
Third World Foundation News

South–South II: charting the way forward

The Second Summit of Third World Scholars and Statesmen,
5–8 May 1986, Kuala Lumpur, Malaysia

Cooperation between developing nations could now be entering an exciting new phase after this meeting, sponsored by the Third World Foundation and the Institute of Strategic and International Studies in Malaysia.

World attention was fixed firmly on the Tokyo Summit of leading industrialised nations, which took place at the same time and partly explains the near-total lack of media coverage given to this conference. Meeting at a time of deepening economic crisis and uncertainty for the Third World, the one hundred delegates from twenty-three countries were determined to go far beyond mere rhetoric.

They agreed on concrete measures, including the creation of an Independent Commission to explore the possibilities for the expansion of economic ties between the developing world. The preparatory work to establish the Commission was entrusted to a Steering Group under the chairmanship of YAB Dato' Seri Dr Mahathir Mohamed, Prime Minister of Malaysia.

South Africa was a subject of great concern. The possibility that the Commonwealth Eminent Persons' Group (CEPG) might suggest a framework for negotiations between the leaders of the black majority and the apartheid regime was not discounted. However, the consensus was that Pretoria would spurn all efforts to obtain reasonable settlement through dialogue.

Oliver Tambo, President of the African National Congress (ANC), received the Third World Prize on behalf of Nelson and Winnie Mandela on the first day of the summit.

The South Commission

By far the most important decision taken at the meeting was the establishment of an Independent Commission of the South on Development Issues, whose key objectives are:

- to assess the problems facing the 120 or so developing countries;
- to find solutions and suggest ways of increasing cooperation within the South;
- to strengthen organisations already working for greater cooperation, and to consider the creation of a South Secretariat;
- to raise awareness in developing countries about their circumstances and the challenges facing them.

The terms of reference for the Commission would be established by the Steering Group, but the conference recommended that the Commission should comprise no more than twenty eminent persons of the Third World. These

individuals should serve in their personal capacity, and not as representatives of their governments or institutions. A small Secretariat would service and give administrative support to the Commission.

Delegates were cautiously optimistic about the Commission's chances. Mindful of the failure of similar efforts in the past—especially the Caracas Programme of Action adopted at the Group of 77 meeting in 1981, and the statement on self-reliance issued by the Non-Aligned Movement (NAM) in New Delhi in 1983—no one expected immediate success. There was an awareness that each country had specific and often different concerns, and governments tended to pursue their own national interests to the detriment of the Third World as a whole. Key speakers, including the Commonwealth Secretary-General Shridath Ramphal, believed that the present world crisis should encourage governments to adopt a more sensible and long-term approach. They argued that the collapse of commodity prices, deteriorating terms of trade, rising indebtedness, the threat of increased protectionism by industrialised nations, high interest rates, and volatile exchange rates would galvanise the developing world.

Conference members argued that initial progress might come from greater cooperation at a regional, even sub-regional, level, reflecting both realism and an awareness of the obstacles facing the Commission, but they believed that the unity of the developing countries was not an impossible goal. 'Concerted efforts have to be made to expand inter-regional flows of trade, finance, technology and investment, as well as to strengthen schemes of regional and sub-regional integration and cooperation', read the final statement.

Several matters required urgent attention, including regional preferential trading schemes, payments and credit arrangements, the setting up of a Third World Bank, producer cooperation in central selling agencies, counter-trade, the harmonisation of banking laws, the flow of information, and research, training and consultancy. These are among the issues which the Commission will be studying.

The first real test of the initiative was expected to come at the September 1986 meeting of the NAM in Harare. Dr Mahathir hoped to complete a report by this time, outlining the findings of the Steering Group. Only then will it be possible to assess the true significance of the main Kuala Lumpur proposal.

The Third World Prize

Following in the footsteps of Dr Raúl Prebisch, Dr Julius Nyerere and Willy Brandt is an unenviable task. But Nelson and Winnie Mandela, the winners of the 1985 Prize, can justifiably claim to have contributed at least as much to the Third World as those distinguished individuals who have also received the \$100,000 award in previous years.

The Prize is funded by an independent endowment and administered by the

Third World Foundation, the prize winner being nominated annually by an independent international selection committee. The Prize recognises outstanding efforts by individuals and groups to Third World development.

ANC leader, Nelson Mandela, a towering figure in the struggle against apartheid, has been serving a life sentence since June 1964, having already been sentenced to five years of hard labour in 1962 for strike incitement. Winnie Mandela, who has battled courageously for many years, had had her passport confiscated and was unable to travel abroad. Oliver Tambo, Mandela's close personal friend and former law colleague, accepted the Prize on the couple's behalf and then delivered the 1986 Third World Lecture, which was published in the July 1986 issue of the *Third World Quarterly*.

Conference papers

The main points of the major contributions to the conference proceedings can be summarised as follows:

1) *For the South, a time to think*, by Shridath Ramphal, which stressed the need for swift action to overcome current problems. Ramphal pointed to the lack of North-South dialogue, and the increasingly uncooperative line taken by industrialised countries. 'Recent American acts of war in the Mediterranean were a dramatic example of this retreat from internationalism and world order', he noted.

2) *South-South cooperation: problems and obstacles*, by Tengku Razaleigh Hamzah, Trade and Industry Minister of Malaysia. Tengku Razaleigh argued for cooperation between regions and sub-regions, which he referred to as 'cellular development', within the existing economic system. He found the ideas of a Third World Bank impractical. 'We still believe and strongly so, that money, market and management of the industrialised North are required for the development of the South, . . . the North-South dialogue, and the old notion of "interdependence" are still valid.'

3) *South-South cooperation: challenge to the political process*, by Michael Manley, former Prime Minister of Jamaica. Manley maintained that cooperation has been held back by dependent and malformed economies, the acceptance of the economic models and theories of developed countries, and divisions left over by colonialism. After listing the advantages of cooperation, he added: 'Success will demand political will; the identification of cadres capable of the necessary planning; the determination to keep the cadres on the job as long as it takes; and public patience during the time which all this takes to implement.'

For Manley, a South Commission should 'develop a new framework of analysis in which costs and benefits are set in a deeper framework of strategic purpose. Of particular importance is the matter of mechanisms through which projects can be identified, feasibilities determined and resources indicated.'

4) *Obstacles to South-South cooperation*, by Dr Gamani Corea, former Secretary-General of UNCTAD. According to Dr Corea, the Third World's problems have been caused by a lack of industrialisation on a global scale, which cannot be solved regionally. He urged that the South must develop by their own initiative and not rely on 'trickle-down' development from the North. 'There is less commitment in the North to the goals of cooperation for development than in the past. The South cannot get a response to its needs by generalised exhortations and resolutions passed in international forums.'

5) *South-South trade and economic cooperation: some notes on future strategy*, by Alister McIntyre, Deputy Secretary-General of UNCTAD. In the light of the GATT talks in 1987, McIntyre emphasised the need for greater financing of trade and investment among developing nations.

He was disappointed at the lack of communication between organisations such as the Group of 77 and other regional bodies. 'The days are probably over for across-the-board schemes of almost universal membership. Each country has to find its own place within the network of cooperation arrangements.'

6) *Opportunities for South-South cooperation*, by Ambassador Farooq Sobhan, High Commissioner of Bangladesh to Malaysia and a former Chairman of the Group of 77. Outlining the difficulties lying ahead for developing countries, Farooq Sobhan warned: 'They may instead prefer to increase their dependency relationships with countries in the North and settle for bilateral arrangements which may provide temporary relief but which in the long run will only increase their vulnerability.'

He blamed governments for the past failures: 'If there is a feeling among governments that South-South cooperation has moved slowly then these same governments should recognise that it is because of their own inactivity and failure to be more responsive to South-South programmes.'

7) *South-South cooperation: challenges and opportunities*, by Dragoslav Avramovic, Economic Adviser to the Bank of Credit and Commerce SA, Luxembourg. Avramovic argued for the continuation of negotiations for a global system of trade preferences, concessions in trade talks with developed nations, central selling organisations, greater mutual trade in primary products, an increased flow of information on investment and trade, wider membership of the recently formed Association of State Trading Organisations of Developing Countries, and preparatory work for a possible World Monetary and Financial Conference.

Conclusion

When the first South-South Conference ended in Beijing in April 1983, it was decided that the three years before the second meeting should be used to examine specific regional issues and problems. This work was done at the conference held in Cartagena (1984) and Harare (1985), and its usefulness

could be seen by the recommendations made at Kuala Lumpur. Real and effective steps were taken towards the development of the Third World.

But the daunting task of establishing the Commission still has to be faced. In the words of the Malaysian *New Straits Times* (9 May 1986): 'Well-meaning efforts have often been grounded on the rocky shores of reality. But, perhaps paradoxically, it is hard reality itself that may be the best guarantor of better chances of success.'



H E Dato Seri Dr Mahathir Mohamad, Prime Minister of Malaysia, delivering the inaugural address. Seated left to right, Mr Altaf Gauhar, Secretary-General Third World Foundation; Dr Noordin Sopiee, Director-General of ISIS Malaysia; H E Mr S S Ramphal, Chairman, Third World Prize Selection Committee; YABhg Tun Hussein Onn, Chairman of ISIS Malaysia; Mr Agha Hasan Abedi, Chairman, Board of Trustees of the Third World Foundation; Dr Oliver Tambo, President African National Congress; and Mr Azim Husain, Principal Advisor to the Third World Foundation.



Dr Oliver Tambo receiving the Third World Prize on behalf of Nelson Mandela and Winnie Mandela