

DEVELOPMENT COOPERATION REVIEW

Editorial

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Need Southern Innovation Hubs – Can BAPA+40 Help?

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Ambassador's Perspective

India's Development Cooperation in Afghanistan

Vinay Kumar

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Development Cooperation Review

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Vol. 1 | No.7 | October 2018

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Editorial

In its seventh issue, the Development Cooperation Review (DCR) brings to the readers an array of special articles that shed light on the multiplicity of engagements among developing countries complimented by the flow of knowledge, technology and resources. In the first special article, *'Multi-Sector-Multi-Layer Growth Corridor Programme for Asia Africa Growth Corridor (AAGC): A Perspective'*, Ahmad Khaleel, G. puts forth a case for the new and renewable energy sector that can ensure the smooth adoption and implementation of the vision laid out in the Asia Africa Growth Corridor. The second article *'Need Southern Innovation Hubs – Can BAPA+40 help?'* by Sabyasachi Saha focuses on the nature of resource and knowledge flows which are changing from the traditional North to South flows. South-South Cooperation needs to ensure institutional strengthening to promote inter-Southern flow of technological knowledge and build innovative capacity. Priyadarshi Dash's article set in the global context of currency swap agreements and titled *'Trade in Local Currency for South-South Cooperation: A Case of India's Rupee Trade Scheme'* provides a Southern lens to the recent trends in currency distribution in global trade and transactions. It details the Rupee Trade Scheme of India to explore mutually favourable trading instruments to strengthen cooperation.

Through an Ambassador's Perspective, Vinay Kumar engages on India-Afghanistan Development Cooperation. This section delves into the array of cooperation projects implemented across Afghanistan between 2011 to 2016, which highlight the diversity of India's development cooperation.

The ongoing section on *'Lexicon and Syntax'* of development cooperation, looks into *'Development Cooperation through the Lens of Rawlsian Theory of Justice'*, where the author underscores the attempt of the Northern countries to build a world "where no one is left behind" embracing the Rawlsian ideas of justice. Adding to the perspectives section, Maj Gen Nilendra Kumar in *'A Private Initiative in Development Cooperation between India and Mauritius'*, discusses the development model between Delhi based Lex Consilium Foundation and Mauritius based Institute of Judicial and Legal Studies, set up to build capacity in

the legal profession. The focus of such an engagement is two-fold, first to facilitate the capacity building among the judiciary in Mauritius on the working of the Indian system, and second to provide opportunities for young Indian professionals to gain exposure on the working of the judicial system of Mauritius.

The next section of the DCR reviews the United Nations publication, '*The Inefficiency of Inequality*', by providing an insight into the challenges faced in the South focusing on the link between poverty and inefficiency. Following this, DCR provides a glimpse into the *Delhi Process IV*, which aimed to strengthen the theoretical nuances of South-South and Triangular Cooperation on the road to the Second High-level United Nations Conference on South-South Cooperation (BAPA+40), in its events section. As a lead up to the 2019 High-level United Nations Conference on South-South Cooperation (BAPA+40), DCR brings some relevant reading drawing upon both the state and role of South-South and Triangular Cooperation.

SSC in statistics reveals that growth in the South is due to economic fundamentals rooted in utilization of domestic resources and moving away from dependence on foreign capital.

As Development Cooperation Review moves towards evolving itself into a full-fledged Journal by March 2019, we solicit comments and feedback from our readers and invite policymakers, officials, researchers, academics and practitioners to contribute to our forthcoming issues.

Multi-Sector-Multi-Layer Growth Corridor Programme for Asia Africa Growth Corridor (AAGC): A Perspective



*Ahmad Khaleel, G.**

Introduction

Within the challenges of sustainable development lie the opportunities of continuous sustainable growth. This is, however, only possible for the economies that are future oriented and enterprises that take their time to study the situation and its potential possibilities. This can equally be true for developing countries and enterprises therein that are at the extreme spectrum of both sustainable development challenges and opportunities (Cohen, Demeritt, Robinson & Rothman, 1998). With the historical relations between Asia and Africa in terms of their shared history and the recent developments of the South-South and Triangular Cooperation - SSTC for development narratives (Chaturvedi, 2016), a new sense of hope for Africa's development is now in clear view. One of the outcomes of these developments is the promising but slowly evolving Asia Africa Growth Corridor (AAGC) (RIS, 2017).

The AAGC Vision Document has presented an extensive list, under its proposed elements as the four pillars of AAGC, of measures that if adopted, the result will be immensely appreciated by both parties. It is one thing to know *WHAT* to do, and yet another to know *HOW* to do it in a manner that practically appeals to the needs and interests of both parties. This is the aim of this piece; to propose amongst others, one of the ways through which the acceptability, adaptability and implementation of AAGC might be made smooth and

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with less hiccups, especially on the part of African countries. An illustration for new and renewable energy sector is provided before going over the policy implications and finally it provides the conclusion and the way forward.

The Proposal: Multi-Sector-Multi-Layered Growth Corridor Programme

It is clear, following the developmental antecedents of the two continents, that both Asia and Africa have a lot to benefit from AAGC. There is no question that a strategic and systematic combination of Asia's evolving technical know-how and growing capital-base with Africa's resources and markets would produce a new level of shared-prosperity. This not only benefits the Global South but the world in general, in a way that has never been seen before and cannot be achieved with each of the two continents acting independent of one another.

However, one of the challenges standing on the way of these realisations is the simple fact that, Africa needs to be convinced of the encapsulation of SSTC in AAGC as a "Better-Deal" in practice. This can be done with a number of demonstrative moves over and above the simple business deals, bilateral and multilateral agreements of the previous decades. In this regard, therefore, this paper proposes a strategic and comprehensive programme for AAGC in the energy sector as one of these demonstrative moves. The programme has been conceived and being designed in a multi-sector (cutting across all economic sectors) and multi-layered manner (that cuts across all the proposed elements of AAGC within individual sectors). The aim is to set up some sort of a rare Growth and

Development *Super Market* that provides various opportunities to different players according to their needs, capacities and capabilities.

The Multi-Sector-Multi-Layered Growth Corridor Programme is being thought of to be organized around the existing Asia-Africa relations; that is, by way of consolidating them to further strengthen and expand them for maximum realisation of the proposed elements of AAGC through the following three (3) key layers/components:

- People/businesses/institutional linkages and exchange services
- Upgradation of established Asia and African businesses
- Collaborative research development, deployment & demonstration

Linking the Three Layers to AAGC

These layers are embedded in the AAGC philosophy and principles in the sense that each of them has some strategic significance in facilitating the four pillars of AAGC:

- Businesses/institutional linkages and exchange services is the first stage of all cooperation and collaborations, as it is the first stage of people-to-people partnership through which connectivity for enhancing capabilities and skills will take place. It is also at this stage that the connected people and institutions begin the process of conceiving the ideas for quality infrastructure that will eventually be executed through development & cooperation projects.
- Upgradation of established Asian and African businesses/institutions is what

will follow the established connection above. This is because both the Asian and African businesses and institutions will be taken to a higher level than they were before this engagement, as most African businesses will experience transformation and linkages to the global value chain as their Asian more experienced counterparts will be elevated to the rank of global players operating in an intercontinental market. The visibility of all the four pillars of AAGC will be apparent within this process, as upgradation here means the result of establishing people-to-people partnerships, for the purpose of enhancing capabilities and skills to operate at the level that, with their enriched experience, they begin to develop ideas for quality infrastructures and institutions that will be executed as development and cooperative projects and programmes.

- Collaborative research development, deployment and demonstration is a flexible part of this process. As it is operative at all the stages, it ensures that the process keeps getting more

informed and better. This can be achieved by identifying the key issues to be addressed based on factual data and new/recent research findings. It is needed at the cyclical starts, mid-ways and the ends so as to find ways to improve the next step, round or cycle of activities. Through research studies and surveys, the interested people and institutions to be connected through this programme will be identified as having the set down characteristics; as also the sets of capabilities and skills to be enhanced, the institutional and infrastructural deficiencies to be addressed, and set of development and cooperative projects as well as the best ways of executing them.

The three layers of the Multi-Sector-Multi-Layered Growth Corridor Programme as they relate to the four pillars or elements of AAGC can be viewed as depicted in the Figure 1.

The remainder of this paper provides a brief description of the programme for the new & renewable energy sector, other sectors' versions may be similar to this with difference in the sectoral specifics.

Figure 1: Four Pillars of AAGC and Three Layers of the Multi-Sector-Multi-Layered Growth Corridor Programme

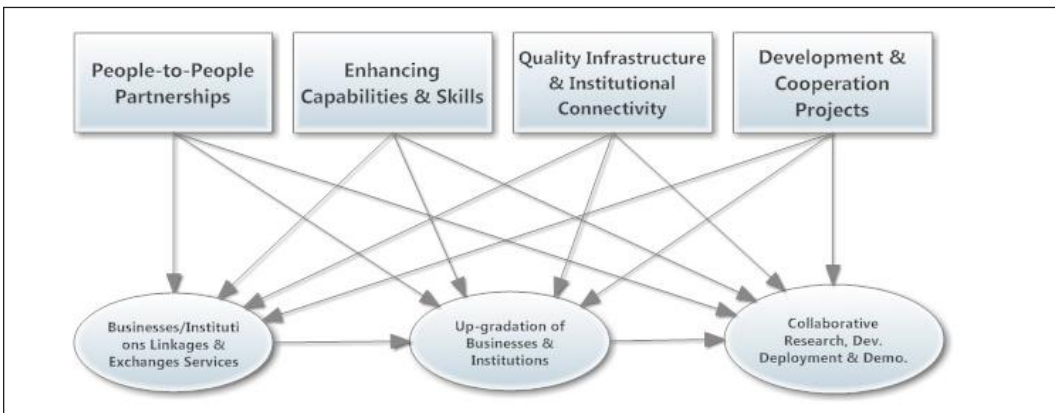


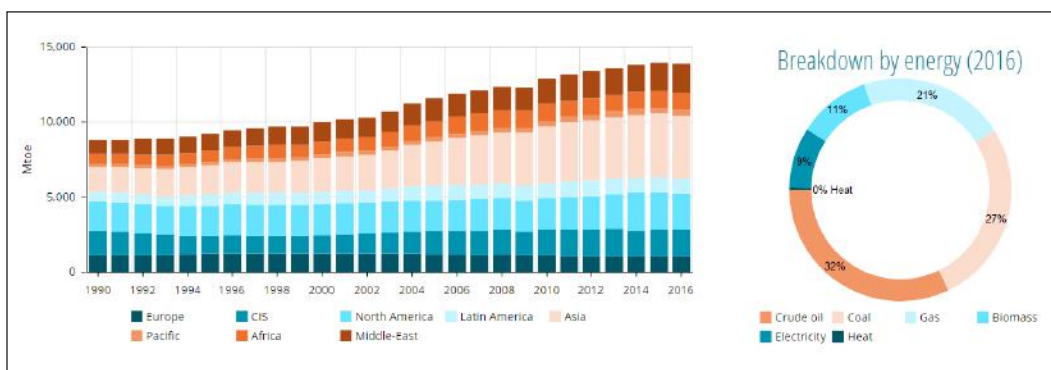
Illustration of the Programme for New & Renewable Energy Sector

According to United Nations General Assembly (2015), energy is the dominant contributor to climate change, accounting for around 60 per cent of total global greenhouse gas emissions. The demand for more energy has been and will continue to increase particularly with the ever increasing aspirations of developing economies to experience their respective ages of mass production and consumption. Currently the most widely used form of energy are fossil fuels consisting of coal, oil and natural gas in combination with nuclear from the last few decades and few renewables (of which only bio-fuels and hydroelectricity are significant) here and there. To have clear picture of the world energy supply situation in the last nearly two decades, the Enerdata (2017) depiction in Figure 2 may come handy. It can be seen that, from 1990 to 2016, global energy supply rose from a little below 9,000 Mtoe to almost 14,000 metric tonnes of oil equivalent (Mtoe), that is more than 50 per cent increase. Disaggregating these reveals the growing domination of fossil fuels

with 32 per cent crude oil, 27 per cent coal and 21 per cent gas, leaving the renewables of both biomass (11 per cent) and hydro (9 per cent) with only 20 per cent. This calls for the action towards sustainability even from the developing and least developed countries, particularly if one considers the potential emissions these countries are capable of in the near future. Thus, instead of continuing the trends of fossil fuel and later shift to renewables, an immediate shift to renewables and contribution to global climate action can be started now. This means joining the world with as little as they can put into the process of achieving carbon neutrality by the mid of 21st century so as not to be part of the future environmental challenges.

The world's attention in terms of energy has now shifted away from fossil energy and slightly from nuclear energy to renewables even though, the world will be stuck with these non-renewable energy sources for some time before the transition is complete. This is because, as already illustrated, fossil energy is currently providing more than 80 per cent of global energy requirement (IEA, 2015,

Figure 2: Global Total Energy by Regions and Fuel Sources



Source: Enerdata (2017)

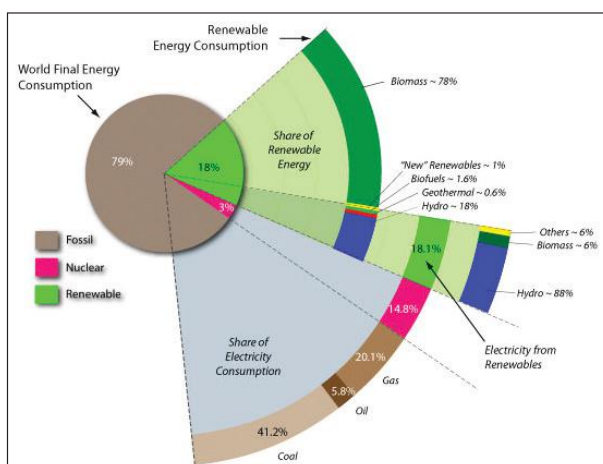
Enerdata, 2017). Impressively, Africa is also contributing in this shift to renewables as is evident with sweeping energy policy changes across the continent and the bold move from African Development Bank in putting all its energy investment into renewables throughout the 2017 financial year (AfDB, 2017). This paradigm shift in global energy scenario will have effect on energy generation, storage, distribution and trade. It will directly and indirectly, as the case may be, affect national and international institutions at varying degrees that can only be determined through careful studies.

The United Nations, prior to the Paris Declaration, had this in mind when drafting the Sustainable Development Goals (SDGs) adopted September, 2015 as the 21st century Global Development Agenda for the next 15 years. Sustainability, Clean Energy and Climate are explicitly stated as three Goals 7, 11 & 13 - of the seventeen goals that constitute the new direction of global sustainability the world advances towards in the 21st century (United Nations Gen. Assembly, 2015). Above all,

partnerships for the goals is the last but not the least means to achieve the SDGs, hence the relevance of AAGC and programmes of this scale.

Renewable energy (RE) is not a new form of energy, it has been here since the beginning of life on planet earth, rather, its utilisation remained small to the subsistence level. The share of renewables in the world can be better appreciated in the World Final Energy Consumption illustration (Figure 3) by Green Rhino Energy (2013). While the Global Climate Action is the best known action plan to ensure sustainable future of the planet, it came with huge challenges particularly with world's huge investment in fossil fuel. As such, it is in the interest of developing countries to pursue an ambitious climate action strategy that will ensure that they have adequately contributed to the global climate action as well as to safeguarding their economies and territories from not only the adverse effects of climate change but also from the opportunity-rush taking place globally at various business and geopolitical fronts.

Figure 3: Global Final Energy Consumption



Source: Green Rhino Energy, 2013.

On the eve of, and immediately after, the 22nd Conference of the Parties to the Kyoto Protocol, different reports with various initiatives began to surface on how best to go about the climate action. Some notables include the Oxfam report which argued underestimation of the cost of coping with climate change for developing countries by tens of billions of USD. The International Renewable Energy Agency (IRENA), as a UN Sustainable Energy for All (SE4ALL)'s hub for RE, proposed Remap 2030 that calls for doubling the share of renewable sources in the global energy mix by the year 2030. We Mean Business in collaboration with Carbon Disclosure Project-CDP released Business Side of Climate Change, with five global business initiatives to accelerate the climate action that can reduce the global emission by 7-9 per cent (3.2-4.2 billion/year) of the 2010 levels by 2030. One common point about most of the initiatives is that, they are too general in their approaches and disregard the differences in capacities and capabilities of countries and companies in fulfilling the Intended Nationally Determined Contributions-INDC and Business Determined Contributions-BDCs. Against this background, the Multi-Sector-Multi-Layer programme gives a clear new and renewable energy sector development cooperation framework to accelerate climate action beyond INDCs & BDCs. This can be done in a way that is very important for developing countries as well as the energy firms and other relevant institutions therein within the umbrella of SSTC through AAGC.

The programme for new and RE sector begins with some basic understandings and beliefs that:

- Over 80 per cent of our energy is coming from non-renewable sources.
- Over 15 per cent of the world is currently without access to modern energy (electricity).
- Over 80 per cent of the people without access to electricity live in low income, Sub-Sahara African and South Asian developing countries.
- Most developing countries do not currently have the needed energy infrastructure and hence represent the future increase in energy demand.
- Climate action is a collective responsibility even though most developing countries are not currently required under Kyoto Protocol to lower their emission.
- Instead of continuing the trend of fossil energy and start the transition later when their emissions become alarming, developing countries have the option of leap-frogging to RE from now.

Therefore, the idea is about creating the enabling environment for developing countries to leap-frog into RE use and accelerating the climate action beyond the INDCs and BDCs. This will be achieved by aligning the programme's procedures and activities with the UN, regional and country specific policies, programmes and initiatives, like the Barefoot College's Solar Mamas and International Solar Alliance (ISA), across Asia, Africa and beyond. To raise the standards and level of excellence of the programme and its ensuing projects, they will be registered as Programme of Activities (PoA) and Projects under the Clean Development Mechanism of United Nations Framework Convention on Climate Change (UNFCCC). This is to enable emission-reduction processes

in developing countries to earn saleable, certified emission reduction (CERs) credits even though their price has been on the downward trend. These CERs can be used by industrialized countries to meet a part of their emission reduction targets under the Kyoto Protocol (UNFCCC, 2016). Every business link/contract and projects will be initiated with the intention of leading to an emission reduction energy project or process that earns CERs that will further enhance the profitability of the projects and joint ventures that will result from the programme.

Among the key targets of the programme shall be efforts to upgrade energy companies to make them ready to provide energy products and services in line with the requirements of Kyoto Protocol, Paris Agreement, Global Climate Action, UNCTAD, SDGs as well as their regional and national policies, programmes and initiatives. It is set to start/reform, connect & grow green entrepreneurs by linking energy companies with established RE technology and those with market penetration with the aim of setting into motion the process of greening the energy sectors in these nations. One special example of this can be the outcome of algae fueled vehicle test of the New Millennium India Technology Leadership Project (AK Singh et al., 2018, NPI, undated). It can be organized through:

- Joint research & patent documentation
- Technology/market sharing
- Inter-country energy policy harmonisation

This will be done by familiarising these firms (particularly those from Africa), through the course of the programme, with all the components and requirements of the above UN & other

regional sustainable energy policies & programmes, and also equipping them with the needed competencies and skill sets to enable them operate within their markets with an improved understanding of the changing global energy scenes. This will invariably allow them contribute to achieving various global energy and environmental objectives through achieving their business goals. This process will transform some of the existing fossil energy firms into, depending on their operational level & capacity (or where necessary create), modern day green energy firms. This will be done by making them up to date with the most current/appropriate technologies, policies & investment options as well as sources with linkages to those sources for faster energy products & services development & delivery.

The specific objectives of the programme in this sector may include among other things:

- To speed up the process of Mitigation & Adaptation beyond INDCs.
- To promote energy tech firms with proven technology to global value chain.
- To create linkages between energy firms within developing countries.
- To increase access to clean energy especially in remote areas.
- To promote the culture of joint research between developing countries.

Apart from the environmental, health and social benefits, the following economic and business gains stand out:

- Gradual conversion of the existing investment in fossils into renewables and generating new investment where necessary.

- Skills acquisition & employment generation.
- Expansion in the existing and creation of new ventures where necessary.
- Promotion of energy firms with technology patents into global players.
- Linking energy firms in low-income countries to better renewable technologies.
- Enhancing quality of life of the poor with modern energy access to the population currently not reached.

Policy Implications

Though a significant milestone has been recorded in Africa in this regard, with harmonisation of the renewable energy and energy efficiency policies at regional levels, such may not necessarily be the case across Africa and between Asia and Africa. However, with these continents participating in international renewable energy initiatives like the UN's Sustainable Energy for All (SE4All) and others (ISA), such harmonisation will not be difficult to achieve. Finance may, however, be another challenge in this regard; this also can be overcome by the collaboration in accessing global financing through joint project preparation, development as well as implementation. Energy technology challenges will also be overcome by indirectly reducing its cost of transfer through mass deployment across the under-served and excluded sections of continents. In a nutshell, a process of neutralising all major differences in new and renewable energy policies should be started at the inception of the programme. This is aimed at providing the much needed enabling play ground for private sector both in and outside the two regions to participate in the programme.

Conclusion and the Way Forward

In the foregoing discussions, it has been established that, though the sustainable development, climate change and action stand to be seen as huge challenges, buried within them are equivalent or even bigger opportunities for developing countries to leap-frog in many areas including new and renewable energy. It is equally highlighted that SSTC for development is an important instrument for utilising these opportunities and AAGC stand a good chance of proving to a 'Better Deal' for African countries. This is particularly important if organized in the multi-sector-multi-layered programme that provides a kind of rare Growth and Development Super Market for the different countries in Africa. The gains are huge, but require careful preparation and policy harmonisation at the intercontinental level to smoothen the flow of triangular cooperation in all sectors.

The first step in the way forward can be to review areas of priority for both continents and identify areas where there are overlaps. Then one should immediately begin the process of policy harmonisation and reciprocal easing of apparently stiff but adjustable standards. This may be followed by setting a test-running period and the number of projects to be executed within the period. Another important recommendation often neglected has to do with extending capacity development assistance in the area of meeting requirements and standards that cannot be lowered or compromised and are key to successful completion of the cooperation processes. These will, to a large extent, be instrumental in pushing the AAGC agenda in the African end by not only sharing with African countries what they currently lack, but by showing them what they do presently have.

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SOUTH AFRICA-SAUDI ARABIA: ENERGY SECTOR COOPERATION

Following the conclusion of the eighth South Africa-Saudi Arabia Joint Economic Commission (JEC), Saudi Arabia will be sending a technical team to assess the energy sector of South Africa to conduct a feasibility study. Saudi Arabia pledged to invest \$10 billion in South Africa's energy, defence and agricultural sectors during bilateral visits.

Saudi Arabia and South Africa are considering collaboration in development of the mining sector. An investment cooperation agreement was signed between Invest South Africa and Saudi Arabia General Investment Authority (SAGIA) and finalised a Memorandum of Understanding on renewables between the two countries. ACWA Power from Saudi Arabia already has invested in a solar plant in Bokpoort, Northern Cape, South Africa. Saudi Arabia is among South Africa's top five import partners, largely due to the amount of the oil imports.

Source: <https://www.devdiscourse.com/Article/other/206185-saudi-technical-team-to-assesssouth-africas-energy-sector>

Need Southern Innovation Hubs - Can BAPA+40 Help?



*Sabyasachi Saha**

Successive scientific discoveries led to technological innovations of the kind that laid the foundation of the modern systems of production and later, with maturing of technologies, particularly in the class of general-purpose technologies, positive externalities induced citizens to consume technology-led products and services. Technology led to increased productivity, initially in the industrial production. Hence, technology-aided division of labour allowed mass production at the lower unit cost compared to the traditional production techniques. However, technology use in industrial production remained highly concentrated in a few countries that saw the birth of industrial revolution. The same was transported to the similar countries in the 'West', which were relatively well-off to take advantage of the technology-led industrialisation. They constituted the earlier industrialised countries. The rest remained technologically 'backward' with absolute dependence on the industrialised countries for finished manufactured products.

Beyond industrial production, modern science since the 19th century has helped in leapfrogging in medical sciences, communication and mobility. Developing countries could afford a miniscule fraction of a wide range of technologies that saw heavy consumption in the developed countries. The World Wars also meant for proliferation of military technologies in the 'first' world, have left the 'third' world to languish economically and politically. However, some countries in

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the developing world slowly and steadily emerged through efforts at technological learning and catch-up, and due to comparative advantages of labour supply started developing industrial sector, primarily to take advantage of low technology-intensive manufacturing. Nevertheless, in the recent decades, several developing economies have emerged as production bases in the category of medium and even high technology goods, and skill intensive services. This is particularly true of the 'emerging' Asia, including large developing countries like China, India and Indonesia in the more recent decades. Static comparative advantages did not restrict space for dynamic comparative advantages, and technological efforts towards technological learning (and at times innovations) proved to be successful endeavour.

Historically, knowledge flows were from the developed to the developing economies were overwhelmingly through the channels of skilled human capital. This did not benefit a large number of developing countries. With time, innovation systems in the advanced countries acquired mammoth size and scale further dwarfing technological abilities of the 'Southern' countries. Capitalist means of production took shape beyond the competitive market forces through rent seeking (oligopoly) domestically and internationally. Hence terms of trade for the developing countries could not improve beyond a point, even for the newly industrialised countries. All through, developing countries remained, therefore, at a point of

disadvantage with regard to industrial production and its contribution to GDP. Only a few countries could garner the courage to channelize already strained national resources to scientific enterprise that is risky and uncertain. A select group of countries like India felt the need for investing in human capital generation and public patronage of science to reach a point of self-reliance in technology and also create a pool of researchers and professionals, who could shape the direction of technological change in the country. This strategy obviously paid off in the case of India, where it is often suggested that India's emergence was possible due to human capital and expertise in select knowledge-intensive sectors more than anything else. This is borne out by the fact that skill-intensive service sectors have influenced significantly growth prospects, and India's merchandise exports have become more technology-intensive over time.

Examples of East Asia, South East Asia, China and India suggest that technological determination pays strong premium in achieving high growth even when developing countries have bottlenecks like inadequate institutional frameworks, staggered economic reforms and poor infrastructure. R&D efforts, made in countries like South Korea, did not only help them emerge as a strong industrial production base, but contributed further towards active pursuance of science in frontier areas and enabled a thriving innovation ecosystem. India's success at promoting industrial technologies

has been modest, but a consistent effort at expanding the scientific base through public-funded institutions has been beneficial in terms of gaining niche and expertise in low-cost technology development across variety of fields like space, pharmaceuticals and chemicals. The adoption of the third industrial revolution vintage of technologies like automation and internet has been more because of push factors provided by open economy and internationalisation of production driven by large firms and MNCs. The transition to industrial societies took longer time for the earlier industrialised countries owing to relatively slow moving technology frontiers and lower network propensities. Thankfully, the emerging economies have been able to achieve technology-led transformations within a shorter time span by exploiting standardised technologies. Integration with the world economy helped in the process by enhancing resource capabilities and expanding market opportunities.

However, it would be naive to consider capability building in developing countries as exclusive efforts by the countries themselves. The fundamentally skewed world order restricted in many ways the access to technologies and innovations, and developed countries played a very limited role in strengthening S&T infrastructure in the developing countries; with only a handful of countries inheriting a chequered colonial legacy of education that too miserably lower than the requirement. The successful experience of select

developing countries in post-war period in proactively pursuing science and higher education was considered forward looking and radical. It was also apparent that collective efforts in the Global South on knowledge-sharing and capacity-building could generate necessary impetus for relatively lagging countries to make a beginning in indigenous capability development in S&T.

However, the relevance of such efforts as part of the policy thrust and national enterprise moved beyond considerations of leaps in industrialisation and availability of technology-led goods and services. Development transitions and credible development outcomes in poverty alleviation and livelihood creation through industrialisation as well as improvement in health and habitat (by deploying scientific solutions and techniques) robustly caught the imagination of the poor and developing countries. However, with existing capacity gaps, technology can neither be leveraged for rapid economic growth nor in fulfilling promises of a welfare state.

The United Nations Conference on Technical Cooperation among Developing Countries in Buenos Aires in 1978 was held in the backdrop of the call for a New International Economic Order. This conference concluded with the adoption of a milestone Buenos Aires Plan of Action (BAPA). The capacity gaps that existed in the developing countries were furthering through uneven distribution of resources of mere trade flows that followed principles of

static comparative advantages were unable to bridge effectively. Against this background, it was considered appropriate that technical cooperation among developing countries be given utmost importance as a means of building communication and in promoting wider and more effective cooperation among developing countries. It also stressed that such processes are vital force for initiating, designing, organising and promoting cooperation among developing countries so that they can create, acquire, adapt, transfer and pool knowledge and experience for their mutual benefit and for achieving national and collective self-reliance essential for their social and economic development. The emphasis was seen as a confirmation of the potential of cooperation in knowledge and capacity-building exercise that was already taking place between Southern countries.

In many, ways such collaborations and cooperation were spontaneous and strongly adhered to principles of mutual benefit. Many developing economies that had acquired better scientific and technical expertise had been offering technical solutions as well as skill development in partner-countries in the years following decolonisation. India's efforts in this regard are very noteworthy. The spread of technical cooperation among developing countries has laid solid foundation for deeper engagement and multiple modalities of South-South Cooperation which would prove immensely useful in the following years.

Today, technical cooperation and capacity-building efforts under the SSC have become much more sophisticated and technically robust and are nearly approaching an ecosystem approach where development partnerships have extended to sharing of ideas and collective efforts at creating accommodating space for agriculture productivity, health sector cooperation, skill development, regional value-chains, climate change, mitigation, etc. The variety in approaches and proliferation of partnerships is a definite acknowledgement of the fact that thematic development cooperation under the SSC is serving an important role in driving economic growth in developing countries. This is evident from the fact that S-S trade has significantly gone up and increasingly developing countries are relying on each other for attracting investments and development assistance. It has to be kept in mind that beyond trade linkages, development assistance and investment have formed a key source of S-S technological flows and skill development. This form of technical cooperation among developing countries breaks away from past experiences of technical cooperation. The challenge hereafter is to see that institutional linkages, both in the public and the private sector, are taken more seriously under S-S cooperation that goes beyond grants, loans and investment to foster knowledge and innovation linkages.

Next year we shall be celebrating BAPA+40 (the Second High-level United Nations Conference on South-South Cooperation), and developing

countries are expected to reassemble at Buenos Aires on March 2019 to draw a roadmap for SSC in the 21st Century. As discussed in this paper, the nature of resource and knowledge flows in the global economy has changed dramatically and rules of exchange of the last century may no longer be valid. At the same time, fast moving technological frontiers have enabled cooperation and exchange even without the mediation of the States. In the early avatars of industrial revolution, that were confined to the 'North', demonstration effect strongly propagated adoption and proliferation of technologies. However, 'South' has always suffered from capacity gaps and a liner process of industrialisation and technology acquisition and innovation has been absent due to resource and institutional bottlenecks. With rising confidence in the SSC, it must be acknowledged that much of it has focussed on enhancing economic

cooperation and arm's length capacity development. However, SSC needs to evolve further into nurturing strong institutional linkages in the Global South to promote S&T and innovations. In fact, resources must flow into such activities under the larger framework of SSC that can build institutional networks and Southern innovation ecosystems (beyond boundaries) to overcome difficulties of widespread market and systemic failures in individual Southern countries. Institutional collaboration can lead to Southern innovation hubs across a variety of domains. The premium of successful attempts would be game changing. BAPA+40 must consider laying a roadmap and recommendation for creation of 'innovation hubs' in the South suiting the needs of the 21st Century thereby maturing from technical cooperation paradigm of the previous century.

STRENGTHENING MARINE WORLD HERITAGE IN SUDAN

From 9 to 12 October 2018, World Heritage managers from the Africa and Arab region met at Sanganeb Marine National Park and Dugonab Bay – Mukkawar Island Marine National Park in Sudan. The focus was on sharing expertise in balancing conservation with reduction of poverty among local communities dependent on the heritage area. The Sanganeb Marine National Park was inscribed on the World Heritage List in 2016 and includes a highly diverse system of coral reefs, mangroves, seagrass beds, beaches and islets. Dugonab Bay hosts a globally significant population of dugongs while the site provides a habitat for seabirds, marine mammals, fish, sharks, turtles and manta rays. World Heritage managers from the Banc d'Arguin National Park in Mauritania and iSimangaliso Wetland Park in South Africa shared their experience on the use of World Heritage status to leverage jobs, generate income, ecotourism and attract necessary support for environmental protection.

Source: <http://whc.unesco.org/en/news/1887>

Trade in Local Currency for South-South Cooperation: A Case of India's Rupee Trade Scheme



*Priyadarshi Dash**

Introduction

Exchange rate volatility causes uncertainty in export proceeds and increases cost of hedging for exporters. Its adverse effects fall disproportionately on the Least Developed Countries (LDCs) and small countries as export baskets of these economies are narrow and foreign currency reserves stock are low. Regardless of the level of economic development, countries very often face risk of exchange rate fluctuations, which in turn affect export competitiveness. Argentina, a leading emerging market, is on the verge of a currency crisis now as the Argentinean Peso has depreciated by 18 per cent in 2018 over the last year. The unprecedented rise in the general price level in Venezuela may also put pressure on country's currency. An analysis of the exchange rate movements measured in terms of annual percentage change for 37 currencies suggest that currencies of nine countries have experienced more than 10 per cent depreciation in 2018 compared to the previous one. These include Brazilian Real (30.71 per cent), Indian Rupee (10.79 per cent), Indonesian Rupiah (10.79 per cent), Nepalese Rupee (10.5 per cent), Pakistani Rupee (17.92 per cent), Russian Ruble (16.23 per cent), South African Rand (12.55 per cent), Swedish Krona (14.2 per cent) and Tunisian Dollar (14.22 per cent). The magnitude of depreciation for Brazilian Real was 30.71 per cent, the steepest among all the depreciated currencies. In addition, 21 currencies have depreciated, including seven such currencies,

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which experienced depreciation to the magnitude of 5 to 10 per cent. Moreover, the history of random and erratic episodes of exchange rate volatility in the crisis years in 1990s and 2000s are well-known.

While both large and sudden appreciation and depreciation of home currencies against major invoicing currencies are harmful for exporting nations for maintaining export competitiveness, depreciation adds another layer of anxiety in terms of servicing external debt. The repayment liability in terms of domestic currency units becomes higher as cost of buying one unit of foreign currency becomes higher for the depreciated currency compared with the pre-depreciation level. The larger is the size of the depreciation, the larger would be incremental debt servicing burden on the concerned economy. The severity of exchange rate-induced adjustments can distort real sector activity if it persists. Traders generally resort to hedging to curb excess volatility in the exchange rate. In worst case, the central bank intervenes in the foreign exchange market to contain the magnitude of variations in the predictable band. Countries having floating exchange rate system generally do not prefer to intervene in the foreign exchange market so frequently unless the situation warrants it. In the recent years, trade in local currency is being viewed as an effective way of mitigating impact of exchange rate movements on exports and imports. Trade in local currency happens through a currency swap arrangement between any two countries or through a separate export promotion scheme.

Trends in Global Currency Use

The trends in global currency use for trade invoicing and financial transactions have revealed interesting facts. For the past several years, one single currency, i.e. US Dollar (USD), dominated global trade and financial transactions, accounting for almost 90 per cent of the currency distribution in over-the-counter (OTC) foreign exchange turnover and around 80 per cent for export invoicing. However, the share of USD has gone down over the years even though it continues to retain its status as the most preferred currency for global transaction. USD comprised 89.9 per cent of OTC foreign exchange turnover in 2001, and it dropped to 84.9 per cent in 2010. The use of USD peaked up again to 87 per cent in 2013 and to 87.6 per cent in 2016. The market share of other three advanced country currencies such as euro, yen and Australian dollar has also decreased over time. For instance, the share of euro and Japanese yen decreased from 37.9 per cent and 23.5 per cent in 2001 to 31.4 per cent and 21.6 per cent in 2016, respectively. On the other hand, emerging market currencies have gained market share; most notably the Chinese currency, renminbi (RMB) (*see Fig. 1*).

The share of RMB almost doubled in three years with elevation of its global rank to 8 in 2016 from 9 in 2013. From 2.2 per cent share in 2013, RMB reached a market share of 4 per cent in 2016, outpacing Mexican peso. The rise in the share of RMB is attributed to increased trading against USD (BIS, 2016). Like RMB, Indian rupee (INR) experienced a steady rise in its market share in global foreign exchange turnover. With 0.2 per cent market share and 21st rank in 2001,

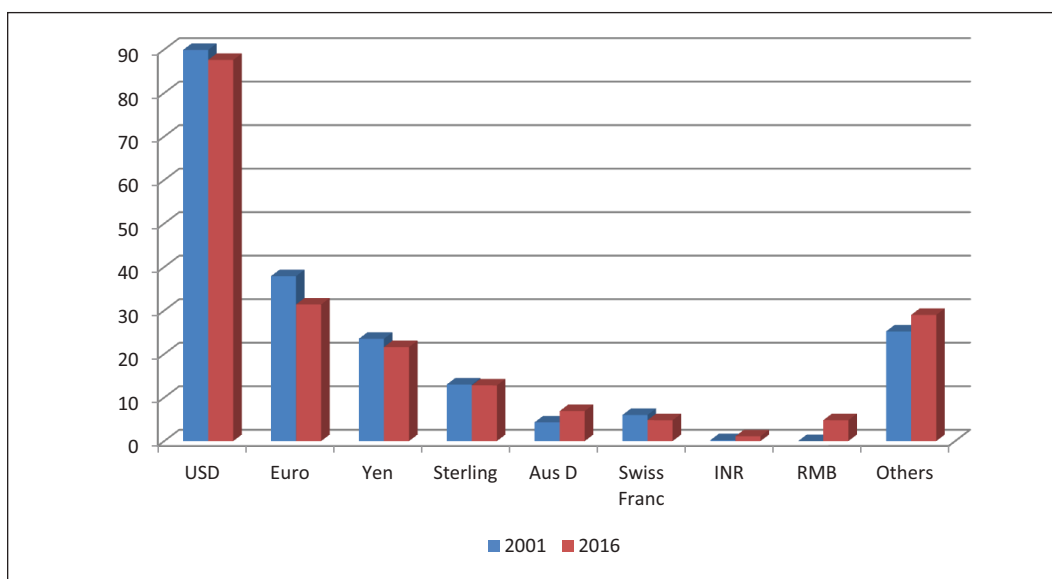
INR moved up significantly to 0.9 per cent and 15th rank in 2010. Although the rank of INR slipped marginally to 18, its market share increased to 1.1 per cent in 2016. Among other emerging market currencies, Brazilian real and South African rand retained their market share around 1 per cent of global foreign exchange turnover over the period 2001-16.

USD is still the major invoicing currency for trade transactions in many countries of the world. Many advanced countries invoice a large part of their exports in home currencies whereas the developing countries depend still on USD for trade invoicing. Exports denominated in home currencies constitute more than 50 per cent of the total exports in Germany, Italy, Netherlands and United Kingdom. For Italy and Netherlands, the share of

home currency increased significantly from 40 per cent and 43.8 per cent in 1995 to 72.6 per cent and 56.4 per cent in 2012, respectively. Unlike other advanced countries, home currency use in Japan was around 40 per cent. With regard to international currencies, USD still considered for trade to a very great extent globally as the proportion of exports invoiced in USD has not drastically declined even for developed countries.

USD-denominated exports is still around 25 per cent or more for Germany, Italy, United Kingdom and more than 35 per cent for Netherlands. In Japan, USD usage is up to 50 per cent of its exports. In contrast, USD remains the vehicle currency for trade invoicing in the developing countries. In India, USD constitutes 88.4 per cent of export transactions; marking

Figure 1: Currency Distribution of OTC Foreign Exchange Turnover (%)



Source: BIS (2016); Note: OTC = Over-The-Counter.

increase of 7.5 per cent over 1995 (see Table 1). For other developing countries including Indonesia, South Korea and Thailand, the share of USD in export invoicing in 2012 was 93.3 per cent, 85.1 per cent and 79.7 per cent, respectively. It signifies the dominance of USD in global trade transactions. Interestingly, invoicing of exports in home currency has been rising in developing countries. South Korea and Thailand experienced dramatic elevation of their currencies in export invoicing. The share of home currencies increased from 0.1 per cent in 1995 to 2.2 per cent in 2012 for South Korea and from 2.4 per cent in 1995 to 10 per cent for Thailand. In nutshell, the recent trends in currency distribution in global trade and foreign exchange transactions indicate growing use of emerging market currencies, although the reserve currency status of USD still remains undisputed.

Rupee Trade Scheme by India

India has experimented limited form of trade in local currency through the rupee trade scheme with Nepal, Russia and Iran. The basic purpose of this scheme was to provide an arrangement for settlement of payments relating to bilateral trade between India and these three countries. The Foreign Trade Policy 2015-2020 of India provides latest details of this provision. As per India's renewed trade treaty with Nepal in 2009, "Both Contracting Parties shall make provisions so that no discrimination will be made in respect of tax, including central excise, rebate and other benefits to exports merely on the basis of payment modality and currency of payment of trade. This would be made effective from the date to be mutually agreed to, after which the Protocol to Article III would become redundant." (This change has come into effect from 1 March 2012.) As a result, imports from India are normally paid for in Indian Rupees, since the currency is

Table 1: Use of Home and Major Currencies for Export Invoicing (%)

Country	Home Currency		USD		Euro		Yen	
	1995	2012	1995	2012	1995	2012	1995	2012
Germany	74.7	64.6	-	25.6	74.7	64.6	0.9	-
Italy	40.0	72.6	21.0	24.3	18.0	72.6	0.6	-
Netherlands	43.8	56.4	20.6	37.6	18.5	56.4	0.6	-
UK	61.6	51.1	23.1	28.8	4.0	3.1	1.1	0.4
Japan	37.6	39.4	51.5	50.3	2.4	5.4	37.6	39.4
Australia	-	13.7	-	84.0	-	1.0	-	1.9
New Zealand	-	22.0	-	59.0	-	5.4	-	1.9
India	1.8	-	80.9	88.4	5.4	7.0	0.5	0.1
Indonesia	-	0.8	94.3	93.3	0.5	1.3	1.5	1.4
South Korea	0.1	2.2	88.0	85.1	2.4	5.5	7.3	4.3
Thailand	2.4	10.0	91.0	79.7	0.5	2.2	4.1	5.9

Source: WTO (2012).

fully convertible in Nepal except for some specified products as has been laid down by the Government of Nepal; the imports of which are permitted on payment in hard currency. The excise duty levied on goods imported from India and paid for in Indian currency is refunded to the Government of Nepal.

Nepal's central bank (Nepal Rashtra Bank) maintains a list of items that can be imported from India in convertible currency. Currently, 135 items are in the list. Since 1993, the Nepal Rashtra Bank maintains a fixed exchange rate with Indian Rupee (1 INR = 1.6 NPR). When Indian suppliers sell their products to Nepalese importers, Indian excise duty must be paid and should be included in the sale price by the supplier. The rate of excise duty varies widely from product to product. However, if payment is made in hard currency, the goods are exempted from payment of excise duty in India, i.e. the supplier is not to be charged. This was aimed to bring bilateral trade conducted in Indian rupee at par with trade in convertible currency, and was to end the existing mechanism of duty refund procedure, which was cumbersome. This provision provided Nepal a direct control on the customs duty revenues on the imports of manufactured goods from India. It also allowed Indian exports to avail benefit of export promotion schemes prevalent in India, making the products more competitive in Nepal either for sale or for further value-addition. Exports can also be realized in Indian rupees, provided it is through a freely convertible Vostro account.

In 2014, India had extended rupee trade scheme to Iran. Since February 2013, while Iran, on the one hand

had started making payments in rupees to Indian exporters, India too paid 45 per cent of its Iran oil bill in Indian rupees through UCO Bank branch in Kolkata. The balance was paid in Euros in Turkey. As per Article 2.53 of the Foreign Trade Policy (2015-2020), "Export proceeds realized in Indian rupees against exports to Iran are permitted to avail export benefits/incentives under the Foreign Trade Policy (2015-20) at par with export proceeds realized in freely convertible currency." A similar payment arrangement was tried with Russia in the past. With experience of rupee trade with Nepal, Russia and Iran, it is imperative for India to assess the effectiveness of rupee trade facility as an instrument of South-South Cooperation, as it would benefit both the parties.

Trade in Local Currency as Instrument of South-South Cooperation

As the payment in local currencies benefit both the parties in minimizing adverse impact of exchange rate fluctuations on export proceeds and help deepen use of those currencies in global foreign exchange markets, countries in the South can cooperate with one another in the framework of South-South Cooperation in smoothening these impacts and contributing to the larger development process. As per RBI (2010)¹, there is some evidence that Indian rupee is accepted in Malaysia, Singapore, Hong Kong, Indonesia, UK and Sri Lanka. In addition, the Task Force² recommends that India should aim to target South Asian economies for rupee trade as

India is the largest trade partner in the region and is in a strategic position to manage such an arrangement. Hence, it would be beneficial for India to trade in Indian rupees with its neighbouring countries like Pakistan, Myanmar, Sri Lanka, Bangladesh and Nepal. In fact, the South-South cooperation in finance is already in force in the form of currency swap arrangements. Chaturvedi (2014) provides a succinct analysis of the growing interest among the developing countries for mutually-beneficial currency swap arrangements and other forms of South-South cooperation, and the importance of such modalities of cooperation for promoting trade and investment in the South.

The Task Force also favours India's engagement in rupee trade with developed countries like Australia, Japan, Korea, China, Canada, etc. India is talking with major trading partners, including Singapore and Japan, to accept payment in rupee for a part of their exports. The move may help in making Indian rupee more acceptable in the international trade.³ Furthermore, India is also keen to extend this scheme to some oil-producing countries such as Angola, Algeria, Nigeria, Oman, Iraq, Venezuela, Qatar, Yemen and Saudi Arabia. Moreover, China has shown interest to initiate yuan-rupee trade, and India is hopeful that Japan too may show an interest in accepting rupee payments.⁴ Additionally, the government of India has also signed/extended Currency Swap arrangements with a number of countries, including Japan, Sri Lanka, Bhutan and SAARC nations. The RBI also signed an MoU to consider

a currency swap agreement with the central bank UAE (United Arab Emirates). The proposed agreement is aimed to further strengthen close economic relationship between India and UAE.

The above mentioned varieties of engagements between India and other developing countries (even developed countries) show willingness of countries to explore favourable means of mutual trade settlement. Since developing countries face the brunt of currency crises, rupee trade and similar types of schemes in local currency can be employed as an instrument of strengthening South-South Cooperation.

Conclusion

The choice of invoicing currency is important for trade policy-making in the developing countries. Availability of hard currency and cost of commissions and brokerage often affect importing ability of a country, especially the LDC and small economy. In case of low foreign exchange reserve stock, countries have to curtail essential imports including capital goods, which would affect industrialization and impair development process. The severity of exchange rate volatility in many developing countries and LDCs in the past suggests ex-ante policy preparedness to mitigate the exchange rate-induced adjustments in the economy. Trade in the local currency is one of the many ways in which exchange rate risks can be addressed. India's rupee trade scheme with Nepal, Russia and Iran has provided important lessons for designing such payment arrangements for smooth trade between countries in the South. The merits of trade in the local currency

and currency swap arrangements are recognized widely now. In that sense, trade in local currency can be an effective instrument for promoting South-South Cooperation among the developing countries and the LDCs.

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Endnotes

- ¹ See Ranjan and Prakash (2010).
- ² In 2013, as a combined initiative of the Ministry of Finance and Ministry of Commerce & Industry, the Indian Government formed a Task Force to draw a list of countries with which India could consider doing its trade in Rupees/ local currencies. The purpose of the Task Force was to examine various types of arrangements and their implication for India's trade and financial system besides studying the pros and cons of trading in local currency pacts. It also explored the possibility of currency swap agreements between India and identified countries.
- ³ See Mishra (2013).
- ⁴ Government of India considers the proposal to provide a two year extension with amendments to the Framework on Currency Swap Agreement for SAARC member countries up to 14 November 2017 and extension thereafter if necessary.

India-Afghanistan Development Cooperation



*Vinay Kumar**

In this latest, post-2001 phase of Afghanistan's reconstruction, India with an investment of over US\$ 2 billion is globally one of the top development partners of Afghanistan, and by far the largest at the regional level. During 2001-2016, development cooperation projects of India were implemented across Afghanistan, covering areas as diverse as education, health, water & energy, infrastructure & power, agriculture, training & capacity-building, etc. Some of the major projects that have been successfully implemented in this phase are as follows:

Afghan India Friendship Dam (Salma Dam): Government of India constructed Salma Dam project on Hari Rud River, located near Chiste Sharif in Herat province with a reservoir capacity of 640 million cubic metres (MCM) and 42 MW of electricity production capability along with the potential of irrigating 80,000 hectares of land. This project marks an important milestone in India-Afghanistan bilateral relations. The project was constructed at an approximate cost of Rs 1800 crore. Two Indian companies WAPCOS and Bharat Heavy Electricals Limited experts continue to engage in helping Afghan experts in the operation and maintenance of the Dam.

- **Afghan Parliament:** The Afghan Parliament Building in Kabul is the most visible face of India-Afghanistan friendship. The Afghan Parliament Building was inaugurated by Hon'ble Prime Minister of India along with Afghan President, H.E. Dr. Mohammad Ashraf Ghani on 25 December 2015. The quality of workmanship and the facilities created in the new complex are world class. The building has been handed over almost completely to the Afghan side. It has been constructed at an approximate cost of Rs 970 crore.
- **Chintala Substation:** Given India's strong commitment towards the development of Afghanistan, Government of India constructed

*Ambassador of India to Afghanistan

202 km long 220 KV DC transmission line from Pul-e-Khumri to Chimtala with the financial assistance of USD 100 million. The construction began in 2005 and was completed in 2009. The project was inaugurated jointly by the then President Hamid Karzai and the then External Affairs Minister Pranab Mukherjee on 18 May 2009.

- **Doshi Charikar:** Two 220/20 KV substations at Doshi and Charikar were constructed by Indian technical and financial support of INR 186.71 crore. Charikar substation was inaugurated by H.E. Dr. Abdullah Abdullah on 31 Decemeber 2015.
- **Restoration of Stor Palace:** The Stor Palace, located within the premises of the Afghan Ministry of Foreign Affairs, is one of the historic palaces in Kabul, and has been renovated with the financial assistance of US\$ 5.7 million of the Government of India. The project was completed and inaugurated in August 2016 jointly by Hon'ble Prime Minister Of India and H.E. Dr. Mohammad Ashraf Ghani, President of Afghanistan, through video conferencing.
- **Delaram-Zaranj Highway:** This 218-km long strategic highway built at an approximate cost of INR 600 crore was handed over to the Afghan side in January 2009. The highway was designed and constructed by the Border Roads Organisation (BRO) of India. The project tested India's commitment to the cause of Afghanistan's development with a total of six Indians, including a BRO driver and four ITBP soldiers being killed in attacks by Taliban, who were opposing the project. The highway

opened a shorter alternative route, connecting Kabul to Iran.

In mid-2006, in addition to its several ongoing large projects, India launched a series of Small Development Projects (SDPs) across the length and breadth of Afghanistan. About 450 such projects were approved. These were high impact projects, each costing US\$ 1 million or less.

Small Development Projects

- **SDP-I & SDP-II (US\$20 million):** Under the scheme, 132 small Development Projects were approved in two Phases, the first in July 2006 and the second in June 2008; 99 projects have been completed so far.
- **SDP-III (US\$100 million):** Third phase of SDP was initiated in 2012. A total of 304 projects have been approved already under the scheme at a cost of US\$ 77.8 million; 133 projects have been completed while the rest are at different stages..

In late 2016, India committed an additional sum of US\$ 1 billion towards Afghanistan reconstruction and development. During the 2 India-Afghanistan Strategic Partnership Council Meeting held in New Delhi on 11 September 2017, both countries decided to launch a *New Development Partnership* with the objective of taking their robust development cooperation to higher levels. Some of the major projects that are going to be implemented under the *New Development Partnership* are as follows:

- **Water Storage Project (Shahtoot Dam):** Government of India has, in principle, approved construction of Shahtoot Dam Project near Kabul in partnership with the World Bank. The estimated cost of this project is US\$ 301.3 million.

- **Kanakay Qasamabad Housing Project:** A project for construction of 4,000 houses for Afghan refugees returning from Pakistan is to be implemented in coordination with the Afghan Ministry of Urban Development & Housing and the UN-HABITAT in Behsud District of Nangarhar Province. Its estimated cost is US\$ 27.36 million.
 - **Asphalting of a 16.9 km dirt road to Band-e-Amir:** Government of India has approved Grant-in-Aid support of US\$ 7.81 million to Afghanistan for rehabilitation of 16.9 km road from Band-e-Amir to Bamyán-Yakawlang Highway in Bamyán Province. The project will give a boost to Bamyán's tourism industry.
 - **Water supply network for Charikar City:** Government of India has approved construction of a water supply network through 32 km long pipeline from Salang Pass to Charikar city in Parwan Province; benefitting 110,400 people of the province. The estimated cost of the project is US\$ 8.5 million.
 - **Establishment of Gypsum Crashing Plant:** Government of India will provide financial support for establishing a gypsum crashing plant and gypsum board manufacturing plant in Kabul for Housing Construction Enterprises, MUDH. The estimated cost of this project is US\$ 2.4 million.
 - **Construction of Polyclinic in Mazar-e-Sharif:** Government of India has approved grant-in-aid support of US\$ 389,101 to Afghanistan for construction of a polyclinic in Mazar-e-Sharif, the capital of the northern province of Balkh.
 - **Construction of Mazar-e-Sharif airport road:** Government of India has approved construction of a 2.38 km asphalted road connecting Mazar-e-Sharif airport to the highway. Estimated cost of the project is US\$ 3 million.
 - **Supply of spare parts for M/s Milie Bus Enterprise, GoA for repair of 350 TATA/Ashok Leyland Buses:** Government of India has sanctioned US\$ 2.88 million for supply of spare parts to the Ministry of Transport for refurbishment of 350 buses of TATA Motors and Ashok Leyland in Kabul.
- In their latest phase, the SDPs have been rechristened as the High Impact Community Development Projects (HICDPs).
- **High Impact Community Development Projects (HICDPs):** Government of India has announced 116 HICDPs. All of them have been sanctioned by the Government of India, and on 6 February 2018, MoUs have been signed with 14 Afghan nodal Ministries/Departments/Agencies for these projects.
 - **Landscaping of the area around Afghan Monumental Flag:** On the occasion of the joint inauguration of the monumental Afghan Flag at Wazir Akbar Khan Hill, Kabul, by External Affairs Ministry, the then President Hamid Karzai, Hon'ble External Affairs Minister had announced a financial support of US\$ 1 million for development/landscaping of the area around the monumental flag.
 - **Supply of Indian wheat to Afghanistan:** Government of India, in 2002, had committed supply of 170,000 MT of wheat to Afghanistan through Food Corporation of India. The wheat was supplied to nine provinces.

Lexicon and Syntax: Development Cooperation through the Lens of Rawlsian Theory of Justice



*Milindo Chakrabarti**

The realization that time-bound achievement of a development target that “leaves no one behind” is a sufficient condition for sustainable development that has brought issue of justice and inequality to a sharp focus the world over. The recent note of Secretary General of United Nations, released on the 20 July 2018, has also highlighted, in the same vein, the need to consider “right to development” as the fundamental plank for strategizing roadmap for future development to take care of the five P’s: People, Planet, Prosperity, Peace, Partnership. The 17 Sustainable Development Goals (SDGs) call for efforts to achieve sustainable economy, environmental sustainability and peaceful and inclusive societies through sustainable development by 2030. SDG 16 explicitly calls for peace, justice and strong institutions as prerequisites for achieving sustainable development. Quite expectedly, the note emphasizes and recognizes potential contributions of the South-South Cooperation (SSC) “as a complement to other forms of international cooperations for achieving inclusive and sustainable development across the globe” as “traditional forms of North-South Cooperation have proven insufficient to address global development challenges and asymmetries”. These observations open-up the window to initiate a discussion on the extant theories of justice that help link two distinct methods of development cooperation. We would argue that while solidarity

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based and partnership-centred SSC conforms largely to the Rawlsian theory of justice, ideas contained in the philosophy of aid-based North-South Cooperation corresponds to the one argued by Robert Nozick (1993).

Rawls and Nozick differ fundamentally in terms of relationship between the self and the society. While the former adduces a superior position to the society vis-à-vis the self, Nozick calls for full autonomy to an individual as a prerequisite for delivery of justice. For Rawls, justice is fairness, while for Nozick, “each person’s talents and abilities belong to them. They therefore have a right to keep (or do whatever they want with) whatever these talents and abilities gain for them. To forcibly redistribute what they earn is to fail to respect their autonomy” (Lacewing, undated).

Rawls’ theory is thus premised on the idea that society is a cooperative endeavour in the interest of its individual members, which can be identified prior to our existence in the society. Thus restrictions on the individual behaviour are acceptable only out of individual interests. As others theorizing collective action would put it, individuals engage in collective action and sacrifice “freedom” by putting restrictions on their own individual behaviour if and only if the cost of such a collective action is less than the cost of collective inaction (Ostrom 2004). Thus, we see the creation of social norms, customs, laws and rules that put restrictions on the self-seeking behaviour, but in clear acknowledgement of self-interests.

A society, according to Rawls, is a system of cooperation among its members seeking mutual advantage for one another.

There exist simultaneously conflicts between individual interests that may differ altogether and may have identity of shared interests. Principles of justice should, according to Rawls, ‘define the appropriate distribution of the benefits and burdens of social co-operation’ (Rawls 1999, p. 4). The principle of justice, Rawls thinks, must be ‘the principles that free and rational persons concerned to further their own interests would accept in an initial position of equality as defining the fundamental terms of their association’ (Rawls 1999, p. 19). However, the initial position of the equality that defines the fundamental terms of association lies at the centre of justice, as propounded by Rawls. For him, society is then like a *chain* where the *chain* is as strong as its *weakest link*. To elaborate further, according to Rawlsian conception, justice generally requires that basic social goods – liberty and opportunity, income and wealth, and the bases of self-respect – be equally distributed, unless an unequal distribution is to everyone’s advantage.

SSC may well be argued to have emerged from this particular orientation of justice. A framework of justice as it emerges out of the Rawlsian framework would require that the ‘bases of self-respect’ are equally distributed. Such a realization was kindled by the ravaging impact of colonization on many of the countries constituting the most of Global South today. Analytical deliberations led by the dependency model and centre-periphery model provided further logical strength to the efforts at pursuing justice among the Southern countries. The fundamental guiding principles of the SSC were clearly formalized in the Buenos Aires Plan of Action (BAPA) for Promoting

and Implementing Technical Cooperation among Developing Countries and was endorsed by the General Assembly in 1978 (resolution 33/134). To quote a UN document, the principles emphasize the need to :

“foster the self-reliance of developing countries by enhancing their creative capacity to find solutions to their development problems in keeping with their own aspirations, values and specific needs;

- promote and strengthen collective self-reliance among developing countries through the exchange of experiences; the pooling, sharing and use of their technical and other resources; and the development of their complementary capacities;
- strengthen the capacity of developing countries to identify and analyse together their main development issues and formulate the requisite strategies to address them;
- increase the quantity and enhance the quality of international development cooperation through pooling of capacities to improve effectiveness of the resources devoted to such a cooperation;
- create and strengthen existing technological capacities in the developing countries in order to improve the effectiveness with which such capacities are used and to improve the capacity of developing countries to absorb and adapt technology and skills to meet their specific developmental needs;
- increase and improve communications among developing countries, leading to a greater awareness of common

problems and wider access to available knowledge and experience as well as the creation of new knowledge in tackling development problems;

- recognize and respond to problems and requirements of the least developed countries, landlocked developing countries, small island developing States and countries most seriously affected by, for example, natural disasters and other crises; and
- enable developing countries to achieve a greater degree of participation in international economic activities and to expand international cooperation for development.” (UNOSSC, undated)

A perusal of the guiding principles cited above would clearly indicate the aspiration of the countries belonging to the Global South to ensure the ‘bases of self-respect’ for themselves – a feature that was almost missing in the prevalent structure of the global order – both economic and political – as were manifested by the global institutions like the World Bank, International Monetary Fund, UN Security Council among others. Thus SSC can well be looked at as an effort to ensure Rawlsian justice to the Southern countries at the global stage. SSC aspires to create a world of reduced inequality among nations in terms of certain basic human needs.

The spirit of solidarity as espoused in SSC is well in tune with the Rawlsian premise that the strength of a chain is measured by that of its weakest link. Global prosperity, likewise, is measured by the prosperity of the country that is lagging behind the most. A Rawlsian global welfare function is thus measured by the welfare function of the worst-off

nation. SSC – in terms of its guiding principles – aims at contributing to the welfare of such worst-off nations.

Nozick, on the other hand, argues that individual rights are all that matter and that there is nothing such as a society or community or collective well-being. Following the arguments of a Benthamite social welfare function, global welfare is the sum of individual welfare functions. Nozick, thus calls for enhancement of individual welfare. According to him, “If the world were wholly just, the following inductive definition would exhaustively cover the subject of justice in holdings. (1) A person who acquires a holding in accordance with the principle of justice in acquisition is entitled to that holding. (2) A person who acquires a holding in accordance with the principle of justice in transfer, from someone else entitled to the holding, is entitled to the holding. (3) No one is entitled to a holding except by (repeated) applications of 1 and 2” (Nozick 1974 p: 149, quoted in Schumaker (eds): p:330). Nozick believes that a person’s holdings are just if acquired through (1) just original acquisition or (2) just transfer or (3) through rectification of injustices in the two senses. Such an idea of justice emphasizes the importance of unambiguous allocation of property rights over resources. As long as such ambiguities are taken care of “justice” is considered to have been done. To elaborate:

- “Justice in acquisition” maintains that a person who acquires a holding justly is entitled to that holding.
- According to “justice in transfer,” a person who acquires a holding justly in transfer from another who is entitled to that holding is entitled to that holding.

- Justice in rectification involves past injustices arising from failure to fairly apply the first two principles properly that can be put right, i.e. failure to apply principle (a) or (b) can be rectified using this principle” (Salahuddin, 2018)

NSC, with its initial emphasis on a ‘two gap theory’ and a commitment to transfer 0.7 per cent of GNI through official development assistance (ODA) from the developed world to the developing world, tried to facilitate a semblance of ‘justice in transfer’. The failure to meet the commitment, on the one hand, and the quest for aid effectiveness in the recent times, on the other, may be construed as an effort from the global North to ensure “justice in rectification” through introduction of institutional changes in the Southern world in favour of a set of Global Standard Institutions (GSI) – as named by Chang (2011), which are seen as maximizing market freedom and protecting private property rights most strongly. The recent emphasis on “Triangular Development Cooperation” and the agreement by the Northern countries to contribute to building a world “where no one is left behind” is perhaps a baby step from the Northern nations to embrace the idea of distributive justice, as espoused by Rawls.

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RWANDA SETS UP ITS COOPERATION INITIATIVE

In Late September, President Paul Kagame announced Louis-Antoine Muhire as the Chief Executive Officer to the newly formed Rwanda Cooperation Initiative (RCI). The RCI is a public company under the Ministry of Foreign Affairs, Cooperation and East African Community in close collaboration with the Rwanda Governance Board (RGB), the Ministry of Defense and the Ministry of Finance and Economic Planning, that will manage the marketing and commercialization of the country's home grown solutions. It was established by the Government to manage the exchanges of ideas and experiences with other countries in the interest of South to South Cooperation (SSC).

The RCI is about all about solutions by Rwandans that were built on their values and traditions to address specific problems of the nation. Girinka, for example, is a programme that was based on the Rwandan culture of giving cows to friends and is now being used to reduce poverty, by targeting the most vulnerable people in our society. Similarly Ubudehe, another Rwandan home grown solution for a participatory development approach to poverty reduction. Others include the community mediators (Abunzi), the community courts (Gacaca courts) that were instrumental in processing millions of criminal cases that arose following the 1994 Genocide against the Tutsi, and performance contracts (Imihigo).

RCI aims to become an entity to coordinate SSC cooperation, give demand from countries from Africa who want to see how home grown solutions work in Rwanda and if possible learn about their replication in other countries.

Source: <https://www.newtimes.co.rw/news/why-rwanda-cooperation-initiative-was-set>

A Private Initiative in Development Cooperation between India and Mauritius



*Maj Gen Nilendra Kumar**

Development cooperation can be successfully executed by the direct interaction between private individuals or activists on one hand and foreign institutions, governmental or otherwise on the other. Such an approach would complement State efforts. This can also be brought about by people to people cooperation. The latter carries advantages in the form of shortened delays and avoidance of stereotyped bureaucratic handling. Such an effort may bestow the advantages of strengthening of personal bonds, innovation and ingenuity.

Development cooperation would often need involvement of legal professionals. Promotion of international trade, economic collaboration, infusion of foreign capital, bilateral investment treaties efficacy of dispute resolution mechanism, robust functioning of institutions of governance, require trained and experienced law practitioners. Their expertise will facilitate smooth transaction in transnational business and negotiation activities by ensuring due compliance of applicable legal regimes. Law students and young professionals further require suitable internships and training to equip them with proper exposure to the work culture and ethos. They also benefit from continuing legal education.

A practical illustration of such an approach was recently witnessed as a useful case study of recent development cooperation in Indo-Mauritius convergence reached as a result of understanding

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attained between a private enterprise in India and Mauritius based Institute of Judicial and Legal Studies (IJLS).

On one side, it involved IJLS, a governmental agency, set up and functioning under the Supreme Court of Mauritius to promote research and legal education. Its efforts are directed mainly at the judiciary and law practitioner in Mauritius. On the other side is the Delhi based Lex Consilium Foundation (LCF), a company incorporated under Section 8 of the Companies Act, 2013. Its major areas of interests extend to imparting career guidance for law students, authorship of law books, legal knowledge upgrade and articulation on security issues in different dimensions. Set up in 2017, LCF has brought about production of authored a section wise commentary on the Juvenile Justice (Care and Protection) Act, 2015. It has disseminated skill based legal education, law enforcement to law students and other category of professionals. Apart from rendering personalized guidance to law students at graduate and post-graduate levels, it has also arranged internships in India and abroad to law students and organized innovative legal excursions.

In the above backdrop, extensive consultations between the LCF and IJLS brought out development cooperation evidenced by a finalization of an MoU and formal interaction with a view to capacity building into two distinct areas of legal profession. The first one was to facilitate a series of lectures by an experienced and reputed Indian Judge to the Mauritian audience. The underlining objective of the judiciary in Mauritius was to familiarize themselves with the process evolved by the higher judiciary in India to churn out

reliable, consistent and jurisprudentially sound case law. This activity was crafted with an aim to upgrade capacity of legal knowledge application for three different spheres of law clientele in Mauritius. These are the Judges, law practitioners and the students. Discretion was left with the visiting judge to choose three different topics having regard to the type of audience. However, it was indicated that the lecture should preferably relate to constitutional scheme, public interest litigation, human rights challenges and international trade matters, which should demonstrate relevance to the beneficiaries in Mauritius. Each lecture would be of about one-hour duration with suitable time for question answer session.

On its part IJLS offered free air travel, hospitality and courtesy, which may be expected/ extended to a former Judge of Supreme Court of India for a weeklong trip. The visit envisaged three lectures on alternate days. Such an arrangement was designed having regard to the fact that a serving judge of the higher judiciary of India would not be able to undertake a visit of the nature indicated disregarding his judicial commitments. Therefore, the challenge involved was to identify and engage a suitable former Judge with proven expertise as a jurist and speaker of proven eminence who would give consent for the task involved.

For the bilateral cooperation as explained, the Indian side was interested in seeking an opportunity for India law students to intern in Mauritius. IJLS on its part assured to accept the students and arrange suitable exposure to them not only of trial courts and the Supreme Court of Mauritius but also to the State agencies. The actual internship will be

from 01st May to 10th July each year. This period was chosen because summer break would be preferred by the students to avail internship without any adverse impact on classroom attendance. The students would bear the expenses of air passage, visa, boarding and lodging, travel and medical insurance. They will also be responsible to arrange adequate funds for their stay in Mauritius. The hosts will render help by identifying and proposing convenient location for boarding.

The interns will visit law enforcement agencies, prison and correction homes and corporate law offices as part of exposure to alternate and effective models.

A formal Memorandum of Understanding (MoU) was executed between the parties. Its duration is to be valid for two years but can be renewed

by mutual acceptance. The interns were under an obligation to obey all local laws. They would be issued with a certificate on completion of their internships. The MoU also carried usual clauses stipulating confidentiality and for termination of internship.

It is expected that the discussed model of development cooperation can be replicated between other jurisdictions to derive mutual benefits for traversing in a transparent, reasonable and judicious mode for capacity building in legal profession to facilitate and promote international trade and transnational intercourse. Young law professionals will be able to make useful contacts while also providing competent expertise to negotiate legal hurdles and procedural bottlenecks.

ENERGY SECTOR COOPERATION: PRIORITY FOR AZERBAIJAN

The key theme for Russian Energy Week International Forum 2018 was sustainability of energy in a changing world. Attended by representatives from Qatar, North Korea, Serbia, Belarus, Equatorial Guinea, and Hungary amongst others. Azerbaijani was represented by Energy Minister Parviz Shahbazov.

Over the last 15 years Azerbaijan has invested more than \$250 billion in its economy with half of this coming from foreign direct investment. Out of this \$95 billion was invested in the oil and gas sector. Azerbaijan has recently implemented one of the largest gas projects in the world - the Southern Gas Corridor. The length of this pipeline is more than 3,500 km, and gas will be delivered to Georgia, Turkey, most of Europe and the Balkan region including Bulgaria, Greece, Albania, and the south of Italy. During the Forum in a meeting with the Azerbaijani Minister, Minister of Foreign Affairs and Trade of Hungary Peter Szijjarto expressed interested in participating in the Southern Gas Corridor project.

Since 2016, a large reform program is being implemented in Azerbaijan, with one of the main parts of this reform is related solely to the energy sector. As of September 2018, the volume of raw material production in Azerbaijan amounted to 773,000 barrels per day, and the growth of oil production will ensure an increase in gas condensate production and investment.

Source: https://www.azernews.az/oil_and_gas/138584.html

The Inefficiency of Inequality

United Nations, ISBN: 978-92-1-121990-6 (print)

ISBN: 978-92-1-058628-3 (pdf): Pages: 255.



Taking a longer term perspective of the performance of economies over decades, rather than years, the present monograph under review prepared by United Nations Economic Commission for Latin America and the Caribbean (ECLAC), argues that poverty breeds inefficiency. In the process, in addition to the usual determinants of productivity and innovation, the study also incorporates socio-cultural factors that play significant role in economics of inequality and redistribution. Described from the perspective of the Latin American and Caribbean countries, the study raises a number of issues relevant to the rest of the Southern economies as well.

The growth-equality trade-off has been a traditionally accepted idea in the literature since long. Kaldor (1958) and Kuznets (1955) convincingly argued that the richer section of the society, with a higher capacity to save, should earn more to ensure higher level of capital accumulation, and consequently a higher level of investment and growth. The emergence of endogenous growth theory had changed the perception, and since mid- 1990s, a significantly large contributions had emerged that questioned the supposed trade-off between growth and equity. The present study under review not only corroborates the findings from the domains of endogenous growth theory but also identifies the factors that strengthen poverty-inefficiency nexus.

It argues that the following features bear testimony to the existing poverty-inefficiency nexus.

- Unequal access to capacities: a barrier to productivity growth that the market does not correct;
- Destruction of environment with implications for increasing inter- and intra- generational inequity;
- Undersupply of better quality of public goods; and
- Prevalence of a culture of privilege.

In view of these shortcomings, it calls for building a culture of efficiency and equality.

The monograph is divided into seven distinct but interlinked chapters. In locating the cost of inequality and in tune with the spirit of endogenous growth theory, the first chapter argues in favour of the enhancement of human capital and its productivity. Unequal access to capacity – due to restricted access to essential services like education and health to a significant section of the population in the developing countries – creates iniquitous distribution of skill and wellness parameters across communities and contributes simultaneously to inequality in their productive capacities. This becomes more visible in societies where access to such services tends to be dominated by a market system that is often prone to ‘market failure’ and thereby reduces prospect of reaping potential social profit that such access regime may have generated. Inequality, both intra- and inter-generational, also affects productivity growth in the light of environmental degradation. The document cites the case of pollution emitted in urban localities and the resultant negative impact on the

health of the population. By favouring individual modes of transport and in the same vein, penalizing public transport, intra-generational inequality perpetuates negative environmental consequences. The document under review calls for creation of global public goods in a larger scale in tune with the spirit of democratic ideals. It also argues in favour of providing better quality public goods. Elaborating further on the entrenched culture of privilege prevailing in most of the nations, the chapter calls for efforts to be immediately initiated to build a culture of efficiency and equality.

The next chapter focuses rightly on the growing tensions arising out of globalization – primarily in the form of growing in-country inequality across the globe during the last decade; with Latin American region being exception to the rule. Observing that we are moving to a more uncertain world, both economically and technologically, it questions prevailing interpretation of the macroeconomic structure of the country. It also raises serious issues with the shift from ‘goods’ to ‘bits’ through digital revolution, as seriously contributing to uncertainties. In the accompaniment of the fact that the quantum of global trade is still hovering below the pre-crisis level; such uncertainties are accentuating level of inequality across board. The crisis has further gained strength with the tilt of the transnational corporations towards search of high quality assets, leading to returns of the capital to advanced economies; a phenomenon that was reversed considerably during pre-2008 era of globalization that saw flight of capital to the developing world

in search of cheap labour and mass production of general consumables and to reap benefits of economies of scale. Ineffective global governance, the chapter argues, also contributed to distress the world is facing today. Such concerns in global governance include migration, weakening multilateralism in trade, and environmental degradation.

The third chapter focuses on the role of external vulnerability in hindering development in the Latin American region, caused by negative labour and social effects and by creation of fewer quality jobs. This has led to increased poverty. The villain of the piece, the report argues, is the structure of the fiscal policy that fails to reduce inequality in the region: tax revenues are biased against equality, fiscal policy is not effective enough for redistribution in favour of the marginalized sections of the society. Following the culture of privilege, tax evasion also remains a serious issue. In addition, the global spread of financial market also adds to external vulnerability and hinders growth, investment and product diversity in the long -run.

The following chapter forcefully argues that inequality is inefficient and unsustainable, citing the incidence of higher cost of education and health services being borne by those located at the bottom of the resource ladder. Inequality also affects inter-generational mobility, generates inefficiency in labour market through persistent informalization and thereby accentuates gender inequality. Emphasizing on the positive impact of social protection on growth and employment, the section presents a case for enhancing the same in future strategies.

Chapter five specifically deals with inequalities that cause segregation of territories and deterioration of the environment, while the next chapter captures political economy of inequality against the backdrop of the culture of privilege.

The final chapter, before providing the concluding remarks, offers a roadmap for strategic orientation. The strategies include:

- A move from monetary policy to a finance policy
- A fiscal policy that encourages growth with equality
- Protection of public social spending through progressive taxation
- Adaptation of education to the new technological context
- To strengthen social protection and care system and
- To ascertain the need for offering basic income to all.

As a strategic move, the concluding chapter also calls for decarbonization through digitalization, renewable energies and sustainable urbanization and creation of a favourable trust in institutions to facilitate implementation of policies to promote environmental big push in a transparent manner.

The following quote from the concluding section of the document captures the spirit of the arguments very clearly:

“The quality of democracy depends both on the institutions that promote equal rights and on the modes of coexistence that reflect a society’s sense of belonging. The technological alternatives with the smallest carbon footprint and the change in

the energy matrix must also strengthen this collective belonging. Hence the importance of strategies and policies that facilitate the transition to more sustainable ways of producing, inhabiting and consuming and, at the same time, enhance the provision of public goods and better-quality services. This will make it possible to move towards a new style of development, with fewer social gaps and spatial segregations, and to achieve growth based on innovation and the dissemination of clean technologies” (Pp: 251-2).

As mentioned in the beginning, the document is mainly prepared against the Latin American perspective. However,

given the long tradition of ECLAC in articulating in a general framework the problems of the developing world, right from the days of Raul Prebisch, this document provides valuable insights into the generic problems faced by the South today, and becomes a must read for anyone pursuing developmental concerns from a Southern perspective.

Finally, the extensive empirical treatment of the challenges at hand in a non-technical way and a rich bibliography at the end of each of the chapters add tremendous value to this volume.

- Milindo Chakrabarti

QATAR TAKES LEAD TO BUILD REGIONAL AND INTERNATIONAL PARTNERSHIPS TO ADDRESS DISASTERS

Minister of State for Foreign Affairs H E Sultan bin Saad Al Muraikhi affirmed Qatar’s keenness to continue efforts exerted by all Arab and African countries by working together in order to effectively address the dangers of disasters facing humanity and to prepare the appropriate preparedness plans to anticipate what would negatively affect our peoples and planet. In a statement before the Arab-African Platform on Disaster Risk Reduction in Tunis, the Minister of State for Foreign Affairs expressed Qatar’s support for the platform’s final declaration, stressing that the country will spare no effort to build regional and international partnerships. This emanates from the belief that development is a right for all and represents an added value that must be preserved for the prosperity of humankind.

Source: <https://thepeninsulaqatar.com/article/13/10/2018/Qatar-spare-no-effort-to-build-regional,-international-partnerships-to-address-disasters-Al-Muraikhi>

Delhi Process IV: South-South and Triangular Cooperation: Theoretical Perspectives and Empirical Realities, 13-14 August 2018

To deliberate on the theoretical premise of the South-South Cooperation and how to carry the process forward, RIS organized an International Conference, namely Delhi Process IV: South-South and Triangular Cooperation: Theoretical Perspectives and Empirical Realities (in collaboration with the Ministry of External Affairs, UN Office for South-South Cooperation (UNOSSC), Network of Southern Think-Tanks and Forum for Indian Development Cooperation), during 13 and 14 August 2018 at New Delhi, India.

The focus of this conference was to strengthen theoretical nuances of South-South Cooperation and expansion of the global understanding of development

cooperation – its conceptual framework and relevant empirical validations.

The deliberations opened avenues for a continued dialogue that aimed to seep into the debates at the G20 as well as the Second High-level United Nations Conference on South-South Cooperation to be held at Buenos Aires, Argentina, from 20 to 22 March 2019. The development of the “future of work” in tune with the fourth industrial revolution, agriculture and infrastructure are priority areas for collective Southern development. The Fourth Delhi Process moved towards creating a network of policymakers, civil society and academic to bring various stakeholders towards an effective process of collective action.

Some photographic glimpses from Delhi Process IV:



Inaugural Address by H.E. María Fernanda Espinosa Garcés, President of the 73rd Session of the UN General Assembly.



Shakti Kanta Das, G20 Sherpa, New Delhi



T. S. Tirumurti, Secretary (ER), Ministry of External Affairs, Government of India



Milindo Chakrabarti, RIS and Andre de Mello e Souza, Instituto de Pesquisa Econômica Aplicada (IPEA), Brazil.



Jorge Chediek, Director, UNOSSC and H.E. Daniel Chuburu, Ambassador, Embassy of the Argentina Republic, New Delhi.



Participants at Delhi Process IV

BAPA+ 40: Some Relevant Readings

The 2019 High-level United Nations Conference on South-South Cooperation (BAPA+40) will be held in Buenos Aires from 20 to 22 March 2019. It commemorates the fortieth anniversary of the adoption of the Buenos Aires Plan of Action (BAPA) of 1978.

The Conference is a result of the General Assembly resolutions 71/244 of 21 December 2016, and resolution 71/318 of 28 August 2017. In the lead-up to BAPA+40, DCR brings relevant readings to review the trends in South-South and triangular cooperation. Two reports highlight the state of South-South cooperation and its role towards the achievement and implementation of Agenda 2030. They reflect upon the progress made by the international community in promoting cooperation, opportunities and identifying new avenues of engagement.

The report of the Forum of DGs for Development Cooperation reflects the outcome of discussion among various stakeholders of South-South and triangular cooperation and offers a collective input for the BAPA+40 Conference.



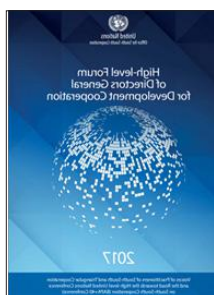
Report of the Secretary-General on the State of South-South Cooperation (document A/73/321)

Available at: <https://drive.google.com/drive/folders/0B-buqyoV0jpSXzF6d1k2TzZtS1U>



Report of the Secretary-General on the Role of South-South cooperation and the implementation of the 2030 Agenda for Sustainable Development: Challenges and opportunities (document A/73/383)

Available at: http://www.un.org/ga/search/view_doc.asp?symbol=A/73/383&Lang=E



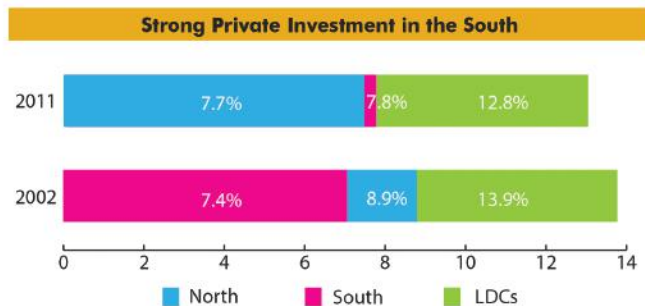
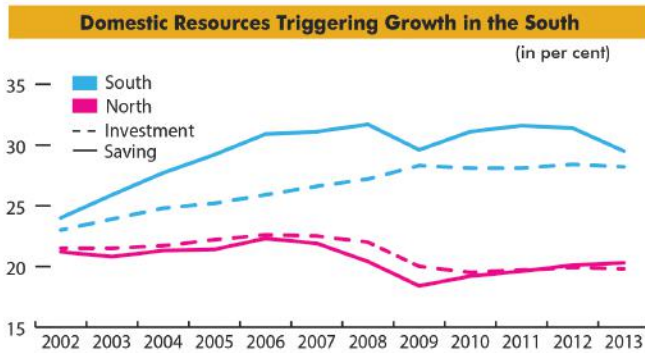
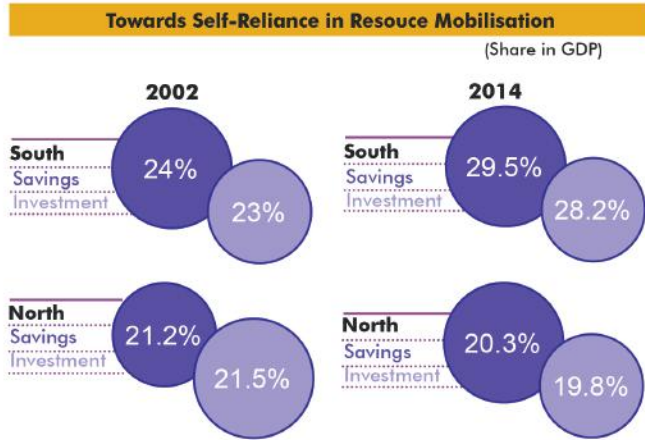
High-level Forum of DGs for Development Cooperation – Voices of SSTRC Practitioners and the Road towards BAPA+40 (2017)

Available at: <https://www.unsouthsouth.org/2018/08/14/high-level-forum-of-dgs-for-development-cooperation-voices-of-sstrc-practitioners-and-the-road-towards-bapa40-2017/>

SSC in Statistics

Sturdy Economic Fundamentals Spur Growth in the South

Strong economic fundamentals underpin higher growth in the South. Among a host of other factors, self-reliance in resource mobilisation contributes the most. Unlike the historic dependence of the South on foreign capital, the South growth story is now rooted in efficient utilization of domestic resources. Savings and investment rates in the South have improved from 24 per cent and 23 per cent in 2002 to 29.5 per cent and 28.2 per cent in 2014 respectively. Higher savings fuelled higher investment which, in turn, provided stimulus to economic growth in the South. Domestic private investment rose impressively over time compared to the North. As savings rates continue to remain higher than investment rates, the untapped resources pave the way for fresh investments and activate the growth triggers in the South in the future.



* Resurging South Stylized Facts, (2016): Prepared by RIS Team.

Guidelines for Contributors

1. DCR is a refereed multi-disciplinary international journal. Manuscripts can be sent, as email attachment, in MS-Word to the Managing Editor (milindo.chakrabarti@ris.org.in).
2. Manuscripts should be prepared using double spacing. The text of manuscripts should not ordinarily exceed 1500 words. Manuscripts sent for peer review section may be limited to 5000 words. Such submissions should contain a 200 word abstract, and key words up to six.
3. Use 's' in '-ise' '-isation' words; e.g., 'civilise', 'organisation'. Use British spellings rather than American spellings. Thus, 'labour' not 'labor'. (2 per cent, 3 km, 36 years old, etc.). In general descriptions, numbers below 10 should be spelt out in words. Use thousands, millions, billions, not lakh and crore. Use fuller forms for numbers and dates – for example 1980-88, pp. 200-202 and pp. 178-84. for example 'the eighties', 'the twentieth century', etc.

Reference Style: References should be appended at the end of the paper. References must in double space, and should be same author(s) is cited, then arrange them chronologically by year of publication.

All references should be embedded in the text in the APA style. For details please refer to Course and Subject Guides: <https://pitt.libguides.com/c.php?g=12108&p=64730>

Invitation to Join our Mailing List

If the reader wishes to be added in our mailing list in order to receive the soft version of *Development Cooperation Review*, kindly send in details along with organisational affiliations to Mr. Pranay Sinha (Email : pranay.sinha@ris.org.in). Also specify if hard copy is desired.

Call for Contributions

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

For editorial information, contributions, feedback and comments: mail to milindo.chakrabarti@ris.org.in and dgoffice@ris.org.in

Introduction of a Section on Peer Reviewed Articles/Essays

In keeping with suggestions, feedbacks and accumulated experience, we have decided to introduce a section, containing peer reviewed full length articles/essays. Interested scholars willing to contribute are requested to send in their manuscripts (preferably in not more than 5000 words) to the editorial office.

About Development Cooperation Review

Development Cooperation Review (DCR) aspires to capture holistic narrative around global development cooperation and fill an important knowledge gap towards theorisation, empirical verification and documentation of Southern-led development cooperation processes. Despite growing volumes of development partnerships around the Southern world, there remains an absence of detailed information, analysis and its contribution to global development processes. Even though there have been sporadic efforts in documenting some of the activities, a continuous effort in chronicling the diverse experiences in South-South Cooperation (SSC) is still absent. RIS, in joint publication with FIDC and NeST has endeavoured to launch DCR, a monthly periodical, to fill this gap till March 2019 after which DCR would graduate to become a full-fledged Journal.

DCR is designed to bring policy-makers, officials, researchers, academics and the development practitioners onto a global platform to share their ideas, experiences and concerns vis-a-vis development cooperation. The periodical would further allow us to feature special write-ups, analyses, opinion pieces, commentaries and in general the South's take on the emerging narratives of global architecture of development cooperation, including ODA.

About Research and Information System for Developing Countries (RIS)

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

About Network of Southern Think Tanks (NeST)

NeST was established on the sidelines of the first high-level meeting (HLM) of the Global Partnership for Effective Development Cooperation (GPEDC) in Mexico in April 2014, and as a follow-up to the Conference of Southern Providers held in Delhi in April 2013. The network has committed itself to 'generating, systematising, consolidating and sharing knowledge on South-South co-operation (SSC) approaches to international development'. [🐦@NeST_SSC](#)

About Forum for Indian Development Cooperation (FIDC)

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

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