Promotion, Ministry of Planning and Investment

## References


ASEAN Economic Community Blueprint 2025;

Asian Development Bank (2012): Myanmar in Transaction: Opportuniites and Challenges;

Craig Mathieson, January 2016; The Political Economy of Regional Integration in Africa; East Africa Community (EAC) Report

Das, Ram Upendra, Piyadas Edirisuriya and Anoop Swarup (2012) Regional Trade and Economic Integration: Analytical Insights and Policy Options . Singapore & New Jersey, World Scientific.

Hoekman, Bernard, Matoo Aaditya and English Philip. Development, Trade and the WTO; The World Bank, 2002.

http://eacgermany.org/peace-security/; assessed March 5, 2017

http://www.ciis.org.cn/english/2011-08/11/content_4400582.htm: accessed March 04 2017

http://www.ciis.org.cn/english/2011-08/11/content_4400582.htm: accessed March 04 2017

Laos People Democratic Republic; Department of Investment Promotion, Ministry of Planning and Investment

Leebouapao, L. (2008), 'Lao PDR Country Report', in Soesastro, H. (ed.), Developing Roadmap toward East Asian Economic Integration, ERIA Research Project Report 2007-1-1,Chiba: IDE-JETRO, pp.117-120;

Opportunities, challenges and preparations: Myanmar in ASEAN Economic community (2011) https://www.researchgate.net/publication/244485878

Schiff, M. & Winters L. A. (2003). Regional Integration and Development. Washington DC; The World Bank

Venables (2003). Winners and Losers from Regional Integration Arrangements, The Economic Journal, Volume 113 (490) pp 747-761

Viner J (1950). The Customs Union Issues. New York: Carnegie Endowment for International Peace

United Nations Economic Commission for Africa (UNECA), Economic Report for Africa, 2017.

# II

# South-South Cooperation: Select Country Experiences

**Esayas Girmay Tegegne**
Senior Diplomat, Ministry of Foreign Affairs, Ethiopia

**Henry Lubinda**
Programme Officer, United Nations Economic Commission for Africa (UNECA), Zambia

**Yoslan Silverio Gonzalez**
Research Centre of International Policy (CIPI), Cuba

**W.M. Sanjeewani Kumari Weerasekara**
Assistant Director of Establishments, Ministry of Public Administration and Management, Sri Lanka

**Erkegul Biimyrsaeva**
Senior Lecturer, International University of Innovation Technologies, Kyrgyzstan


*(From left to right: Yoslan Silverio Gonzalez, W.M. Sanjeewani Kumari Weerasekara, Erkegul Biimyrsaeva, Henry Lubinda, Esayas Girmay Tegegne)*

## I. Introduction

This chapter aims to shed light on the country experiences of Cuba, Ethiopia, Kyrgyzstan, Sri lanka and Zambia in terms of their endeavors of economic cooperation within the framework of SSC. It further intends to decipher lessons learned from the above analysis in an attempt to contribute to the bigger body of knowledge of SSC. The chapter also tries to examine the general characteristics of South-South Cooperation (SSC). It then attempts to examine the economic cooperation experiences of the countries under study in the context of SSC. It concludes by critically examining these country experiences and puts forward some recommendations. However the chapter limits itself to the experiences of the countries under study in the past decade. The focus on the period of the past decade comes from considering the following facts:

- In the past decade a remarkable growth of in SSC has been exhibited both in economic and political terms.
- In a simultaneous development, a decline in North-South Cooperation (NSC) has also been observed in relation to the financial and economic crisis the West has seen during the same period and the growing right-wing nationalism spreading in the developed world.
- Economy of the South has shown unprecedented growth.

The chapter employs qualitative methods for analyzing the topic. As applicable, few quantitative analyses could be included to aggregate numbers and interpret numerical information. The study is exploratory research as it intends to identify new principles of cooperation, new areas of cooperation, trends and others with an open mind.

## II. Theoretical Framework

Scholars of international development argue that in the recent history of international relations various models of cooperation have been exhibited. Among them, the Marshal Plan Model, the Aid Model and the South-South Cooperation (SSC) Model stand as the most important.

The Marshal Plan Model of development cooperation, also known officially as the European Recovery Programme (ERP), was an American initiative to aid the war-ravaged Western Europe. Europe was then devastated by years of conflict during World War II. As a result, the United States took the initiative to give Europe between US$ 12-13 billion (approximately US$ 120 billion in current dollar value as of June 2016) in economic support to help rebuild Western European economies. The plan was ideologically inspired and mainly aimed at preventing the spread of communism.

Scholars agree that the Marshall Plan has successfully sparked economic recovery, meeting its objective of restoring the confidence of the European people in the economic future of their own countries and of Europe as a whole.

The Aid Model normally refers to the development cooperation that exists between the Northern and Southern hemispheres. Based on the premises that the developed nations have to support the developing nations to eradicate poverty, protect human rights and strengthen democratic practices, the Aid Model has been at work since the beginning of 1960s. As a result, the world has seen proliferation of Development Cooperation Agencies in the Organization for Economic Cooperation and Development (OECD) countries during the 1960s and 70s.

Yet, the reality on the ground sufficiently suggests that foreign aid did not help the developing world as was expected at the outset. It is at this juncture that the Bretton Woods institutions (the World Bank and the International Monetary Fund) came with the now discredited policies of the Washington Consensus and the Structural Adjustment Programmes. The notion behind the policies is that governance structures in developing countries are behind the poverty and underdevelopment in those countries. Therefore, the policies attempt to reform the governance of developing countries by making various policy prescriptions that developing countries should adhere to if they are to continue to receive credits, grants, technical support and the like. Such conditionalities center around making governments small, economies de-regulated and political practices liberalized.

However, it did not take long before the WB and the IMF policies were called into question (Williamson, 2009). Today, widespread conceptual and empirical literature suggests that the WB and the IMF had taken the economies of developing countries from bad to worse.

The third model of cooperation, which is also the subject of this chapter, SSC had its roots in the Non-Aligned Movement (NAM) and the historic conferences of Bandung (1955), Buenos Aires (1978) and Nairobi (2009), which set out the principles for economic and technical co-operation among developing countries (Besharati et. al, 2015). Since then SSC has become an important alternative of economic cooperation for developing countries.

Because of the huge amount of population and share of global GDP, SSC is increasingly playing a major role in global economic relations. According to Besharati *et. al*, (2005) these changes have opened up opportunities for further partnerships between countries in the South, as evidenced by the plethora of new initiatives aimed at fostering political, economic and social relations". Today, South–South partnerships are generally perceived as being more economical, effective and favourable than the previous North-South aid relations (*ibid*).

In as much as other models of cooperation, SSC is also governed by its own principles. In fact, it is these guiding principles that mark a significant departure for SSC from the North-South Cooperation (NSC) more that the geographic undertones it embodies.

These guiding principles are:

- Non-intervention of one state in the affairs of another
- Mutual benefit
- Partnership among equals
- Respect for national sovereignty and ownership and
- Non-conditionality
- Demand-driven

The above principles are not really initiatives in their own right. They are rather outcomes of the decades of NSC, which the South came to increasingly see it ineffective, and deeply political.

In fairness, history has clearly shown us that some countries are not happy to let others intervene in their domestic affairs just because they receive aid and grants from the later while others open their doors wide open. As a result, one of the merits of SSC is its insistence that there does not necessarily exist a correlation between cooperation and intervention. Similarly, the spirit of mutual respect and partnership is another principle that has earned SSC much acclaim in the developing world.

Respect for sovereignty and ownership is yet another important principle that differentiates SSC from the North-South cooperation, which has always put national pride of developing countries at stake. To better capture the matter, it is important to look at it in relation to conditionalities, the last element of guiding principles.

The threat to national sovereignty and ownership comes mainly through policy/ ideology prescriptions that governments of developing nations need to put in place even without their consent if they need cooperation with the North to continue.

Conditions come under the pretext of ensuring that aid and loan/grant packages are not wasted and used for purposes that do not help the public. Multilateral Financial Institutions (MFIs) also believe that conditions make recipients to be able to repay the loan.

However, some of such conditions had utterly failed developing countries and this in turn had eroded the legitimacy of MFIs such as the IMF and the WB. On the other hand, lack of participation and consensus by recipients in policy prescriptions creates lack of ownership of development endeavors, which in turn contributes to the failure of the entire goals of the cooperation. Besides, double standards observed in the workings of MFIs anger many as conditions are strict on some and lenient on others.

Finally, our review of literature suggests that there are no hard and fast rules as to the areas of SSC, yet few areas stand out as being focal areas of SSC. In this regard, capacity building, trade and investment, development finance, grants and technical assistance are the most important modalities which together constitute development compact. Against this backdrop, therefore, the argument is that for a certain cooperation to be called South-South, it needs to be conducted within the context of its guiding principles and framework of development compact. Hence, the following country experiences are reviewed within the context of the above framework.

## III. Country Experiences

### Cuba

SSC has been a fundamental pillar of the foreign policy of the Cuban government over the past fifty years. One of the principles of this policy has been that of solidarity and internationalism towards the countries of the so-called Third World. In the case of the African continent, it is perhaps where the earliest examples of Cuban collaboration focused, especially since the 1960s, on the support of national liberation movements and progressive governments from the region (Azanza 2015).

Although the principles of Cuban collaboration have remained unchanged over time, there have been changes in the management of this cooperation that it has maintained with countries in Latin America, Africa and Asia. In particular, with Africa after the end of the Cold War and the economic crisis, Cuba did not diminish its levels of collaboration, but expanded its support and activism, to the continent as a result of its commitment to SSC. As of 2012, more than five thousand Cuban collaborators provide services in several African nations, in sectors such as health, education, construction, sports, agriculture, infrastructure and vaccines to control diseases (Cubadebate, 2012).

As a follow-up, one of the pillars of social programmes in Cuba has been the creation of a generalized public health system through the training of thousands of doctors. This experience has made possible the export of high quality medical services and the training of specialists from other nations. Since 1963, the year of the departure of the first Cuban medical brigade with an internationalist mission, 131933 health professionals have offered their collaboration to other nations. In Africa, Cuban cooperation remained focused on the medical field and has been of great importance. More than two thousand professionals and technicians from Cuba, work in more than 30 countries of the African continent (Telesur 2014).

Other health programmes that have spread to Africa have been *Operation Miracle*. With this ophthalmological initiative, more than 600 thousand patients with vision problems from 30 countries of Latin America, the Caribbean and Africa have been assisted with high-tech equipment (Telesur, 2014). One example of this was the inauguration of an ophthalmological center in Mali, a region where Cuba is also involved in the fight against HIV/AIDS.

The fight against dengue has been another dimension of Cuban cooperation in health. In this line the Cuban company BioCubaFarma has played a fundamental role. This enterprise is responsible for manufacturing 525 of the 849 essential medications. Cuba is conducting successful research into developing a vaccine against cholera, with satisfactory results seen in the first phase of clinical trials (BioCubaFarma 2016).Within this company, the Business Group Pharmaceutical Laboratory (Labiofam), has been responsible for the transfer of technologies for the development of nations of this continent. This company works on projects to eradicate malaria and promote agriculture.

Another episode, in which Cuba demonstrated its commitment to African health was during the outbreak of the Ebola virus. An essential aspect to take into account is that the Cuban medical presence in these nations that were affected by the Ebola epidemic since the end of December 2014, did not begin with the outbreak of the epidemic, but there was already a Cuban medical presence before. In response to the call made by the World Health Organization (WHO), Cuba decided to strengthen its medical presence, with specialists prepared to face this challenge to human security. A total of 150 doctors and health personnel were transferred to these three West African countries (Vázquez Muñoz, 2015)

The other major sector of SSC for Cuba is the field of education. In addition to the export of medical services, one of the fundamental pillars of the collaboration that Cuba has offered to different parts of the world has been the training in Cuba of medical personnel through a wide programme of scholarships to students from countries in development. With the creation of the Latin American School of Medicine (ELAM), thousands of students from developing countries have been trained in Havana. Students, in turn, make a moral commitment to work after graduation in rural communities without health services.

These education opportunities were full scholarships that were totally paid by the Cuban government. This programme was maintained despite the economic crisis of the 1990s. At present, students from 44 African countries are studying different medical disciplines in Cuba. With respect to these social programmes and the training of human resources, Cuba has graduated more than 30 thousand professionals and technicians in various specialties in university institutes throughout the country, not only in the medical sector but also in the social sciences and engineering. Cuba has also helped with creation of medical schools to

### Development Compact

Development compact consists of five modalities of SSC. These modalities are capacity building; trade and investment; development finance; grants; and technology.

***Capacity Building:*** Capacity building is the first and an important modality of development compact. Some of its elements include training programme in host country, sending experts to partner countries, scholarships, third country training programmes, deploying volunteers, conducting feasibility studies, and prototype production and training centre.

***Trade and Investment:*** Trade and investment within the global South are also very significant aspects of SSC and, thus, one of important modality of development compact. It is diversified and include duty free trade preference, trade permits, infrastructure improvement for trade facilitation, trade promotion and trade support services, providing business facilitation services, assistance for improving regulatory capacity, providing investment funds, developing intra-regional supply chains, regional and sub-regional trade agreements, providing freely convertible currency for trade, and tax preference for FDI.

***Development Finance:*** Another important modality is development finance which mainly consists of concessional loans on interest with or without capacity building component as well as commercial rate of interest for different time periods.

***Grants:*** Grants are also part of development compact and it includes debt forgiveness and grant in kind.

***Technology:*** Technology is another important modality of development compact which is essential for durable SSC. It consists of elements like technical cooperation, joint scientific and academic research, turnkey projects, technology transfer with or without component of capacity building as well as subsidising licensing or exemption from IPR arrangements.

*Source*: Chaturvedi (2016)

train in the localities the professionals who are urgently needed.

The Cuban programme "Yo sí puedo" (Yes I can) have spread also to Africa. Nigeria, Guinea-Bissau, Mozambique and South Africa have been the countries where it has been most widely used and where it has been most successful. Angola has been one of the African countries where Cuban presence and collaboration has been more stealthy. Recent examples include the implementation of the *Yo sí puedo* literacy programme. In the province of Kuanza Norte, this literacy programme is active with the presence of 42 Cuban advisers. Angola has planned through it to achieve 86.5 per cent literacy by 2017 (Ernesto Carrizo 2010).

Generally, SSC has always been at the center of the Cuban government's policy, which has remained unchanged. The principles that define this type of legitimate cooperation have been promoted by the Cuban government in all international forums, calling for a true implication and commitment to developing countries. However, Cuba´s engagement with countries of the global South has not been without challenges, like the lack of financial resources to implement more programmes and reach more regions and villages.

## Ethiopia

Ethiopia is a founding member of the Non-Aligned Movement (NAM) through its participation both in the Bandung (1955) and the Belgrade (1961) conferences. Its relation with countries of the South has always been strong in its strong support to the anti-colonial movements of many African countries. By virtue of its unique position as a funding member of the United Nations (UN) Organization along with Egypt and Liberia from the African continent, Ethiopia has given a voice to developing countries when they needed it the most. Ethiopia has also played a critical role in the G-77 within the UN.

Against this background, Ethiopia's Foreign Relations and National Security Policy and Strategy that was released in 2001, clearly notes that developing countries can get the most out of globalization and withstand its adverse impacts when they work in unison. Accordingly, Ethiopia has worked hand-in-hand with countries of the South on global issues including climate change. Ethiopia has also served as a voice of Africa and as a link between Africa and the G-20 for many years.

On the bilateral front, Ethiopia's strong partners in many aspects are countries of the South. Ethiopia's exports during 2015 and 2016 fiscal years was between US$ 5-6 billion. Accordingly, the first four export destinations were all from the south (Kuwait, Somalia, Saudi Arabia and China). Similarly, Ethiopia's imports for the same period are between US$ 20-22 billion and in 2015, the first four sources of imports from the South (China, Kuwait, Saudi Arabia and India) while in 2016 China, India, USA and Saudi Arabia were the major export sources. Hence, the data clearly shows that Ethiopia closely works with countries of the South in its trade dealings.

With regard to investment, China, Turkey, India and Sudan have been the largest sources of FDI respectively for the past decade.

Capacity building is currently another crucial sector of cooperation between Ethiopia and countries of the South. In this regard, Ethiopia has fielded hundreds of students in various higher education institutions in China and India. Russia has also been providing scholarships to Ethiopian students, mainly in railway engineering and other fields.

As far as scholarships are concerned, Ethiopia has not always been on the receiving end. As a result of its growing capacity on the higher education sector, the country has been providing hundreds of scholarships to students from neighboring countries.

Today, almost 1000 students of Somalia and South Sudan are enrolled in various higher education institutions of Ethiopia. On a related development, Ethiopia has more than 30 civil servants of different specializations working for the South Sudanese government since the country's independence in 2011.

In the health sector, Ethiopia has participated in the campaign to end the Ebola outbreak of 2015. Ethiopia fielded 200 health workers to various West African countries in response to the then African Union Chairperson Nkosazana Dlamini Zuma's call for a collective action. This may be an isolated and one-time policy decision. Yet, the fact that it was carried out in the spirit of solidarity and self-reliance qualifies it as an important support within the context of SSC.

Ethiopia attaches a special importance to its relations with its neighbors. Almost 95 per cent of Ethiopia's import/export traffic is handled through the Djibouti port. The two countries have established Joint Railway Commission and had just completed a 750 km long Addis Ababa-Djibouti Standard Gauge Railway in January 2017 with the cost of US$ 3.4 billion. The project was financed 70 per cent by Chinese Exim Bank and 30 per cent by Ethiopian government and was built by China Railway Group and China Civil Engineering Construction. Hence, the project is seen as a flagship project of SSC.

On the areas of peace and security, Ethiopia has fielded more than 12,000 peacekeeping forces in its neighbors' territories (Sudan, South Sudan and Somalia). True, that peace and security is not an area covered by SSC literature. However, looking at the matter in African context gives us the impression that it is highly intertwined with economic well-being. As a result, this chapter argues that cooperation among countries of the South in areas of peace and security should also be taken as part of their activities in SSC.

However, critics argue that, relations between Ethiopia and countries of the global South are not always mutually beneficial. They, for example, mention Chinese insistence to commit African countries to import Chinese equipments in vendor financing projects (projects financed by Chinese government and Chinese State banks) in Africa. They also mention that Chinese companies employ Chinese unskilled labour in different projects in Ethiopia while such labor force is in abundance in the whole of Africa. The highly unequal balance of payment in Africa's trade dealings with the BRICS is also another point of criticism. In this regard, Ethiopia-China and Ethiopia-India trade relations are glaring cases in point.

### Kyrgyzstan

Kyrgyzstan gained independence in 1991, following the collapse of the Soviet Union, and shortly became a member of the UN on 2 March 1992. Since then Kyrgyzstan has taken the path of increasing cooperation by building relationships with new partners and strengthening ties with the old ones, including fellow developing countries from the global South.

In the recent past, there has been a drive, within Central Asian region, to promote SSC particularly in addressing cross-border issues such as infrastructure development, customs procedures, migration legislation and the effects of climate change. Although Kyrgyzstan does not have a comprehensive national policy and institutional framework for SSC currently, there are several national strategic documents that have clear statements on how the country engages with other countries including developing countries within the context of SSC.

At present, Kyrgyzstan is a member of 77 international organizations, including authoritative global and regional structures and international alliances such as the Commonwealth of Independent States (CIS), the Collective Security Treaty Organization (CSTO), the Shanghai Cooperation Organization (SCO), etc. Kyrgyzstan has strategic cooperation with traditional development partners, as well as with new states with actively developing economies - China, India, Russia and Kazakhstan. In early August 2015, Kyrgyzstan became the fifth member of the Eurasian Economic Union, joining Russia, Kazakhstan, Belarus and Armenia.

A survey was conducted in all ministries in which, the Ministry of Justice, reported that the country at the national level participate in cooperation activities within the framework of SSC (Bozorova, 2015). The most active participants in SSC are the Ministry of Energy, Ministry of Education, Ministry of Health, the Ministry of Transport and Communications, Ministry of Labor, Migration and Youth, Ministry of Energy and Industry, and Ministry of Agriculture and Reclamation. Following are some examples of Kyrgyzstan's engagements in the SSC context:

### *Kyrgyzstan-China*

Kyrgyzstan participates in the energy sector of SSC on the basis of the bilateral and multilateral agreements that the country has with its cooperating partners. Among them, is the agreement with China on cooperation in the construction and operation of the 'Kyrgyzstan-China' Gas Pipeline with a length of 215-225 km, which is part of the Central Asia–China gas pipeline (also called the Turkmenistan - China Gas Pipeline).

Currently, UNDP in China, together with the China International Center for Economic and Technical Exchange (CICETE) and the Xinjiang Institute of Ecology and Geography of the Academy of Sciences of China (XIEG), are discussing the launch of a regional project in Central Asia on adaptation to climate change and disaster risk reduction under the Chinese concept "One belt - one way" with the participation of Kyrgyzstan.

### *Kyrgyzstan-India*

Kyrgyzstan has signed a bilateral agreement with India - in the sphere of mutual deliveries of agricultural products: meat, dairy products, fruit and vegetables, as well as investments in the construction of greenhouses in Kyrgyzstan; There is also a joint India-Kyrgyz potato growing enterprise in the Talas region of Kyrgyzstan.

### *Kyrgyzstan with Central Asia*

Kyrgyzstan has been taking part in the Central Asian Water and Energy Development Programme (CAEPWER), since 2011, which aims to strengthen energy and water security through the implementation of national projects and regional events.

The main spheres of SSC in the education sector are academic exchange programmemes with Belarus, China, Kazakhstan, and Tajikistan, the adaptation of study guides (Tajikistan, Uzbekistan), multilingual education (all countries of Central Asia), and education in the field of human rights, among others.

Furthermore, the country also participates in the SSC in the emergency sector, providing humanitarian assistance to neighboring particularly Afghanistan and Tajikistan, including ethnic Kyrgyz living in Afghanistan. As a partner in SSC, Kyrgyzstan is a participant in the Istanbul process, launched in 2011 to create a platform for discussing regional issues, especially promoting economic, political and security cooperation in the "heart of Asia".

## Sri Lanka

Sri Lanka is a founding member of NAM and a member of the UN since 1955. Sri Lanka is also a member of the Commonwealth, a founding member of South Asian Association of Regional Cooperation (SAARC), the WB, the IMF, Asian Development Bank (ADB), the Colombo Plan, G-77, South Asia Cooperative Environment Programme, South Asia Economic Union, Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), and Indian Ocean Rim Association for Regional Cooperation (IORA-RC).

Sri Lanka is involved in regional partnerships since long ago as mentioned above and still it actively participates in bilateral and trilateral development partnerships as well. Here the discussion is mostly focused on Sri Lankan experiences with India and China and few other open factors.

The relationship between India and Sri Lanka is more than 2,500 years old and both sides have built upon a legacy of intellectual, cultural, religious and linguistic interaction. Sri Lanka's strong partnerships are with neighbor India based on various disciplines on human resource development, technology transfers, trade, services and investment, lines of credit and grant assistance.

Both countries have signed Investment Protection Agreement and Bilateral Free Trade Agreement the 90s. Thereafter favorable economic climate between both countries has promoted many Indian joint ventures to set up their production units in Sri Lanka. India agreed to grant duty free access to exports from Sri Lanka in respect of items freely importable into India and Sri Lanka also provided tariff concessions on exports. Each side is having its negative, positive and residual lists as per the framework of India-Sri Lanka Free Trade Agreement (ISLFTA) (Joshi, 2010). However, Sri Lanka's largest trading partner is India in the South Asia region. Sri Lanka's regional export is about 2-4 per cent of its total exports (Venkatesh, 2008). After signing it trade has increased manifold from US$ 45 million, 1999 to US$ 499 million in 2006 (Joshi, 2010). India's reluctance to clinch the Indo- Sri Lanka Defense Agreement and strengthen its military relationships along with its continued insistence on a political solution to the ethnic conflict has reduced Indian strategic influence (Hogg, 2007).

India's technical assistance and lines of credit (LoCs) mainly focused on infrastructure development as 50,000 housing units (SrilankaBrief, 2015) rehabilitation of the Northern & Southern Railway reconstruction, setting up a coal power plant at Sampur, project of renovating 27 schools in Northern Province and a surgical ward and supply medical equipment to the Batticaloa Teaching Hospital (Thestatesman, 2016).

Sri Lanka and India has been conducting series of training-cum-studies for the purpose of exchange of best administrative practices and opportunity for further bilateral understanding and deepening cooperation between two important administrative structures of both countries. Under this programme 700 Indian Administrative Service (IAS) cadets already visited Sri Lanka in last two years, specially a team of 36 cadets in 2016 (Asian tribune, 2016). In addition under the Indian Technical and Economic Cooperation (ITEC) and the Colombo Plan, India offers nearly 200 scholarship slots annually for Sri Lankan nationals.

Sri Lanka and China also have a strong cooperation. The two countries have bilateral trade agreement (Rubber- Rice Pact) since 1952 and thereafter Sri Lanka has engaged in various negotiations with China extending its support in favor of the Chinese bid to join the WTO. China-Sri Lanka relations have been cast within the broad structure of the China-Sri Lanka All-round Cooperation Partnership of sincere mutual support and Everlasting Friendship proclaimed in 2005. Chinese involvement in Sri Lanka ranges from infrastructure development, economic aid, oil exploration, investments trade, and strong diplomatic support to emerge after war.

Funding from China accounts for more than half of Sri Lanka's construction and development loans approximately US$ 6 billion. Chinese concessional finance has emerged as the most important source of investment for Sri Lanka, financing strategically important infrastructure development projects. For example, Hambantota port and airport, expansion of Colombo port, building Norochcholai Power Plant and expressways were mainly carried out with Chinese assistance (Seneviratne, 2015). China has already signed Memorandum of Understanding (MoU) to build outpatient building of National Hospital and supply for the medical and teaching equipment. Besides that, China is engaged in MOU for establishment of China-Sri Lanka Coastal Research and Development Centre in Sri Lanka.

Exchanges in education between the two countries began with China providing seven scholarships to Sri Lankan students in 1974. Since then, an increasing number of Sri Lankan students have gone to China for higher education. Chinese government awards approximately 23 scholarships for Sri Lankan students, accordingly 100 students granted the scholarships in 2007. Sri Lanka also agreed to establish Confucius Institute of the University of Kelaniya in order to facilitate academic exchange between both countries (Kelegama, 2009).

Given the vast difference in size, and pace of economic growth between the two countries, however, economic relationship may seem a one-way street, with all benefits flowing from China to Sri Lanka. However, Sri Lanka has made its contribution by co-sponsoring the draft resolution to restore China's legitimacy in the UN in 1971. In addition, Sri Lanka has supported China several times on human rights motion against China. The help offered by Sri Lanka to China after the disastrous earthquake that destroyed the Sichuan province and the support extended in Beijing during the Olympics period is also important.

Moreover, Sri Lanka keeps very strong bilateral and trilateral relationships with BIMSTEC members and SAARC member countries and special concern with India, Bangladesh, Maldives and Pakistan. For example, Sri Lanka and Bangladesh are engaged in increasing trade and investment links, capacity building, banking, textile sector, medical, technology & telecommunication, manufacturing and logistics. Sri Lanka also made several initiatives to strengthen partnerships with Bangladesh to promote their businesses and chambers.

Sri Lanka's economy is well diversified; it has a limited free trade agreement with Pakistan, and is a member of the Bangkok Agreement and the Asian Clearing Union. For the purpose of strengthening cooperation with other countries, the Sri Lankan Army has established its first-ever SRIMED level 2 hospital in South Sudan in 2014 (Sri Lanka Army, 2014). It consists with 66 army staff and six consultants and specialists equipped with necessary components for secondary care medical services. At the multilateral level, Sri Lanka is working with the World Intellectual Property Organization (WIPO) since 2013 to increase triangular cooperation between with other developing countries and LDCs through initiatives that aim to identify best practices in the use of several areas especially in intellectual property for technology transfer, public health, food security and other global challenges.

## Zambia

Like many other African countries, Zambia has had, and continues to pursue development cooperation with a number of its fellow developing countries from the Southern hemisphere. Key countries with which Zambia has had pursued SSC include emerging economies including China, India and Brazil, in areas such as promoting trade and investment, attracting development finance, enhancing capacity development, and fostering technology transfer. The following account shows Zambia's experiences with China and India in pursuit of its development agenda:

### *Zambia-China Cooperation*

Bilateral relations between the two countries goes far back to the pre-independence era, when China provided support to Zambia to fight for, secure and consolidate political independence from Britain. In fact diplomatic relations between the two countries were officially established on 29 October 1964, when Zambia became the first country in Southern Africa to officially establish such relations with China (Mwanwina, 2008).

China's long development cooperation with Zambia has mainly been in and around infrastructure development. For instance, to galvanize the then newly established official diplomatic relations with Zambia, China provided concessional loan financing and technical support for the construction of the 1,860 km Tanzania-Zambia-Railway (TAZARA), a turnkey project built between 1970 and 1975. To-date, the TAZARA line is still regarded as a monumental cornerstone of the Sino-Zambia/Africa relations (Kanenga, 2016). As argued further by Kanenga (2016) this cooperation was in some way mutually beneficial in that while China financed and provided technical support to African countries, these countries including Zambia reciprocated by supporting the People's Republic of China with its diplomatic endeavors. For example, when China assisted Zambia with a loan to construct the monumental railway line, Zambia supported China in the UN Security Council accession bid.

Since 2000, a mechanism for China's cooperation with African countries, has been the Forum on China-Africa Cooperation (FOCAC). Under this forum, China has provided countries in Africa, such as Zambia, special trading arrangements in the quest to promote African exports to China. China has also provided favorable loans and investments. As further observed by Kanenga (2016), new engagement has been touted as the new positioning of China-Africa relations, with parties agreeing to upgrade to a comprehensive strategic partnership. The new partnership has led to an increased investment flows over the years. For instance from 2000, over 550 Chinese firms have invested heavily in mining and other sectors in Zambia, with investment having exceeded US$ 3 billion as of 2014 (Kanenga, 2016).

As observed by many analysts, such as Wu (2014) and Kanenga (2016), China has generally lived its principles, of SSC viz. non-interference, sovereign equality and mutual benefit. African countries, including Zambia, have greatly benefited from Chinese investments in various sectors, providing employments to thousands and promoting development. Over the decades, China's cooperation with Zambia, as with other African countries, has been anchored on strengthening political alliance and solidarity, mutual economic benefits and common development. This cooperation is often projected to be based on "reliable friendship, non-interference and sovereign equality" (Alden, 2005).

However, just like the overall Sino-Africa relations, the China-Zambia cooperation has faced criticism. One of the often cited cases from other observers of China's cooperation with countries of the south, such as Zambia, is the alleged ill-treatment of Zambian workers by Chinese managers and flouting local labor and safety laws (Large and Chien, 2008). Furthermore, it is worth noting, China's cooperation with Zambia, as the case is with other southern countries, is often conditioned to the "One China Policy", which is in violation of the 'non conditionality' principle of SSC. For example, when opposition leader Michael Sata criticized China and started referring to Taiwan as a 'sovereign state' during the presidential elections of September 2006, as a part of an electoral political strategy, Li Baodong, the then China's Ambassador to Zambia, was quoted to have promptly said, 'we shall have nothing to do with Zambia if Mr. Sata wins the elections and goes ahead to recognize Taiwan' (AFP, 2006).

### *Zambia-India Cooperation*

The Zambia-India relations, solidarity and cooperation, go as far back as the 1960s. In fact leaders of Zambia's independence struggle like Kenneth Kaunda (subsequently first President), drew inspiration from India's struggle for freedom, particularly from the luminary Mahatma Gandhi. For decades, the main thrust of India's cooperation with Zambia has been in the area of capacity building and human resources development. In this regard, India has been providing scholarships under the ITEC Programme for a wide range of skills development courses and training programmes. For instance, as of 2014 about 2400 civilian Zambians have trained in India under the ITEC Programme in various fields and disciplines (MEA, 2014).

Most recently, especially with the advent of the India-Africa Forum (IAF) in 2008, the Government of India has provided financial and technical support to Zambia in different sectors of the economy, and under various development initiatives, including the following:

- *Health:* Indian EXIM Bank's LoC of US$ 50 million to Zambia for setting up pre-fabricated health posts in Zambia (EXIM Bank, 2012).
- *Agriculture:* A MoU between the Golden Valley Agricultural Research Trust (GART) of Zambia and the Indian Council for Agricultural Research (ICAR) was signed in October 2009 in New Delhi for professional cooperation and collaboration in agricultural research and education (ICAR, 2016).
- *Mining:* Vedanta's Konkola Copper Mines (KCM), an Indian conglomerate, has investments of around US$ 2.2 billion in Zambia (as of 2014) and these are expected to rise to US$ 3 billion in the coming years (MEA, 2014).
- *Energy:* A joint venture between Zambia Electricity Supply Company (ZESCO) and TATA Africa Holdings called "Itezhi-Tezhi Power Corporation Limited" (ITPC). The ITPC is undertaking construction of the Itezhi-Tezhi (US$ 200 million) power project. The Government of India provided LoC of US$ 50 million to Government of Zambia for this power project (MEA, 2014).

Based on the above, it can be argued that India's relations and development cooperation has generally been, and continues to be driven by SSC principles namely, mutual respect, partnership for mutual benefit, non-interference in domestic affairs. For instance, While India has, since the 1960s to date, provided support towards Zambia's political, economic and social development, the latter reciprocated by supporting India on its issues of strategic importance, including India's nuclear programme and tests (1998), and India's admission as a permanent member in the expanded UN Security Council (MEA, 2014).

### *Zambia's cooperation with other African countries*

Zambia cooperation with its fellow African countries has generally been in the context of bilateral relations or around the pan-Africa institutional arrangements. For instance, Zambia is a member of two regional economic communities namely the Southern African Development Community (SADC) and Common Market for Eastern and Southern Africa (COMESA), and by extension, with interaction the East African Community (EAC), whose objectives, are broadly around fostering economic and social development, peace and security by pursuing regional integration, promoting trade and investment and good governance. Following are some examples of initiatives of Zambia's cooperation with other African countries:

*One Stop Border Post (OSBP) Initiative:* This is a regional programme under the initial auspices of COMESA, as a trade facilitation initiative, that seeks to addressing barriers that constrain the flow of people and goods at borders of neighboring countries by reducing the time and financial costs it takes to process cross border transaction, thereby enhancing trade competitiveness. This cooperation provides a mechanism for border agencies (such as customs and immigration authorities) to share common facilities, so as to reduce and eliminate duplication of processes and procedures. Since 2009, Zambia has signed cooperation agreements, for example, with Zimbabwe for the *Chirundu OSBP;* and with Democratic Republic of Congo for the *Kasumbalesa OSBP* both of which are operational and have led to a significant reduction of border administrative costs, and enhanced the efficiency of border operations (Muqayi and Manyeruke, 2015).

*Zambia-Malawi-Mozambique Growth Triangle (ZMM-GT):* This a technical cooperation initiative, aimed at increasing trade and investment in the bordering provinces or regions of the three countries through greater private-sector participation and improved infrastructure. The ZMM-GT initiative has been cited as an example that demonstrate the 'demand-driven approach' principle of SSC and strong political leadership fostering sub-regional cooperation among countries at a comparable level of development (UNDP, 2009).

*Peace keeping missions:* Zambia has, since 1988, been providing personnel and related support towards peace keeping operations to other African countries such as Sierra Leone, Central Africa Republic, etc. (Mubita, 2016). While peace keeping may falls outside the discourse on international development, it is argued here that it should necessary to be taken into account as peace and security is a necessary condition, especially in the African context, for enhancing development cooperation and economic and social development.

## IV. Conclusion and Recommendations

Overall, the above analysis has helped to come out some salient features of SSC within the contexts of the five countries under study. The first important conclusion is that SSC is playing an indispensable role to the development of the countries that are subject to this discussion. Some of the critical areas of cooperation would not have been filled by partners from the global North. In this regard, the vendor financing loan packages from China, the support on Ebola epidemic from Ethiopia and Cuba, the non-conditional partnership and LoCs from India and China are some but a few. However, the study has also demonstrated that the cooperation between relatively weaker and stronger economies in the global South may not always be mutually beneficial. They may also be far from the rather sacred guiding principles of SSC.

In the case of Cuba, the political will remains and Cuba continues sending doctors and professionals to African countries upon request, technology transfer, as well as the implementation of literacy and anti-malaria programmes. The Cuban authorities have expressed in different forums that the international cooperation with Africa is not for profit and this is one of the aspects that differentiates it with respect to other countries. Therefore the prospects for Cuban-African collaboration remain positive and Cuba will maintain its commitment to continue to contribute to the development of countries of the continent. Considering the SSC partnership of Sri Lanka with India, China and other countries, the benefits of Sri Lanka's strong engagement in SSC have been focused to learning from the partner countries, exchange of economic, cultural, environment and social advances as well as lower transaction costs.

As far as Kyrgyzstan is concerned, although Kyrgyzstan has accumulated decades of experience of cooperation with fellow developing countries, the concept of SSC is new for country and for the region as a whole. It is necessary for Kyrgyzstan to create a policy framework and coordination mechanisms at the national level for SSC, since their absence can prevent Kyrgyzstan from effective promotion of SSC to take of its advantages. Additionally, there is a rich potential for South-South dialogue within both existing and emerging international and regional platforms for cooperation. Cross-border issues such as water and energy management, transport, especially roads and railways, customs, human and animal health, climate change and the environment remain important priorities for regional cooperation.

The Zambian case, in this context, reflects largely robust SSC partnership, not only with China and India but also with other fellow African countries. However, there are critics who claim that the benefits of SSC are not balanced and are not properly tailored for receiving country needs. This calls into question one of the guiding principles of SSC which is "mutual benefit". As the case of Ethiopia-China relations are also replicated across Africa's relations with China, many analysts conclude that the China-Africa relation is no different from the traditional exploitative pattern of trade that Africa had with the west and China's principle of 'mutual benefit' is largely rhetoric. This proposition may be over exaggerated. Yet, there is a pinch of truth in it. It is against this backdrop that the former president of South Africa-Thabo Mbeki's warned that "Africa must guard against falling into a 'colonial relationship' with China" (BBC, 2006). It clearly is an advice worth noting, not only for Africa, but also for the relatively weaker economies of developing countries.

As a recommendation, it is necessary for individual countries to develop a comprehensive policy framework to guide their engagements to fully take advantage of the SSC. It is also relevant that political commitment and leadership play an important role in facilitating mutually beneficial partnerships between countries of the south. Furthermore, countries of the global South need to take into account factors such a comparative advantage, geographical proximity, cultural affinities and existing or potential private sector business linkages as factors that can strengthen and leverage the benefits of partnerships within the SSC context.

**References**


AFP (2006), 'PRC Envoy Says China to Sever Ties with Zambia if Pro-Taiwan Leader Wins Polls', 5 September 2006.

Alden, C. (2005), China in Africa: Survival. Global Politics and Strategy 47:3, 147-164.

Asian tribune (2016). Visit to Sri Lankan of inductees into the Indian Administrative Services, available in http://www.asiantribune.com/node/89029, accessed on 8 March 2017.

BBC (2006), "Mbeki warns on China-Africa ties" Retrieved on 29th February 2017 from Website: http://news.bbc.co.uk/2/hi/business/6178897.stm

BioCubaFarma (2016), *BioCubaFarma: a globally renowned industry*. Available at: https://cubainsidetheworld.wordpress.com/2016/03/28/biocubafarma-a-globally-renowned-industry/, accessed on 27 February 2017.

Bozorova, N (2015), "The assistance of the Office for South-South Cooperation of the United Nations Office for South-South Cooperation (UNUNSU), with support from the Arab countries, Europe and the CIS".

Charu Lata,Hogg (2007), India and its neighbours: Do Economic Interests have the potential to build Peace, October, 2007, Pg 18.

Chaturvedi, Sachin (2016), The Logic of Sharing: Indian Approach to South-South Cooperation, Cambridge University Press.

Claudia R. Williamson (2009), Exploring the failure of foreign aid: The role of incentives and information, Appalachian State University, Boone, NC, USA, Accessed on 28th February 2017 at http://dri.fas.nyu.edu/docs/IO/12361/WilliamsonRAEAid.pdf

*Cuba en el empeño por erradicar la malaria en África. 31 agosto 2013. Available at:* http://www.cubadebate.cu/noticias/2013/08/31/cuba-en-el-empeno-por-erradicar-la-malaria-en-africa/#.WLYD5yODNLM, accessed on 26 February 2017.

Cubadebate (2012), Más de cinco mil cubanos laboran en África. 27 septiembre 2012. Available at: http://www.cubadebate.cu/noticias/2012/09/27/mas-de-cinco-mil-cubanos-laboran-en-africa/#.WLzcaCODNLM. Accessed on 3 March 2017.

Ernesto Carrizo, Gustavo (2010), *Cuba: El programa "Yo sí puedo" avanza en África*. 02/05/2010. Available in: http://aulasiglo21.com.ar/?p=971, accessed on 2 March 2017.

EXIM Bank (2012); EXIMUS Newsletters (January 2010–June 2012) at www.eximbankindia.com/newsletter.asp , accessed 4 March 2017.

Felipe, Katheryn and Nuria Barbosa León (2015). *Cuba offers the world healthcare alternatives*. November 17, 2015. Available in http://en.granma.cu/cuba/2015-11-17/cuba-offers-the-world-healthcare-alternatives, accessed on 2 March 2017.

ICAR (2016), http://www.icar.org.in/en/node/634 , accessed on 4 March 2017.

*Impacta en África programa cubano de lucha contra la* malaria. 11 octubre 2009. Available in: http://www.cubadebate.cu/noticias/2009/10/11/impacta-en-africa-programa-cubano-de-lucha-contra-la-malaria/#.WLYD5iODNLM, accessed on 27 2 March 2017.

Kabunda, Mbuyi (2011), *África y la cooperación con el Sur desde el Sur*. Madrid, Spain, Casa Africa, Observatorio sobre la Realidad Social del África Subsahariana, p. 334.

Kanenga, H. (2016), Understanding Sino-Zambia Trade Relations: Trends, Determinants and Policy Implications. World Journal of Social Sciences and Humanities, 2016, Vol. 2, No. 2, 52-77.

Large, D. and Chien, S. (2008), China Rising in Africa, Whither Taiwan? Chapter presented at the Fifth Conference of the European Association of Taiwan Studies, Charles University, Prague 18-20 April 2008.

Ministry of External Affairs (MEA), Government of India (2014), https://www.mea.gov.in/Portal/ForeignRelation/Zambia_January_2014.pdf accessed on 3 March 2017.

Mubita, F. (2016), The Training, Role and Challenges of Female Peacekeepers: Experiences of Peacekeepers from the Zambia Police Service and the Zambia Army, MA Thesis, Faculty of Arts and Social Sciences, Stellenbosch University.

Muqayi, S. and Manyeruke, C. (2015), The Impact of the Chirundu One Stop Border Post in Addressing Border Protectionist Challenges. Mediterranean Journal of Social Sciences, 2015, Vol. 6, No. 6, 11-20.

Mwanawina, L. (2008), China-Africa Economic Relations: The Case of Zambia (African Economic Research Consortium.

Neissan Alessandro Besharati et. al. (2015), Developing a Conceptual Framework for South−South Co-operation, Working Document, Network of Southern Think Tanks, Africa Chapter.

Niyonkuru F (2016), Failure of Foreign Aid in Developing Countries: A Quest for Alternatives, Business and Economics Journal Vol. 7 No. 3.

Nkoana-Mashabane, Maite. *How Cuba stood with Africa*. 8 December 2016. Available at: http://www.gov.za/blog/how-cuba-stood-africa, accessed on 2 March 2017.

Reed G, Torres J. (2008), *Training and retaining more rural doctors for South Africa*. MEDICC Rev. 2008, pp. 49–51. Available at: http://www.medicc.org/mediccreview/articles/mr_51.pdf, accessed on 26 February 2017.

RIS (2016), Institutional Architecture for South-South Cooperation, New Delhi.

RIS (2016), South-South Cooperation 2016, Conference Proceedings, New Delhi.

*Saludy esperanza, el regalo de Cuba a África*. 15 septiembre 2014. Available at: http://www.telesurtv.net/telesuragenda/Cuba-Africa-20140915-0030.html, accessed on 26 February 2017.

Saman Kelegama (2009), Institute of Policy Studies (2009). Relations: An Overview Sri Lanka, available at: http://www.ips.lk/news/newsarchive/2009/20_9_9_china_business/china_presentation.pdf, accessed on 8 March 2017.

Senevirathna, Asantha (2015), India - Sri Lanka Relations: Examining Domestic Factors and External Influences on State Behaviour , *General Sir John Kotelawala Defence University, Sri Lanka, November 2015*, Pg 4.

***Socio-economic impact of the Ebola Virus Disease in Guinea, Liberia and Sierra Leone***. United Nations Development Program, Policy Notes Volume 1, Numbers 1-5, 2014, p.9 y 10. Available at: http://reliefweb.int/4B5987/DownloadId-87/sites/reliefweb.int/files/resources/_web.pdf, accessed on 24 February 2017.

*South African–Cuban Medical Collaboration: students' perceptions of training and perceived competence in clinical skills at a South African institution*. 29 Sep 2015, pp. 74-79. Available at: http://www.tandfonline.com/doi/full/10.1080/201120936, accessed on 3 March 2017.

Sri Lanka Army (2014), Sri Lanka Army Turning a New Page in UN Peace-Keeping Opens New Hospital in South Sudan. available at:http://www.army.lk/news/sri-lanka-army-turning-new-page-un-peace-keeping-opens-new-hospital-south-sudan, accessed on 8 March 2017.

Telletxiki, Paco Azanza, *Internacionalismo cubano en África*. 30-09-2015. Available at: http://www.rebelion.org/noticia.php?id=203870, accessed on 3 March 2017.

The Statesman (2016), India to renovate 27 schools in Sri Lanka Northern Province, available at http://www.thestatesman.com/india/india-to-renovate-27-schools-in-sri-lanka-northern-province-121551.html, accessed on 8 March 2017.

UNDP (2009), Enhancing South-South Cooperation and Triangular Cooperation: Study of the Current Situation and Existing Good Practices in Policy, Institutions, and Operation of South-South and Triangular Cooperation.

Vázquez Muñoz, Luis Raúl (May, 2015), "El ébola no perdona, y el juego tenía que ser perfecto", en: *Juventud Rebelde*, Suplemento Científico Técnico, p. 3.

Venkatesh (2008), M , A Study on India's Trade Relationship with SAARC Countries with special reference to SAPTA, June 2008 ,pg 170.

Vivek (2010), Joshi, An economic Analysis of India –Sri Lanka Free Trade Agreements, March, 2010, Pg 06.

Wu, D. (2014), Every Day Life of Chinese Migrants in Zambia: Emotion, Sociality and Moral Interaction.

# III

# Financing for Development: Developing Countries' Perspectives

**Gift Ninsiima**
Economist, Ministry of Justice and Constitutional Affairs, Uganda

**Saber Sellami**
Ministry of Development Investment and International Cooperation , Tunisia

**Idahaizura Binti Ibrahim**
Ministry of Plantation Industries and Commodities, Malaysia

**Ann Wanjiru Mwangi**
Senior Economist, Ministry of Devolution and Planning, Kenya

**Sereirith Kry**
Chief, Aid Coordination Office, Cambodian Rehabilitation and Development Board, Council for Development of Cambodia, Cambodia

**Jalal Ahmadi**
Administrative Office of President, Afghanistan


*(From left to right: Sereirith Kry, Jalal Ahmadi, Idahaizura Binti Ibrahim, Gift Ninsiima, Ann Wanjiru Mwangi, Saber Sellami)*

## I. Introduction

The concept of "Financing for Development" was first adopted at a UN conference in Mexico in 2002. Financing for Development (FfD) is about promoting a comprehensive and integrated approach to providing the policies and resources needed to support sustainable development around the world which means to make the world free from extreme poverty. According to World Bank report, in 2013, 10.7 percent of the world's population lived on less than US$1.90 a day, compared to 12.4 percent in 2012. That's down from 35 percent in 1990. This means that, in 2013, 767 million people lived on less than $1.90 a day, down from 881 million in 2012 and 1.85 billion in 1990.

Today's development financing is primarily concerned with the financing of the Global Goals for Sustainable low-income countries. Sustainable Development Goals (SDGs) have been adopted on October, 2015 by all the countries member of the United Nation during the conference days at UN Head Quarter. SDGs has been categorize into the 17 Goal and 169 targets. Most of the SDGs aim at improving the human quality of life and strengthen all the countries' economic growth with the sustainable aspect.

When working with SDGs, development financing plays a far more important role than in the previous work on the Millennium Development Goals. Third UN FfD Conference in Addis Ababa in July 2015 agreed to a comprehensive means of Implementation package for the 2030 Agenda. The Addis Ababa Action Agenda (AAAA) helps establish a new sustainable development paradigm, with good governance at the core and emphasis on responsibilities for all, the primacy of domestic action, the importance of good policies, the role of the private sector and a commitment to policy coherence.

However, there are several challenges that need to be addressed in implementing the AAAA to achieve SDGs. Sanjiv and Sexana (2016) stated that it is very costly and AAAA failed to ease the raising concerns about lack of funds to meet the aspirational nature of the goals. It included a recommitment to the UN target on aid spending 0.7per cent of Gross National Income (GNI) set more than 40 years ago and multilateral banks committed $400 billion. In addition, domestic resource mobilization (DRM) as the most important factor for economic growth is under discussed especially on tax reform, systematic data on Official Development Assistance (ODA) and private sector contribution.

At a joint conference with UNECA in Addis Ababa in April 2016, the African Union embraced an integrated approach to the implementation and tracking of the Africa we want Agenda 2063 and the 2030 Agenda for Sustainable Development Goals (SDGs). This new approach represents an emerging narrative of African solidarity and political tenacity, which has the potential to lead to greater freedom of movement, reduced trade barriers and coordinated efforts to tackle problems of social, economic and political capital.

### Main Sources and the Current Trends in Development Finance

Domestic resources are the largest source of development finance. Public resources are larger than private investment in most developing countries, and are growing, although government spending remains low in absolute terms in many countries. A fluid mix of international resources flow to and from developing countries, but the mix varies considerably across countries. For many countries, outflows such as the repatriation of profits on Foreign Direct Investment (FDI), repayments on loans and illicit finance are a significant issues and can drain the domestic resources available to address poverty. Official Development Assistance (ODA) remains vital where domestic resources are lowest.

The current development finance landscape is very different. Traditional ODA is under pressure. Actors in development finance are mushrooming, including non-Development Assistance Committee (DAC) donors, philanthropists and providers of climate finance. Middle Income Countries (MICs) continue to rely heavily on cross-border private financial flows and are finding it increasingly easy to do so.

On current trends, the world will miss the goals by a wide margin unless policies are improved, international cooperation is enhanced, and more public and private resources are brought to bear on financing the investments needed to achieve the SDGs. Focusing on the marginal expansion of government services will not be sufficient to reach the SDGs. Instead they will be essential to work backwards from the SDGs to map out the required interventions, policies, and associated investments.

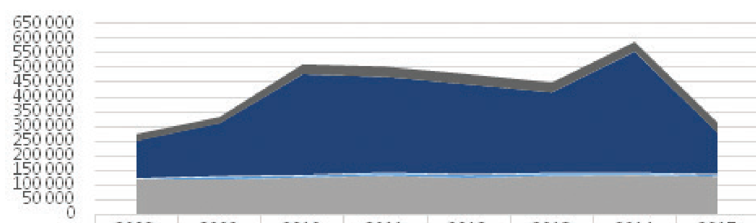
Multilateral Development Banks (MDBs) support grew from US$ 50 billion in the 90's to US$ 131.4 billion in 2015 in grants, concessional and non-concessional loans, risk sharing instruments guarantees and equity investments during the 15years effort to achieve MDGs. In 2015 net Official Development Assistance (ODA) flows from member countries of the Development assistance (DAC) rose by 6.9 per cent in real terms to reach US$ 131.4 billion.

## II. Domestic Resources Mobilization (DRM)

Over the last 15 years, developing countries have increased domestic revenues by on average 14 per cent annually. UNDP 2015 report stated that domestic revenues of developing economies amounted to US$ 7.7 trillion in 2012; that's US$ 6 trillion more than in 2000. Domestic resources are the largest, most important and most stable source of finance for development. Can we expect these resources to keep on increasing in the coming years and mobilise them for development?

This was one of the core issues discussed at the UN's conference on Financing for Development, which took place in Addis Ababa, Ethiopia in July 2015. There, governments committed to enhancing revenue collection, making tax systems fairer, more transparent and effective,

**Figure 1: Figure 1: Financial Flows to Developing Countries From 2008-2015 (US$ Billion)**




| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|---|---|---|
| NET PRIVATE GRANTS | 23 787 | 22 048 | 33 887 | 34 818 | 35 369 | 34 208 | 32 437 | 35 388 |
| PRIVATE FLOWS AT MARKET TERMS | 130 026 | 181 608 | 344 386 | 327 492 | 306 951 | 275 012 | 413 614 | 142 862 |
| OTHER OFFICIAL FLOWS | -55 | 10 148 | 6 035 | 7 279 | 9 800 | 7 027 | 4 626 | 5 308 |
| OFFICIAL DEVELOPMENT ASSISTANCE | 122 784 | 120 558 | 128 369 | 134 971 | 126 911 | 134 719 | 137 439 | 131 433 |

OFFICIAL DEVELOPMENT ASSISTANCE · OTHER OFFICIAL FLOWS · PRIVATE FLOWS AT MARKET TERMS · NET PRIVATE GRANTS

*Source*: OECD

and strengthening development aid for building the capacities of tax administrations.

But while there has been considerable progress, important challenges remain; in the Least Developed Countries, for instance, tax revenues amount to just 13% of GDP, on average. This is about half the level in many other developing countries.

There are many diverse reasons why countries may not be able to raise more domestic resources for development. These include :

- Corruption ;
- weak institutional capacities ;
- a narrow tax base and pervasive tax avoidance; and
- evasion by wealthy individuals and multinational corporations.

Under this topic, we will discuss on two main component of DRM which are public and private finance.

## Public Finance Concept

Public finance includes all aspects of public sector finance, the structure of the public sector and fiscal institutions whose work is guided by government objectives and rationale. They are of great importance to improve local fiscal expertise and institutions in developing countries.

There are two types of public finance; Domestic Resource Mobilization (DRM) and International Resource. DRM is commonly defined as the mix of financial resources available to a government to fund its operations, including direct and indirect taxes, other revenue, and borrowing from local capital markets. On the other hand, the International resource also known as financial assistance/ aid from donors. Donors have long provided support for tax reform, but since the adoption of the Millennium Development Goals in the 2000s, donor and recipient governments have increasingly placed local resources at the center of efforts to tackling development challenges.

The power to tax lies at the heart of state development in every country. In the process of development, states not only increase the levels of taxation, but also undergo pronounced changes in patterns of taxation, with increasing emphasis on broader tax bases. Thus, some taxes notably on trade gradually diminish their importance. In the developed world, it is taxes on income and value added that do the heavy lifting in raising the revenue needed to support the productive and redistributive functions of the state. Despite these facts, powers to tax are explicitly or implicitly taken for granted in most of mainstream public finance.

## Experiences from Developing Countries

### *Tax Reform in Tunisia*

The diagnosis of the Tunisian tax system made in 2012 reveals that the tax-to-GDP ratio is slightly higher than its Latin American peers, though below than Morocco. It also has a bias towards income taxes and social-security contributions, which tend to have a larger negative impact on growth and employment than consumption taxes. Income taxes fall excessively on wage earners – taxes on wages account for about 80 per cent of personal income tax revenue – while professionals, shopkeepers and crafts people pay very little tax as they rely on the rather loose forfeit system. The non-adjustment for inflation of tax brackets and allowances for more than 15 years has raised the tax burden on wage earners significantly, creating incentives to work in the informal sector. To mitigate this impact, in 2014 the government introduced a special tax allowance for those earning the minimum wage, but such an approach results in very high marginal tax rates just over the minimum-wage level and further increases the complexity of the tax system. In 2013 Tunisia launched a tax reform project focusing on direct taxation, VAT, transparency and fair competition, the modernization of the tax administration and the "régime forfaitaire" (Flat-Tax).

***Among the main reform tracks are:***

- Progressive reduction of the corporate tax rate further from 30 per cent to 20 per cent while broadening the tax base and increasing of the recently introduced rate of taxation on dividends from 5 per cent to 15 per cent

- Limitation of the benefit of the « régime forfaitaire » (Flat-Tax) applicable to small businesses that meet objective criteria;
- Continuation of the reform of income tax with increased tax deductions for low income households;
- Generalization of the normal VAT rate of 18 per cent and limitation of the special rates of 12 per cent and 6 per cent;
- Creation of a specialized structure to detect tax crimes;
- A strategy to bring the informal sector in the tax net;
- Improvement of international tax cooperation ;
- Increased financial autonomy of local authorities, and
- Improvement of taxpayers' services.

### *Tax reforms in Malaysia*

Malaysia is a highly open, upper-middle income economy. Malaysia was one of 13 countries identified by the Commission on Growth and Development in its 2008 Growth Report to have recorded average growth of more than 7 percent per year for 25 years or more. Economic growth was inclusive, as Malaysia also succeeded in nearly eradicating poverty. The government of Malaysia relies heavily on revenues from taxation to fund the various development projects and social programs in the country. Most of these revenues are derived from direct taxes. Traditionally, progressive taxation is a policy which is used to reduce income inequality amongst individuals, that is those with higher income pay more taxes whereas corporations in Malaysia are taxed at a flat rate.

The Government has taken steps to broaden the revenue base, in particular by introducing a Goods and Services Tax in 2015 (6 per cent tax) and by removing fuel subsidies in 2014. The difference between GST and the present consumption tax is in terms of its scope of charge which is more comprehensive, inclusive of the manufacturing and distribution stages as well as providing a tax credit claim for GST paid on business inputs. At the end of 2016, total GST collected by Malaysian government amounted to US$ 12.3 billion.

## Limitations of Public Financing in Developing Countries

What limits the ability to tax are incentive constraints tied to asymmetric information, or perhaps political motives, rather than the mere administrative capabilities of the state. Thus, public finance and development remains a relatively unexplored area in the field.

a. ***Domestic financing***

   Developing countries are challenged by low levels of revenue and disproportionate reliance on narrow tax bases reflected in primary constraints on achieving tolerable levels of compliance.

b. ***Governance challenges in developing countries***; some countries depend on political factors, such as the structure of political institutions and the degree of political instability. However, these governments are challenged by factors like changes in the power to tax which may also reflect circumstances, e.g., threats of foreign conflicts that forge common interests in building a strong state. To service the needs of the state, tax motives may encourage other aspects of state development in complementary ways. Generally, we take the view that governments in poor countries can reasonably be thought of as doing their best in raising taxes, given the administrative structures in place and the political incentives to raise taxes.

c. ***Illicit Capital Flight***

   This capital flight, which is very difficult to measure as it is partly illicit, deprives LDCs of a sizable portion of the resources they need for development financing. Illicit capital flight can be reasonably estimated to be twice the level of aid flows in most countries. This limits the amount of revenue collected and it makes it hard to see how effective investment in productive capacity can take place as long as such vast amounts are being squandered by the region's elites.

## Strategies to Improve Public Financing

Strategies should be put in place to promote monitoring, administration and compliance through such things as training tax inspectors and running the revenue service efficiently. A key argument is that new tax bases like income taxes and value added can become effective though there may be some extensive government investments in tax compliance. However, compliance is not a technical issue only. It also reflects the incentives that policy makers have to improve the tax system. But they may face incentives and constraints shaped by weakly institutionalized political environments.

Together, these facts strongly suggest that rich and high-tax countries have made considerably larger investments in fiscal capacity than have their poorer and low-tax counterparts.

## Private Investment Resource

### *Sources of domestic and international private and commercial finance*

In this decade, international capital flows increase rapidly along with advances in globalization of the economy. FDI and portfolio investments are two forms of capital flow. IMF and OECD define direct investment as "obtaining a lasting interest by a resident entity of one economy (direct investor) in an enterprise that is resident in another economy (the direct investment enterprise)". In the other hand portfolio investment is defined as "cross-border transactions and positions involving debt or equity securities, other than those included in direct investment or reserve assets.

FDI has been considered as the engine of growth. GDP growth of all the countries in the world is dependent on the contribution from the FDI. Throughout the huge benefit from FDI all the government in each country has been release policy guideline, business facilitation system and mechanism to attract all the investor and also try to balance and maintained the benefit of local investor. According to Industrial

**Box: African Experience on illicit Financial Flows**

According to a report of the high level panel commissioned by the East African Union and Economic Commission for Africa on illicit financial flows whereby Africa loses $50 billion a year in illicit financial flows. These flows relate to commercial transactions, tax evasion, criminal activities bribery, corruption and abuse of office. Countries that are rich in natural resources are the most at risk of falling victim to illicit financial flows. In Kenya a recent study funded by the Danish government Kenya's tax loss from trade misinvoicing by multinational corporations and other parties could be as high as 8.3 per cent of government revenue, hampering economic growth and resulting in billions in lost tax revenue.

These illicit flows have a negative impact on Africa's development efforts: the most serious consequences are the loss of investment capital and revenue that could have been used to finance development programmes, the undermining of State institutions and a weakening of the rule of law The panel therefore pledged to take the necessary coordinated action nationally, regionally and continentally to strengthen the economic governance institutions and machinery, focusing especially on tax administration, contract negotiations, and trade-related financial leakages. In addition, they will also engage with the international community, in the context of the ongoing discussions on the reform of global economic governance, in order to highlight the concerns regarding illicit transfers, including the question of tax havens."

*Source*: Compiled by Authors.

Development Policy (IDP) Cambodia, private sector has been the key driver of Cambodia's GDP growth, exports and fiscal revenue in the last decade. Private investment has recovered from a downturn during the global crisis and in 2015 accounted for approximately 21.5 per cent of GDP. Foreign direct investment, net outflows ( per cent of GDP) in Afghanistan was 0.000 as of 2014. Its highest value over the past 11 years was 0.703 in 2008, while its lowest value was -0.013 in 2004.

FDI is believed to bring with them transfers of technology and managerial expertise. However, most empirical works which investigate the determinants of capital flows focus on FDI based on the pull and push approach, which distinguishes between domestic factors (pull factors) and external factors (push factors) and tries to bring together the various investment considerations.

Recent surveys of the empirical literature suggest that some variables, for example a country's economic fundamentals, financial market imperfections, the openness of the host market, and the institutional environment, play a key role in the country's ability to attract FDI. Unlike the voluminous literature on the determinants of FDI inflows, research on the determinants of portfolio inflows is limited. Some variables are thought as common determinants of FDI and portfolio flows. For example, the rate of return on investment in host countries is one of the most important pull factors of portfolio investment as well as FDI.

Currently, the existing resources are mostly channeled into financing Infrastructure projects which are often complex and involve a large number of parties. Infrastructure often comprises natural monopolies such as highways or water supply, and hence governments want to retain the ultimate control to prevent an abuse of monopoly power. This requires complex legal arrangements to ensure proper distribution of payoffs and risk-sharing to align the incentives of all parties involved. But any measures needed to restrict monopoly power must still ensure that governments respect pre-agreed contracts.

### *Challenges of FDI and Infrastructure Finance*

The trade barrier in the sub-region, region and global. Trade barriers have been considered as the main obstacle which can lead to all foreign investor reluctant in decision making to invested on the huge picture of industrial and the competition of the product with the local enterprise. According to The WTO is projecting a 1.7 per cent increase in world merchandise trade volume in 2016, down from its earlier forecast of 2.8 per cent. If this revised forecast is realized, this would mark the slowest pace of trade and output growth since the financial crisis of 2009.

Even though the direct payoffs to an owner of an infrastructure project may not cover its costs, the indirect externalities can still be hugely beneficial for the economy as a whole. Externalities include large benefits of infrastructure services to a wide range of other sectors. Such benefits are fundamentally difficult to measure. Even if they can be measured, charging for them may not be feasible or desirable. Many infrastructure investments generate cash flows only after many years and the initial phase of an infrastructure project is subject to high risks. In addition, the uniqueness of infrastructure projects in terms of the services they provide makes infrastructure investments less liquid. These three elements – the time profile of cash flows, high initial risks and illiquidity – make purely private investment difficult and costly. Infrastructure is therefore special. Although infrastructure investments are potentially hugely profitable for the economy as a whole, they are especially subject to market failures. Markets alone will often fail to provide these services – either because an infrastructure project would not be profitable on its own, or because the associated risks are too large or too costly to insure.

### Experience of South East Asia

- Boosting investment has been a major objective of developing countries over the last decade to enhance economic growth. According to the Economic Outlook Report for Southeast Asia, China and India 2016', Southeast Asian FDI is still confronted with five key obstacles that are;
- Lack of leadership, coordination and effective decision making especially on all important issues related to the inadequate supply of electricity, infrastructure and logistics, human resource and skills.
- The scarcity of basic technical knowledge and skills that are crucial to transform an unskilled labor-force into a skilled labor force capable of absorbing new and high value technical and technological skills;
- Inadequate preparation of the necessary industrial infrastructure, especially as related to insufficient coordination in physical infrastructure investment such as supply of electricity, clean water, telecommunication network, sewage and public service provision;
- Limited financial market development that hinders the financing of industrial projects and lack of financing mechanism for public and private sector projects; and
- Issues related to the labor market and industrial relations that is key to labor market stability with adequate supply of labor, increase in productivity and better livelihood for the workers

### *The New Investment Law 2016 In Tunisia to promote domestic investment and FDI*

The Tunisian legislature adopted law in September 2016 the New "Investment Law", aiming to promote investments and business in Tunisia. The Investment Law will enter into force on 1 April 2017 and will repeal and replace the current Tunisian investment incentive. This legislative reform aims to promote investments in Tunisia, especially foreign investments, by enhancing both freedom to invest and investors' protections. The Investment Law reorganizes the governance of investments by establishing new institutions and incentive bonuses. The text that sets out this new legal framework is relatively short and shall be completed by way of decree.

In parallel, the Investment Law establishes a Tunisian fund for investment that will pay the bonuses mentioned below and be entitled to make subscriptions, directly or indirectly, in risk mutual funds, venture capital funds and seed funds. A decree will specify the rates, ceilings and conditions concerning the benefit of participations in the capital.

## III. The Financing Role of the MBD's

### Overview on Multilateral Development Bank (MDBs)

Multilateral Development Banks are financial institution that provides financing for national development. MDBs support countries in achieving their development goals through provision of technical assistance and policy advice regarding development projects.

The focus on the enhanced role of the MDBs is timely, given the need to boost global investment and growth. The major role of MDBs is to use their capital base to multiply funds which are complimented by their quality of fiduciary oversight. What is constraining growth at this stage is not so much the availability of funds but the need to transform those funds into well-designed long-term investments; this is an area where MDBs are well-positioned to play a key role.

MDBs are uniquely well placed to play a catalytic role in helping countries mobilize domestic resources and crowd in private sector flows. Their policy advice also helps countries generate, attract and manage additional flows to support sustainable development from increased domestic resources mobilization through private sector countries investment.

The MDBs are also stepping up efforts to help meet the challenge of the SDGs within their respective mandates and in support of Addis Abba Action Agenda on Financing for Development by making the best possible use of their respective model; enhancing the leverage and multiplier effects of financing technical assistance and knowledge as well as providing policy solutions and innovative financing.

### *Prospective Vision on the Role of MDBs*

In this section, we propose a synthesis of three studies that have contributed to broadening the political perspective on the issue: the first one in the center-right The Consultative Commission of International Financial Institutions, 2000); The second from the center-left (Report of the Institute of Development Studies to the Swedish Minister for Foreign Affairs, University of Sussex, 2000) and the third center (Committee on the Role of MDBs in The Economies of the Emerging Countries, 2001).

In terms of **priorities and instruments for MDBs in the Public Sector, r**eports agree that MDBs should provide loans or grants to finance investments and public spending that have high social and economic returns. Particular mention is made of health, education and social programs. There is also emphasis on programs to strengthen institutions, including reforms of the judicial system and the regulation of the banking system.

Regarding **conditionality,** two of the three reports stressed the need to strengthen conditionality by interrupting loan payments if the terms and conditions of the loan were not met. One of the reports (the report of the Consultative Commission of International Financial Institutions) suggests that sanctions be imposed on non-compliance with loan conditions by triggering a mandatory repayment of principal and eliminating interest rate. The other report, addressed to the Swedish Foreign Minister, stressed that MDBs should change their relationship with borrowers, avoiding unilateralism in the definition of strata and by introducing more participatory processes.

Concerning **determination of borrowing costs and reclassification,** two of the reports recommend a differentiated interest rate system based on the impact of programs or projects on economic development and transition, but also on the basis of the level of development of borrowing countries. We advocate combining this policy of determining the cost of borrowing with a policy of reclassification of market - based financing. The objective here is to encourage countries to move deliberately towards international capital markets to meet their external financing needs and to forego borrowing from MDBs.

**As for MDB's interventions in the private sector,** the recommendations of the Commission on the Role of MDBs in Emerging Countries and the Consultative Commission on International Financial Institutions are radically opposed to the operations of MDBs in the private sector. The first is that these operations be designed to catalyze, not replace, private financing. In this regard, it recognizes that MDB operations can create opportunities for private financing. According to the report of the Institute for Development Studies, which also shares this view, it is necessary for MDBs to encourage alternative flows of finance, including private capital flows.

Regarding the **institutional innovations,** proposals on institutional reforms differ significantly from one report to another, and open up interesting perspectives. The Commission on the Role of MDBs in Emerging Countries thus considers a new model for development financing, whereby shareholders with controlling interests in the MDBs would also be borrowers, forming By the same token, a "club of borrowers". This type of organization would enhance the borrower's involvement and responsibility in the design of programmes and projects.

The institutional reforms proposed by the Consultative Commission of International Financial Institutions are going in a totally different direction. This commission advocates the conversion of the World Bank and three of the four regional development banks (the report does not consider EBRD activities) into development agencies that would provide financing in the form of donations.

The Institute for Development Studies emphasizes the need to eliminate duplication and duplication of activities at the level of existing institutions. To this end, it advocates the establishment of Memoranda of Understanding between the World Bank and the Regional Development Banks. The approach is therefore to increase the effectiveness of existing institutional arrangements.

### *From the MDGs to SDGs and Financing Challenges*

The SDGs lift the level of ambition on eradication of poverty and well-being for all and broaden the scope to include the growth agenda, infrastructure development, and environmental sustainability, all of which are relevant to the goals and mission of the multilateral development banks (MDBs).

MDB's are uniquely well placed to play a catalytic role in helping countries mobilize domestic resources and crowd in private sector flows. A range of initiatives are underway to strengthen this catalytic role which is evolving from crowding-in banks as project financiers to efforts to crowd in institutional investors.

According to Mutambatsere, et al. (2013) the concession structure included innovative features meant to address the conventional pitfalls in similar transactions. However problems arose from the inherent complexity of the transaction, the poor choice of lead investor, the failure to ensure compliance with conditions precedent to the concession award, and the failure to meet loan disbursement conditions. The commissioning of the Kenya and Uganda railways therefore highlights limited public-sector experience in handling such complex transaction as well as the limited number of entities able to take on the roles of advisor, honest broker, guarantor and financier.

### *Improving the role of MDB's in financing development*

- MDBs must act as catalysts for policies to promote sustainable growth. As Stern (2001) argues, it is important to focus on innovation and investment in the sector private. Indeed, this sector accounts for about three-quarters of economic activity in a typical market economy, and it is because of innovation-related productivity gains and Investment in the private sector that living standards can improve over time.
- MDB's funding operations can take place in both the private and public sectors. Financial support to governments should take the form of loans when governments are able to cope with the resulting debt burden.
- In terms of short-term loans to macroeconomic stabilization programmes, the IMF has a very clear comparative advantage in the design and monitoring of this type of financing.
- With respect to the provision of global public goods and the control of international externalities, MDBs should focus on disseminating information on sound standards and practices within market and private sector institutions, which play a central role in policy-making associated with Operations.
- Multilateral grants, including those in concessional loans, should be used where governments do not have sufficient borrowing capacity to support adjustments related to political change.
- MDB interventions in the private sector can play a catalytic role in demonstrating how successfully the reform process can be addressed. This can be achieved by supporting restructuring and innovation

measures within existing companies, but also by encouraging entrepreneurship and supporting small and medium-sized enterprises, which often The main source of innovation and growth.

### *The Emergence of the New Development Banks and their role to Counterbalance the hegemony of the Bretton-Woods Institutes*

The recent emergence of new financial institutions like the New Development Bank (NDB) or the BRICS Bank and the Asian Infrastructure Investment Bank (AIIB) points to the shifting power and influence in the global financial architecture, which has so far been the fiefdom of the western world led by the US at its front. The implications of this can be mentioned as below.

- A transition from an uni-polar world to a multi-polar world :-the emergence of new financial institutions like AIIB and NDB represents the beginning of a new financial order in a multi-polar world ,posing a challenge to the uni-polar world that has existed till now due to disproportionate dominance of the Western nations in almost all multilateral institutions in the world, be it the IMF, the WB or others It would ensure protections and adequate representations of voices and interests of the developing and the under-developed world that have so far been subdued or ignored.
- A effective alternative to the Breton Wood institutions like the IMF and the WB: these new financial institutions present a serious alternative to the Bretton Wood institutions- the IMF and the World Bank- that have enjoyed a virtual monopoly in the international monetary system designed in ways to serve the interests of the North , which has also helped it in exporting imperialism to the rest of the world that remains largely dependent on financial and credit helps from these West -established institutions to finance their borrowing needs .
- Tremendous help in meeting the financial needs of the developing and the least developed countries: Developing countries are in dire need of finances to fund their infrastructure, the most critical to sustain their growth momentum in long term. .Since, banks like AIIB have been set up to meet sector specific needs of infrastructure, this would ensure adequate and easy financing of funding requirements. Over-dependence on the North credit institutions has often come in exchange of certain compromises for the developing world -like currency devaluation , undue liberalization in trade and tariffs at the cost of interests of domestic producers .The new institutions would reduce dependence too.

### *The East Africa experience with MDBs*

Despite the key role played by the MDB the developing countries are still facing major challenges in terms of accessing the funds and handling the complexity of the transaction especially infrastructure projects . A good example is the commissioning of the Kenya and Uganda railways. The Rift Valley Railways Investments (RVR) consortium was awarded a 25-year concession to refurbish and operate the state-owned railway lines in 2006. At that time, performance of the networks had deteriorated substantially due to decades of poor maintenance and under-investment. There was therefore a need to turn around the railway line because it could unlock the development potential of the whole of East Africa. However concessioning ended up being a complex endeavor with no successful precedents on the African continent.

According to Mutambatsere, et al. (2013) the concession structure included innovative features meant to address the conventional pitfalls in similar transactions. However problems arose from the inherent complexity of the transaction, the poor choice of lead investor, the failure to ensure compliance with conditions precedent to the concession award, and the failure to meet loan disbursement conditions. The concessioning of the Kenya and Uganda railways therefore highlights limited public-sector experience in handling such complex transaction as well as the limited number of entities able to take on the roles of advisor, honest broker, guarantor and financier.

## IV. The Necessity of an Alternative Development Model in South-South Relations

The capitalist system is not only in crisis, but in decline, less and less able to solve its own contradictions. To paraphrase Schumpeter, its destructive character now surpasses its constructive aspect. To take only one area, the ecological footprint becomes more "unsustainable" every day. It is no longer enough to propose regulations (probably necessary for a transition), but it has become essential to think of alternatives. In other words, in order for the South to contribute to a solution, within the framework of the South-South relations, it is necessary to envisage a disconnection from the North, not only economic and political but also the logic of development.

The latter was not only the result of an accumulation based notably on the expropriation and exploitation of the South by the North, in a colonial or imperial relationship, but also the result of the idea that Linear progress, a product of science and technology, will always succeed in solving the problems posed by the satisfaction of the ever-increasing needs of mankind, the earth being inexhaustible and its capacity for regeneration without limit. It was this conception, born and maintained in the booming trading societies of the XIIIth and XIVth centuries of Europe, which culminated in the Renaissance and the Enlightenment, which encouraged the development of an economy built on the market and gradually on the accumulation of productive capital. It also led to the submission of the South as a supplier of raw materials and agricultural products and later as a marginal market for industrial production in the North.

The logic that led to this development demanded ignorance of externalities, causing ecological disasters and increasing social distances that we know today, finally reserving for a minority the benefits of growth. Socialist societies were concerned with the transformation of the social relations of production, but very little with that of relations with nature. So we have to redefine a new paradigm.

What is essential is to define in concrete terms the current situations of societies in the South and what might become of the South-South relations, the content of a paradigm shift. The latter, which may be called the Common Good of Mankind, means the possibility of producing, reproducing and improving the life of both the planet earth and all its living species and the human race. This is the common goal of all, imprescriptible and the foundation of all collective behaviour.

Translated in terms of action, this means responding to the four fundamental axes of human existence on the planet, which every society must confront. Today, such an approach requires new options, which are of particular urgency in the face of ecological and social challenges.

To this end, South-South collaboration could establish, for example, common standards to control the action of multinational enterprises in the field of oil and mining extraction and in agriculture. Indeed, their economic and political power is such, as is the case with their capacity for corruption, that they only partially respect the laws of individual countries, when the latter exist. Only a common front could, in a period of transition, exert sufficient force to change practices.

The establishment of common criteria for the use of non-renewable resources could be another area of application, such as another use of oil than just for transport. Many derivatives, in fact, can replace materials used for other uses. Reduction of waste, lower production of Co2 or methane gas, rehabilitation of land, reforestation could be the subject of exchange of expertise and collective financing. The same applies to the extension of the average life of industrial products and the reduction of irrational exchanges (inter-ocean transport, the fruit of "comparative advantages").

South-South collaboration could be established in many areas, such as the reorganization of peasant agriculture, the control of tax havens, sharing of new technologies in the preservation of ecosystems, communications, space, and in all places where transitions are needed to accomplish the paradigm shift and put science and technology at the service of use value.

## V. Conclusion and Recommendations

To improve developing countries' effectiveness in utilizing scarce resources, efforts to achieve greater transparency and accountability in budget processes must be strengthened. Such initiatives and efforts include:

- Establishing the foundations of good governance through regulatory and institutional reforms.
- Fighting corruption and the flight of illicit fund
- South-South cooperation is increasingly emerging as a lever that can increase opportunities for developing countries to access capital, technology and markets.
- Strengthening domestic civil society capacity;
- Sensitizing the general population both directly and via intermediaries such as the media as well as making results accessible all.
- Independent government institutions: the institutional capacity of the Ministry of Finance (MOF) and spending ministries should be enhanced. Countries have experienced problems with developing the necessary institutional capacity at the level of the MOF and spending ministries to support these reforms. That capacity is influenced by the wider institutional structure and resources in terms of staff and expertise. This helps to provide substantive analysis of budget choices and the distribution and effectiveness of public spending;

**References**

Commission on the Role of MDBs in Emerging Markets, "*The Role of Multilateral Development Bank in Emerging Market Economies, Washington, DC, Carnegie Endowment for International Peace, EMP Financial Advisors and Inter-American Dialogue*".

E. Mutambatsere and A. Nalikka ( 2013) "*What role for multilateral Development Bank in project Finance? Some thoughts from the Rift Valley railways in Kenya and Uganda*" Journal of Infrastructure Development

International Financial Institutions Advisory Commission (2000), "*Report of the International Financial Institutions Advisory Commission to the US Congress*".

Institute of Development Studies at the University of Sussex (2000), "*A Foresight and Policy Study of the Multilateral Development Banks*", Stockholm, Ministry of Foreign Affairs.

Sanjiv, K, Neeta, K and Saxena, V (2016), "*MDGs to SDGs: Addressing Unfinished Agenda and Strengthening Sustainable Development and Partnership*", Indian Journal of Community Medicine: of Publication of Indian Association of Preventive & Social Medicine.

Stern, Nicholas (2001), "*Investment and Poverty: The Role of the IFIs*", Jacques de Larosière Lecture, European Bank for Reconstruction and Development,.

PUBLICATION AND WEBSITE

Cambodia Development Finance Assessment (DFA) Report. from http://www.cdc-crdb.gov.kh

Industrial Development Strategy in Cambodia, 2015-2025

Poverty and Shared Prosperity 2016, from www.worldbank.org/en/publication/poverty-and-shared-prosperity.

Rectangular Strategy Phase III, from http:// www.cdc-crdb.gov.kh

# IV

# Economic Growth of Developing Countries in the Globalization Context

## *Lessons from some Developing Countries*

**Ahmad Anwar**
Department of Political Science, University of Quranic Science, Wonosobo – Indonesia

**Amadou Baubacar**
Junior Economist, Head of Studies & Programming Division - Ministry of Energy & Petroleum, Niger

**Nahum S. Nyawara**
Ministry of Public Service, Youth and Gender Affairs – State Departement of Public Service and Youth Affairs – Kenya.

**Tawaba B.**
Economist at Ministère de la Defense Nationale, Democratic Republic of Congo.

**Nico Ombeni**
Statistician at Department of Policy & Planning - Ministry of Industry, Trade & Investment, Government of Tanzania.

**Vithou Oeurn**
Ministry of Economy & Finance, Cambodia


*(From left to right: Vithou Oeurn, Nico Ombeni, Ahmad Anwar, Tawaba B., Amadou Boubacar, Nahum S. Nyawara)*

## I. Introduction

Economic development has proven to be an inevitable feature of growth though with vicissitudes considering there are many developing countries vulnerable to financial crisis. The 2008 economic crisis for instance led to a dramatic decline of GDP annual growth rate of Cambodia, Congo[1], Indonesia, Kenya, Niger, and Tanzania. Yet interestingly as those countries will be the focus in this study, they could maintain the GDP amount at least for the subsequent years.[2]

Each country has its own unique experience in dealing with its economic development. While energy issues are behind Indonesia's GDP decline in the last two years, tourism constitutes the vital driver in Cambodia. Similarly, African countries have vast natural resources, despite facing social challenges. Nevertheless, Africa's growth is considered as the most rapid one in recent years.[3]

This chapter highlights the common challenges of developing and emerging economies in ASEAN and Africa region. It also discusses the benefits derived from strengthening regional cooperation and integration for sustained economic growth. The chapter elaborates the challenges and opportunities in developing and emerging economies and lessons learnt in the realm of globalised world.

## II. Understanding Economic Growth

In studying economic growth, some of the key concepts considered are; approach of measuring economic growth (GDP), factors affecting economic growth (labour, capital, technology) and the roles of the factors in driving economic growth. This concept refers to Solow and Swan model[4] introduced in 1950s and 1960s. The model, then, developed further on theory of Harrod-Domar on some hypothesis, by regarding economic growth as a function of capital accumulation, labour growth and technology development. The formula can be presented as: $Q = F(K, L, A)$, where Q stands for economic productivity output, as a function of capital K, labour force L, and technology improvement A. The theory states that by varying the amounts of labour and capital in the production function, an equilibrium state can be accomplished, and also argues that technological change has a major influence on an economy, and that economic growth cannot continue without advances in technology.

A SWOT analysis is employed in this study to analyse the major problems and prospects faced by the countries. This model of analysis is a structured planning method used to evaluate the strengths, weaknesses, opportunities, and threats involved in a many faceted strategy by addressing some similar issues to the current study, but in different context whenever applicable. Though this concept is commonly used to analyse the performance of an organisation, many studies about country specific development have been conducted by utilising the SWOT analyses model. Since a state is also can be define as a form of organised government or the people itself, applying the model in this study certainly will be beneficial.

SWOT analysis is considered as important technique to identify internal and external factors.[5] This method determines the best combinatory strategies that maximize the strengths and minimize the weaknesses and the opportunities and threats effects. The most significant step of the SWOT analysis is to identify the drawback and beneficial factors.[6] By using this analysis, the chapter may explain general economic development of those 6 developing countries in dealing with their GDP growth. Yet, the results are expected to be broadly more applicable for other countries. Moreover, by selecting the vital problem and its strategy in respective country, it can be used to fulfil the lack of strategic planning.

## III. Opportunities and Challenges of Developing Countries

Globalization is a multi-dimensional process, which is performing at a rapid rate and in profound way of all aspects of national and global activities and interaction (Small State in Global Economy, 2001). Inherent in this process is the decline or demise of some industries and products and simultaneous creation of opportunities for new products or services, with elimination and reduction of national barriers, goods, services, capital, technology and certain type of labour will be liberalized to move into largely integrated market, creating opportunities for exports which are conceptive in cost and quality. SDEs can take advantage of many of these opportunities; however, their weakness and threats in size and development level pose challenges such as capital inadequacy, economy of scale narrow resources.

### Strengths and Opportunities

In Africa, there are many countries having significant amount of natural resources. One of the examples is Niger which constitute the world's fourth largest uranium producer (4,351,000 tons)[7] and has huge oil (3,081,636 tons).[8] Congo, in other hand, has 34 per cent of the national territory suitable for agricultural production.[9] Similarly, agriculture sector in Kenya is projected to contribute to 7.2 per cent of the GDP, in 2017. In Indonesia, manufacturing sector contributes to 24 per cent of the GDP, while agriculture, trade, hotel & hospitality contribute to 14 per cent each, other sectors' mining, services, finance, and transportation contribute to 11 per cent of the GDP respectively. in each .[10] In case of Cambodia, tourism sector tends to contribute significantly. With various world attractive destinations, arrival of tourist to Cambodia climbed from 2 million in 2007 to 5 million in 2016.

In terms of labour, in Niger has a large labour force as a result of population growth rate of 3.9 per cent per year. Similarly, Indonesia has a large number of skilled work-force that it exports to Malaysia and Singapore. Kenya has population of approximately 44 million people with a national literacy rate of over 78 per cent on which it utilizes both the skilled and semi-skilled labour force in the economy.[11]

In Tanzania tax revenues has increased to 18 per cent of GDP due to effective tax administration. Indonesia experienced a stable economic growth rate between 5 to 6 per cent annually and GDP of $890.4 billion, after 2014 it decline gradually. In 2015, Congo the economic growth rate declined from 9.2 per cent in 2014 to 7.7 per cent in 2015. The main sectors driving the economy are; mining, transport, telecommunications and manufacturing industries. Inflation was contained at 0.8 per cent and the exchange rate of the Congolese franc (CDF) against the U.S. dollar (US$) has remained stable, with a fluctuation of 0.2 per cent.

### Weaknesses and Threats

Countries are classified as developing due to macro-economic and social limitations in the process of National Development because they face challenges in many sectors of the economy. Despite its landlocked situation, Niger's macroeconomic outcomes continue to be impacted by security shocks and weak commodity prices.[12]Agriculture continues to drive the economy, and as it is mostly rain-fed, it is very much at the mercy of climate-related shocks. It contributed to 26,1 percent to GDP in 2015 and 36,5 percent in 2016. Inflation remains subdued at 1 percent and 1,3 percent in 2015 and 2016 respectively and below the West African Economic and Monetary Union (WAEMU) convergence criterion of 3 percent.[13] In Congo, agricultural sector faces challenges such as low productivity and market access, and drainage.

In case of Indonesia, the corner of the slow-growth tends to a rise in protectionist discourse. For example, an environment regulations have

## SWOT analysis

| Country | Strengths & Opportunities | Weaknesses and Threats |
|---|---|---|
| Cambodia | • Favourable policy on FDI<br>• Good labour compliance<br>• Free of exchange rate risk: dollarized economy<br>• Rising of international tourist<br>• Unique indigenous products<br>• Flow of technology transfer and investments from China<br>• New markets: China, Japan and EU countries | • Small population : leading to small domestic market, hard to reach economy of scale and labour specialization<br>• Structure and operation of small market : results in substantial imperfection due to lack of participants, and many cases are monopolies and oligopolies, with only few firms effectively dominate operation.<br>• Competitiveness and economies of scale : production cost tend to be higher in SDEs.<br>• Limited natural resource : creating dependence on imports of consumer and capital goods and exposing the economies to natural disasters and harzard;<br>• Small size of firms : firm size tend to be small, lack economy of scale.<br>• Vulnerability to change in world markets<br>• dependent on the influx of foreign-owned firms<br>• Political instability<br>• High degree of openness to trade: high concentration export on few primary products from agriculture, forestry, fisheries, and mining ; with narrow resources, production materials in particular FDI need to be imported. |
| Democratic Republic of Congo | • Vast arable Land<br>• Huge Mineral and Oil Deposits<br>• Growing Population | • Strong presence of the State, thus marginalizing the private sector<br>• Limited access to social infrastructure |
| Indonesia | • New economic stabilisation policy<br>• Bureaucratic reform | • Ineffective tax administration<br>• Protectionism in term of regulating foreign companies |
| Kenya | • Low illiteracy rate<br>• Skilled labour | • high poverty levels<br>• unemployment<br>• disparities in regional development |
| Niger | • Huge oil and energy<br>• Young population (growing)<br>• World's fourth uranium producer<br>• Net oil products exporter | • Landlocked<br>• Security shocks<br>• Volatility of raw materials prices |
| Tanzania | • Huge natural resources<br>• Strategic geographic location<br>• Good governance and good public debt management<br>• Effective tax administration<br>• increase a number of trading partners (bilateral & multilateral) | • Poverty and income inequality<br>• dependency in production of primary commodities<br>• Constraints in nurturing industrialization process, mainly infrastructure<br>• High population growth rate nearly 3 per cent annually, mismatch with available social services<br>• High aid dependence of external assistance |

resulted in lack of investment, injuring its energy sector. The existing policy is believed to be less attractive to foreign investors. While *The 2009 law on Minerals and Coal Mining* leads to no protection of royalty rate for foreign firms,[14]*the 2012 New Food Law* causes high domestic prices for food commodities as well.[15]In general, this phenomenon occurred because of low performances in mining as well as trade and construction sectors of Indonesia, as the Finance Minister mentioned considering the fact that there were also problems in tax revenue collection.[16] Indonesia tends to have lack of effective regulations, yielding to the slow trend of economic growth. Other challenges associated with labour, services, agricultures or tourism might also become parts of this.

## IV. Some Policies to learn

Pertaining to this obstacle, Indonesia's government has been formulating policies to deal with such challenges. An economic reform introduced in the last two years confidently led to the gradual growth of GDP during 2016. A policy of reducing government spending has contributed to this performance. In the third quarter of 2016, Indonesia's GDP growth stood at 5.0 per cent, higher than the same quarter in the previous year by 4.7 per cent. The growth is mainly derived from consumption expenditure and investment spending. The role of consumption expenditure (53.8 per cent) and investment (31.6 per cent) was the largest compared to other expenditure groups.[17]

In regard to the lack of effective regulations, the new government[18] attempts to maintain its domestic politics. In July 2016, the cabinet reshuffle aimed to gain political confidences and better performance in such policies. Through this strategy, the government could make bureaucratic reform such as laying off numerous 'unproductive' civil servants to minimize national budget and reducing corruption as well without any hesitation. Though protectionism sentiment will likely last, Indonesia is gaining more trust from international investors since the legal system is being resolved. Furthermore, the strategy will continue to shape some vital industries, including energy sectors.[19]

**Table: GDP growth rate (%)**

| Country | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| Cambodia | 7,26 | 7,48 | 7,07 | 7,04 | 7,00 |
| Congo, Dem. Rep. | 7,16 | 8,50 | 8,97 | 6,92 | 9,00 |
| Indonesia | 6,03 | 5,56 | 5,02 | 4,79 | 4,90 |
| Kenya | 4,55 | 5,69 | 5,33 | 5,65 | 6,80 |
| Niger | 11,81 | 5,27 | 7,05 | 3,61 | 4,60 |
| Tanzania | 5,14 | 7,26 | 6,97 | 6,96 | 7,20 |

***Source***: World Bank 2017

Niger's real GDP growth has been very erratic (ranging between 11,81 per cent to 4,6 per cent) in the past five years. This instability of the GDP growth is due to the high dependence of the economy on the primary sector, which is dominated by the agriculture sector. Following to this obstacle, the Government set up a new Plan for the next five year PDES 2017-2021 based on the country long-term vision so-called : *Stratégie de Développement Durable et de Croissance Inclusive SDDCI, Niger 2035*. This Vision represents a fundamental change in policy orientation and institutional arrangements, responding to recent developments in Niger and the sub region. The SDDCI, Niger 2035 targets five (05) plus one (01) priorities. This relates to human capital, administration, private sector, demographic, rural area and security. The evaluation of the Plan made in 2016, has shown that, over the period 2011 to 2015, the rate of economic growth was 6.0 per cent, on average per year, higher than the rate of population growth (3.9 per cent). It means that, there is a gap of about 2 per cent between the expected growth rate of 8 percent and effective rate of 6 per cent.[20]

The rate of economic growth of Congo, after falling to 6,92 in 2015 due to the international financial crisis, overall stood at 9,00 in 2016. This performance was driven by the strong growth of the extractive industries and the associated investments, and, to a lesser extent, by the level of public investment.

Despite the drastic decline of raw materials prices in Congo, macroeconomic stability has been preserved, thanks to a tightening of tax revenue, international reserves and the increase in the current account deficit. Economic activity is expected to register a slight slowdown to 7.0 per cent in 2016 before accelerating to 8.0 per cent in 2017, with the recovery of mineral prices expected from the year 2017 and the positive effects of structural reforms and reconstruction of infrastructure. To strengthen stability and resilience of the economy to shocks, the Government adopted in January 2016 a series of 28 urgent measures and decided, as part of the national strategic plan of development (PNSD) under development, to diversify its economy and expanding its chain of values.

The decline of Tanzania GDP annual growth rate from 7.26 per cent (2013) to 6.97 per cent (2014) and later to 6.96 per cent(2015) was mainly due to reduction of production in industries (textiles, spirit, cigarettes, and pyrethrum) that resulted from increased of production cost in manufacturing industries. Production costs increased due to increase of electricity costs per unit.[21]

Many initiatives have been done but recently, Tanzania embarked upon its Second Five Year Development Plan 2016/17-2020/21 (FYDP II), which, among other things, picks up interventions which fell short under National Strategy for Growth and Reduction of Poverty (NSGRPII) and FYDP I. With the theme nurturing industrialization for economic and human development, the plan has three pillars: industrialization, human development, and implementation effectiveness. With FYDP II implementation based on a credible and realistic financing plan, the country's fiscal and debt sustainability will be maintained. The private sector can also be leveraged, not only as a source of financing FYDP II through public private partnerships (PPPs), but also as the actual driver of industrialization.[22]

In tourism sector, Cambodia is one of good example since the government realises that this sector is important. Furthermore, the government tries to expand to other sectors. Promotion of agriculture and development of physical infrastructure is also conducted. Meanwhile, capacity building and human recourse development as well as private sector development and employment are also being accelerated.[23]

Kenya's strategic investments and policy reforms in other hand have led to significant improvements in performance of the transport system, notably a reduction by half in the transit time between Mombasa and Kampala. At the same time, traffic has been growing by over 7 per cent a year, with container traffic growing faster and now exceeding the liquid bulk traffic, leading to structural transformation in economic activity in the hinterland.[24]

In addition, Kenya Vision 2030 identified six priority sectors with high potential of spurring the country's economic growth and development. The sectors are: tourism, agriculture and livestock, wholesale and retail trade, manufacturing, business process outsourcing/IT Enabled Services (ITES) and financial services. Oil and mineral resources has been introduced as seventh sector in the Second MTP. These sectors will drive achievement of 10 per cent GDP growth in 2017.[25]

## V. Conclusion

Traditional material capital, labour and other factors seem unable to determine long-term economic growth, since land and other public resources are scarce due to ecological deterioration should be also considered in policy planning. Thus, determinants of economic growth including traditional labour, physical capital and human capital, knowledge and information; and, with structural transformation and upgrading will be further expanded for considering the growth.

Small and developing economies depends increasingly on external economic environment. Regional cooperation and integration will in dues small developing countries toward labour specialization and more sustainable growth. There seems to be no country that has succeeded as economic growth without being open to globalization. National policy response of SDE that normally tend to be conventional is insufficient. Appropriate response should be strategic global repositioning, which is a process of repositioning a country in the global economy and world affairs by implementing a strategic medium to long term plan formulated from continuous dialogue between the public sector, private sector, academic community and civil society organisation.

**Endnotes**

1. Congo in this whole chapter refers to the Democratic Republic of Congo.
2. "Trading Economics," n.d., http://www.tradingeconomics.com/.
3. Charles Mensah and Mustafa Özer, "Africa's Economy: Trends, Challenges, Prospects and Potentials," 2016, https://www.researchgate.net/profile/Charles_Mensah3/publication/309609770_Africa's_Economy_Trends_Challenges_Prospects_and_Potentials/links/5819a19708aee7cdc6860ca4.pdf.
4. Marginal Revolution University, *Intro to the Solow Model of Economic Growth*, accessed March 4, 2017, https://www.youtube.com/watch?v=eVAS-t83Tx0.
5. Babaesmailli, M., Arbabshirani, B., Golmah, V., 2012. Integrating analytical network process and fuzzy logic to prioritize the strategies – a case study for tile manufacturing firm. Expert Syst. Appl. 39, 925 – 935
6. Hill, T., Westbrook, R., 1997. SWOT analysis: it's time for a product recall. Long Range Plan. 30, 46– 52.
7. World Nuclear Association May, 2012.
8. Ministry of Energy and Petroleum 2015 report
9. DRC – National Ministy of Economy 2016
10. Pradeep Tharakan, "Summary of Indonesia's Energy Sector Assessment," ADB Papers on Indonesia (ADB, December 2015).
11. Republic of Kenya (2008) Key Investment Opportunities in Kenya
12. IMF Country Report N°17/19 of Niger, 2016
13. INS, Niger, 2015
14. Richard Dutu, "Challenges and Policies in Indonesia's Energy Sector," *Energy Policy*, no. 98 (2016): 513 –519.
15. Richard Dutu, "Why Has Economic Growth Slowed down in Indonesia? An Investigation into the Indonesian Business Cycle Using an Estimated DSGE Model," *Journal of Asian Economics* 45 (August 2016): 46–55.
16. "Tax Buoyancy Indonesia: GDP Growth & Tax Revenue Are Asynchronous | Indonesia Investments," accessed March 2, 2017, http://www.indonesia-investments.com/news/todays-headlines/tax-buoyancy-indonesia-gdp-growth-tax-revenue-are-asynchronous/item7613?
17. Bappenas, "Indonesia Economy Outlook 2017 - Global Risk Challenges," November 22, 2016, http://www.bappenas.go.id/files/3714/7978/1089/outlook-final-ENG.pdf.
18. Under administration of President Joko Widodo that has been running from October 2014.
19. "Jokowi's Indonesia: Shifting To Reform and New Growth" (Singapore Institute of International Affairs, August 2016), http://www.siiaonline.org/wp-content/uploads/2016/10/2016-08-Special-Report-Indonesia.pdf.
20. INS, Niger, 2016.
21. Tanzania is one of the mainly source of power supply depends much from hydro-electric power, though it uses other sources like fuels, gas (but not fully utilized). In 2014 and 2015, Tanzania experienced a few rain seasons. *Tanzania Economic Survey, 2015*
22. World Bank 2016.
23. Rectangular Strategy Phase III, 2013,Royal Government of Cambodia
24. Khanna et al (2016) The Role of Services in Economic Transformation –With an application to Kenya.
25. Republic Kenya (2013): Second Medium Term Plan 2013-2017

# V

# SDGs in Post-Truth: Do SDGs Matter for Developing Countries?

**Paruyr Abrahamyan**
Syndicate of the Ajapnyak Administrative District Heads Staff, Armenia

**Omar Al-Farsi**
Director of Information & Statistics, Planning Department, Ministry of Health, Oman

**Kimhok Te**
Aid Coordination Officer, Cambodian Rehabilitation and Development Board, Council for Development of Cambodia, Cambodia

**Olga Addo**
Senior Project Officer, CARICOM Secretariat, Guyana

**Nassirou Moussa Niandou**
Head of Division, Ministry of Plan, Niger

**Marwa Gaber Hamad Mohamed**
Economic Researcher, Information and Decision Support Center, the Egyptian Cabinet, Egypt

**Tawaba Gracia**
Administrative Staff, CBCO, Democratic Republic of Congo

**Venera Zhamalova**
Senior Lecturer, International University of Innovation Technologies, Kyrgyzstan


*(From left to right: Marwa Gaber Hamad Mohamed, Omar Al-Farsi, Kimhok Te, Paruyr Abrahamyan, Tawaba Gracia, Olga Addo, Venera Zhamalova, Nassirou Moussa Niandou)*

## I. Introduction

After World War 2, growth plan was implemented in order to rebuild Europe, destroyed by the war (Marshal Plan), which led to high rate of productivity, automation and mechanization processes, as well as with the creation of new sectors and services. However, "the economic miracle" that was largely accepted by the international community came to the end in the early 70s, which caused the collapse of Bretton Woods "Bible" and was followed by the oil crisis (1973) and stock market fall (1974) that eventually brought the world economy into a new recession (Marglin et al., 1990).

Since then, the researches for an alternative model of development, which would prevent any crisis and negative social, ecological and cultural impact, have intensified. Thus, throughout the next several decades, starting from the late 60s and early 70s new concepts and theories such as post-development theory, post-materialism, post-modernism, post-scarcity economy, social economy, ecological economy, green movements, the concept of sustainable development and many other similar movements that had critics of capitalistic system as a common ground, came up into the international academic and political debates (Schweickart, 2002).

In this regard, already in 1987, the Brundtland Commission report came into the international debates and advocated the notion of "Sustainable Development" (Our Common Future), which stressed the extreme importance of environmental protection and social equity apart the economic development and growth. Afterwards, the Brundtland report became a basis on which the following international initiatives and discourses were developed.

We saw the establishment of The Millennium Development Goals (MDGs) by UN and its transition to The Sustainable Development Goals (SDGs) in 2015 that were dedicated to eradicate poverty, protect the planet and ensure that all human beings live in peace and prosperity.

So, this chapter would look through the historical evolution of the post WW2 development agendas, the emergence of "green" movements and appearance of the term sustainability in order to see whether this new blueprints are corresponding to the national and regional priorities and national interests of the developing counties or they are only another attempt to appropriate the development directives by the Western countries to restrict the further strengthening of emerging countries to maintain their historical competitive advantages. Therefore, the chapter would look at this issue from the critical perspective and will analyze the development processes within the so called **"post-truth** theory", assisted by study cases from several developing countries from Asia, Africa, Eastern Europe and Caribbean to overlook the real on field, practical impact of implementations of the SDGs within the national policies in all sectors of life.

The main objective of this chapter is to question the relevance of the SDGs for the developing countries as well as to analyze the new challenges that developing world is facing in achieving those objectives.

The specific aims of this study are:

- To present the overall ambiguity and challenges in practical implementation of the SDGs within the developing countries
- To select specific countries and demonstrate the processes of harmonization of the SDGs in the policies of developing countries by concrete study cases in comparative analysis
- To form the future scenarios and recommendation for the Global South to meet their goals

## II. Theoretical Framework

In order to understand the current "world order" and alignment of forces of actual system we are living in, one has to understand what the term "development" itself means. So, what is "development"? Is it economic growth? Does it mean a social transformation? Is it cultural? Or perhaps environmental? Or maybe political? There are various definitions and perceptions but there is no common one. Thus, *development is defined like a process of economic and social transformation that is based on complex cultural and environmental factors and their interactions.* Nevertheless, there are different dimensions of the notion and they are all interrelated between one another. "Development" can mean one thing for one country and has another sense for the others, depending on cultural specificities, worldviews and priorities. That is why it is hard to say which country is developed and which one is not.

In the current model of development, the development itself is fundamentally associated with economic development and economic growth that are being measured by commonly accepted indicators such as GDP (Gross Domestic Product) and GNP (Gross National Product). Whereas, there is no strong empirical evidences proving that basing only on economic growth and the increase of nation's total wealth, will necessarily boost the quality of life and happiness of people, since the history has already shown up cases when economic growth was accompanied by lesser equitable distribution of resources and incomes among different social groups, deterioration of cultural identities and system of values in society, weakening of democracy and liberties as well as overconsumption of natural resources and pollution of environment.

Thus, especially starting from the Industrial Revolution, which was the result of Age of Enlightenment and scientific progress in Europe, and is the ancestor of the current capitalist system; there is a strong conviction that the massive economic growth and production power will inevitably increase the wealth of all people and their living standards (Goklany, 2007). And although, it is true, that during upon mentioned period of history first time the growth of population was accompanied by an increase per capita (Hudson, 1992), however, many historians and scholars doubt and question the positive impact of industrial revolution on standards of living, arguing that the vast majority of population, especially the ones in the lowest social ladder, did not have significant improvements in their living standards. Moreover, many workers have lived harsh decline and restrictions (Feinstein, 1998).

The limitations of traditional development indicators such as GDP and GNP, have been criticized. In the Kingdom of Bhutan, in 1972 the government even adopted *"Gross National Happiness (GNH)"* as a new measure of population's well-being, opposing to the traditional Western indicators that are based on materialistic values (Mcdonald, R., 2005).

Hence, these new tendencies raised several questions with regards to the future development model of the society: Is development restricted by environmental sustainability limits? What should be developed (personal wealth, national wealth, human society, ecological diversity etc?). How should we measure the development, comparing with which baseline, since development is not a fixed state of harmony but rather a dynamic process of changes? Who is responsible for development and sustainability? Under what conditions the alternative development will be viable (political, economic etc.)? These and many other aspects have been questioned; however, there have been relatively few achievements in term of defining and applying practical guides and indicators for development for all people, communities and groups that have different values, interests and priorities.

In 1987, the **Brundtland Commission** (the World Commission on Environment and

Development (WCED)) report, named after the former prime minister of Norway, straightened the public and political importance of the issue. The above-mentioned document gave birth to the notion of "Sustainable Development" (Our Common Future), which stressed the extreme importance of environmental protection and social equity apart the economic development and growth. Afterwards, the Brundtland report became a basis on which the following international initiatives and discourses were developed. After wide acceptance of the initial definition in the Brundtland report and following the tremendous impact of the Earth Summit in Rio de Janeiro (1992), there have been many different point of views expressed in numerous subsequent conferences, documents and international declarations on this topic.

Initially, being accepted by international community as a step forward towards an alternative way of thinking, already in 2000s, the term "sustainable development" has been criticized of being "recruited" by the western industrial countries and being a manifestation of western hegemony because it corresponds to actual economic paradigm which is led by industrialized North. As a result, the concept of "sustainable development", basically, has lost its credibility since it was considered as an illusion of being an alternative. This eventually caused the emergences of so called post-development theories and movements.

## Post-Truth Theory

First time being used in early 90s, this term projects a new political culture or at least a more advanced level of historically evaluated reality in which the political democratic debates are being mostly carried out in the highly emotional level, thus, extremely disconnected from the real details of policies and political agendas. Post-truth differs from the traditional falsification of truth by simply introducing it of "secondary" importance. In other words, the states, governments, political and economic elites through the mass media controlled by them, intend to focus the public attention towards less important issues, features and facts, thus, keeping the intentionally skipping the main point of the political debate.

Since there have been many critical analysis and approaches within the academic and political debate regarding the emergence of SDGs and the term of sustainable development, they as well can be largely scanned out by the theory of post-truth in order to analyze their relevance to the developing countries, to figure out the behind interests and to escape of being appropriated and forced to play under the old rules but with new packaging.

## The Transition from MDGs to SDGs

The Millennium Development Goals (MDGs) that were designed by the UN agencies for developing countries [UNGA 2000] dedicated to endorse and hasten development by providing solid targets for governments on key scopes of economic and social development: income, poverty, nutrition, education, health, equity and the environment. The first stage of these goals that came up in 2000, set objectives to be achieved by 2015, based on the year 1990, a period of 25 years.

In 2015, was the deadline of accomplishing the MDGs, numerous questions concerning the evaluation of these objectives are: have they been met? Were they realistic? Are appropriate data and methods available to evaluate them? These questions became more fundamental as the world has decided to move towards the second stage of global, called "Sustainable Development Goals", or SDGs", more numerous and more complex, dedicated to the next 15 years. The Agenda commits stakeholders to work together to enhance sustained and inclusive economic growth, social inclusive and environmental protection.

It is worth mentioning that the SDGs could be viewed as a further step over MDGs with the aim to complete what these did not achieve taking into consideration the environmental dimension. The key differences between the MDGs and the SDGs could be summarized as follows (UN 2015): 1) "Zero" Goals as opposed to halving targets with MDGs, 2) Universal goals unlike the MDGs mostly applicable to poor countries, 3) More comprehensive going beyond the symptoms of poverty, to issues of peace, stability, human rights and good governance, 4) More inclusive and participatory goal setting, 5) The SDGs unambiguously distinguish hunger from poverty and treat poverty separately from food and nutrition security, 6) Funding SDGs is not limited to aid flows but also focuses on accruing capacities to generate resources domestically, 7) Inclusion of Peace building and governance goal which was ignored in the MDGs, 8) Data revolution with high level of disaggregation, 9) Beyond quantity to promote quality education, and 10) Address at best the three pillars :empowering women, mobilizing everyone, and partnering with local government. Table 1 and 2 in the appendix list the MDGs versus SDGs and present the key elements for delivering SDGs and their relevance to MDGs.

There is no doubt that movement from MDGs to SDGs is not an easy task; it has its own challenges with regard to access to finance for development purposes, coordination between national policies, international cooperation. According to the United Nations Development Group (2015), there are eight prerequisites for any country to be on the right track for achieving the SDGs namely: building awareness, applying multi-stakeholder approaches for SDG Integration, tailoring SDGs to National integration, sub-national and local contexts, creating horizontal policy coherence, creating vertical policy coherence, budgeting for the future, monitoring, reporting and accountability, and assessing risk and fostering adaptability. Hence fore, this study aims at supporting the developing countries with regard to tailoring its national sustainable development strategies (SDS) with the 2030 Agenda. The study focuses on analyzing the current progress towards SDGs, and recognizing the potentials for building regional interlinkages among different countries.

## III. SDGs: National Contexts and Long Term Vision

### A. Egypt

#### *The Sustainable Development Strategy: Egypt Vision 2030*

Egypt proposed in February 2016 its vision for attaining sustainable development till 2030. The strategy is aligned with the 2030 Agenda for Sustainable development in terms of both content and implementation period. The strategy has identified its vision as the following …

*"By 2030, Egypt will be a country with a competitive, balanced, and diversified economy, depending on knowledge and creativity, and based on justice, social integration, and participation, with a balanced and varied ecosystem, a country that uses the genius of the place and the citizens in order to achieve sustainable development and improve the quality of the life for all. Moreover, the government looks forward to lifting Egypt, through this strategy, to a position among the top 30 countries in the world, in terms of economic development indicators, fighting corruption, human development, market competitiveness, and the quality of life."* (MPMR *2016)*

To operationalize it, the strategy was reflected in the Government program for the period 2016–2018, which represented the executive program of the Sustainable Development Strategy in the medium term. In addition, the Government developed the sustainable development plan for the FY 2016/2017, which represents the execution plan for the first year of the strategy's implementation. The strategy and the midterm program were presented and ratified by the Parliament with absolute majority in April 2016, and the Annual Plan was approved in June 2016.

In light of the three major dimensions of sustainable development (economic, social, and environmental), the strategy includes ten dimensions:

- The Economic Dimension: the pillars of economic development, energy, innovation, scientific research, and transparency and efficiency of institutions.
- The Social Dimension: the pillars of social justice, education and training, health, and culture.
- The Environmental Dimension: the pillars of environment and urban development.

Despite the fact that Egypt has been moving steadily towards achieving the other MDGs, the political, economic and social conditions witnessed by Egypt during the past few years have prevented it from achieving the desired progress of these MDGs. On the other hand, Egypt has failed to achieve some of these goals. The following table summarizes Egypt's status in terms of achieving the MDGs (Table 1):

## Challenges for Egypt's 2030 Vision for Sustainable Development

Egypt's challenges for attaining its sustainable development strategy till 2030 can be classified into three main groups as follows:

### *Internal Challenges*

Includes constraints related to the availability of related resources (including human, natural and financial resources), the existence of a rigorous infrastructure, both tangible and intangible, and the legislative environment, including laws, decrees, or institutional regulations to regulate the relations between the various parties. It is well known that Egypt face a lot of problems such as:

- Insecurity (terrorism, the problem of traffic, and security of citizens);
- Food security (infringement on agricultural land, importing 60 per cent of wheat consumption, and low animal and agricultural production);
- Water security (low per capita supply of water, lack of sufficient water to increase agricultural areas, and the lack of coordination with the Nile Basin countries in building dams);
- Low economic growth; the need to raise the standard of living and to achieve economic leaps; and
- Social justice.
- It is worth mentioning that, Egypt's SDS proposed various means and tools to provide finance to mega projects and targeted programs such as:
- Issuance of government securities to finance the development and infrastructure projects.
- Promoting public private partnerships (PPPs) especially Build, Operate, Transfer (BOT) systems, to offer long-term development shares and bonds in domestic and foreign markets.
- Ensure an effective benefit from foreign aid offered by international donors and to maximize their efficiency.
- Attracting more investors including both individuals and non-banking financial institutions, to support the policy of the private sector's participation with the public sector in the infrastructure projects.
- It is worth mentioning that Egypt's started in 2016 its ambitious program for financial reform, which is expected to lead to an increase in the financial resources of the government's general budget. The key pillars of this program are to rationalize the subsidies system, imposing the value-added tax, etc.

### *External Challenges*

As for the challenges related to the external position including: (1) Instability with neighboring countries, (2) Terrorist operations from non-states representatives, (3) International terrorism, (4) Weapons smuggling operations across borders, (5) The Iranian and Turkish intervention in Egypt's internal affairs, (6) The construction of the Renaissance Dam, and (7) The situation with international and regional representatives.

Such challenges reflect the vital need to reactivate Egypt's regional role and restore its international status, taking into consideration the relationship between the internal and foreign policies in a way which makes the foreign policy a reflection of interior conditions.

### *Sustainable Development Strategy*

The Egyptian government proposed a number of mega projects at the national and sectoral level with the aim to promote sustainable development in Egypt, table 2 summarizes these projects:

The key features are

- There is no need to reinvent the Wheel
- Egypt's SDS was not prepared from scratch, it is based rather on reviewing the studies and previous visions at both the domestic and international levels.
- Some domestic studies include Egypt's Strategy 2017, The Strategic Framework of Income Multiplying, 2022, and The Urban Plan, 2052, in addition to some sectorial strategies, and a study of the population strategy 2030-2050, as well as other visions and strategies that were prepared by both the private sector and by civil society. At the international level, strategies of the European Union, Australia, Malaysia,

**Table 1: Egypt's Progress Towards Millennium Development Goals (MDGs)**

| MDGs | Already achieved | Difficult to achieve |
|---|---|---|
| **MDG 1: Eradicate Extreme Poverty and Hunger** | | |
| Proportion of population below the national poverty line | | |
| Achieve full and productive employment and decent work for all | | |
| **MDG 2: Achieve Universal Primary Education** | | |
| Net enrolment rate in primary education | | |
| Net enrolment rate in preparatory education | | |
| Literacy rate, women and men | | |
| MDG 3: Promote Gender Equality and Empower Women | | |
| Ratio of girls to boys in primary and secondary education | | |
| Share of women in wage employment in the non-agricultural sector | | |
| Proportion of seats held by women in national parliament | | |
| **MDG 4: Reduce Child Mortality** | | |
| Under-five mortality rate | | |
| Proportion of 1 year-old children immunized against measles | | |
| **MDG 5: Improve Maternal Health** | | |
| Maternal mortality ratio | | |
| Contraceptive prevalence rate | | |
| Antenatal care coverage | | |
| Unmet need for family planning | | |
| **MDG 6: Combat HIV/AIDS, Malaria and Other Diseases** | | |
| Incidence and death rates associated with malaria - Incidence and death rates associated with tuberculosis | | |
| Incidence and death rates associated with malaria - Incidence and death rates associated with tuberculosis | | |
| **MDG 7: Ensure Environmental Sustainability** | | |
| - Proportion of population using an improved drinking water source | | |

***Source***: Ministry of Planning Monitoring and Administrative Reform and UNDP. 2015. Egypt's Progress towards Millennium Development Goals. A Background Paper Produced for the Upcoming 2015 National Human Development Report.

India, Turkey, the United Arab Emirates, Bahrain, Jordan, and others have been revised in order to determine the success factors and benefit from these experiences and distinctive international activities in the field of development in general and in the field of sustained development in particular. (Egypt's SDS: Vision 2030)

- Adopting a Participatory Approach for SDS Integration
- Raising public awareness and mobilizing every one, and partnering with local government could be considered as key pillars for any SDS. There is a vital need to have public consensus upon the proposed strategy for the benefit of all, including women, children, youth and future generations. In this regard around 150 specialized workshops and open meetings such as community dialogues were organized to discuss the strategy with representatives of the private sector, civil society, and international organizations. A large number of experts, academics, and stakeholders participated in these events.
- Tailoring SDS to National Context
- The Government of Egypt has made significant steps and has exerted commendable innovative efforts towards tailoring SDGs to its national priorities. A number of projects, programs, and initiatives working toward achieving the SDGs have been launched or are in the process of being initiated at the sectoral level.
- Monitoring and Evaluation
- With the aim to improve performance and achieve results, the general goal was divided into general goal into a number of sub goals and for each sub-goal a number of key performance indicators (KPIs) is set to evaluate input-output nexus and outcomes (the vital few).

## B. Cambodia

### *A Look from Cambodia on SDGs – CSDGs*

Moving from Low Income Country (LIC) to Lower-Middle Income Country (LMIC) in July 2016, Cambodia is now acquiring to consolidate and maintain its remarkable track record of socio-economic progress. However, meanwhile, recognizing its aspiration to become an upper-middle income country status by 2030 along with the deadline of 2030 Agenda Sustainable Development Goals (SDGs) implementation, Cambodia needs to have clear policy and version, which is wider, more holistic, ambitious, and accomplishable

In this regard, Cambodia has to ensure that its national development priorities are well aligned with those 17 goals and 169 of SDGs targets. To make these aims as planned, Cambodia will require solid capacity and skills in policy planning, data processing and analyzing, monitoring and evaluation framework, the financings, the supports of development partners (Official Development Assistance – grants and/or loans) together with strong efforts from all levels of the government ministries/agencies. In response, the Royal Government of Cambodia (RGC) has established a wide range of policy initiatives and reforms including Rectangular Strategy Phase III, National Strategy Development Plan (NSDP 2014-2018), sector strategies, Technical Working Group of each sector, and financial management, public administration and decentralization reforms. Moreover, the RGC began to integrate and localize those 17 goals of SDG into national development plans as the Cambodia Sustainable Development Goals (CSDGs) with clear targets and indicators prior its implementation.

By taking SDGs as a main agenda, the RGC delegated full power to Ministry of Planning (MOP) to lead and coordinate with relevant government ministries/agencies and stakeholders in this localizing and implementation process.

### Table 2: Egypt's SDS and its Relevance to SDGs 2014/2015-2018/2019

| Medium Term Goals | Progress Towards Achieving Egypt's SDS |
|---|---|
| **A. Proposing Mega Projects** | |
| A1. Suez Canal Area Development Project | • A number of key priority projects are identified to maximize the huge potential of the Suez Canal. |
| A2. Agriculture land reclamation for one million Acre | • Founding an integrated agro-industrial park for specific crops, vegetables and fruits, and the facilities required for packaging and processing of products. |
| A3. Building one million social housing units | • Establishing the Social Housing Fund to finance the establishment of these units. |
| A4. Creating new development axes | • Promoting investment in infrastructure projects. |
| A5. The establishment of a number of storage and logistics centers in Damietta | • Promoting the furniture industry in Damietta. |
| A6. The development of the Golden Triangle | • Enhancing investments, tourism, trade and agriculture investments in the red sea governorates. |
| A7. The development of the 4th and 5th phases of the underground | • Promoting investment in infrastructure projects. |
| A8. The development of North West Coast | • Promoting balanced growth. |
| **B. Sectoral Strategies and Projects** | |
| B1. The Energy Sector | • Developing an integrated energy strategy that includes new energy prices to reduce the energy subsidy bill |
| B2. The Tourism Sector | • Implementing government strategy to strengthen the sector |
| B3. The Housing Sector | • Two main investment opportunities suggested by the sector strategy are the new capital city and the development of Informal Settlements |
| B4. The Mining Sector | • Investment in infrastructure Projects<br>• Issuing a new Mining Law, which has already been issued<br>• The establishment of «one stop shop» for the issuance of all licenses related to mines |
| B5. The Agriculture Sector | • Increase the production per unit in the old land and reclaiming land in the dessert<br>• Improving the enabling environment for farmers through better insurance coverage, better contracts between farmers and their clients, and a better pension system.<br>• Drafting legislative proposals to take concrete actions on agricultural land protection, agricultural specialized unions, water use rationalization, distribution policy of the new reclaimed lands and restructuring of the Principal Bank for Development and Agricultural Credit (PBDAC). |
| B6. Transportation and logistics | • Developing a large number of urban transport facilities |
| B7. Information and Communication Technology (ICT) | • Providing private investors in ICT with the needed basic infrastructure<br>• Promoting linkages between the private sectors universities and research institutes with the aim to promote innovation. |
| B8. Manufacturing and SMEs | • Reviewing the SEZ Law<br>• Constructing SEZ in the "Suez Canal Corridor"<br>• Develop the SME ecosystem<br>• Easing SMES' access to finance by the CBE and the Social Fund for Development |

***Source***: The Government of Egypt. 2015. Sustainable Development Strategy: Egypt's Vision 2030 and Medium Term Investment Framework (2014/2015-2018/2019). Egypt Economic Development Conference.

In the process of localizing, MOP has begun discussions with relevant stakeholders for mapping the SDGs goals and targets into national development plans as well as developing the national framework on monitoring and evaluation (M&E) for assessing the progress of the implementation of national plans and CSDGs. However, Cambodia remained facing some challenges such as the limited capacity of government officials in defining indicators, data and M&E framework, financing and budgeting, and coordination between government ministries or agencies as well as relevant stakeholders. First, some line ministries officials have limited capacity in defining specific indicators, and computing the baseline and targets by year for their ministry's indicators. Second, the available data for assessing the achievement of some indicators remain a challenge since the establishment of national M&E framework now is in progress. Likewise, in the agricultural sector, the responsible ministry cannot provide clear data on its achievement for some indicators. Third, the integrating its budget into implementation's planning and the financing mobilization are attentive agenda for the RGC. Fourth, institutional arrangement and coordination of each ministry or agency challenge need to be addressed. Some ministries or agencies provided its input to MOP on CSDG behind due schedule; as a result, the next stage cannot be proceeded, for instance.

## Education Sector

Toward its ambitious to the 2030 agenda, the Royal Government – Ministry of Education Youth and Sport has established the Education Strategic Plan (ESP) 2014-2018 to respond to education demands and make clear the relationship between national policy and the education policy. The Plan demonstrates a logical relationship between the strategic framework, programs, activities and both human and financial resources.

**Table 3: Indicators and Target in Education Sector in Cambodia**

| Key Education Indicators | | Unit | 2014 Actual | 2015 Actual | 2016 Projected | 2017 Projected |
|---|---|---|---|---|---|---|
| | | | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
| 1 | Percentage of five years old children in all aspects of ECE | % | 61.4 | 64.1 | 66 | 68 |
| 2 | Number of primary schools (grade 1-6) | No | 7,051 | 7,085 | 7,269 | 7,575 |
| **Net Enrolment Rate in Primary Education** | | | | | | |
| 3 | Total | % | 98 | 98.4 | 99 | 100 |
| 4 | Male | % | 94.1 | 97.7 | 99 | 100 |
| 5 | Female | % | 98.0 | 99.3 | 99 | 100 |
| 6 | Urban | % | 82.9 | 83.3 | 97.9 | 100 |
| 7 | Rural | % | 97.2 | 96.5 | 99.7 | 100 |
| **Gross Enrolment Rate in Primary Education** | | | | | | |
| 8 | Total | % | 111.2 | 107 | 105 | 103 |
| 9 | Male | % | 112.1 | 108 | 105 | 103 |
| 10 | Female | % | 110.2 | 107 | 106 | 103 |
| **Completion Rate in Primary Education** | | | | | | |
| 11 | Total | % | 84.1 | 80.6 | 82 | 83 |
| 12 | Male | % | 81.8 | 82.5 | 83.4 | 84.2 |
| 13 | Female | % | 86,6 | 83,9 | 84 | 84.5 |

***Source***: MOEYS Cambodia, 2016.

After implemented, the solid progress has been achieved in primary school enrolment and gender parity, although enrolment and attendance at lower and upper secondary levels remains a significant concern. In 2014, the Ministry of Education, Youth, and Sport (MOEYS) reformed improve the quality of education focus on Teacher Quality and the physical infrastructure of school facilities, including WASH. MOEYS has focused on implementing key education reforms including: (1) Teacher Action Policy Plan, (2) Curriculum textbooks review and learning environment improvement, (3) Implementing Quality Assurance and Inspection, (4) Strengthening learning assessments, and (5) Higher Education Reform.

MOEYS, as a result, has achieved remarkable outcome in academic year 2014-2015, which reflected to the progress of the main priority reforms. One is the Early Childhood Education. The 20.17 per cent of pupils under 6 years old receiving education and 5 years old children, compared to population aged 5, receiving education 64.07 per cent. Second is the progress in Primary Education. The net enrolment rate at public primary school has achieved significant progress by increasing from 85 per cent in 2000 to 98.4 per cent in 2016. At the same time, gender equality in education at primary level has improved (Table 3).

## Food Security and Nutrition Sector

Food poverty has been declined from 20 per cent in 1993 to 4.1 per cent in 2010 and zero in 2014, surpassing CMDG 1 targets well ahead of time. Key indicators for nutrition suggest some progress, although the incidence of malnutrition is still much too high. At the national level, stunting has been reduced from 44.6 per cent in 2000 to 32 per cent in 2014. (CARD, 2016). This is higher than the NSDP target of 25 per cent for 2018. The national average for wasting is about 10 per cent, compared to the 9 per cent target for 2015. The national average for under-weight children is 24.6 per cent in 2014, an important improvement since 2000. According to Cambodia Demographic Health Survey (CDHS) data from 2014, 78.8 per cent of children under 6, and 73.5 per cent in the 6-11 age group, suffer from anemia. There is some degree of variation across different provinces and income quintiles. Cambodia has also achieved important progress in rural water supply from 24 per cent in 1998 to 47 per cent in 2014, and in sanitation from 8.6 in 1996 to 46 percent in 2014 in rural areas. The NSDP has set a target of 60 per cent coverage for both water supply and sanitation by 2018.

The RGC has put the food security and nutrition as one of the main agenda for development and established several significant policies and plans toward it. The National Strategy for Food Security and Nutrition (NSFSN) 2014-2018 was officially launched in August 2014, the Council for Agricultural and Rural Development (CARD) as the leading agency. This strategy aims to ensure that no every single Cambodian household dies owing to hunger and suffers of malnutrition. The National Strategic Plan for Rural Water Supply Sanitation and Hygiene 2014-2025 was approved in January 2014. The National Action Plan for Zero Hunger Challenge in Cambodia 2016-2025 was also officially launched in May 2016 to provide a comprehensive road map to achieve Goal 2 of the SDG to End Hunger, Achieve Food Security, and Improve Nutrition, and Promote Sustainable Agriculture.

## Way Forward for Cambodia on CSDGs

Based on the Rapid Integrated Assessment[1], 85 SDG targets aligned with national strategies, 17 targets partially aligned, 7 targets are not aligned and 4 targets are not applicable for Cambodia. This showed the alignment gap between national plans and SDG targets, which required RGC to further work closely with all relevant stakeholders. The first take away for Cambodia is the alignment between national plans and SDGs. it is essential that the reviewed national plans have a much shorter timeframe than the SDGs since most of national plans set out policy priorities and action only for period of 5 years (2014-2018). As consequences, those national plans' goals and objectives are not able to covered and less ambitious than in SDGs. Second is financing SDGs. RGC should also pay attention on the financial for SDGs implementation. Since Cambodia moved from LIC to LMIC status, the financial supports – ODA from development more or less will be deducted in upcoming years. The RGC, therefore, demands to explore and define new modality of resources mobilization – domestic resources, private investment, and public saving, etc. Lastly, the data and M&E framework is a necessity to ensure its planning and implementing of national plans and CSDGs well complete and effectively. Many of the areas listed in the NSDP as well as in some of the sector strategies lack measurable targets/indicators, so the RGC had to resort to a subjective assessment.

## C. Niger

### Reality of Niger on SDGs

Niger officially the Republic of Niger, is a landlocked country in Western Africa, named after the Niger River. Niger is bordered by Libya to the northeast, Chad to the east, Nigeria and Benin to the south, Burkina Faso and Mali to the west, and Algeria to the northwest. Niger covers a land area of almost 1,267,000 km2, making it the largest country in West Africa, with over 80 percent of its land area covered by the Sahara Desert. The country's predominantly Islamic (99 per cent). The population is mostly clustered in the far south and west of the country. The capital city is Niamey, located in the far-southwest corner of Niger.

Niger faces many and serious challenges. The basis of its resources is very narrow, its infrastructure inadequate, its human capital insufficiently trained and its institutions fragile. It is also facing serious security problems at its borders. Throughout most of the past decade, the country has grown substantially and made significant progress in a number of areas. Nevertheless, the growth rate and pace of reforms have been insufficient for the country to evolve as rapidly as the rest of sub-Saharan Africa and to catch up with the delays it has accumulated since independence. In fact, the per capita income of Nigerians is now lower than it was at the country's independence, 55 years ago.

Niger's economy has been insufficiently dynamic and unstable due to its dependence on volatility linked to natural resources and climatic hazards. Niger's economic growth has been too low given the growth rate of its population, in order to improve the standard of living of Nigerians. This very low economic growth, which on average did not exceed 1.2 per cent between 1960 and 2004, reflects the weakness of its human capital and its infrastructures and the insufficient diversification of its economy which is too heavily dependent on agro-pastoral sector Niger faces traditional climatic conditions. From 2005, economic growth accelerated to an average of 5.5 per cent. This progress was based on three factors: good economic management, better rainfall, and strong growth in demand and international prices of raw materials. But the very worrying point is that since independence, the structure of the Nigerian economy has changed little, with the maintenance of a poorly productive subsistence agriculture and a very low development of the private sector.

The average per capita income of the country has sharply diverged from the evolution of average per capita income in Sub-Saharan Africa (SSA) and the world over the past 50 years. While per capita income in sub-Saharan Africa grew by some 40 per cent between 1965 and 2015, Niger's per capita income declined between 1965 and 1985, and thus experienced a very small increase. The reason for this is the extent of population growth and a slower rate of economic growth.

Between 1960 and 2010, the percentage of under-15s remained close to 50 per cent, those under 20 years of age close to 60 per cent and those under 25 years of age by 67 per cent. Today, one in two Nigerians under 15 years of age and two out of three Nigerians are under 25 years of age.

## Strengths and Opportunities

Niger has an undeniable agro-pastoral potential, considerable natural resources, a population that is predominantly young, a strong political will and a cultural potential guaranteeing cohesion and social solidarity

### *Agro-sylvo-pastoral and fisheries potential*

Niger has: (i) 15 million hectares of arable land, (ii) a known irrigable potential of about 10 942560 hectares, (iii) extensive pastoral areas, (iv) considerable productivity improvement margin for (vi) a livestock population estimated at 42,700,000 head in 2015 and (vii) fishery resources covering an area of about 410,000 ha.

Agriculture is fundamental to the development of Niger. Agricultural activities account for more than 23.5 per cent of the country's total GDP in 2015 and employ more than 85 per cent of the population. Due to its weight in the country's economy, the performance of the agricultural sector has a decisive impact on the economic and social development of the country. Agriculture therefore plays and will continue to play a fundamental role in the future in the country's economic growth, poverty reduction and food security.

Livestock farming is also practiced by nearly 87 per cent of the working population as a main activity or as a supplement to agricultural activities. The sector contributes about 9.05 per cent of total GDP in 2015 and is the country's second largest source of export income after mining resources. Livestock is an essential household saver and also plays an important role in the development of agriculture through organic fertilization. Nigerian livestock is estimated at more than 40 million head (16 million Tropical Livestock Units - TUR) in 2014 of all species, including 24 per cent of cattle and 62 per cent of small ruminants, and about 15 million poultry, mainly traditional farms with a low proportion of intensive poultry farming (3-5 per cent).

### *Natural Resources*

**Uranium:** Niger has been producing uranium for the last forty-three years: it is the fourth largest producer and the fifth largest in terms of reserves (7 per cent of the world's total). Uranium production began at Arlit in 1971.

**Oil:** Niger became producing country in 2011, with the exploitation of the Agadem oil field and the start-up of the SORAZ refinery near Zinder, built to process the oil and associated gas from this field. The products (petrol, diesel and liquefied petroleum gas - LPG) are mainly for domestic consumption and exports to neighboring countries. It is stated that oil reserves could increase to 1 billion barrels of oil. The current production capacity of the field is 20,000 bbl / day, aligned with the capacity of the refinery. Production was 13,000 barrels per day (bbl / d) in 2012, 18,000 bbl / d in 2013 and 19,000 bbl / d in 2014 (International Monetary Fund).

**Coal** is extracted from the Anour-Araren deposit in the Massif Air, near Tchirozérine, by SONICHAR, a Nigerian company with mainly public capital (69.32 per cent). SONICHAR has proven reserves of 6 million tons of coal and produced 226,171 tons of coal in 2015.

**Solar:** Niger has an incomparable geographical advantage in terms of solar resources. It is home to one of the two areas identified by NASA as the sunniest on the planet. The country has benefited from a generation of highly skilled and inventive researchers during the golden age of the ONERSOL (National Office of Solar Energy). Niger has gone from pioneering solar energies to contemplative viewers.

**Gold Resources:** Niger has significant gold deposits in the Liptako and Djado areas. These deposits are under exploited. Indeed, only a small portion is exploited industrially (877 kg) and by gold panning (397,1 kg) in 2015.

**Water Resources:** Niger has an important fishery potential estimated at 400,000 ha of fresh water: the Niger River and its tributaries, Komadougou Yobé, Lake Chad, 970 natural ponds and 69 artificial water reservoirs. Niger's groundwater is estimated at 2.5 billion m3 of renewable water and 2 trillion m3 of non-renewable water. Annual runoff of surface water is estimated at 30 billion m3 per year.

## Education Sector

Niger has a human capital that in many respects is probably one of the lowest in the world. The country first inherited serious inadequacies in education and health at independence. Progress in training and education during the 1960s and 1970s was followed by a period of stagnation during the 1980s and 1990s.

It is only during the period 2000-2014 that the country made a huge effort in education, devoting in 2014 more than one-fifth of its budget (21.7 per cent) to education, Achieving a Gross Enrollment Rate (GER) of 71 per cent by 2014. Despite these efforts, Niger faces a major challenge in catching up with basic education, adult literacy and technical training. In terms of adult literacy, although Niger has made some progress, the current situation is dramatic, with a literacy rate of 19 per cent in 2015. There is a large difference in literacy rates among men (27 per cent) and women (11 per cent), and between urban (about 70 per cent) and rural (about 15 per cent).

## Development Priorities

Thus, the six priority axes that emerge from the analysis of constraints are summarily described including: (1) Managing population growth, (2) Human capital formation, (3) Modernization of the rural world, (4) Revitalization of the private sector, (5) Modernization of public administration, and (6) Securing people and property.

To achieve these development objectives, different priorities must be implemented simultaneously with coordinated and coherent actions. In the current context of the avenue of new international orientations (Objectives of Sustainable Development), Niger is preparing to contextualize these SDGs in the various development policies. Niger has not achieved any of the Millennium Development Goals. These goals are a real challenge for very low income countries like Niger. Niger has prioritized the six priorities mentioned above. What is necessary for the latter to devote the majority or the bulk of these resources to the achievement of these objectives by 2035. The SDGs (horizon 2030) are certainly supranational directives but their implementation will cost more for Niger than the targets set by the country.

In addition, some of these objectives are not immediate sources of concern or priority, others are not even as SDGs for the country. Some indicators cannot even if they are contextuality meet priorities or goals for the country, and also cannot be informed. The implementation of these targets in certain areas is likely to yield inconclusive results for Niger. To this is added the question of statistical data. Developing countries suffer greatly from the availability of reliable and coherent statistical data in order to measure development. These data are difficult to collect due to lack of resources for surveys and censuses. We can say that the MDGs are very ambitious, but the challenge is by far of the size for very low income countries like Niger. These challenges can be summarized as a critical lack of financial and human resources, lack of statistical data to achieve these objectives. It should also be pointed out that certain objectives are in line with the different priorities of Niger, not to say that the SDGs constitute a blackboard for our country in terms of divergence of national priorities and the SDGs.

Funding is one of the missing or weak links in the policy implementation process. Failure to meet the commitments made by developed countries has been one of the main factors contributing to the government's failure to perform. However, the state must focus on domestic resource mobilization and other funding will complement the gap. Innovative financing for development will be another financing opportunity for low-income countries like Niger.

## D. Caribbean

### The Approach to the Education Sector – A Perspective from a Regional Institution

The Caribbean Community (CARICOM) comprises fifteen (15) Member States and five (5) Associate Members. It is home to approximately sixteen million (16,000,000) citizens, sixty percent (60 per cent) of whom are under the age of 30.[2] It is multi-ethnic and multi-lingual. With the exception of Belize, Guyana and Suriname, all are small island states.

Average real growth rates of Gross Domestic Product (GDP) over the past fifteen (15) years have been described as disappointingly low at 1.6 per cent for eleven (11) Members and 4.4 per cent for three (3). The period beyond the late 1990s was described as a period of jobless growth, and it was noted that countries will have to grow on average by 12.3 per cent over the next five years to achieve full employment. Average unemployment rates stood at 13 per cent and twice as high for youths.[3] Most ranked in the top half of the Human Development Index (HDI). Among the Member States, with the exception of Haiti, the World Bank classifies five (5) as High Income, eight (8) as Middle Income and one (1) as Low Income.

Spending on education has been a regional priority. Public expenditure per pupil as a percentage of GDP per capita is as high as 26 per cent in Saint Vincent and the Grenadines. Public expenditure as a percentage of GDP is as high as 10 per cent in St. Kitts and Nevis. Educational expenditure as a percentage of total government expenditure is as high as 17 per cent in Saint Lucia[4].

### The Education Sector – MDGs experience and SDGs Focus

The 2015 United Nations Economic Commission for Latin America and the Caribbean (UNECLAC) Report states that regarding the second Millennium Development Goal (MDG) devoted to achieving primary education, net enrollment rate at that level in Latin America and the Caribbean was estimated at 93 per cent as of 2015. The level of illiteracy among people from 15-24 years of age across the entire region decreased to 1.7 per cent in 2015 from 6.9 per cent in 1990, although functional illiteracy continued to be a matter of concern.[5]

In 2014, the Conference of Heads of Government – the highest decision making body, agreed to the establishment of a CARICOM Commission on Human Resource Development which, under the aegis of the Council for Human and Social Development (COHSOD) as the relevant policy making organ, would formulate a regional Human Resource Development (HRD) 2030 Strategy[6]. This Strategy has been recently completed and will be accompanied by a Regional Action Plan for implementation.

The primary focus of the Strategy is to build an integrated, globally competitive education system eco-system, referred to as a seamless education system. The expectation is that the system will permit all Member States to create and/or enhance national education systems that are world class, strategic, economic, values-focused and socially impactful.[7]

The proposed approach is that all national and regional strategies, policies and projects that are developed and/or embraced by public and private educational and training institutions should be aligned to the broader objective of developing a seamless education system for the Community.

### The Response at the Level of the Regional Institution

The CARICOM Secretariat is the administrative arm of the Community, responsible for providing, *inter alia* policy and research advice. The Human and Social Development (HSD) Programme in the Secretariat undertook to strengthen the mechanisms and outputs of the regional and national policy and standards development by establishing and/or reviving five (5) Technical Working Groups (TWGs).[8]

These were officially launched on 20 January 2017. They are voluntary and the composition represents a mix of geographic, institutional and human specialist expertise across the Region and Internationally. They will operate for one (1) year to provide support to the CARICOM Secretariat in three (3) core areas *viz* (a) policy advice, (b) standards development and/or review, (c) monitoring policies and standards.[9] These TWGs are to develop specific policies and standards for including: (1) Early childhood development, (2) Teacher education, teacher innovations and educational leadership, (3) Open and distance learning/ICTs in education, (4) External quality assurance/accreditation and qualifications systems, and (5) Tertiary education (focus on funding, investment, programme linkages with the labor market and research, development and innovation). At the end of this cycle, Technical Action Committees (TACs) will be created to facilitate implementation at the Member State level in support of CARICOM achieving the objectives set for the 2030 deadline.

Ultimately, the challenges of funding these development initiatives; implementing, including monitoring and evaluation; and political will, remain. These are best addressed at the level of the individual Member States. Institutions like the Secretariat; however, have a critical role to play in the balancing act of aligning global commitments to regional obligations, in the face of national priorities.

## E. Oman

### Current Status of Oman – SDGs

Sultanate of Oman is an Arab country in Southwest Asia. It is located in the Southeastern coast of the Arabian Peninsula. The coast is formed by the Arabian Sea on the Southeast and the Gulf of Oman on the Northeast. It extends across about 309,500 $km^2$. According to the 2010 census (Ministry of National Economy, 2011), its population is estimated to be 3.3 million. Muscat is the capital of Oman. The country is classified by the World Bank as a 'middle-income economy' among the emerging economies (Central Intelligence Agency, 2013). The United Nations and the World Bank classified the Sultanate of Oman within the high-income countries, where GDP per capita reached $20,470 in 2014.

On 25 September 2015, Member States of the United Nations UN have agreed on the 2030 Sustainable Development Goals SDGs over the next 15 years (2016-2030). After agreed on the SDGs, Oman has prepared for the new mechanism in terms of gathering information from different sectors. In addition, Oman evaluates the progress via comprehensive assessment to achieve these SDGs since its inception in 2016 and until its expiry in 2030. The National Center for Statistics and Information (NSCI) is the responsible place to gather the raw data from different ministries such as health, education and social development, etc. NSCI is used to publish annual report about MDGs that aims to measure trends and attitudes for the post 2015 in various development sectors. NSCI prepared in coincided with the current mobilization on the level of the strategic planning with the participation of various ministries and government institutions to prepare the future vision (Oman 2040). There is no doubt that the preparation for calculating the SDGs along the lines in response to the request of the General Assembly of the United Nations on a regular assessment of the progress made towards achieving the SDGs.

## Challenges of SDGs in the Developing Countries

### *Lack of Good Data leaves us in the dark*

Gathering detailed data is the most useful tool for calculating the indicators to assess residents' needs and target the policies. These data identify the situation of the country to achieve the targets. However, many cities in developing countries lack essential up-to-date information on poor citizens like location and characteristics of their life. Without this data, the progress is difficult to identify on any goal. The delivery of basic services is needed to ensure that it has been reached to the poorest population in line with SDGs.

The state of national statistical development has not improved yet in the Middle East. In order to properly address development gaps and monitor progress, it needs to be more reliable, timely and accurate data. The initial assessments show that the region provides data for about half of the proposed global SDG indicators (REF). Indicators are often not available at the level of details demanded by the SDGs framework. For example, the countries should provide data for urban and rural areas and data distributed by sex.

Although Oman has widely used Information Communication Technology (ICT) for the sake of achieving sustainable development goals, many indicators of MDGs could not be calculated annually via information system. The country depends on the national surveys and census to provide these kinds of indicators. For example, the annual growth rate of working population indicator is only available for 2010. In addition, the proportion of higher educational levels indicator (from university diploma to doctorate) is provided 2010 as well. Moreover, Goal 8.5 in the SDGs stated that by 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value. On the other hand, the data is not available about the number of disabled worker whereas the country had agreed about their rights in the disabled law.

### *Financial Issues*

Implementation of the SDGs needs significant resources. Estimates of conducting SDGs cost reach into the trillions of dollars (REF). Governments are required to access new sources of finance either from natural or external sources.

### *Make Stakeholders Accountable*

Reaching the SDGs require collaboration, coordination and coherence within governments and engagement with a lot of partners beyond national governments such as private sectors. The private sector must give the commitment to collaborate with the government by laws and regulations in countries. Therefore, the impact of their work partially depends on governments establishing good policies, fair regulations and an effective judiciary system to deliver such development impact. Sustainable development inherently involves many different stakeholders operating at many different scales, from national governments, to transnational corporations, to local and international NGOs, to small villages, and many more. It can be tough to get the relevant stakeholders working together at the right time and place to solve complex poverty and sustainability problems. They are central to having the right stakeholders working together at the right time and place.

It needs powerful ways of feeding this information back into the policy and political arena to hold responsible stakeholders to account. This chiefly includes governments, but also other key stakeholders in the private sector, NGOs, and even civil society. Finally, achieving the SDGs will need national governments, the private sector, the nonprofit sector, and communities to make difficult decisions based on thoughtful and real commitment to the SDGs.

### *Monitoring and Evaluating Progress on the SDGs*

The goals were increased from 8 goals to 17 goals.

It should be a concentration on the work rather than identifying widely scopes. Indicators and ways of monitoring and evaluating progress on the SDGs are needed to be more obvious, largely at the national scale. Many countries, particularly developing countries, still face considerable challenges, and some have fallen further behind. Inequalities within many countries have increased dramatically. Women, representing half of the world's population, as well as indigenous peoples and the vulnerable, continue to be excluded from participating fully in the economy. While the Monterrey agenda has not yet been fully implemented, new challenges have arisen and enormous unmet needs remain for the achievement of sustainable development.

### *Challenges in Oman on SDGs Goal 1: Zero Poverty*

The United Nations and the World Bank classified the Sultanate of Oman within the high-income countries, where per capita GDP reached $ 20,470 in 2014. The steady growth of the Omani economy and prosperous growing government expenditure reflect on the most families and segments of Omani society. Consequently, proportion of population below US$1 per day amounted to zero. However, this does not negate the existence of gaps in the standard of living in the Omani society. According to the Household Income and Expenditure survey (2010-2011) 2.2 per cent of the Omani families earning monthly income ranging between $ 260-520 and 0.5 per cent of Omani families with a monthly income of less than $ 260.

## Future Perspective: Quantity vs Quality (e.g. Education)

In terms of improving the quality compared to quantity and regarding to the Global Competitiveness Report 2016–2017, Sultanate of Oman ranked in the 80th in most of quality of the education system.

Despite major achievements in terms of the proliferation of basic education in all parts of the Sultanate, enrollment and girls, education and reduced withdrawal and failure rates, the development of quality education is the major priority that should be focused on it in the coming years in order to provide better qualification for the national future cadres with high production efficiency to meet future challenges and interaction and to deal with the global economy and replacing expatriate workers. Focus on the quality of education in general and basic education in particular. This element is linked mainly to improve teachers' quality and effectiveness through training and qualification.

## Lessons Learnt from Oman on SDGs

Despite some challenges have been mentioned above, Oman have accomplished many goals since 1990. For example, the proportion of population below US$1 per day amounted to zero. If we compare Oman status with other Arab countries, the average of population below US$1 per day was 7.4 per cent in 2013. In the employment sector, the proportion of working population to the total population was 62.4 per cent in 2015.

The Sultanate considered the issue of nutrition as one of the areas of work within the five-year plans in the past two decades, particularly for children under 5 years, with great interest to develop and promote adequate nutrition of this age group in particular, and the reduction of food shortages. In this aspect, significant progress was made on reducing the prevalence of underweight level among this age group. The ratio was 23 per cent in 1995, decreased to 8.6 per cent in 2009, a decline of 63 per cent. But it increased in 2014 to reach 9.7 per cent.

Child mortality under five decreased significantly during the past two decades, at a rate of 72.3 per cent. While 35 deaths recorded per 1,000 live births in 1990, the number of deaths per 1,000 live births in this age group 9.7 in 2014. Thus, the desired objective has been exceeded which is the reduction of the rate by two-thirds during the period between 1990 to 2015. Compared to Arab countries, under-five years' mortality rate per 1000 births was 58 while in the Gulf countries was 8 in 2011. Infant mortality rate (under one year of age) has declined from 29 per 1000 live births in 1990, to 7.9 per 1,000 live births in 2014, with a drop of 72.8 per cent (Table 5).

Immunization of children was one of the priorities adopted by the health sector in the Sultanate during the past three decades, in order to reduce the spread of infectious diseases such as (tuberculosis, measles, hepatitis, polio, diphtheria, pertussis), thereby reducing child mortality. On the other hand, health measures that have been taken led the Sultanate to be free of polio since 1994 until 2014.

In education sector, Oman has achieved the Millennium Development Goal on universal primary education, and this is reflected in the fact that the net enrollment ratio in grades (1-6) in 2014 has reached 99.4 per cent. We need to re-assess our status from the perspective of quality.

The proportion of the Omani women participation in Oman Council has increased up to 9.5 per cent for the period (2011 – 2015) compared to 4.9 per cent in 1995. This participation includes 15 women from the State Council and one from the Shura Council.

## IV. Conclusion and Recommendations

The chapter showed that different governments have made significant moves and important innovative efforts to achieve SDGs and harmonize them to their national priorities. A number of projects, programs, and initiatives working toward achieving the SDGs have been launched or are in the process of being initiated at the sectoral level. However, within the last two decades we have seen that even if there were some advancement in achieving the MDG and SDG goals overall, many counties were able to meet only little progress of only in some goals because of several subjective and objective reasons.

Firstly, some of the targets were not aligned with national strategies, thus making them not applicable by local governments. So, tailoring the SDGs within the national and regional priorities would be one of the main findings and observations by this chapter.

Another key point of this study was the confirmation of the fact of lack of appropriate data in order to be able to establish proper goals. Gathering detailed data is the most useful tool for calculating the indicators to assess residents' needs and target the policies. These data identify the situation of the country to achieve the targets. However, many cities and villages in developing countries lack essential up-to-date information on poor citizens like location and characteristics of their life. Without this data, the progress is difficult to identify on any goal. The delivery of basic services is needed to ensure that it has been reached to the poorest population in line with SDGs. And though many countries did progress in usage of ICTs for the sake of achieving sustainable development goals, many indicators of MDGs could not be calculated annually via information system. Some countries still depend on the national surveys and re under census to provide these kinds of indicators.

Many countries, particularly developing countries, still face considerable challenges, and some have fallen further behind. Inequalities within many countries have increased dramatically. Women, representing half of the world's population, as well as indigenous peoples and the vulnerable, continue to be excluded from participating fully in the economy. While the Monterrey agenda has not yet been fully implemented, new challenges have arisen and enormous unmet needs remain for the achievement of sustainable development.

**Table 5: Achievements in the Sultanate of Oman in different Seectors according to SDGs Indicators (1990-2015)**

| Sector | Goals | 1990 | 1995 | 2000 | 2005 | 2010 | 2015 |
|---|---|---|---|---|---|---|---|
| Social Development | Proportion of population below $1 per day (%) | 0 | 0 | 0 | 0 | 0 | 0 |
| Employment | Proportion of working population to the total population | - | 56.4 | 48 | 51 | 55 | 62.4 |
| Health | Underweight prevalence rate for children (0-5) years | - | 23 | 17.8 | 12.2 | 8.6 | 9.7 |
| Health | Child mortality rate under 5 years per 1000 live birth | 35 | 27 | 21.7 | 11.1 | 12.3 | 9.7 |
| Health | Infant mortality rate per 1000 live birth | 29 | 20 | 16.7 | 10.3 | 10.2 | 7.9 |
| Health | proportion of one year old immunized against measles | 98 | 97.5 | 99.8 | 98.7 | 99.9 | 100 |
| Education | Net enrollment ratio in primary education | 83.3 | 85.4 | 91.7 | 92.3 | 97.8 | 99.4 |
| Promote gender equality and empower women | Percentage of seats that Omani women served in national parliaments | - | 4.9 | 5.1 | 7.8 | 8.8 | 9.5 |

According to the observations and case studies, the chapter revealed a significant challenge in terms of accessibility of finances to fund the development goal in developing countries. Implementation of the SDGs needs significant resources. Estimates of conducting SDGs cost reach into the trillions of dollars Governments are required to access new sources of finance defining new modality of resources mobilization – domestic resources, private investment, and public saving, etc. Thus, funding is one of the missing or weak links in the policy implementation process. Failure to meet the commitments made by developed countries has been one of the main factors contributing to the government's failure to perform. However, the state must focus on domestic resource mobilization and other funding will complement the gap. Innovative financing for development will be another financing opportunity for low-income countries.

Besides, the study came into conclusion that adopting a Participatory Approach for SDG Integration, raising public awareness and mobilizing every one, and partnering with local government could be considered as key pillars for any SDS. There is a vital need to have public consensus upon the proposed strategy for the benefit of all, including women, children, youth and future generations. achieving the SDGs will need national governments, the private sector, the nonprofit sector, and communities to make difficult decisions based on thoughtful and real commitment to the SDGs. Thus, there is no need to reinvent the wheel, just need of political will in making real positive changes.

**Endnotes**

1. Integrate SDG targets into national development plans assessment: http://kh.one.un.org/content/dam/unct/cambodia/docs/RIA_Cambodia_Analysis_07Oct2016.pdf
2. www.caricom.org
3. Tigerjeet Ballayram, 'The Promises and Challenges of the SDGs for CARICOM Countries', Journal of Food Security, 2017 Vol 5

4. Dr Didicus Jules (2010) 'Development of a CARICOM Strategic Plan for Primary and Secondary Education Services in the CARICOM Single Market and Economy (CSME)'
5. Latin America and the Caribbean: looking ahead after the Millennium Development Goals
6. HRD is defined as an all-encompassing philosophy which embraces all education and training that is delivered from early childhood to the tertiary education sub-sectors and which prepare people as effective citizens who live healthy lifestyles and are productive workers who contribute to social and economic development. This philosophy covers all formal, non-formal and informal education as defined by UNESCO.
7. Dr. Eduardo Ali, CARICOM Secretariat
8. ibid
9. There are four key strategic imperatives which will be the main drivers for the work by the TWGs (a) increasing and broadening ACCESS to education and training (b) Sustaining high levels of quality and excellence in the delivery of education and training (c) Enabling RELEVANCE of education and training to all learners and to social and economic development needs (d) Ensuring equity in the access and provision of education and training to all learners.

## References


Feinstein, Charles (September 1998). "Pessimism Perpetuated: Real Wages.

Goklany, 2016. The improving state of the world: why we're living longer, healthier, health in 2015 from MDGs to SDGs. World Health Organization. 2015http://www.oecd.org/dac/OECD-expertise-relevant-to-the-sustainable-development-goals.pdf

Hudson, Pat (1992). The Industrial Revolution. New York: Routledge, Chapman Inc. pp. 22–23.

McDonald, Ross (2005). Rethinking Development. Local Pathways to Global

MOEYS, 2016. The Education, Youth and Sport Performance in the Academic Year 2014-2015 and Goals for the Academic Year 2015-2016. Retrieved from: http://www.moeys.gov.kh/en/education-congress-2016/reports.html#.WLhKtxhh1PM

Schweickart, David (2002). After Capitalism. Rowman & Littlefield Publishers.

UN. 2015. Status of the SDGs and the Post-2015 processes. Presentation by UNRC during the seminar organized by SDSN/Great Lakes & UR Kigali, July 2015.

## APPENDICES

### Table 1: List of SDGs and MDGs

| No | SDGs | **MDGs** |
|---|---|---|
| 1 | End poverty in all its forms everywhere | Eradicate extreme poverty and hunger |
| 2 | End hunger, achieve food security and improved nutrition, and promote sustainable agriculture | Achieve universal primary education |
| 3 | Ensure healthy lives and promote well-being for all at all ages | Promote Gender equality and empower women |
| 4 | Ensure inclusive and equitable quality education and promote life-long learning opportunities for all | Reduce child mortality |
| 5 | Achieve gender equality and empower all women and girls | Improve maternal health |
| 6 | Ensure availability and sustainable management of water and sanitation for all | Combat HIV/AIDS, TB, malaria and other diseases |
| 7 | Ensure access to affordable, reliable, sustainable, and modern energy for all | Ensure environmental sustainability |
| 8 | Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all | Global partnership for development |
| 9 | Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation | |
| 10 | Reduce inequality within and among countries | |
| 11 | Make cities and human settlements inclusive, safe, resilient and sustainable | |
| 12 | Ensure sustainable consumption and production patterns | |
| 13 | Take urgent action to combat climate change and its impacts | |
| 14 | Conserve and sustainably use the oceans, seas and marine resources for sustainable development | |
| 15 | Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss | |
| 16 | Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels | |
| 17 | Strengthen the means of implementation and revitalize the global partnership for sustainable development | |

### Table 2: Six Essential Elements for Delivering the SDGs and their underlying goals

| Elements | SDGs | MDGs |
|---|---|---|
| **Dignity:** End Poverty and Fight Inequality | 1,5 | 1,3 |
| **People:** Ensure Health Lives, Knowledge and the Inclusion of Women and Children | 2,3,4 | 2,4,5,6 |
| **Planet:** Protect our Ecosystems for all Societies and Our Children | 6,12,13,14,15 | 7 |
| **Partnership:** Catalyze Global Solidarity for Sustainable Development | 17 | 8 |
| **Justice:** Promote Safe and Peaceful Societies, and Strong Institutions | 16 | |
| **Prosperity:** Grow a strong, inclusive and transformative economy | 7,8,9,10,11 | |

***Source***: UN. 2015. Status of the SDGs and the Post-2015 Processes. Presentation by UN, RC during the Seminar organized by SDSN/Great Lakes & UR Kigali, July 17, 2015.


## PROGRAMME

| First Week | Time | Activity |
|---|---|---|
| 13 February 2017, Monday | 11.00hrs. – 13.00hrs | **Registration and Joining Report** |
| | 14.00hrs-14.30hrs | **Interaction with Director (Admin.), RIS on General Rules and Logistics** |
| | 14.30hrs-15.30hrs | **Briefing on the Course by Dr Sabyasachi Saha,** Assistant Professor, RIS |
| 14 February 2017, Tuesday | 10.00hrs- 11.00hrs | **Inaugural Session**<br><br>**Welcome Remarks:**<br>**Professor Sachin Chaturvedi**, Director General, RIS<br><br>**Chair:**<br>**Amb. Dr. V.S. Seshadri**, Acting Chairman, RIS<br><br>**Remarks:**<br>**Mr. Dinkar Asthana,** Joint Secretary (DPA II), Ministry of External Affairs, Govt. of India |
| | 11.30hrs-13.00hrs | **Multilateralism, Mega Regionals, and WTO**<br><br>**Professor Abhijit Das**, Head, Centre for WTO Studies, Indian Institute of Foreign Trade, New Delhi |
| | 14.30hrs-15.30hrs | **International Trade Architecture and Challenges for Multilateralism**<br><br>Mr. Arun S., The Hindu, New Delhi |
| | 16.00hrs -17.30hrs | **Group Discussion / Group Work** |
| 15 February 2017, Wednesday | 09.30hrs – 10.00 hrs | **Self Study** |
| | 10.00hrs- 11.00hrs | The Agreement on Agriculture and Food Security in Developing Countries<br><br>**Dr. Sachin Sharma**, Assistant Professor, Centre for WTO Studies, Indian Institute for Foreign Trade, New Delhi |
| | 11.30hrs-13.00hrs | **Group Discussion / Group Work** |
| | 14.00hrs-15.00hrs | **Development Compact as a Pivot of Economic Cooperation in the South**<br><br>**Prof Milindo Chakrabarti, Visiting Fellow, RIS** |
| | 15.00hrs-16.00hrs | **Importance of G20 and Issues in Global Financial Architecture**<br><br>**Dr. Rathin Roy,** Director, National Institute of Public Finance and Policy (NIPFP), New Delhi |
| | 16.00hrs -17.30hrs | **Group Discussion / Group Work** |

| | | |
|---|---|---|
| 16 February 2017, Thursday | 09.30hrs – 10.00 hrs | **Self Study** |
| | 10.00hrs- 11.00hrs | **Trade in Services and the GATS**<br><br>**Dr Nitya Nanda**, Fellow, The Energy and Resources Institute (TERI), New Delhi |
| | 11.30hrs-12.30hrs | **South-South Cooperation in the Context of Global Governance**<br><br>**Ms. Karin Costa Vazquez**, Assistant Professor & Assistant Dean for Global Engagement, O.P Jindal University, School of International Affairs |
| | 14.00 hrs | **Seminar on "Asia-Pacific Trade and Investment Report (APTIR) 2016: Main Findings and Implications for the Region"**<br><br>**Dr. Susan F. Stone**, Director, Trade and Investment Division, ESCAP |
| 17 February 2017, Friday | 09.30hrs – 10.00 hrs | **Self Study** |
| | 10.00hrs- 11.00hrs | **Issues Related to Anti-Dumping and Subsidies in WTO**<br><br>**Professor Mukesh Bhatnagar**, Centre for WTO Studies, Indian Institute of Foreign Trade, New Delhi |
| | 11.30hrs-13.00hrs | **Group Discussion / Group Work** |
| | 14.30hrs-15.30hrs | **Emerging Architecture of Mega Regional Trade Arrangements**<br><br>**Professor S.K. Mohanty**, Professor, RIS |
| | 16.00hrs -17.30hrs | **Group Discussion / Group Work** |
| 18 February 2017 Saturday | | |

| Second Week | Time | Activity |
|---|---|---|
| 20 February 2017, Monday | 10.00hrs- 11.00hrs | **Understanding Agenda 2030 and SDGs**<br><br>**Professor T.C. James, Visiting Fellow, RIS** |
| | 11.30hrs-13.00hrs | **Group Discussion / Group Work** |
| | 14.30hrs-15.30hrs | **The Paris Climate Agreement and International Cooperation**<br><br>**Mr. Karan Mangotra,** Fellow, The Energy and Resources Institute (TERI), New Delhi |
| | 16.00hrs -17.30hrs | **Group Discussion / Group Work** |
| 21 February 2017, Tuesday | 11.00 hrs | |
| | 15.30 hrs -16.00 hrs | **Mr. Ratnesh, Management Specialist,** United Nations Development Programme (UNDP), New Delhi |
| | 16.00hrs -17.30hrs | **Group Discussion / Group Work** |
| 22 February 2017, Wednesday | 10.00hrs- 11.00hrs | **Adoption of SDGs and Sustainability Challenges**<br><br>**Dr P K Anand**, Senior Consultant (DMEO), NITI Aayog, Govternment of India, New Delhi |

| | | |
|---|---|---|
| | 11.30hrs-12.30hrs | **Science and Technology Cooperation in Addressing Sustainability**<br><br>Dr. Sadhana Relia, Head, International cooperation (Multilateral / Regional), Department of Science and Technology, Ministry of Science and Technology, New Delhi * |
| | 14.30hrs-15.30hrs | **Statistical Systems in Developing Countries and SDG Indicators**<br><br>**Shri Krishna Kumar**, Deputy Director General, Ministry of Statistics and Programme Implementation, Government of India, New Delhi |
| | 16.00hrs -17.30hrs | **Re-engineering of Western Aid: New Opportunities and Challenges**<br>**Dr Emma Mawdsley,** Reader in Human Geography and Fellow, Newnham College, University of Cambridge, UK |
| 23 February 2017, Thursday | 10.00hrs- 13.00hrs | **ITEC Participants to attend the National Consultation on SDG 7 organised by NITI-TERI-RIS** |
| | 14.30hrs-15.30hrs | **Developing Countries and Sustainable Energy**<br>Mr. T.K. Arun, Opinion Editor, The Economic Times |
| | 16.00hrs -17.30hrs | **Group Discussion / Group Work** |
| 24 February 2017, Friday | Agra-Jaipur Visit | |
| 25 February 2017 Saturday | | |
| 26 February 2017 Sunday | | |
| **Third Week** | Time | Activity |
| 27 February 2017, Monday | 10.00hrs- 15.00hrs | |
| | 15.30hrs -16.00hrs | **Evolving Dynamics of India-Africa Partnership**<br><br>**Dr. Ruchita Beri**, Senior Research Associate, Institute for Defense Studies and Analysis, New Delhi |
| | 16.00hrs -17.30hrs | **Group Discussion / Group Work** |
| 28 February 2017, Tuesday | 10.00hrs- 11.00hrs | **Regional Integration in South Asia**<br><br>**Mr. Prashant Agrawal**, Joint Secretary (SAARC), Ministry of External Affairs |
| | 11.30hrs-13.00hrs | **Group Discussion / Group Work** |
| | 14.30hrs-15.30hrs | **India-EU Relations: The Road Ahead**<br><br>**Mr. Randhir Kumar Jaiswal**, Joint Secretary (EW), Ministry of External Affairs, New Delhi |
| | 16.00hrs -17.00hrs | **Understanding G20 and BRICS from a Developing Country Perspective**<br><br>**Mr. Alok Amitabh Dimri**, Joint Secretary (MER), Ministry of External Affairs, New Delhi |
| 1 March 2017, Wednesday | 10.00hrs- 11.00hrs | **Group Discussion / Group Work** |

| | | |
|---|---|---|
| | 11.00hrs- 12.00hrs | **India's Energy Sector**<br><br>**Dr Kaushik Bandopadhyay,** Senior Adviser and Associate for the India Project, International Institute of Sustainable Development (IISD) |
| | 12.00hrs-13.00hrs | **Group Discussion / Group Work** |
| | 14.00 hrs- 17.45 hrs | **ILO FESDIG Event on Female Labour Force India – Silver Oak, India Habitat Centre, New Delhi** |
| 2 March 2017, Thursday | 09.00hrs- 10.30hrs | **Orientation by RIS Senior Faculty on Group Activity, Group Article and Evaluation**<br><br>**Prof Sachin Chaturvedi,** Director General, RIS<br>**Prof S K Mohanty**, Professor, RIS<br>**Prof Ram Upendra Das**, Professor, RIS<br>**Mr. Subhomoy Bhattacharjee**, Consultant, RIS |
| | 10.30hrs-11.30hrs | **Implications of Demonetisation and Dynamics of India's Financial Sector**<br><br>**Mr. Subhomoy Bhattacharjee**, Consultant, RIS |
| | 11.30hrs-12.300hrs | **Negotiating Barriers to Trade: SPS and TBT**<br><br>**Dr. Murali Kallummal**, Associate Professor, Centre for WTO Studies, Indian Institute of Foreign Trade, New Delhi |
| | 12.30hrs- 13.30hrs | **Briefing on Visit to National Agricultural Science Museum**<br><br>**Prof T P Rajendran,** Visiting Fellow, RIS<br><br>(working lunch would be served) |
| | 13.30 hrs | Leaving for Study Tour |
| | 14.30hrs-17.30hrs | **Study Tour - Visit to National Agricultural Science Museum** |
| 3 March 2017, Friday | 09.30hrs- 11.30hrs | **Self Study** |
| | 11.30hrs-13.00hrs | **Film on ITEC**<br><br>**Shri Suhas Borker**, Executive Director, CFTV News, Citizens First Television |
| | 14.00hrs-14.30hrs | Self Study |
| | 14.30hrs-15.30hrs | **Reflections on Indian Culture**<br><br>**Dr. Ash Narain Roy,** Director, Institute of Social Sciences |
| | 15.45hrs | **Drafting and Preparation of Group Article** |
| 4 March 2017 Saturday | 09.30hrs | **Drafting and Preparation of Group Article and Presentation** |
| | | Submission of Complete Draft |

| Fourth Week | **Time** | **Activity** |
|---|---|---|
| Monday, 6 March 2017 | 09.30-10.00 | Preparation |
| | 10.00-11.00 | **Interaction of Regional Groups (Asia, Africa and Latin America) with Senior Faculty**<br><br>**Asia Group**<br>**Dr. Ram Upendra Das, Professor, RIS**<br>**Mr Chandan, RIS**<br><br>**Africa Group**<br>**Prof T C James, Visiting Fellow, RIS**<br>**Mr Pratyush, RIS**<br><br>**Latin America Group**<br>**Dr. S K Mohanty, Professor, RIS**<br>**Dr Sabyasachi Saha, Assistant Professor, RIS** |
| | 11.00-11.30 | **Meeting of Group 2 on Development Partnerships with the Director General in his office** |
| | 11.30-13.00 | **Self study / Group Activity / Preparation** |
| | 14.00 | **Self study / Group Activity / Preparation** |
| Tuesday, 7 March 2017 | 09.30-10.30 | **Self study / Group Activity / Preparation** |
| | 10.30-13.00 | **Presentations:**<br>**Group 2: Development Partnerships**<br>**Group 3: Financing for Development**<br>**Chair: Dr. S.K. Mohanty, Professor, RIS** |
| | 14.00-15.00 | **Self Study / Group Activity / Preparation** |
| | 15.00-16.30 | **Presentation:**<br>**Group 5: SDGs**<br>**Chair: Prof. T.C. James, Visiting Fellow, RIS** |
| | 16.30-17.30 | **Self Study** |
| Wednesday, 8 March 2017 | 09.30-10.00 | Group Photo |
| | 10.00-11.00 | **Presentations:**<br>**Group 1: Economic Integration**<br>**Group 4: Economic Growth**<br>**Chair: Dr. Ram Upendra Das, Professor, RIS** |
| | 11.00-12.30 | **Prospects of India-EURASIA Economic Cooperation**<br>**Shri G V Srinivas,** Joint Secretary (ERS), Ministry of External Affairs, Government of India |
| | 14.30 | **Visit to Lady Shriram College** |
| Thursday, 9 March 2017 | 11.00 – 12.30 | **Visit to Indira Gandhi National Centre for Arts** |
| | 15.00 | **Visit to Jawaharlal Nehru Memorial Museum and Library, Teen Murti Bhavan** |
| Friday 10 March 2017 | 15.00 | **Valedictory Session: Presentation of Certificates**<br>**Dr. V.S. Seshadri, Acting Chairman, RIS**<br>**Dr. S.K. Mohanty, Professor, RIS**<br>**Dr. Ram Upendra Das, Professor, RIS** |
| | 19.00 | Farewell Dinner –<br>Pool Deck, India Habitat Centre, Lodhi Road |


Nico Ombeni








# RIS A Think-Tank of Developing Countries

Research and Information System for Developing Countries (RIS) is a New Delhi-based autonomous policy research institute that specialises in issues related to international economic development, trade, investment and technology. RIS is 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 is engaged across inter-governmental processes of several regional economic cooperation initiatives. Through its intensive network of think tanks, RIS seeks to strengthen policy coherence on international economic issues and the development partnership canvas.

For more information about RIS and its work programme, please visit its website: www.ris.org.in

**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, Email: dgoffice@ris.org.in
Website: http://www.ris.org.in

*Follow us on:*

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