

International Development Cooperation in the 21st Century and South-South/ Triangular Cooperation

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The Changing World System

During the period of more than 60 years since development cooperation as we know it emerged in the aftermath of WWII, the world system has gone through a significant change. Economically, the era of overwhelming U.S. dominance or American hegemony began wavering as early as in the 1970s, giving way to the trend of multi-polarization of economies with recoveries in Japan and Europe. With the end of the Cold War, which largely determined international politics after the Second World War, the world system entered the post-Cold War era. The wave of globalization accelerated from around that time. Today, with the first decade of the 21st century behind us, the world system seems to be in a state of change that can happen only once in several centuries.

Placed in an era of this tectonic change of the world system, international development cooperation, which hitherto has been characterized mainly as the flow of resources from advanced countries (“North”) to developing countries (“South”), is also at a major crossroads. While developed countries such as European countries, the US and Japan are experiencing ever-increasing difficulties, emerging economies are strengthening their presence rapidly. Countries traditionally categorized as “developing countries” are no longer homogeneous. On the one hand, there are a fair number of developing countries likely to achieve many of their Millennium Development Goals (MDGs) while on the other hand, there remain groups of countries, some of which are called “fragile,” which are lagging far behind. An increasing number of developing countries and particularly, rapidly emerging economies, are starting to act as cooperation providers, thereby expanding the possibilities of South-South cooperation. And, with more international assistance providers in the field, notions on international cooperation are taking on more diverse forms. Along with the world system, development cooperation, too, is at a crossroads.

It is difficult to characterize today's changes in the world system in simple terms. I once mentioned that we may be at the start of an era that I call "the New Middle Ages," since the world today resembles the Middle Ages in that sovereign states and other non-state actors (businesses, NGOs, IGOs, INGOs, terrorist groups) interact intricately amidst a trend of globalization and mutual economic dependence.¹ No matter whether this metaphor is appropriate or not, it has become ever more difficult today to view the current world system merely through the concept of the sovereign state systems. Moreover, the overwhelming economic dominance of the United States and Europe—countries that led the establishment of today's sovereign state system—is coming to an end. If, as numerous projections predict, the economic scales of countries move proportionally to their populations, this trend toward diversification is likely to continue.²

These major changes in the world system are not taking place uniformly across the globe. Some parts are achieving rapid economic growth, while others stagnate. Thus, the dichotomy of advanced and developing countries is no longer appropriate. In the same vein the concept of "developing countries" is becoming obsolete; evidently it is inappropriate to lump quite heterogeneous groups of countries together simply as "developing countries."

Changing World System Calls for New Development Cooperation

These major changes in the world system call for a fundamental review of the concept of development cooperation.³ Whereas development cooperation has been defined chiefly as transfers of sophisticated hardware and software originating in advanced countries to underdeveloped countries, development cooperation in the 21st century may take a different shape. This is because the knowledge and technologies needed in the decades to come will be quite diverse and different from those that have been built up in today's developed countries. For example, at least partly, it was knowledge and technologies developed only recently in the 21st century that drove the

¹ Akihiko Tanaka, *The New Middle Ages* (Tokyo: Nihon Keizai Shimbun, 1996)

² Tanaka, op. cit., sought to somehow include the "fragile states" of today into the analyses, and thus divided the global system into three spheres: the Neo-Medieval, Modern, and Chaotic. The countries in the Chaotic sphere are now referred to as fragile states.

³ Whereas the 2005 Paris Declaration of OECD-DAC uses the terms "aid" and "donors," the 2011 Busan Declaration uses the terms "development co-operation" and "providers." This appears to reflect the changes I identify to a certain extent.

recent rapid growth of emerging economies, rather than the knowledge accumulated during the 19th or 20th century by today's North. Countries with lower income will look to the experiences of such emerging countries rather than to developed countries of the 20th century. Further yet, the next group of emerging economies may even pursue a different growth path from today's emerging economies.

These countries, too, will face enormous challenges in their ways forward, irrespective of their current stage of development. And for many of these challenges, unfortunately, no easy answers have been found, even by today's developed countries. Take, for instance, medical and pension systems that will likely be an issue in many countries as their economies mature. Tomorrow's developed countries will not be able to cope with this challenge simply by importing systems from today's advanced countries, whose systems have proved to be faulty. Thus, in a world faced with multitudes of tasks with no ready-made solutions, development cooperation must take the form of mutual learning and joint solution discovery.

The same applies to the realm of peace and state-building. The fact that the concept of "fragile states" has gradually made its way into the development community is worthy of appreciation as a sign of deepening pragmatism in development cooperation. This concept has helped realize the need for various measures to secure human security as well as the importance of institutions—in particular, functioning states—to sustain peace and order. Such measures include those for poverty reduction and improvement of health, as well as institutions that enable such measures to be sustained over the long term. Also required in a post-conflict society are efforts to re-establish peace, particularly those leading to reconciliation. All in all, whatever measures they may require, post-conflict or fragile states need human resources to implement such measures and to run the institutions. They also need a social infrastructure to keep the state system functioning. In a nutshell, they need to rebuild the state as a comprehensive system. Here again, the experiences of today's advanced countries are of little help; today's post-conflict countries must search for their own state-building paths in today's environment where a wide variety of non-state actors interact. This process, too, will inevitably be one of mutual learning and joint discovery.

Tomorrow's Development Cooperation

Then, how should Official Development Assistance (ODA) or, more broadly, development cooperation in general, change in the times to come? In a nutshell, it must adapt to the fundamental changes in the world system, as outlined above. In other words, innovative modes of development cooperation must be looked for, so that emerging countries are assisted to grow into advanced nations while achieving harmonious growth without serious political or social tensions. Development cooperation in the 21st century must also help the next group of countries learn from the experiences of their forerunners and to become the next-generation "emerging" countries. It will also have to help those countries enduring difficult conditions today to overcome their fragility and establish a foundation for social and economic development. And, to achieve this end, tomorrow's development cooperation must be centered on mutual learning and joint solution discovery among various stakeholders, from every country, both from the north and the south.

Specifically, I consider the following three dimensions to be of utmost importance.

The first is development cooperation from the regional, cross-border perspective, i.e., cooperation that serves to boost the emerging economies' energy, thereby activating the economies of neighboring countries as well as that of other parts of the world. What I envisage in Asia, for example, is a development cooperation that aims to further promote the dynamism of nations such as Indonesia, Malaysia, Thailand and Vietnam, and along the way, to activate economies in the whole of Southeast Asia and Asia at large. Similar ideas seem also very promising for many parts of Africa, the Middle-East, and Latin America. This perspective of regional, cross-border perspective development may call for a different approach in cooperation. In infrastructure development, for example, emphasis should be placed more on resolving regional bottlenecks beyond national borders.

The second is to enhance development cooperation for mutual learning and joint solution discovery. The conventional wisdom has been that "experts," usually foreign experts, visit developing countries to provide their expertise. However, cooperation could perhaps be more effective when an expert from outside and local experts work together, exchange ideas, and discover innovative solutions. This process could be

particularly effective if both of the experts have had similar experiences of their own. The importance of this cannot be overemphasized given the nature of the tasks we are facing, as I mentioned earlier. Actually, this is what we at JICA have learned through our long experience: examples abound, such as the development of a new biological species (e.g., soybeans in Brazil), a new method of aquaculture (e.g., salmon culture in Chile), or a new technology to reduce the risks of volcanic and seismological disasters (e.g., landslide prevention technology in Indonesia). Such mutual learning and joint solution discovery must prove useful in tackling global or universal issues such as climate change and urbanization, and other important issues. Such a process of mutual learning and joint discovery could accelerate the growth of the world knowledge base, if it is appropriately facilitated by international development cooperation.

And the third is to strengthen cooperation between various stakeholders in development cooperation. As noted at the beginning, a major characteristic of today's world system is the emergence of various non-state actors, and they are endowed with rich resources and have important roles to play in the development cooperation of today and tomorrow. These actors include, obviously, non-governmental organizations (NGOs) and private businesses, but also various players such as universities, research institutions, hospitals, schools/teachers, unions, and community leaders as well as many others.

South-South Cooperation and Triangular Cooperation

In these contexts, South-South and triangular cooperation will have ever-increasingly important roles to play in the coming decades, given their obvious advantages with respect to the agendas outlined above: they are very suited to regional cooperation; they can offer perfect space for mutual learning and joint solution discovery; and they are effective in mobilizing resources of various professions, backgrounds and experiences from around the world, which otherwise would not be participating in development cooperation.

Japan prides itself in having been a strong proponent of South-South and triangular cooperation since the mid-1970s, and is happy to share its ample experience with its partners, which is the purpose of this booklet. I hope this booklet will be widely read, and be used as a reference that will foster further cooperation among us.

The contemporary world system demands changes in our way of thinking about development cooperation. Development cooperation must be *co-operation* in the true sense of the word: working together. Extending this idea will enable us to adapt to the modern world system, and South-South and triangular cooperation is one important and promising means to that end. We intend to make every effort and work together with our partners around the world to establish a new form of development cooperation.