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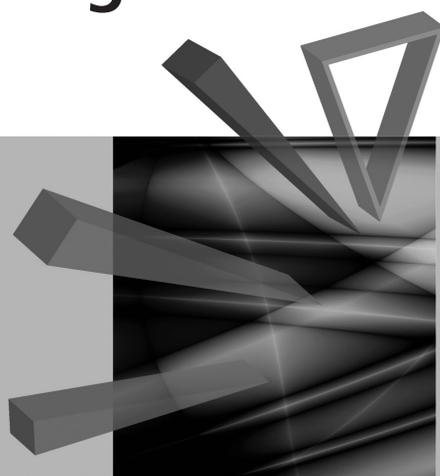
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Innovation as a Factor of the Development of the Asia-Pacific Region



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NOVELTY IN INDIA'S APPROACH TOWARDS SOUTH-SOUTH DEVELOPMENT COOPERATION

Summary: The article examines a contemporary role of India in South-South development cooperation. The economic relations on the South-South axis went through major changes after the collapse of the Soviet Bloc. In the context of the challenges of globalisation and liberalisation of international trade and investments, major institutional and operational reforms were necessary. India, being one of the initiators and promoters of the cooperation, had to change its attitude and undertake new measures to adjust its own foreign economic and foreign assistance policies, which were realised in the framework of South-South cooperation. The novelties and innovations introduced as a result of global changes are the essence of the paper. The major ones are an increased scale of assistance, new commercial motives, instead of previous political, and specialisation in particular aid-related activities.

Keywords: India, aid, development cooperation, assistance, South-South.

1. Introduction

Assistance provided to developing countries by so-called “emerging donors” is a recent phenomenon in development aid that attracts extensive attention of scholars worldwide. These donors are a strongly inconsistent group, composed of a variety of countries. There is no common definition and the group is described in accordance to what it is not rather than what it is. Namely, they are countries that do not belong to the group of DAC, which encompasses so-called “traditional or well-established donors” – highly industrialised OECD countries. The other common feature of emerging donors is the fact of delivering a significant volume of aid on a regular basis. Countries, such as Turkey, Thailand, Venezuela, oil-exporting Arab states or new EU member states, belong to the group. However, the most influential countries among emerging donors are BRICS countries, i.e., Brazil, Russia, India, China and the RSA. Those states are present on international forums within different arrangements, like IBSA (India, Brazil and South Africa) or BASIC (Brazil, South Africa, India and China). Development assistance provided by those states is claimed to have particular values and advantages that are lacked by ODA flows of DAC members – free from conditionalities, relevant to the needs of developing countries, based on win-win cooperation and equal partnership, these are a few virtues, just to mention.

Whereas Chinese aid-related activities attract most academia and public attention, India and Brazil remain in shadow. In the article the particular framework was adopted to examine Indian engagement, namely the perspective of South–South development cooperation. Thus, Indian activities were presented not as separate or independent phenomena but in a wider global context that exists and is being developed for over 50 years. Over that period Indian attitude towards development assistance in frames of South–South cooperation has gone through major changes.

Although the process of change of South–South relations began over twenty years ago, yet from the perspective of the first decade of 21st century, a wider picture appears. Just for last ten years the volume of aid flows has soared, new bodies on international scene have emerged and it is justified to identify trends of this phenomena.

The aim of the article was to indicate novelties of Indian approach towards development assistance, examine changes in modalities, motives and rationale that stood behind Indian participation in the process. The article is divided into two major sections. First, the change within the broad framework of Indian assistance, i.e., the phenomena of the South–South cooperation, is described. A particular stress is put on recent developments. Then a changing attitude of India towards the cooperation is discussed, innovations and novelties of the new approach are indicated. The article is closed with conclusions.

2. South–South development cooperation as a framework of Indian aid-related activities

The concept of South–South development cooperation was developed after the Second World War as an answer of newly independent, decolonised states to unequal economic and political relations between the industrialised countries of the “North” and the developing countries of the “South”. The theoretical background for the idea was provided by the Latin American school of dependency in 1960s and 1970s. The school was an off-spring of Latin American structuralism with the elements of Marxist economy. The leading thinkers were T. dos Santo, G. Frank, S. Amin, P. Baran, who draw a structural division of national economy of a developing country, where the modern and the traditional sector were distinguished, and projected it on the global economy. According to the school, the main obstacle to the development of the third world (periphery countries) was its dependence on the dominant core countries in the international system. The centre–periphery dependency created and reinforced unequal distribution of wealth globally, thus underdevelopment was a consequence of asymmetrical power relations. The flow of capital and commodities as well as their prices in the global economy prevented dependent countries from challenging the centre. Even when countries specialise in the branches characterised by comparative advantages, as recommended by the mainstream economic theory, primary commodities in the case of developing economies and industrial goods for

developed ones, due to declining terms of trade, following Singer-Prebisch¹ thesis, it would result in external payments deficits, structural unemployment and persistent underdevelopment of the periphery. Dependency theorists believed that protectionist policies or even de-linking from the international system is required to industrialise developing countries. Import substitution industrialisation, tariff protection of home industries and other inward-oriented measures were recommended to break unequal power relationship.²

South–South development cooperation has been an attempt to find another, self-reliant, different from the West and from the Soviet Block, way of economic development. It aimed to overcome dependence from the industrialised nations of the North by strengthening the political, technical and economic cooperation among developing countries.³ The definition may be perceived as ambiguous due to the fact that it is broad enough to enclose any kind of political and commercial relations between Southern countries, furthermore the nature and meaning of the cooperation has been evolving significantly over last decades.

During the Cold War period the cooperation was developed under the auspices of Non-Aligned Movement (NAM), Group of 77, ECOSOC, UNCTAD and other international forums, gathering developing nations. A number of conferences and summits took place in order to formulate and express common economic and political interest of the developing world and to foster mutual economic cooperation as an alternative to traditional North–South patterns of international trade and investments.⁴ A failed attempt of introduction of the New International Economic Order (NIEO) in late 1970s is an example of mainstreaming South–South development issues. In the context of NIEO, the editors of *The Challenges of South-South Cooperation* (1983)

¹ The thesis itself is being challenged nowadays as out-of-date. K. Żukrowska (Ed.), *Fair trade w globalizującej się gospodarce*, SGH, Warszawa 2010.

² T. Akiyama, S. Akiyama, *International Development Assistance: Where is Today and How it Got There*, FASID Research Paper, p. 24, http://www.fasid.or.jp/daigakuin/fa_gr/kyojyu/pdf/educational/2001-001.pdf (accessed: 15.04.2012).

³ D. de la Fontaine, J. Seifert, The role of South–South cooperation in present Brazilian foreign policy: Actors, interests and functions, [in:] *Stockholm Papers in Latin American Studies*, Stockholm 2010, p. 2, http://www.lai.su.se/gallery/bilagor/STCHLM_PAPERS_LatAm_2010_dana%20et%20al.pdf (accessed: 20.04.2012).

⁴ Those include: Charter of Algiers adopted on the first Ministerial Meeting of the Group of 77 on October 1967, Resolution 1 on Economic Co-operation among Developing Countries adopted at the Third Ministerial Meeting of the Group of 77 held in Manila in February 1976; the Action programme on Economic Co-operation approved by the Fifth Conference of Heads of State and Government of the Non-Aligned Countries, held in Colombo in August 1976; the Report of the Conference on Economic co-operation among developing countries held in Mexico City in September 1976; the Buenos Aires Plan of Action, adopted at the UN Conference on Technical Co-operation among Developing Countries, held in September 1978; the Arusha Programme for Collective Self-Reliance, adopted at the Fourth Ministerial Meeting of the Group of 77 in February 1979; and the Caracas Programme of Action adopted at the High-Level Conference on Economic Co-operation among Developing Countries in May 1981. B. Pavlic et. al. (Ed.), *The Challenges of South–South Cooperation*, Westview Press, Boulder, Colorado 1983, p. 2.

define the phenomena of South–South development cooperation as it was perceived during the Cold War period: “The need to identify new approaches to self-reliant development through the mobilisation of developing countries’ human and material resources in the context of the efforts to establish a new international economic order as a possible solution to the deteriorating conditions of the developing countries in the international economy, lies at the basis of [...] economic and technical co-operation among developing countries”.⁵

The basic assumption of the concept was general faith in the common interest and similar structural features of developing economies. The South–South economic relations according to J. Carlsson assumed two different forms: capital flows, primarily in the shape of direct investments and trade contracts.⁶ It is necessary to add the third dimension, present from the very beginning in those relations⁷ – aid-related activities, which included technical assistance, scholarships and training, flows of commodities, conditional financing and infrastructural projects. In the Cold War period the political motives were the major locomotive of undertaken initiatives. The aim to sustain unanimity of developing countries was perceived as a tool of putting pressure on the developed world. In the reality there was discord or even hostility between particular actors of South–South cooperation, so-called “non-aligned countries” sympathised either with the Western or the Eastern bloc. Nevertheless, a substantial level of cohesion was maintained within G-77 or NAM over the entire Cold War period.

The rationale of the cooperation changed dramatically in the early 1990s with the collapse of the Soviet Block. The key players of the NAM took direction on market economy and began to integrate with the global economy (like India) or struggled with severe internal problems (like Yugoslavia). The efforts to adopt NIEO were given up entirely at the beginning of 1980s; international financial institutions soon followed by DAC donors adopted, contrary to NEO, policies of the neo-liberal Washington Consensus. Heavily indebted developing countries with malfunctioning economies had no other choice but to adjust to World Bank and IMF conditionalities. At the beginning of 1990s aid-related activities within South–South cooperation were strongly limited. Over 95% of the assistance was provided by DAC donors,⁸ within the framework of North–South relations.

⁵ *Ibidem*, p. 1.

⁶ J. Carlsson (Ed.), *South–South Relations in Changing World Order*, Scandinavian Institute of African Studies, Uppsala 1982, p. 29.

⁷ The flagship example of early aid activities is the construction of TAZARA railway from Dar es Salaam in Tanzania to Kapiri Mposhi in Zambia. The project was conducted by Chinese between 1970 and 1976, who additionally provided labour and interest free loan to cover expenses. L. Corkin, Ch. Burke, M. Davies, *China's Role in the Development of Africa's Infrastructure*, Working Papers in African Studies No. 04–08, Centre for Chinese Studies, Stellenbosch University 2008, p. 12, <http://www.sais-jhu.edu/sebin/ej/CorkinetalWorkingPaper.pdf> (accessed: 30.04.2012).

⁸ ECOSOC, *Background Study for the Development Cooperation Forum. Trends in South–South and Triangular Development Cooperation*, New York 2008, p. 9, http://www.un.org/en/ecosoc/docs/pdfs/mainstreaming_of_iadgs.pdf (accessed: 30.04.2012).

The situation began to change once again at the beginning of the new millennium, with a rapid increase of assistance provided in the frames of South–South development cooperation, reaching nowadays 10–12% of global aid flows, due to increasing engagement of emerging donors. The contemporary South–South development cooperation is conducted in a different way – the actors changed and the motives and rationale behind it switched from ideological to pragmatic, only the rhetoric and principles remained the same.

Efforts to find a proper definition of contemporary South–South development cooperation are ongoing. The UN General Assembly in its 2010 resolution propose a definition following Nairobi outcome document of the High-level United Nations Conference on South–South Cooperation. The South–South cooperation is “a manifestation of solidarity among peoples and countries of the South that contributes to their national well-being, their national and collective self-reliance and the attainment of internationally agreed development goals, including the Millennium Development Goals”.⁹ The role of former key players and institutions like NAM, G-77, Ethiopia, Egypt, Ghana, Indonesia or former Yugoslavia diminished, whereas new actors (Brazil and South Africa) and institutional framework (like G-20, IBSA or BRICS) emerged. Novelty is a multi-stakeholder approach, including in the cooperation of non-governmental organisations, the private sector, civil society, academia and other actors.¹⁰ The forms of South–South cooperation nowadays cover a wide range of activities: economic integration, regional cooperation, the formation of negotiating blocs within multilateral institutions, humanitarian assistance, technical cooperation, cultural exchanges, military alliances and so on.¹¹ The range of modalities allows encompassing nearly all kinds of mutual economic activities within the framework of South–South development cooperation. According to ECOSOC, external financial resources available to developing countries, within the framework, fall into two main categories: (a) development assistance or concessional finance; and (b) non-concessional or market-related finance. In the case of emerging donors, aid-related activities tend to mix these two categories and the lack of transparency and official statistics makes it nearly useless for the purpose of international comparisons. An accurate definition of development aid is a crucial matter; however, South contributors do not present any, rejecting at the same time ODA concept created by DAC. In the situation of the lack of a proper definition of

⁹ United Nations, *Nairobi Outcome Document of the High-level United Nations Conference on South–South Cooperation*, resolution adopted by the UN General Assembly 64/222, on 23 February 2010, p. 2, <http://ssc.undp.org/content/dam/ssc/documents/Key%20Policy%20Documents/Nairobi%20Outcome%20Document.pdf> (accessed: 30.04.2012).

¹⁰ *Ibidem*, p. 3.

¹¹ Better Aid, *Policy Paper on South–South Development Cooperation*, March 2010, p. 3, <http://www.betteraid.org/en/betteraid-policy/betteraid-publications/policy-papers/259-betteraid-policy-paper-on-south-south-development-cooperation.html> (accessed: 30.04.2012). UN indicates different modalities, i.e., the sharing of knowledge and experience, training, technology transfer, financial and monetary cooperation and in-kind contributions. See: United Nations, *op. cit.*, p. 3.

development aid or assistance provided by Southern countries, ECOSOC use current ODA definition acknowledging that it “does not adequately measure the genuine transfer of resources that takes place to developing countries”.¹²

Despite the evolution in the concept of South–South development cooperation, the principles that were set up as a foundation of NAM remained unchanged. These are: respect for national sovereignty, national ownership and independence, equality, non-conditionality, non-interference in domestic affairs and mutual benefit. However, without dependency rhetoric, it is stressed that South–South cooperation is not a substitute for, but rather a complement to, North–South cooperation.¹³ Although in practice leaders of developing nations perceive assistance of the Southern countries as an alternative to traditional aid and a chance to escape Western donors' conditionality. The recent novelty is the concept of triangular cooperation, where a development initiative is undertaken by two partners from the South and a partner from the North. Already cited UN General Assembly resolution encourages to “invite developed countries to support South–South cooperation through triangular cooperation, including for capacity development”.¹⁴ In spite of being advertised and fostered on international forums there has been little practical appliance of triangular cooperation so far.

3. India as a key actor in South–South development cooperation

India from the very beginning was advocating strongly for South–South solidarity and during the Cold War it was looking for another path of development, different from those of global superpowers. A development policy adopted by Jawaharlal Nehru after country's independence was industrialisation based on self-reliance and internal resources, inspired by the Soviet model of central planning. Inward looking policies of modernisation, such as governmental planning, import substitution industrialisation and trade barriers, were implemented. Heavy industries were reserved exclusively for governmental investments, key branches of industries were nationalised including transportation, mining, insurance and later the banking sector although, unlike in the Soviet Union, private property remained, which resulted in a mixed economic model.¹⁵ Self-reliance was perceived as a necessary condition of

¹² ECOSOC, *op. cit.*, p. 6.

¹³ United Nations, *op. cit.*, p. 3. The view was also affirmed by the 2008 Accra Agenda for Action of the Third High Level Forum on Aid Effectiveness: “South–South cooperation on development aims to observe the principle of noninterference in internal affairs, equality among developing partners and respect for their independence, national sovereignty, cultural diversity and identity and local content. It plays an important role in international development cooperation and is a valuable complement to North–South cooperation” (Better Aid, *op. cit.*, p. 3).

¹⁴ United Nations, *op. cit.*, p. 4.

¹⁵ L.H. White, *Indian Planning and Development Economics*, Working Paper No. 10–53, Mercatus Center at George Mason University, 2010, p. 321.

independence, thus foreign economic influences established in the colonial period were considered unwelcome. The country was looking for new partnerships especially within South–South cooperation. India was particularly active in that field, being an initiator of NAM alongside with Egypt, Ghana, Indonesia, Ethiopia and Yugoslavia. First financial and technical contributions to foster South–South development cooperation were provided just a decade after independence. Already in 1958 India committed Rs 100 million in multi-year grants to Nepal and a Rs 200 million loan to Myanmar.¹⁶ The aid directed to immediate neighborhood countries had been laid as a foundation of foreign assistance policy that has been continued up to now. The affiliation between India and Africa was based on ideology. India supported anti-racist movements in South Africa and present day Zimbabwe and aimed to struggle against colonialism and neo-colonialism. The country contributed significant Rs 500 million to the Africa Fund established by NAM in order to help countries facing problems of white minority regimes. India developed a political dimension of South–South cooperation promoting NAM agenda on international forums, India's own economy model served as an example with some success. In particular, the second five-year-plan influenced planning practices throughout the third world. Nevertheless, political cooperation had little impact on actual trade and investment practices. The aid programmes provided by India were not based on economic agenda and were not designed to induce trade or promote investments. The level of trade between India and other developing countries during the entire Cold War period was relatively low. A dominant role in that field was still played by the former metropolis – the United Kingdom, gradually the share of the United States and the Soviet Union was increasing. Moreover, the inward-oriented industrial policy, based on import substitution, meant high tariff barriers and stifled foreign trade. Under these conditions a practical realisation of South–South development cooperation between India and other developing countries remained just an idea.¹⁷ What was a major success and country assistance comparative advantage in that field turned out to be technical cooperation and training. Since 1959 technical advisory services, project initiation and loan financing have been continued.¹⁸ As soon as in 1964 the Indian Technical and Economic Cooperation (ITEC) programme was established. It has served as India's flagship initiative, providing training in India to scholars, bureaucrats and officials as well as scholarships for students from other developing countries. Later two further programmes were set up: the Special Commonwealth African Assistance Program (SCAAP) and Indian Council for Cultural Relations (ICCR). Within South–South cooperation India took part in the number of UN peace keeping operations, beginning in DRC in 1960.

¹⁶ D. Chanana, India as an emerging donor, *Economic & Political Weekly* 2009, Vol. XLIV, No. 12, p. 11.

¹⁷ F. Cheru, C. Obi (Eds.), *The Rise of China and India in Africa*, ZedBooks, London 2010, pp. 65–67.

¹⁸ J. Carlsson (Ed.), *op. cit.*, p. 37.

The consequences of the oil crises in 1970s and neo-classical resurgence in the West had a significant impact on the concept of South–South development cooperation and on Indian approach towards foreign assistance. With the beginning of 1980s, India found itself in a severe crisis. The rate of growth was about 1% *per capita* annually; its economy faced widespread corruption, bureaucracy and licensing malfunctions. At the beginning of 1990s, as a consequence of the structural balance of-payments crisis, the Indian government was forced to start reforming. The shortage of foreign exchange resulted in tightening import restrictions, which in turn led to a fall in industrial output. The process of the adjustment of the Indian economy to the new outward-oriented development strategy was started by then Finance Minister, Manmohan Singh in 1991.¹⁹ Over the last decade of 20th century India suspended much of its foreign activities, struggling with domestic economic problems and consequently to the fall of the idea of inward-looking planning economy, losing political rationale for providing foreign assistance in the spirit of dependency. Other non-western providers of development aid acted similarly, allowing DAC countries to monopolise the field.

The impact of neo-liberal policies introduced by M. Singh has been positive and significant. The growth rate of the economy in the next decade after reforms was close to 6.5% *per annum*, GDP *per capita* soared and the country has been becoming a regional power with global aspirations. Consequently, India returned to the concept of providing development assistance, however, on a different basis and with a new approach. The value of assistance rose at an unprecedented rate over the first decade of 21st century. Excluding lines of credit, it soared from Rs 9.2 billion to Rs 26.7 billion in 2008.²⁰ Previous motives based on ideology were replaced by a pragmatic approach. Geopolitical and commercial aims are clearly visible as dominant motives of Indian support for other developing countries. The modalities and regional distribution remained mostly unchanged although it is enough to have a closer look on data to realise the change in attitude.²¹

Indian Ministry of Foreign Affairs provides assistance in the form of commodities, direct budget support, projects and grants to countries on India immediate periphery in particular to Bhutan, Nepal, Myanmar, the Seychelles, Afghanistan and Sri Lanka. The bulk of funds are located in the region, whereas Sub-Saharan Africa receives

¹⁹ M.S. Ahluwalia, *India's Economic Reforms*, Seminar on India's Economic Reforms at Merton College, Oxford, June 1993, revised March 1994, p. 2, <http://www.planningcommission.gov.in/hindi/aboutus/speech/spemsa/msa012.pdf> (accessed: 15.04.2012).

²⁰ E. Mawdsley, G. McCann (Eds.), *India in Africa: Changing Geographies of Power*, Pambazuka Press 2011.

²¹ There is a variety of papers where one can find quantitative data on Indian assistance, e.g., OECD DAC, *Beyond the DAC: The Welcome Role of Other Providers of Development Co-operation*, DCD Issues Brief, OECD, 2010; S. Agrawal, *Emerging Donors in International Development Assistance: India Case*, India Focus, New Delhi 2007; D. Chanana, *op. cit.*; G. Price, *India's Aid Dynamics: From Recipient to Donor?*, Asia Programme Working Paper, Chatham House, 2004.

less than 5%. Another source of financing is provided by EXIM Bank of India in the form of lines of credit and export subsidies available for partner countries. When it comes to that source of financing, over 60% is dedicated to the Sub-Saharan countries – Sudan, Ivory Coast, Libya, Nigeria, Gabon, Angola are among major receivers. India continues to provide technical cooperation in the frames of well-established and highly recognised and appreciated programmes. According to the Ministry of External Affairs, around Rs 500 million (USD 11 million) annually is spent on ITEC activities, and around 3,000 people are trained on a yearly basis.²² The distribution of ITEC slots between countries is highly unequal prioritising those well endorsed with oil and minerals as well as those with large Indian diasporas.

The commercial and geopolitical motives of India's engagement in aid-related activities include first of all a need to secure provision of crude oil, minerals and other commodities required by its boosting economy. Already in 1982, J. Carlsson,²³ examining Indian engagement in South–South cooperation, noticed that India lacked strategic resources such as petroleum, cadmium, antimony, nickel, tin and lithium. At that time the pace of GDP growth, so-called “Hindu rate” did not exceed 3.5%. Nowadays, when dealing with a rapidly growing economy, the lack of these commodities is of even greater concern for the state. Crude oil is of particular importance for the economy, as India possesses only 0.04% of world's oil deposit. When one takes into consideration the current pace of the consumption, by 2030 the country will have become the third consumer of oil in the world.²⁴ It is thus not a surprise that a bulk of Indian foreign assistance is provided to oil and mineral rich African countries at the Gulf of Guinea. A separate initiative called TEAM-9 was launched to foster cooperation between India and the region. The cooperation is based on technology transfer, infrastructural projects or concessional loans provided for development initiatives in exchange for licenses on mineral or oil extraction. Both private and state-owned Indian corporations invest heavily in the extractive industries, the most important recent investments include: Vedanta Resources on copper mines in Konkola, Zambia (USD 750 million), Arcelor-Mittal in Liberia (USD 900 million) and state-owned OVL, oil-pipe between Khartoum-Port Sudan (USD 200 million).²⁵

The second economic reason for Indian engagement in foreign assistance is market seeking motives of Indian multinational corporations. A rapid growth of foreign trade was a consequence of opening up Indian economy. Taking into consideration African countries alone, one can state that between 1991 and 2008 the value of trade increased four-fold.²⁶ Offering relatively inexpensive goods and services with technology designed in developing country, Indian corporations have

²² G. Price, *op. cit.*, p. 12.

²³ J. Carlsson, *op. cit.*, p. 31.

²⁴ E. Mawdsley, G. McCann (Eds.), *op. cit.*

²⁵ *Ibidem.*

²⁶ M. Proksch, *Asian–African trade and investment cooperation, Asia-Pacific Trade and Investment Review* 2008, Vol. 4, p. 143.

been looking for customers on frontier or emerging markets. In particular, East Africa seems to be a potentially promising market for Indian exports. Linked by the Indian Ocean and common knowledge of English language, with numerous Indian diasporas in Tanzania, Uganda, Mauritius or Kenya, the region already cooperates tightly with Indian business. Focus Africa, initiative undertaken by the Indian state, aims to additionally promote and support Indian exports to the region. Private Indian companies, like Kirloskar Brothers, Tata Group, Ranbaxy, have been already operating in the region. The most important recent acquisition has been the one of Zain by Bharati Airtel in telecommunication industry. The contract was worth USD 10.7 billion and 42 million of Zain subscribers in 15 African countries became customers of Airtel.²⁷

The contemporary engagement of India into South–South development cooperation is driven not only by economic but also by geopolitical factors. Just to mention the most important ones: to gain diplomatic influence in developing countries in order to collect support for expected reform of UN Security Council, prestigious competition with China not only in the access to resources but also in terms of international importance as a regional emerging power and finally solidarity with other developing countries.

4. Conclusions

When examining India's engagement in the field of development assistance, one should take into consideration a wider context of South–South relations that have been a framework for Indian aid-related activities from the very beginning. The country followed the rationale and intellectual fashion that accompanied South–South relations – the ideological agenda of NAM or dependency school within development economics. On the other hand, India's role was not only subordinated and imitative. India was an initiator, consistently in the development of that new axis of global relations, contrary to East–West or North–South divisions. With limited resources and unfavourable domestic economic policies, India developed its own competitive advantage of foreign assistance, i.e., technical cooperation.

Profound political and economic changes in the world at the beginning of 1990s, in particular accelerating globalisation processes, trade and investments liberalisation, caused a series of cracks in the foundations of South–South cooperation, making the concept out of date and of little use in the new global economic conditions.

The first decade of 21st century witnessed a renaissance of the concept although with different actors, new forms of cooperation, new international forums and new motives behind South–South assistance initiatives. Once again India not only

²⁷ NDTV Correspondent, *Bharti Seals Deal with Zain Telecom for \$10.7 bn*, 24 March 2010, <http://www.ndtv.com/article/business/bharti-seals-deal-with-zain-telecom-for-10-7-bn-18354> (accessed: 01.05.2012).

adjusted to the new conditions but also took part in setting up that new order. India's attitude towards development assistance has changed completely. Former ideological motives were replaced by pragmatic commercial and geopolitical. Among them a need to secure access to mineral resources and oil alongside with market seeking motives of Indian corporations seems to be of great importance. The modalities of assistance are used to support the motives, lines of credit for developing countries rich in mineral resources and state support of Indian exports. To compete with other emerging donors, it is necessary for India to undertake innovative measures and develop unique features and added value of its aid-related activities.

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Streszczenie: Niniejszy artykuł wpisuje się w badania nad rolą współczesnych Indii we współpracy pomiędzy krajami rozwijającymi się. Stosunki ekonomiczne na linii południe–południe przeszły znaczące przeobrażenia po upadku bloku wschodniego. Wobec wyzwań globalizacji oraz liberalizacji międzynarodowego handlu i inwestycji, koniecznością stała się reforma systemu współpracy pomiędzy krajami południa. Indie, będąc jednym z głównych uczestników tejże współpracy, zmuszone były do zmiany podejścia i dostosowania własnych polityk, zagranicznej i ekonomicznej, oraz współpracy rozwojowej. Nastąpiło odejście od warunkowania przepływów pomocowych motywami politycznymi, zwiększeniu uległa skala pomocy, nastąpiła specjalizacja działań pomocowych.

Słowa kluczowe: Indie, pomoc rozwojowa, współpraca rozwojowa, południe–południe.