

The EUROPEAN JOURNAL *of* MANAGEMENT *and* PUBLIC POLICY

VOLUME 13 • No.1 (2013)

ISSN 1726-6475



EUROPEAN CENTER FOR PEACE AND DEVELOPMENT
UNIVERSITY FOR PEACE ESTABLISHED BY THE UNITED NATIONS

The EUROPEAN JOURNAL *of* MANAGEMENT *and* PUBLIC POLICY

VOLUME 13 • No.1 (2013)

ISSN 1726-6475

CONTENTS

PROJECT NOTE 1

INTRODUCTION 3

Boutros Boutros Ghali LETTER OF INVITATION 6

Idriss Jazairy OPENING REMARKS 8

An Chen, Fan Yang FROM A PERSPECTIVE OF INTERNATIONAL ECONOMIC LAW
WITH CHINESE CHARACTERISTICS 20

Abdlatif Al-Hamad CONTRIBUTION TO THE GROUP 77 50TH ANNIVERSARY 64

Paolo Acanfora THE GLOBAL SOUTH IN THE NEW INTERNATIONAL DISORDER:
THE IDEA OF A SHARED SOCIETY 67

Idriss Jazairy IN DEFENCE OF SPECIAL PROCEDURES OF THE HUMAN RIGHTS
COUNCIL: AN ALTERNATIVE NARRATIVE FROM THE SOUTH 71

Ismail Serageldin THE NEXT HALF CENTURY 78

Branislav Gošović SOUTH-SOUTH COOPERATION: AN OPPORTUNITY FOR SOUTH
TO CHANGE THE WORLD ECONOMIC AND POLITICAL ORDER 86

Raoul Weiler, Timi Ećimović THE NATURE OF THE PLANET EARTH AND NEW
SCIENCES OF NETWORKS AND COMPLEXITY 97

Kemal El Shairy COURSE OF OIL – THE LIBYAN CASE 102

published by:



EUROPEAN CENTER FOR PEACE AND DEVELOPMENT
UNIVERSITY FOR PEACE ESTABLISHED BY THE UNITED NATIONS

EUROPEAN JOURNAL OF MANAGEMENT AND PUBLIC POLICY

Academic Journal and Professional Forum on Interface between Business and Society

**Published by the European Center for Peace and Development
of the University for Peace established by the United Nations**

For the Publisher: **Prof. dr Negoslav P. Ostojić**, ECPD Executive Director

ISSN 1726-6475

Editor (London)	ŽELJKO ŠEVIĆ, Ph.D. Professor of Accounting, Finance and Public Policy Glasgow Caledonian University Scotland, UK Permanent Visiting Professor in Business and Public Administration European Center for Peace and Development University for Peace established by the United Nations Belgrade
Editorial Assistant (Belgrade)	GORDANA HOFMANN, Ph.D. European Center for Peace and Development University for Peace established by the United Nations Belgrade, Serbia E-mail: ecpd@EUnet.rs
Editorial Assistant (London)	EDOUARD MAMBU MA KHENZU, Ph.D. University of Greenwich Business School London, England, UK E-Mail: me25@gre.ac.uk
Language editor (Belgrade)	VERA GLIGORIJEVIĆ
Design (Belgrade)	NATAŠA OSTOJIĆ-ILIĆ, M.A.
Editorial Office (Belgrade)	EUROPEAN CENTRE FOR PEACE AND DEVELOPMENT UNIVERSITY FOR PEACE ESTABLISHED BY THE UNITED NATIONS Terazije 41, 11000 Belgrade, Serbia phone +381 11 3246 041...045 • fax +381 11 2651-344, 3240-673 e-mail: ecpd@eunet.rs , office@ecpd.org.rs • www.ecpd.org.rs

CIP – Каталогизacija y пyблиkacji
HapoдHa библиoTeKa Cpбиje, Beorpaд
005(497.11)

The EUROPEAN Journal of Management and Public Policy : academic journal and professional forum on interface between usiness and society / editor Željko Šević. – (2002) –Belgrade : European Centre for Peace and Development, University for Peace Established by United Nations, 2002 – (Belgrade : Graficom-uno). – 24 cm

Dva puta godišnje.

ISSN 1726-6475 = The European Journal of Management and Public Policy

COBISS.SR-ID 32228879

The European Center for Peace and Development (ECPD) is a regional, international and research organization. The ECPD represents a unique institution in Europe and has special significance to countries of South-Eastern Europe. The ECPD was established in 1985, with the main tasks and objectives "to organize and carry out postgraduate studies, research projects and dissemination of knowledge, which contribute to the promotion of peace, development and international cooperation". Following its mission defined in its Statute, the ECPD "...brings together the intellectual potentials from all parts of the world for the benefit of implementation of the programs of education and research project devoted to the fulfillment of the ECPD aims and objectives". Dr. Simonida Marjanovic, Ambassador Paul-Marc Henry (long serving UN Under-Secretary General and President of the OECD Development Center) and Dr. Pierre Maries-Gallois served as president, while Professor Norman Scott CMG, Professor Shinichi Ichimura and Professor Takehiro Togo chaired the ECPD Council.

The Basic tasks and objectives of the ECPD have been incorporated into its program structure, which feature:

- (A) Studies leading to postgraduate degrees and specialist training in Management, European Union, European Union Law and International Business Law, Diplomatic Studies, Banking and Finance, Sustainable development issues,
- (B) Interdisciplinary research on sustainable development issues, regional development, multicultural, multi-confessional and inter-ethnic relations and international relations;
- (C) Organizing international meetings, conferences, round tables, symposia, and workshops on topical issues from its programme;
- (D) Publishing conference, proceedings, professional and scientific texts, research papers, case-studies, textbooks, etc.

The ECPD organizational structure is based on its Executive Staff, consisting of the Executive Director and the ECPD Secretariat as well as professors core and expert team. The ECPD Executive Director represents the ECPD in public, national and international organizations, coordinates the ECPD activities and manages the ECPD Secretariat.

In focusing its activities on education and research that foster sustainable development and the promotion of peace, the ECPD has a very well-developed educational network in various countries, a number of research units and an extensive publication program (with more than 200 books published).

printed in Belgrade by Graficom-uno

EDITORIAL POLICY

The *European Journal of Management and Public Policy* publishes original scholarly papers across the whole spectrum of disciplines encompassing Management and/or Public Policy (widely defined). The areas of interest include Accounting, Finance, Human Resource Management, Organisational Behaviour, Industrial Organisation, Marketing, Public Administration, Public Policy, Transformation and Transition Studies, etc. but this list is by no means exhaustive. The Journal aims to be eclectic and pluralistic and, consequently, multidisciplinary work and work endorsing different (even conflicting) schools of thought is welcome. The Journal desires to be an influential policy forum and therefore the submissions must be primarily policy oriented and capable of influencing the policy processes at both the micro and macro levels. However, good quality theoretical papers, which may also be considered for publication, should clearly demonstrate the potential for replication and further extension by the professionals and policy-oriented scholars. Each paper submitted for publication will be judged, based on its own merit and international standards of excellence. The editors and referees will pay particular attention to the originality of the topic, the quality of the methodological approach, the paper's relevance for future developments of and within the discipline and the overall quality of exposition. Although the Journal promotes high quality, original empirical and theoretical work, high quality review articles are also welcome, especially if they demonstrate excellence to the extent that they may influence the directions of further research on the particular topic or in the focus area. All published papers must be accessible to both academics and practitioners, who should be able to understand papers published without being experts on the particular topic or area of research. All papers submitted will be judged in the first place by the Editor. If the paper is initially judged to be suitable for publication in the Journal, the Editor will send the paper to *at least* two anonymous referees. The referees can recommend a paper for publication without revision, publication with minor revisions, publications with major revisions and to reject publication of a submitted paper. In all cases where they recommend some changes to be made, the referees must provide a detailed report listing all the changes that are recommended. Based on the referee reports, the Editor will decide on the status of the submitted paper. The decision of the Editor is final and cannot be disputed.

The Journal aims to publish contributions of the highest quality possible that can be of interest to the wider international professional public. However, the research topics should preferably reflect research interests and traditions of Europe, notwithstanding the comparison of different approaches existing in other parts of the world.

The prospective authors may contact the Editor and respective Regional Associate Editor (if appointed) with questions regarding the suitability of the paper for publication in the Journal. However, the final decision can only be made on the submitted full paper. The editors can assess submissions that are incomplete, using their discretion, but their comments are not binding regarding any decision on a later submitted full paper. The editors will not provide detailed comments on papers prior to formal submission to the Journal. The Editor reserves the right to return manuscripts to the authors without the full refereeing process if, in his professional and academic judgement, the paper is not of a quality acceptable to the Journal, or for any other reason. However, the Editor or his nominee will provide a prospective author with reasons for such a decision, especially if the paper falls outside the editorial policy or the authors seriously disregarded the Notes to the Contributors, published on the back cover of the Journal.

The Journal is committed to best publishing practices and emphasises that the full referee procedure will be completed within 16 weeks from the date of submission to the Journal. The Editor will personally confirm receipt of the submission in writing and keep authors informed on the progress of their submission. Every effort will be made by the Editorial Board to inform the author of the decision within the committed 16 weeks from the date of submission. No submission fee is currently being charged.

EDITORIAL BOARD

EDITORIAL BOARD

Negoslav Ostojić, *President of the Board*, ECPD
Executive Director

Ljubiša Adamović, Florida State University,
Montenegrin Academy of Sciences and Arts,
Montenegro

Blaise Allaz, Haute Ecole de Commerce, France

David Amborski, Rayerson University, Canada

Jürgen G. Backhaus, Erfurt University, FR
Germany

Frantz F. Butynets, Zhytomyr Technical State
University, Ukraine

Anto Bajo, Institute of Public Finance, Croatia

Roberta Benini, NOMISMA, Italy

Peter Boorsma, University of Twente, the
Netherlands

Jonathan Bradley, University of West England,
England

Philip J. Bryson, Bingham Young University, US

Prodromos Chatzoglou, University of Xanti,
Greece

Mark Chandler, Stockholm School of Economics
in Riga, Latvia

Boris Cizelj, SBRA, Belgium

Enrico Colombatto, University of Turin, Italy

Patrick Dawson, University of Aberdeen,
Scotland

Jayesh Dahya, Baruch College, US

Tran Dat, National Economics University,
Vietnam

Mieczyslaw Dobija, Krakow University of
Economics, Poland

Michael Drew, Queensland University of
Technology, Australia

Eva Eberhartinger, Vienna University of
Economics and Business Administration, Austria

Gabor Peteri, LGI Development, Hungary

Tauno Kekäle, VAMK University, Finland

G. Roland Kaye, University of East Anglia,
England

David M. Kemme, University of Memphis, US

Herbert Kotzab, Copenhagen Business School,
Denmark

Chandrasekhar Krishnamurti, Monash
University, Australia

Kenneth Kriz, University of
Nebraska-Omaha, US

Yoji Koyama, Niigata University, Japan

John R. Lampe, University of Maryland, US

Mervyn K. Lewis, University of South Australia,
Australia

Jonathan R. Macey, Yale University, US

Susan Martin, University of Michigan, US

Robert W. McGee, Barry University, US

Jeffrey B. Miller, University of Delaware, US

Lucia Miree, University of New England, US

Lawrence E. Mitchell, George Washington
University, US

Philip O'Hara, Edith Cowan University, Australia

Nickolay Nenovsky, Bulgarian National Bank,
Bulgaria

Barry Pettman, Hull, England

Geodfrey Pirotta, University of Malta, Malta

Christopher D. Rogers, University of Dundee,
Scotland

Joshua Ronen, New York University, US

Alexander Russell, Glasgow Caledonian
University, Scotland

Vlado Kambovski, Macedonian Academy of
Sciences

Mark Saunders, Oxford Brookes University,
England

Ron Singleton, Western Washington
University, US

Hideaki Shiroyama, University of Tokyo, Japan

Jan Smolarski, University of Stockholm, Sweden

Branislav Šoškić, Montenegrin Academy of
Sciences, Montenegro

Vladimir Stipetić, Croatian Academy of Science,
Croatia

Shyam Sunder, Yale University, US

Hideaki Tanaka, Ministry of Finance, Japan

Metka Tekavčič, University of Ljubljana, Slovenia

Jean Tesche, US Treasury, US

Richard Thorpe, University of Leeds, England

Roland Tuninga, Maastricht School of
Management, the Netherlands

Tony Verheijen, The World Bank, US

Guglielmo M. Volpe, London Metropolitan
University, England

Markéta Vylitová, Mercer, Czech Republic

Bruce Webber, London Business School, England

PROJECT NOTE

ECPD INTERNATIONAL ROUND TABLE ON THE GLOBAL SOUTH: 50 AND BEYOND?

Following its 2013 Conference, ECPD organized a round table on “Whither the global South in the 21st Century”. Following a very interesting exchange, it was decided to invite additional views and opinions and thus initiate a broader discussion on this important topic. Based on this decision, the Chairman of the ECPD Honorary Council, Dr. Boutros Boutros Ghali, wrote a letter to a large number of personalities and experts in the South and to several institutions, seeking their reflectiona and inputs. A copy of this letter is attached.

He letter was accompanied by a background note, the next of which follows:

The Group of 77 celebrates its 50 years in 2014; the Non-Aligned Movement celebrated its 50 years in 2011. The two twin groupings of the developing countries represent an important factor in the world arena. As they embark on the second half of the century of their existence and activity, it is important to ponder on the nature and prospects of the Global South, and on the challenges and opportunities it will face in the coming period.

The South Commission, in its report *The Challenge to the South*, launched in 1990, noted that:

“The countries of the South vary greatly in size, in natural resource endowment, in the structure of their economies, in the level of economic, social, and technological development. They also differ in their cultures, in their political systems, and in the ideologies they profess. Their economic and technological diversity has become more marked in recent years, making the South of today even less homogenous than the South of yesterday.

Yet in this diversity there is a basic unity. What the countries of the South have in common transcends their differences; it gives them a shared identity and a reason to work together for common objectives. And their economic diversity offers them opportunities for co-operation that can benefit them all.”

The Commission went on to identify some of the bonds that linked the countries of the South and were the basis of their solidarity expressed at the global level by the Group of 77 and the Non-Aligned Movement, including:

- *“their desire to overcome poverty and underdevelopment and secure a better life for their citizens”;*
- *the fact that they “are unfavourably placed in the world economic system” and that “they are individually powerless to influence these processes and in-*

stitutions and, hence, the global economic environment which vitally affects their development”;

- and that, for the above reason, *“they have made a collective demand for the reform of the international economic system so as to make it more equitable and responsive to the needs of the vast majority of humanity-the people of the South”.*

The Commission concluded that *“The struggle for a fairer international system has consolidated their cohesion and strengthened their resolve to pursue united action”.*

Twenty-five years have elapsed since this broad definition of the South was originally formulated. This has been an eventful, turbulent and challenging period for the Global South, as the international community underwent profound changes and experienced serious economic, financial, political and geopolitical crises.

The aim of the ECPD exercise, undertaken in cooperation with the Group of 77, is to elicit views and opinions about the state and prospects of the Global South from distinguished national leaders and personalities that have been engaged in and/or are familiar with the joint efforts of the developing countries to confront challenges of development and to evolve an equitable world economic and political order through the United Nations.

Among the issues that merit attention, for example, are:

- what is the contemporary *raison d'être* of the Global South;
- how to harness the potential of the rapidly evolving and diversifying South-South cooperation and at the same time to give it an inspiration and meaning that differs from the mercantilistic, neo-liberal rationale that has prevailed in traditional North-South economic dealings;
- how to improve the efficiency, efficacy and influence of the Global South in the international arena, given its growing group potential and power; and
- what are the elements of unity in great diversity that is characteristic of the developing countries that belong to the Global South, and how can this unity be translated into a platform of basic principles and objectives, or a charter of the South that can have a lasting value and contribute to the struggle to evolve a positive and cooperative global order and maintain world peace.

This Round Table discussed the same topic, and considered the papers received in advance and made them available to the participants.

INTRODUCTION

ECPD SECOND INTERNATIONAL ROUND TABLE “THE GLOBAL SOUTH – AT 50 AND BEYOND”

BELGRADE, OCTOBER 25, 2014

The second ECPD International Round Table on the Global South was organized and held in Belgrade, on 25 October 2014. It was held in continuation of the tenth ECPD International Conference on reconciliation, tolerance and human security in the Balkans.

The first ECPD International Round Table on the Global South was organized in 2013 to discuss whether the 21st Century could be the Century of the Global South, while the second Round Table was organized with the aim to consider the old and new international economic order and to mark the Fiftieth anniversary of the Group 77.

The organizer of the Second Round table (ECPD) was directed by the notion that the architecture of the old (and actual) international economic order was created by and in the interest of the developed, mostly old colonial states. Interests of underdeveloped countries and colonies were almost neglected. In the meantime the world order has been dramatically changed. The decolonization was successfully completed, new independent states established and Global South became reality, within which new great economies are emerging.

Through the time the world political and economic order assumed new geopolitical form. In the early 1960s it consisted of two political and military coalitions (Eastern and Western) and the Third world (Southern). Each coalition adopted rules of internal economic relations. The Council for Mutual Economic Assistance (Comercon) was established to regulate economic cooperation among countries of Eastern coalition, while the Western coalition adopted Treaty of Rome on which basis the European Economic Community was established to regulate economic cooperation among its member countries.

The Third world, however, remained unorganized and subjected to the competition of the two coalitions, serving for a long time as a “market taker” and the “raw material giver”. At early 1960s the Non-Aligned Movement (NAM) was established. As a group of the Third world countries (without the largest – China) the NAM was formed to challenge the two coalitions rather than struggle for rearrangement on the old international economic order. In the same time (1967) the Group 77 was established (also without China) with the aim to articulate and promote their collective interests and enhance their

joint negotiating capacity on the major economic issues within the United Nations system. The strength of the Group 77 and its capacity was far behind European Economic Community, not to mention European Union.

The European Center for Peace and Development realized that the old international economic order should be reformed or replaced with the New one, invited the numerous scientific workers, from almost all over the world to discuss the matters, comment and/or propose solution for establishment of the new international economic order, which would better suite the Global South countries.

The Second ECPD International Round Table was attended by the most participants of the Tenth ECPD International Conference. It was chaired by H.E. Ambassador Idriss Jazairy, who presented his opening address. H.E. Mr. Boutros Boutros-Ghali, former UN Secretary-General and actual President of the ECPD Honorary Council, initiator of holding the Round Table (his letter of invitation, endorsed) was not able to attend the Round Table. However, most of the attendees presented their papers, spoke and/or discussed the issues indicated in the Agenda.

THE FOLLOWING PAPERS PRESENTED BY THEIR AUTHORS ARE INCLUDED IN THE PROCEEDINGS

His Excellency, Ambassador Idriss Jazairy, in his opening remarks referred to the evolving circumstances within which the Global South operates. He reviewed, with some critical tone, the South's response and suggested some conclusions as to where the Global South should move from where it now stands.

Two Chinese scientists, Professor dr An Chen and Professor dr Fan Yang, sent to ECPD their study on reforming the old and establishing the New International Economic Order, to be presented at the Sccond ECPD Round Table. Referring to the Global South Coalition (GSC) and the Group 77 work, they emphasized the necessaty of reforming the old and/or establishing the New International Economic Order and brought our some specific Chinese points of view on these matters.

H.E. Mr. **Abdlatif Y Al-Hamad**, being also unable to attend the Round Table, sent his paper which was, as well, presented at the Round Table. In his paped he summerized accomplishments the Group 77 achieved and at the same time suggested what the Group 77 should do in the new and dramatically changed circumstances.

Proffesor dr **Paolo Acanfora** in his paper confirmed that the best way to describe the present international conflicts is the one "Sam Hunington came up with" in his Clash of Civilization. He tried to defy a new concept of cosie-

ty, that of Shared Society and modernity where all nations can live together, sharing a common sense of belonging and maintaining their own identities.

H.E. Professor **Idriss Jazairy**, besides his opening remarks, presented the additional paper titled: "In defense of special procedures of the Human Rights Council: An alternative narrative from the South", in which Ambassador Jazairy discusses the changing environment for the Global South and its evolving role in the world affairs.

Mr. **Ismail Serageldin** in his paper analyzed the Old International Economic Order created on the Bretton Woods results: the International Monetary Fund, the World Bank and the International Trade Organization. According to his views, these institutions were designed by and served the interest of colonial powers. He analyzed further the dramatic changes in the world economic order and demanded for new approaches towards establishing such an international economic order which would better satisfy needs of less developed countries.

PhD candidate, Mr **Kemal El Shairy** on his presented paper "Curse of Oil – the Lybian Case" analysed devastating internal and external policy of late Moammar El Ghadafy and its consequences. The Lybian February Revolution and aftermath has also been deliberated by Mr. Shairy.

Speaking about South-South Cooperation, **Dr. Branislav Gošović** said that for five decades South-South Cooperation was an orphan of the international development agenda; it was in the shadow of North-South Cooperation. At the same time, he highlighted the major reason why it was so and stated that now when the big economies in the Global South are emerging the circumstances for South-South Cooperation are improving.

Professor dr **Raoul Weiler** and Professor **Dr. Timi Ećimović** in their joint paper said that since the end of 19th century sciences were undergoing transformation from the sciences of nature to the sciences of mankind. They tried to clarify their transformation and its complexity.

LETTER OF INVITATION

Once again, on account of other obligations, I regret deeply to be unable to take part in this tenth ECPD annual conference. I would have liked to be again in Belgrade and in this region, which I am attached to and familiar with its problems which I experienced during my term as the UN Secretary-General.

I welcome and congratulate ECPD on its excellent, highly valuable work over the last three decades, and encourage it to continue and expand its significant activities.

Problems besetting the West Balkans today are similar and often identical to those experienced by developing countries in different parts of the world, namely those arising from the interrelated challenges of: a) attaining development objectives and aspirations; b) maintaining peace, including domestic peace; c) protecting national sovereignty and dignity; and, d) playing a role and having an influential say in the conduct of world affairs. It is important to recall that some 50 years ago, these very objectives brought together leaders of developing countries from Africa, Asia and Latin America in our host city Belgrade, objectives which, to the present day are shared by all developing countries and which they promote jointly through their group action in the United Nations and in the global arena.

Lessons learned and experiences in this region are of relevance to all developing countries and especially to the Arab countries, to the United Nations, and also concern multilateralism and global governance. Here, I single out the need to manage and respond to realpolitik practices of contemporary geopolitics, which have resuscitated some ghosts from the recent and more distant past. Today, they continue to affect and are felt acutely in the West Balkans, as well as in the Arab world, both well-known for their turbulent histories, especially in the 20th century.

How your countries and peoples deal with and confront these multiple, interrelated challenges of peace and development is thus of wider, global significance.

I insist that in these efforts it is essential to transcend bigotry, religious and political fundamentalisms and populisms, and jointly to address the root

* President of the ECPD Honorary Council, Former Secretary-General of the United Nations

causes of old and new problems, in search for solutions through common efforts, solidarity and enlightenment. ECPD, as an institution established under the UN mandated University for Peace, has been trying to contribute to this goal through its unique activities.

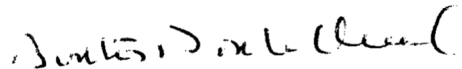
It is my sincere wish that in this manner it will also contribute to rebuilding, on new foundations, a community of peoples and nations that existed in the region during the era of SFR Yugoslavia, by promoting economic cooperation, mutual trust, and solidarity in the quest for common welfare in the West Balkans.

As someone who comes from Egypt, today facing social, economic and political upheavals, and wars in the Arab world, I also wish to salute the efforts by ECPD to revive its important earlier work on development and South-South cooperation, domains which can help Arab countries to solve and overcome their internal problems.

I wish you success in your deliberations and proceedings.

Boutros Boutros-Ghali

Former Secretary-General of the United Nations
President, ECPD Nonorary Council



OPENING REMARKS

Last year, our ECPD conference addressed the secular change in the environment of the Global South. We asked ourselves whether the latter could regain the initiative of setting the global multilateral agenda. Would we be equal to the task of promoting broader-based accountability of global institutions still reflecting the balance of powers emerging from WWI? In other words, could we succeed in making world standards less power-driven and more value-driven? Finally we raise the issue of whether the South-South format could continue to effectively enhance through cooperation and solidarity the long-term interests of the developing countries.

Basically my assessment was that the South was sitting on the horns of a paradox: When it was economically weak but politically strong and united, it was able to reshape, if not the reality, at least the international agenda on the reform of the world economy. But when it later became stronger and able to generate over half of world GNP¹, its status was downgraded from “market maker” to “market taker” in a globalised economy. I referred however to the fact that the Global South had an historic opportunity, as the locomotive of world economic growth 2010–2013², to participate more effectively in channelling the global forces that shape the international economy and to make them subservient to the acceleration of income convergence between South and North.

Since we met in these auspicious surroundings last year, many events have had a direct bearing on last year’s assessment of “whither the Global South”.

This year, with the benefit of our previous analysis of 2013 on secular changes in the world environment of the Global South, we can assess the evolving circumstances within which the South operates. This is the purpose of the first part of my presentation. Against this background, I then propose to review critically the South’s response thereto. Such is the purpose of the second part of this presentation. In the third part of my remarks, I will suggest some policy conclusions as to where the Global South should move from where it now stands.

My presentation does not claim academic rigour nor aim at providing an exhaustive picture of the challenges and opportunities which lie ahead. It will

* Ambassador; Permanent Representative of Algeria to UN office in Geneva, Switzerland

¹ 50.4% versus 49.6% according to IMF World Survey 2014

² UNCTAD Trade and Development Report 2013

have served its purpose if it triggers a discussion from which new approaches may emerge.

I. ON THE EVOLVING ENVIRONMENT WITHIN WHICH THE SOUTH HAS BEEN OPERATING RECENTLY

The overall climate of the world economy has been sullen over the past year. As noted with concern by the recent Summit of the G77 plus China, we have witnessed since the beginning of this Millennium increasing concentration and asymmetry in the distribution of wealth world wide but more specially in some major developed countries. This was graphically demonstrated by Professor Piketty in his book “Capital in the Twenty-First Century”. The attendant increasing polarization of incomes is leading to an intensification of inequality which appears to be a market failure of neo-liberal globalization where fiscal policies do not mitigate income gaps sufficiently.

While the Bretton Woods institutions and their main sponsors long claimed that such policies had benign effects on growth, probably being conducive to savings and therefore helpful to investment, it now appears that empirical evidence points in the opposite direction. Indeed a recent publication of IMF³ shows that inequality reduces growth and that if growth occurs while leading to greater inequality, it is unlikely to be durable. This together with the substantial bailouts of the main culprits of the 2008 crisis goes a long way towards explaining the limited impact of macro-economic policies which have been taken to overcome the obstacles to growth.

Thus since the 2008 crisis, continental Europe has been in and out of recession, latching on to austerity policies and fiscal restraint at a time when even the IMF recognizes⁴ the inappropriateness of its usual prescriptions as a way out of the current slowdown. The ECB is only now engaging on some conditional quantitative easing. When in the past developing countries were in crisis, the IMF was wont to impose through structural adjustment budget cuts, fiscal tightening, cut down on subsidies and an ending of such “State profligacy” as engaging on Keynesian infrastructure development programmes to fight against unemployment. However when the US and other developed countries were durably affected in the aftermath of the crisis of 2008, the IMF reversed its policy and advocated both quantitative easing and the appropriateness of launching public works financed through borrowing.

This course of action helped the US and the UK to avoid the repeat crises of continental Europe albeit at the cost of added indebtedness. The pick-up of their economy however was tardy and not sufficiently vigorous to relay the developing-country locomotive. The pace of the latter had decelerated hav-

³ IMF Note on Redistribution, Equality and Growth, 25 April 2014

⁴ IMF, World Economic Outlook 2014

ing made heroic efforts to support the health of the world economy at arms length for several years. And these efforts were indeed heroic as the developing countries lost half of their hard earned reserves in the process.⁵

Emerging countries were exposed to massive inflows of speculative capital which moved out of western stock exchanges where interest rates were very low only to move out no less massively when tapering was announced by the Fed. The correlation of investment flows and of asset prices in these countries completely destabilised the economies of several of them. The pro-cyclical management of foreign funds in emergent countries is making matters even worse.

While the debt burden in developed countries was higher than in developing countries, the reserve currency countries i.e. the US, the Eurozone and the UK can, to different extents, service this debt more or less painlessly by printing money, that is by exporting inflation. This, of course, is not the case for developing countries thus making their more modest external debt more burdensome.

No wonder then that the rates of growth have been more modest in the South though Africa is putting up a remarkable performance despite all odds. This is a reminder that globalisation has created a degree of interdependence which links growth trends worldwide in the medium term.

Many of us considered last year, and I was one of those, that the developing countries should cut a better deal as a counterpart for playing the role of locomotive for the world economy over several crucial years after the 2008 crisis. Today we all share some disappointment at the South's limited harvest of benefits even as we witness the loss of momentum of the Southern economies.

Not only did the South not derive benefits from its pilot role to pull the world economy out of the crisis but also it was exposed to arbitrary measures which run counter to the very precepts of globalisation and neo-liberalism. I will quote but a few:

1. Increased resort by advanced economies of unilateral coercive measures against emerging and developing countries. Such measures are illegitimate in international law when not sanctioned by the Security Council under Chapter VII of the UN Charter. Much has been said about the development of smart sanctions which are supposed to spare the living conditions of innocent civilians in the targeted countries. But what is now developing is a new form of economic warfare from which no one will be spared. In a world economic context where the resumption of growth is fragile, such sanctions and unavoidable retaliatory measures must be resorted to sparingly. Furthermore, history has proved with the embargo on Cuba, that

⁵ This information, backed by interesting statistics, is provided by Dr Andreas Antoniadis in a paper entitled : »Beyond Democratising Global Government. : Furthering South-South Cooperation and the Role of BRICS » September 2014

sanctions are ineffective as a way for States to force changes in policies of other states...

2. Side-tracking of WTO rather than to seek to address the legitimate concerns of the developing countries in the WTO including ensuring the right to food for the destitute. There is an attempt by advanced countries to seek to obtain through regional transAtlantic or trans-Pacific free-trade deals the kind of agreements that have been elusive in WTO because they did not safeguard the interests of developing countries. Such trans-regional deals sidetracking of WTO would also make it possible to introduce Investor-State Dispute Settlement Clauses that even industrialized countries find hard to palate. Reluctance by trading partners is due to the fact that there has been an abuse of international arbitration by multinational enterprises, not to challenge arbitrary behaviour by expropriating states but to influence or undermine policies of sovereign states.⁶
3. Subversion of ICT by States for political purposes which undermines this modern mode of communication in its support of the expansion of international trade and jeopardizes globalisation.
4. Claim to extra-territoriality of national legislation: A district court judge in New York can invalidate a restructuring agreement worked out by the Argentine Government with an overwhelming majority of lenders at the request of a "vulture fund" and orders the state to reimburse the fund at face value when the latter bought the bonds at 80% discount. This decision enables the vulture fund to make a 1600% profit on a short-term investment at the expense of 40 million Argentines.⁷

In another case, one advanced country, the US, decides of a unilateral ban on trade and financial transaction with a developing country the Sudan without Security Council approval. Another country, France, maintains normal relations with the same developing country and makes a payment to the latter using the sanctioning country's international reserve currency, the US dollar, to make the payment. The French bank making the payment is subjected to a huge fine by the US.

5. Politicization of technical instruments for international financial settlements: The System of International Financial Telecommunications (SWIFT) created in 1973 and based in Brussels is apolitical. It has become part of the life of ordinary citizens in over 90 countries. Now powerful countries strive to politicize it by already having pressured it to ban financial settlements with Iran and now to get it to do the same with Russia.⁸ These are dangerous precedents which could apply to any other developing or emergent country.

⁶ See Financial Times: "Toxic talks", 7 October 2014

⁷ Le Monde diplomatique : "Les effets planétaires d'une décision de la justice américaine" by Marc Weisbrot, No727 of October 2014.

⁸ See Financial Times : "A hidden cost to freezing Russia out of finance", 3 October 2014.

These 5 items have a common feature: they are an expression of the dual standards practised by advocates of market forces and globalisation and can turn out to be counterproductive for all trading partners by introducing unpredictability and arbitrariness.

II. THE SECOND PART OF MY PRESENTATION REVIEWS CRITICALLY THE RESPONSE OF THE GLOBAL SOUTH TO THE EVOLVING WORLD ENVIRONMENT IN WHICH IT HAS BEEN OPERATING OF LATE.

This will be done from two perspectives:

- that of the response of the Global South in world fora
- that of progress in South-South cooperation.

Both these perspectives were abundantly discussed at the Ministerial Meeting of the NAM in Algiers in May 2014 and at the Summit commemorating the Fiftieth Anniversary of the Creation of the G77 in Santa Cruz, Bolivia in June. The issues of the response of the Global South from these perspectives were further deliberated upon at the 60th commemoration of the Bandoeng Conference followed by another NAM-G77+China Joint Coordination Committee meeting in New York in September 2014. This indicates the renewed determination of developing countries to take their future in their own hands and to revert to their initial position of market makers and not only of market takers in the world economy.

In Santa Cruz, the Global South reiterated in a remarkable show of unity and solidarity its commitment to promote with renewed energy in world fora a new international economic order. Its need had become more pressing than ever in the wake of the world economic and financial crisis of 2008. It made it clear that it would also press for real

democratisation of the UN and of the Bretton Woods institutions in terms of both decision-making concerning management and oversight and of ending the arcane procedures applied for appointing their Chief Executives. The democratisation of the procedure for designation of the Directors General of ILO and WHO also merit consideration. The ILO, which holds dear the principle of non-discrimination in employment, has never, since it was created in 1919, had an African or an Asian chief executive. Likewise the WHO has never had an African Director General. Therefore while the General Assembly of the United Nations should be given a greater role in the appointment of the Secretary-General as required by the Santa Cruz Summit, this should also be the case in ILO and in WHO. It is particularly shocking that in the latter, the WHO assembly is not even given the authority to choose between two candidate but has to vote on the proposal of a single name proposed by its restricted Board.

Bizarre as this may appear, the principle of geographic rotation applied for the selection of the UN Secretary-General is opposed by Western countries when it comes to the appointments of the chief executives of ILO and WHO.

When considering the funding of the UN and of its subsidiary bodies, the G77+China Summit in Santa Cruz expressed concern at the growing imbalance between assessed and voluntary contributions.

Starving the UN of budgetary resources and giving the possibility for Western donors to finance projects à la carte “bilateralizes” what is meant to be multilateral cooperation and undermines the meaning of multilateralism. This unfortunate trend affects not only economic agencies such as UNCTAD but also agencies that are particularly vulnerable to political manipulation such as the Office of the High Commissioner for Human Rights. It is no accident under the circumstances that the majority of the staff in both these agencies remains from western countries. This is particularly disturbing for UNCTAD where the remark applies to both staff and consultants, giving the impression that the elites of the South are not equally qualified to address the economic problems of the South! With the recent doubling of its resources, the OHCHR could also have done a better job at correcting the geographical imbalance of the staff as repeatedly invited to do so by the Human Rights Council, the Secretary-General and the Joint Inspection Unit.

I referred earlier to attempts to sidetrack WTO. The main reason for this is the relative success achieved by the group action of the Global South to make this body become more responsive to the basic needs of their peoples. Free-trading countries of the South such as Brazil are supporting the claims of more vulnerable partners to protect their peasant agriculture and to uphold the right to food. The challenge here for all trading partners is to give new impetus to the Doha Round that pains to deserve the epithet of being “for development” while progressively prying open the stranglehold of the “Quad”⁹ on the evolution of WTO or lack thereof.

As indicated earlier, the advocacy of free trade has not prevented free traders from introducing restrictive practices such as unilateral bans on trade and transfers of funds targeting countries outside their sphere of influence. Customs unions between developing countries can reduce vulnerability of developing countries to such practices.

An alternative to SWIFT may have to be put together at the initiative of developing countries using modern communications technology if the current system cannot be insulated from political interference. But there are few alternatives to reliance on the current set of world reserve currencies. This would warrant the meeting of a group of experts from the South to mull on the possible elaboration of a code of conduct to protect currencies of account of international transactions from political manipulation by the country of origin of the said reserve currency.

Restrictive practices on the transfer of scientific knowledge and technology have also hampered the growth of developing countries. The South African decision in 1999 to permit unlimited access to retroviral drugs at affordable

⁹ US, EU, Japan, Australia

prices for treating citizens contaminated by AIDS was a landmark. It put in perspective a fact that should have been obvious to all that is that the sanctity of life has precedence over the sanctity of patents.

This timely initiative has given a new twist to the TRIPS in WIPO and was one of the factors leading to the development agenda of WIPO spearheaded by a broad-based group of developing countries.

Another recent instance of response of the Global South to restrictive practices from the North is the move of the G77+China Group in support of Argentina. It initiated a resolution which was adopted by majority vote to set up a mechanism for restructuring sovereign debt that will not be open to abuse.

Referring apparently to this case and to others I mentioned earlier the Santa Cruz Summit rejected the extra territorial extension of national laws and regulations. It also rejected economic coercive measures imposed unilaterally in particular against Cuba and the Sudan.

Last but not least in terms of joint responses of the Global South in world fora is its position in terms of the post-2015 Development Agenda. I mentioned last year the limited impact of the MDGs on the inequities of the current international economic system. I stressed at the time that 7 out of the 8 goals had to do with mainly domestic policy prescriptions while the 8th had to do with international cooperation. Not to introduce reforms but just to do what had been decided several decades ago. Goal 1(a) called for the reduction by half by 2015 of the proportion, not the numbers as initially pledged, of people suffering from hunger. The fact that the world was getting closer to this shrunken objective was the cause of wide acclaim. It is presented as a great UN achievement although it would, at the current rate take a full 150 years for hunger to be eradicated.¹⁰ This is a far cry from the 15-year time span which the UN High Level Meeting set last year as a goal for the eradication of hunger.

Providing the right response, the Santa Cruz Summit emphasized the need for the post-2015 Development Agenda to be broader with coordinated and comprehensive goals leading to rapid, sustained and comprehensive growth.

In order for action to be sustainable at the multilateral level, it must be complemented by progress of action to reinforce South-South cooperation, both having a systemic interaction. This is the second perspective from which to assess the response of the global South to evolving challenges.

The best way to argue persuasively with Northern partners about the necessity of doing away with colonial pact approach to trade is to apply patterns of South-South trade which generate employment and local value-added for all trading partners involved. After an initial focus on imports of raw materi-

¹⁰ UN Chronicle, Vol. LI, Number 1, 2014, "Fiftieth Anniversary of the G77" by Idriss Jazairy, p.13, note2.

al from Africa against Chinese manufactured exports, China is now assisting its trading partners in the South in developing their infrastructure and moving up the value chain.

Nor is there a better way of alleviating western-imposed conditionality on loans by BW institutions than to make such loans available on economic merit without policy strings attached, in the ambit of South-South cooperation.

This is what the BRICS have decided to do by creating the New Development Bank. Admittedly, its paid-up capital of \$50 billion is relatively modest when compared, say, with the debts of Brazil and China alone to the World Bank which are in the range of \$65 billion. However the new Bank's authorized capital is \$100 billion and is open to private capital. Irrespective of its capital stock, the founding members will keep 55% of the shares as against 35% in the World Bank. It is not clear however if the largest shareholder in the NDB has a blocking share of the votes as is the case in the WB. The paid-up capital is fully in US\$ while this currency is limited to 10% of the World Bank's capital.

The BRICS also decided to set up in the same spirit the Currency Reserve Arrangement with a capital of \$100 billion. This is reminiscent of the Chiang Mai currency swap arrangement of about \$250 billion set up between 13 developing countries of Asia. Both have the same feature of requiring from borrowers an approved agreement with the IMF, above a certain ceiling of 30% of quotas in the case of the CRA. That may explain why the Chiang Mai deal has not so far served its purpose. Hopefully the CRA will be spared such a fate.

It will be interesting to see how these two new institutions can protect their activities from the kind of political manipulation of the reserve currency country of origin that I have referred to earlier in this presentation. Both initiatives are still in their infancy and deserve strong support from developing countries to reinforce their autonomy and effectiveness. It is likely that these initiatives and other similar ones like the Asian Infrastructure Bank under the aegis of China will lead by their example. In this case their policies and practice will encourage the Bretton Woods institutions to become more sensitive to the aspirations of the borrowers and not only of the lenders.

Resort to the creation of new regional and cross-regional financial institutions by emergent countries will continue so long as they are prevented from enjoying more equitable representation, side by side with other developing countries, in existing world bodies. It remains to be seen whether this leads to an improvement in the voting power of emergent countries in the Bretton Woods institutions for instance. The paralysis of the modest outcome of the 2010 reform of voting rights in IMF adding some 6% to the share of emerging countries is not a good omen in this regard.

Likewise, efforts to open up the recruitment of the Heads of Bretton Woods institutions and to make merit a determining factor in the process, failed to change the status quo of Western dominance of these organizations.

While being refused formal recognition as key players in development agencies, the more influential developing countries get co-opted to participate in informal for a like the G20 where the agenda is determined in advance by big powers. Discussions are thus circumscribed to status quo issues precluding advocacy of reform by countries of the South whose presence nevertheless lends legitimacy to G20 decisions.

I referred last year to the slow progress towards the entry into force of the GSTP between developing countries which was signed by only about half of its members at Fos do Iguacu in December 2010. Its anaemic performance tends to show that WTO type patterns may not be the only solution to promote South-South trade. Indeed we have witnessed in the course of the past few years a spectacular expansion of trade between developing countries. It now represents 25% of their overall trade as compared to 10% three decades ago.

Emerging countries are now leading the process of intensification of trade and financial relations between developing countries. Under their leadership promising new forms of South-South partnership have taken shape. Thus individual emerging countries such as Brazil, Turkey, China and India have engaged with Africa as a regional group. These partnerships involve trade, finance and capacity building. They tend to be successful because they are governed by the principles of mutual interest, non-interference in internal affairs of partners, respect for sovereignty and shared experience as developing countries.

Such formats are now being replicated by France, the EU and even recently for the first time, by the US all of which have organised Summit with Africa. This is increasing the visibility and attractiveness of the Continent in areas other than extractive industries and commodities.

The possibility for these novel forms of partnership to proliferate outside the UN in fora over which they have no control has incited Western countries which were previously hostile to using UNCTAD's budgetary resources for South-South cooperation to reconsider their position. They have now approved the creation in UNCTAD of a unit for cooperation and integration among developing countries 11 years after having eliminated an ECDC unit in the same agency.¹¹ Similar action has been taken by developed countries in UNDP.

¹¹ Branislav Gosovitch Economic and Political Order : "South-South Cooperation – An Opportunity for the South to Change the World Economic and Political Order", Paper of 25 August 2014.

III. SOME POLICY CONCLUSIONS AS TO THE DIRECTION OF THE GLOBAL SOUTH'S FUTURE ENDEAVOURS:

1. The old chestnut about delinking the South from the North is neither realistic nor practicable: it is not realistic because industrialised countries and emerging countries are already one economic and financial cluster representing 90% of world GNP and 2/3 of world population. It could not be practicable in this era of globalisation.
2. It does not make sense to separate South-South cooperation from South-North interaction if only for the following reasons:
 - (a) The trade and financial flows of developing countries are still predominantly between North and South. South-South cooperation while not substituting for North-South interaction, can broaden the policy space of developing countries. It can also egg on Northern partners to evolve in their attitude vis-à-vis the South towards a more business-like, win-win partnership.
 - (b) Through greater solidarity between different groupings of the South from the G77+China to the bewildering alphabet-soup list of their different sub-groups, developing countries can be increasingly successful in enlisting the support of the North to reshape the world economic system. Will then the South be finally listened to when it seeks to achieve greater democracy and transparency in international institutions? Will the South be able to reverse the current erosion of multilateralism? Much will depend on its member countries' capacity to resist the "divide and rule" tactics of the North and to let strategic commonality of interest prevail over the pursuit of narrow short-term interests.
3. In their pursuit of the improvement of the fate of their people, national leaders of the South drew up in the 'seventies of last century, agendas for international negotiations which were transformational of the status quo. From the 'eighties onward, this agenda lost steam as the Berlin wall went down. An era of triumphant neo-liberalism ensued which prevails to this day and which underpinned the basics of the MDGs and of the outcome of the 2005 UN Summit.

The question which remains is whether it will be possible for the South to catch up with the North by continuing to rely on the neo-liberal rationale. It may have looked like the right choice in the heady period between 2000 and 2009 when the rates of growth of emerging countries were exceeding 7% and reaching double digits in some cases, therefore more than doubling each decade. Africa's economy alone has grown fourfold since the beginning of the Millennium according to the President of the African Development Bank¹². Had this trend continued, "convergence with a venge-

¹² Financial Times, FT Special Report : The New Africa, "Continent starts to become master of its own destiny" by Donald Kaberuka, page 7, Monday 6 October 2014

ance” of emerging countries which was one of the scenarios I mentioned last year at this ECPD meeting, would have occurred with the US over the next three decades. But the situation is now different. Apart from China, the growth of emerging countries which was previously nearly double that of rich countries is now less than half a percentage point ahead.¹³ If, as is now more likely, this trend continues to prevail, then the second scenario I offered last year, i.e. “convergence with temperance” with, oh so much temperance, will be the bitter lot of the South. The time horizon for catching up under this scenario would be more like 3 centuries.¹⁴

So we are back to square one: Will the political leadership of the South revert to a transformational agenda to address traditional and evolving new challenges including environmental protection and climate change? This seems to be the option retained by the Santa Cruz Summit of the G77+China. It remains to be seen how this will translate in joint positions to be taken in North-South fora. A first reality test will be the content of the post-2015 Development Agenda for which a Summit is scheduled to take place probably in 2015.

4. The South needs to be aware of the migration of political, economic and social conditionality from the IFIs to the Human Rights Council. A policy is being shaped to reintroduce in this forum a number of, though not all, the domestic issues which are the subject of conditionality elsewhere. For what reason? Because conditionality may have to be toned down in the BW context for reasons of competition with emerging-country lenders or lending institutions. Conditionality is thus in search of, and may have found a new home where some of its issues can legitimately be raised and where some relevant policies may be enforced.

Human rights, whether civil and political rights or economic, social and cultural rights are in themselves worthy objectives to be pursued by all countries, developing and developed. The trend of the current international human rights machinery is to focus on protection of alleged victims in specific country situations. This results in reducing the political space of mainly developing countries. However this machinery cannot do much to support, through technical assistance and training, national policies of prevention. This is because it lacks budgetary resources and voluntary funding is usually earmarked for investigative purposes.

Despite its reforms of 2008, this machinery remains driven by North-South pressure politics and is therefore far from being value-driven. The South is divided in confronting this new challenge while the North is united. Each country of the South should do its utmost to comply with human rights cov-

¹³ Estimates of World Bank's International Comparative Programme, April 2014

¹⁴ The Economist, “Briefing Economic convergence: The headwinds return”, pages 24 to 26, 13 September 2014

enants. South-South cooperation can even be pursued to achieve the highest standards in this regard; However G77 and NAM solidarity should extend more specifically to defeating politically motivated initiatives to undermine the sovereignty of their member-states.

It is recommended that the harmonisation of a G77+China and NAM position on UN human rights issues be promoted by their periodic Summits and that voting discipline be improved as occurs in the Western group also known as WEOG and that the diplomatic missions of group members adopt a joint platform on key issues before each session of the Human Rights Council.

THE VOICE FROM CHINA ON REFORMING OIEO AND ESTABLISHING NIEO

Abstract: The great career of Global South-South Coalition (SSC) has just entered its fifties, if we take the establishment of Group 77 in 1964 as its origin. For half century, in order to eradicate the unfairness and injustice embedded in the old international economic order and legal rules, to fight for a better development environment, through whole-hearted cooperation and joint action, the Global South has won some achievements, yet not without encountering a number of difficulties. For the past five decades, the course of SSC has seen its ups and downs. Confucian philosophy of China advocates for a comprehensive self-reflection every decade, so as to comb the past experience for the sake of future self-improvement. At this historical turning point, it is of necessity to retrospect SSC's past accomplishments and difficulties. Contemporary international economic circumstances should also be combined to revalue those ups and downs, so as to reaffirm the confidence of this long-term strategy, and to avoid tactical short-sightedness. In this way, the career of Global SSC could absorb the learned wisdom and rebuild the original confidence, then ready to sail out once again for new accomplishments at the age of "knowing the decrees of Heaven". For Chinese scholars, it is also necessary and a responsibility to retrospect the New China's self-position on the course of SSC, so as to provide another kind of experience from the aspect of an involving developing country. It is noteworthy to point out that China has since 2008 taken the lead in participating and promoting the BRICS countries' activities to applaud and embrace the reformation of OIEO. Such pioneering undertaking has reached a new height, as in 2014 the world has seen a substantial breakthrough in reforming the international financial regime. The New Development Bank of BRICS countries is expected to usher in a whole new system to compete with the World Bank and IMF, which could be taken as a newly generated breeze that is now gently blowing from the above of duckweed ("风起于青萍之末"), with a possibility to start a chain reaction and to cause the Butterfly Effect, and evolves eventually into a powerful hurricane. Such metaphor is also a powerful evidence for a possible bright future of the course of South-South collective self-reliance.

INTRODUCTION: SSC AT THE AGE OF "KNOWING THE DECREES OF HEAVEN"

While summarizing his own life course of gradual progress and attainments, the Master Confucius said,

* Senior Professor at Law School, Xiamen University;

** Ph.D. Candidate of International Economic Law, Xiamen University,
People's Republic of China

At fifteen, I had my mind bent on learning. At thirty, I stood firm. At forty, I had no doubts. At fifty, I knew the decrees of Heaven. At sixty, my ear was an obedient organ for the reception of truth. At seventy, I could follow what my heart desired, without transgressing what was right.

(“子曰：吾十有五而志于学，三十而立，四十而不惑，五十而知天命，六十而耳顺，七十从心所欲不矩。”)。¹

For a human organization, as for an individual person, there is also a process of self-evolution and self-promotion through persistent learning from study and practice. As per Confucius's summary, the career of global South-South Coalition or Cooperation (hereinafter SSC) is now just entering the life stage of “knowing the decrees of Heaven”, provided one recognises the establishment of Group 77 in 1964 as its origin.

But how shall the phrase “knowing the decrees of Heaven” be interpreted?

According to popular opinions among Confucian scholars, this phrase means that “one begins to realize his mission, and endeavours to accomplish it”.² Individuals and organizations have taken on different characteristics on this point. Normally speaking, it takes decades to accumulate life experience and to expand the field of vision before individuals can gradually make sense of their own mission (as for Confucius himself, this process had taken 50 years), while most organizations are born or created with a purpose, and thus are vested with missions. As per the *Charter of Algiers of Group 77*, the SSC career comprises mainly the following categories of missions: on the political level, to fully realise the independence of South Countries and to consolidate equality among world nations; on the economic level, to promote cooperation and common growth among South countries in fields like trade, investment, finance and development aid; on the technical level, to encourage the exchange and proliferation of technologies.³ In order to accomplish these missions, one important approach is to fight for a fairer and more reasonable new international economic order (hereinafter NIEO) through reforming the existed unfair and unreasonable old international economic order (here-

¹ See Confucius, *The Analects* (translated by James Legge), Book II, Wei Chang, Chapter IV.

² See e.g., Peirong FU, *Reading the Analects*, available at: http://blog.sina.com.cn/s/blog_4a57bcc-9010004zi.html, last accessed on August 31, 2014. FU ascribes the source of this mission to the Heaven, thus the terminology “decrees of Heaven”. He summarizes Confucius's mission as the following three contents: firstly, to take on political and educational activity, in order to make the society return to the righteous path; secondly, to choose what is good and hold fast to it, in order to forge oneself into perfectness; thirdly, to understand and accept the hardness and helplessness embedded in destiny, and to do one's best is good enough.

³ Besides the SSC, South-North Cooperation is also keen to the comprehensive development of the world developing countries or even to the whole international society. South-South Cooperation and South-North Cooperation are two critical parts of global cooperation, but they differ greatly in the sense of political foundation, economic foundation, inherent essence and practical effect. For detailed analysis, see An CHEN, *An CHEN on International Economic Law*, Fudan University Press, 2008, Vol. I, pp.455 – 462.

inafter OIEO)⁴, so as to construct an international environment in which the South Countries can acquire a better chance to develop.⁵

However, there has always been a contradiction, known as the South–North Contradiction, between the strong powers and the weak states during the course of the development of international economic order and international economic law (hereinafter IEL), since the former have always intended to reserve and expand their vested interests, while the latter struggled to secure equal economic rights and to establish an NIEO. The South–North Contradiction boils down to the redistribution of wealth around the globe. And the fundamental difference between NIEO and OIEO is based on fairness in redistributing global wealth. The OIEO has always been known as a serious block against the course of the South Countries seeking for their economic and political independence. It is under this logic that the SSC career could be understood as the construction of a fairer NIEO, which is then bound to closely relate to IEL.

As is commonly accepted in the academia in China as well as around the globe, IEL can be mainly divided into international trade law (including trade of goods, services and technologies), international investment law and international financial law. Meanwhile, fundamental issues in public international law such as sovereign equality and the attribution of natural resources can also directly influence the theory as well as the practice of IEL. Consequently, we could review the progress of SSC career in fulfilling its missions by investigating the historical facts of law-making, law-interpreting, law-enforcing and law-reforming in these sub-fields or branches of international (economic) law. Especially at this turning point, it is of great necessity to retrospect the past and comb the achievements as well as difficulties of SSC in its historical course, and to contemplate the changed and changing background of SSC at present time, so as to look forward to possible future development. With our faith in SSC re-affirmed, we shall set out once again, and promote further this righteous strategy. For Chinese scholars, there is yet another unavoidable task or mission, to reveal towards the world academia the real atti-

⁴ In a given historical period, international economic relations in international economic intercourse tend to turn into a kind of relatively stable pattern, structure, or model, which is commonly labeled as international economic order. The establishment and changes of international economic order are determined by the balance of economic, political, and military strength of members of the international community. In the course of international fighting, compromise, and cooperation, international rules of international economy, i.e., international economic law, binding and enforceable to some extent, are gradually adopted to uphold the existing order. International economic law is not only an important tool for consolidating the existing international economic order but also a crucial means of promoting the process of reforming the existing order and establishing the NIEO. See An CHEN, *The Voice from China: An CHEN on International Economic Law*, Springer-verlag Press, 2014, p.168.

⁵ See also *What is South-South Cooperation*, available at: http://ssc.undp.org/content/ssc/about/what_is_ssc.html.

tude of this newly arising power on SSC course, against the many doubts or even malicious speculations preached in Western world.

This Article is thus organised as follows: Chapter I will make a brief review of the SSC course in the past half century; through four sub-chapters of Chapter II, different branches of IEL will be investigated in terms of practical experiences of law-making, law-reforming and their subsequent performance; Chapter III will try to provide some China-specific points of views on this issue; Chapter IV will then conclude.

1. FROM BANDUNG TO FORTALEZA: THE SINUOUS COURSE OF SSC'S HISTORY

After the Second World War, the developing countries made strong appeals for the complete transformation of the their accumulated poverty caused by centuries of colonial rule; for the complete elimination of the inequity in the international allocation of wealth; for the renewal of international law-making; and for the total reform of the inequitable, unjustifiable old international economic order to institute an equitable and reasonable new international economic order. Those appeals, though legitimate, were constantly blocked and confounded by the hegemony of the few, those who carried out the original colonial hegemony even in contemporary times, and who by all means intended to maintain and extend their vested rights and maintain the established system of international law-making and the old international economic order, backed up by their accumulated strong economic power after colonial rule and plunder. Due to the sharp contrast in power between the South and the North, the course of the South's pursuit of the legitimate appeals could only advance arduously and slowly.

The Final Communiqué of the Asian-African Conference, in April 1955, declared to the world the goal and code of conduct of the weak and powerless Asian and African nations, which included the rapid eradication of the evils of colonialism, the maintenance of sovereignty and national independence and international co-operation conducted on the basis of mutual benefit and sovereignty equality. For this purpose, the Asia-Africa nations, "when necessary, could take collective actions and take accordant position, or institute common policy, or make forehand consultation in international negotiations so as to stimulate their common economic interest".⁶ It can be said that, it was that time when the developing countries had shaped clear strategic thought as to the nature of the South-South coalition under the circumstances of acute South-North contradictions and the sharp contrast in power between the weak South and the strong North. From then on, the SSC started a rather unsmooth yet dedicated journey, which could be roughly generalized under the following categories and historical phases.

⁶ *The Final Communiqué of the Asian-African Conference, An Economic Co-operation*; available at: <http://big5.china.com.cn/chinese/2005/wlhy50/838285.htm> (in Chinese).

1.1. GROUP OF 77

The Group of 77⁷, established within the United Nations Conference on Trade and Development (hereinafter UNCTAD) in June 1964, is the most important structure under which the developing countries carry out the SSC strategy and is also an important means for developing countries to renew international law-making and impel the regeneration of the OIEL through the consolidation of otherwise dispersed power.

As the largest Third World coalition in the United Nations, the Group of 77 has been in existence for 50 years, during which it has undergone a rough development process. The Group of 77, in the general course of South–North contradictions, the South–North dialogue and South–North co-operation, has, through this South–South coalition, made great accomplishments in the aspect of renewing international law-making but has also met with enormous hardships leading to the diminishment of its influence.

The joint struggle of the Group of 77 in its initial period was highly fruitful, and two events stand out. (1) The Group of 77, during the period 1964 to 1968, strongly advocated and instituted at first hand reformative guidelines and jurisprudential principles, *inter alia*, on non-preferential treatment that is favourable to the developing countries, promoting the partial reform of the old General Agreement on Tariffs and Trade (hereinafter GATT) 1947 legal system.⁸ (2) In the second place, under the impetus of the Group of 77, the *Declaration on the Establishment of a New International Economic Order*⁹ was passed, and the *Charter of Economic Rights and Duties of States* was adopted by an overwhelming majority¹⁰ by the United Nations General Assembly.

⁷ At this time, the Members of the Group of 77 number 133, although its original name of historical significance is followed. After China's restoration to its membership in the United Nations and the Permanent Membership in the Security Council, it has kept in close contact with the Group of 77, actively supporting the Group's defense of the small and weak nations' legitimate interests, along with their justifiable demands for the renewal of international law-making and the push for regeneration of the international economic order. They usually take a stand under the model of "Group 77 and China". See Clement Robes (Chair for the Group of 77 and China for 1999), *The Group of 77 and China: Current Priorities*, New York, 12 January 1999; available at: www.southcentre.org/southletter/s133/s133-06.htm.

⁸ See, respectively, the Decision of the GATT L/3545/L/4093; Wang Xuan, *The Trade Liberalization Under GATT*; and Gao Yanping, *The GSP in International Trade*, Chinese International Law Journal, 1986, pp.44, 59, 60, 63 and 161–163.

⁹ *Declaration for the Establishment of a New International Economic Order*, United Nations General Assembly document A/RES/S-6/3201 of 1 May 1974, available at: <http://www.un-documents.net/s6r3201.htm>, last accessed on August 31, 2014.

¹⁰ *Charter of Economic Rights and Duties of States*: United Nations General Assembly document A/RES/29/3281 of 12 December 1974, available at: <http://www.un-documents.net/a29r3281.htm>, last accessed on August 31, 2014.

The Charter was adopted with 120 votes of approval, among which were mainly developing countries; the 6 votes of dissent were from the United States, Great Britain, the Federal Republic of Germany, Denmark, Belgium and Luxembourg. Ten countries, including Japan, France, Italy, Canada, Austria, Netherlands, Norway, Spain, Ireland and Israel, abstained from voting.

From the early eighties to the mid-nineties of the 20th century, due to the comprehensive effect of various reasons, in many international negotiations, especially the eight-year long (1986–1994) GATT/WTO Uruguay Round negotiations and then emerging bilateral negotiations on concluding investment treaties, the developing countries, failing to jointly take the same position, to make collective decisions or to take joint action, were regularly trapped in the position of inferiority in multilateral negotiations. Developed countries, especially the economic hegemonists, in contrast, could dominate in the institution of grand international trade/investment policy and legally binding game rules (legal rules) under the old system through the exercise of their power to manipulate the whole situation.

1.2. THE SOUTH CENTER

Therefore, the developing countries, after reflecting upon and summarizing the failures and lessons in this phase, recognized the importance of the SSC in the South–North Dialogue and the renewal of international law-making and commenced to integrate their own power. They reached in 1994 the *Agreement to Establish the South Centre*, and an intergovernmental organization, the South Centre, was thereby created by the South for the South, with the main purpose to strengthen the unity of Southern countries and reinforce research on the various issues that developing countries are confronted with, especially those they faced under the circumstances of escalated economic globalization, along with their supposed common policy orientation and policy on collective action, bringing about proposals before the Group of 77 and all other developing countries as reference or for adoption.

Subsequently, the South Centre turned out to be a small think tank that provides tactics for the developing countries. As time lapses, it is evident that the South Centre increasingly performs the role of a think tank in the aspect of assembling the will and power of the developing countries, reinforcing South–South union, promoting South–North equitable dialogue, and mutually benefiting cooperation and the renewal of international law-making.

The research of the South Centre emphasizes that, under the escalated development of economic globalization, the macroeconomic working of the global economy and relevant international law-making were in fact subject to control and manipulation by the few economic powers which comprise the Group of 7 and that no single developing countries could change the *status quo* on its own. Therefore, in the later international fora and multilateral negotiations on a series of global issues, it is more necessary than ever for the developing countries of the South to take joint actions to win an equitable, justified, and reasonable outcome. To defend the fundamental common interest of developing countries, it is imperative for the South to adapt itself to the change of circumstances, through delicate research and scientific design,

and to reorient and renew the guidelines of the Group of 77, harmonizing various interests and reinforcing common understanding and internal cohesion.¹¹

1.3. SUMMIT MEETING OF GROUP 77

The Summit Meeting of the Group of 77 held in Havana, Cuba, in 2000 was the first-ever high-level and large-scale meeting in the 36 years since the formation of the Group of 77, which was attended by heads of states or governments from 132 developing countries to deliberate over the macro working of the global economy, the main themes of which were how to cope with the severe challenges and risks posed by the escalated economic globalization to the South countries; how to press the South–North Dialogue to strive for both the South and the North's equitable participation in the decision- and rule-making in the macroeconomic working of the global economy; and how to institute an equitable, fair, and reasonable international new economic order through mutual South–North beneficial cooperation. The Summit concluded with release of the *Declaration of the South Summit* and the *Havana Programme of Action*, the latter promulgated with the purpose of implementing the declaration.¹²

Because the Group of 77 is a loose organization which imperatively needs a rather stable core institution, the Summit made a decision to set up the South Coordination Commission, which will include the chairmen of ASEAN (the Association of Southeast Asian Nations), CARICOM (the Caribbean Community and Common Market), OAU (Organization of African Unity), NAM (the Non-Aligned Movement), and similar regional organizations, whose aim is to prepare the South better for negotiations and to follow up on the Summit's action plan.¹³

¹¹ See *Thirty Years of the Group of 77 (1964–1994), United for a Global Partnership for Development and Peace*, South Centre Publications, 1994, pp. 13–16. See also *The Future of the Group of 77*, South Centre Publications, 1996, pp. 5–11.

¹² See Declaration of the South Summit; Havana Program of Action; available at: www.g77.org/Docs/Declaration_G77Summit.htm and www.g77.org/Docs/ProgrammeofAction_G77Summit.htm, respectively. The Chinese high-level delegation attended this South Summit meeting, at which the then vice premier of China delivered a lengthy speech stressing that the development of economic globalization is in more imperative need than ever of the institution of a fair and reasonable international political and economic order, that South–South cooperation is in the first place a spirit of union while also being an important approach through which the developing countries jointly strive for self-reliance and seek mutual development, that the exaltation of the spirit of union and the further consolidation of South–South cooperation is necessary and emergent when the South is confronted with the same challenges, and that only united could the status of the developing countries in the South–North dialogue be enhanced and could effectively participate in international economic decision-making, defending their interests in the process of globalization to the utmost. See Li Lanqing, Speech delivered at the south summit meeting. People's Daily (China), 15 April 2000.

¹³ See Martin Khor. Havana summit, a defining moment in G77 history; coordinating commission set up. *Third World Economics*, No. 232, 2000, pp. 2–3, and 12–14.

The above measure and actions taken attracted the attention of the world and spurred the reunion and rally of the weak Third World nations to emanate fresh spirit of joint struggle. Therefore, it was considered by the international media to mark the turning point in the development history of the Group of 77, symbolizing the new march of the South union to renew international law-making and renovate the international economic order.¹⁴

Contemporaneously, the original GATT system has evolved into the WTO system, and the Group of 77, as a developing countries group, is confronted with the new assignment of how to contribute to the new system that enjoys the moniker of the “economic United Nations” and of how to enhance its privilege to present its views and to meaningfully participate in decision-making.

1.4. THE LAUNCH OF THE DOHA ROUND AND THE ACCESSION OF CHINA TO THE WTO

Under the circumstances of the developing countries’ reunion and vehement demands, on 10 November 2001, the Fourth WTO Ministerial Conference, held in Doha, Qatar, released the Doha Declaration, which set forth that a new round of multilateral trade negotiations should be launched to center on the development concerns of developing countries, aimed at the necessary amelioration and renovation of the existing WTO systems and rules that were part of international economic legislation. At the conference, the Protocol on China’s Accession to the WTO was adopted and China became a formal member of the WTO as of 11 December 2001, which adds to South–South Cooperation and the joint struggle within the WTO system an underpinning power.

From a jurisprudential perspective, WTO regime and its multilateral rules consist of an important component to the contemporary IEL. As a result, the legal essence or legal position of DDR, which has been attracting worldwide attention for 10 years, is a new round of global consultation on how to eliminate the old unfairness and establish the new fairness and how to carry out law-reforming to a deeper degree against some existed unfair IEL relating to global trade.

Topics for negotiation in DDR include not only traditional fields such as agriculture, but also novel fields such as service, intellectual property, market transparency, foreign investment, etc., which have far exceeded those of other Rounds of Negotiations in previous GATT period. Such wide range of negotiating topics have led to the conglomeration of various interest groups, whose main political goals may overlap or conflict with each other, partial-

¹⁴ See South Summit in Havana to Mark a “Turning Point” for Developing Countries; available at: www.g77.org/summit/pressrelease; see also Khor, *ibid.*

ly responsible for DDR's really slow progress. On September 14, 2003, the fifth WTO Ministerial Meeting saw no happy ending because of huge divergence between the North and South. After two years' bargains and compromises, DDR was restarted at the sixth WTO Ministerial Meeting held in Hong Kong during December 13 to 18, 2005, which had broken the stagnation since 2003 with some positive progress, yet still left some critical disputing matters unresolved. Since the global financial crisis in 2008, lots of countries have seen the uprise of trade protectionism, making the multilateral negotiation even harder to proceed. On the ninth Ministerial Meeting in December 2013, DDR had finally seen some commonly accepted arrangements, also known as Bali Package. China has played a coordinating and promoting role during this process.

1.5. BRICS LEADERS' MEETING

As a group of power in the South coalition that cannot be ignored or underestimated, the BRICS countries have since 2009 successfully held six rounds of leaders' meetings, each of which has all yielded plentiful and substantial outcomes. All previous sessions of BRICS Leaders' Meeting share a common aim to promote the reformation of international financial order, and has made a continuous progress on this subject matter. This proves to be huge and long-term contributions to promote and guide the SSC career. In the recent sixth Brazilian Meeting, the BRICS Leaders have announced the *Fortaleza Declaration*¹⁵, revealing a definite plan to construct a development bank, aiming to compete with the existed international financial order and rule system dominant by the North developed countries, which, for the many South countries, has undoubtedly shown an optimistic future. This continuously deepening cooperation carried out among the BRICS countries especially since 2008 is not only a successful narrow-range demonstration of SSC, but also a very powerful propelling force to the global SSC career.

* * *

From the above sketchy reflection of the history, it is not difficult to infer that:

In the first place, the SSC and the renovation of international economic law-making, from Bandung to Fortaleza over the last 60 years, have advanced along a meandering way. In fact, Ever since the end of World War II (hereinafter WWII), struggles between powerful, developed states and weak, developing states have been permeating the whole developing process of global economy. The former endeavors to maintain the established IEO and IEL to protect and amplify their vested economic interests, while the latter endea-

¹⁵ Available at: <http://brics6.itamaraty.gov.br/category-english/21-documents/223-sixth-summit-declaration-and-action-plan>, last accessed on August 31, 2014.

vors to renew the established IEO and IEL to acquire a level playing field and proper economic rights and interests.

For over 60 years, these struggles usually temporarily paused with the two sides reaching a compromise, after which new conflicts would arise from new contradictions, and so on and so forth. It seems that the historical course could be generalized as the spiral “6C Track” or the “6C Rule”: Contradiction → Conflict → Consultation → Compromise → Cooperation → Coordination → new Contradiction.... But each new circle is on a spiral upper level rather than on an exactly repetitive old one, thus pushing IEO and its relating IEL towards a fairer level at a higher development stage. Consequently, the economic status and rights of the international weak groups are able to acquire corresponding improvements and safeguards.

Secondly, the DDR negotiations launched at the Doha Conference and the capriciousness of the Cancún Conference and the Hong Kong Conference, as well as the final initial agreements reached in late 2013 in Bali, in essence, was a new phase in the process of South–North Conflict in the past 60 years and the sinuous SSC and the renovation of international economic legislation. It is also a practical evidence of the 6C Rule.

Thirdly, the continuous deepening cooperation among the strong-built BRI-CS countries especially since the 2008 financial crisis, is not only itself a successful demonstration of SSC, but also a powerful propelling force positive to the global SSC career.

Fourthly, taking history as a mirror, one can also discern that, the global SSC career have as of now, at least within IEL practices, restricted to law-making and law-reforming, rather than law-interpreting or law-enforcing. Although the importance of establishing fairer international economic rules and reforming the existed unfair ones is needless to emphasize, the life of legal rules is, however, embedded in practice. In other words, to accomplish the Heaven granted missions, SSC should not be satisfied with the success of making or reforming rules, it should also pay more attention to the practice. The following chapter would follow such logic, and make a succinct survey on this matter under different IEL branches.

2. SSC IN INTERNATIONAL ECONOMIC LEGAL PRACTICES

2.1. SSC-TYPE OF LAW-MAKING UNDER UN AND ITS SUBSEQUENT QUERIES

UN has always been an important forum where the South countries could jointly express their stand and push for a set of fairer rules to establish. This type of law-making activity saw its climax in 1970s. Under the propulsion of Group 77 and UNCTAD, the 1974 UN Assembly passed the *Declaration of Establishing a New International Economic Order*, and decided to adopt the

Charter of Economic Rights and Duties of States with an overwhelming majority, which were also the most representative SSC-type of law-making under the framework of UN.

The jurisprudence in the Declaration and the Charter can be concisely generalized as the following points.

In the first place, they established that the economic sovereignty of nations is non-strippable, non-alienable and infrangible. Every State has and shall freely exercise full permanent sovereignty, including possession, use and disposal, over all its wealth, natural resources and economic activities. Each state has the right to nationalize, expropriate or transfer ownership of foreign property to its nationals, with appropriate compensation. Each state has the right to regulate and supervise the activities of transnational corporation within its national jurisdiction and take measures to ensure that such activities comply with its law and conform to its economic and social policies. No State shall be compelled to grant preferential treatment to foreign investment. (For example, *Declaration of Establishing a New International Economic Order*, Articles 4(e), 4(g); see also *Charter of Economic Rights and Duties of States*, Articles 2, 17.)

Secondly, the two instruments established that the principle of the reallocation of the world's wealth and economic benefits in accordance with the principles of fairness, reasonableness and full equity with an aim to control and eradicate the vicious circle of the wealthy States becoming increasingly wealthy while the poor States become ever poorer, for which the unreasonable and inequitable legal system in areas such as international production assignment, international trade, international technology transfer, international taxation, international monetary system, international financing, international transportation and high-seas exploitation of natural resources must be reformed. Meanwhile, non-reciprocal preferential treatment should be accorded to developing countries for this end.

Thirdly, the two documents established that all States, especially developing States are juridically equal and, as equal members of the international community, have the right to participate fully and effectively in the international decision-making process in the solution of world economic, financial and monetary problems, inter alia, through the appropriate international organizations in accordance with their existing and evolving rules, and to share in the benefits resulting therefrom. International affairs should be jointly conducted by States around the world, neither to be monopolized by a few super powers nor to be manipulated by a few wealthy States. Therefore, the existing decision-making mechanism in some international organizations and affairs under which the powerful and big States could bully the weak and small States should be transformed. (For example, See *Declaration of Establishing a New International Economic Order*, Articles 3, 4(a), 4(c); see also *Charter of Economic Rights and Duties of States*, Preamble, Articles 2.2(c), 17.)

Meanwhile, the collective power formed by agglomerating the scattered strength of many weak nations and developing countries, played its due role at various political and economic stages within UN regime. The majority advantage under the equal voting mechanism was well utilized in the following fields: Firstly, to accelerate various UN organizations to pass and adopt relatively fair and reasonable decisions advantageous to developing countries, including a variety of legally bound decisions. Secondly, to promote the establishment of some new organizations and mechanisms within UN, to implement various programs on helping weak and poor nations for their economic developments, and to continuously enact and apply the UN Decades of Development¹⁶. Thirdly, to criticize, resist and constrain political and economic hegemony in international society through various debates and resolutions in UN. Fourthly, to urge corresponding UN organizations to strengthen the research on, and adopt relevant efficient measures to gradually resolve big problems such as severe imbalance in economic development around the world, severe unfairness in the distribution of global wealth, and continuously expanding gap between North and South.

The fundamental legal concepts and jurisprudential principles in these aforementioned guidelines and codes for the nature of international instruments is a significant landmark in the development of the basics of the new type of international economic normative system, laying down the foundation for its later further establishment. After an operation of approximately thirty years, those basic legal concepts and jurisprudential principles won the hearts of people around the world and were gradually developed as the *opinio juris* of the contemporary international community.¹⁷

Although this being said, such SSC-type of law-making with its many outcomes have seen lots of obstructing force in the enforcing phase. The developed countries have continuously expressed their opposition against one of the core rules in the Charter, namely the expropriation right of the host states on the property of foreign investors and the accompanied compensation standards.¹⁸ This fact has led to some critics that these guidelines are only political slogans rather than applicable legal rules, because of the lack of *opinio juris*.¹⁹ Although traditional theory recognizes that the resolutions of UN Assembly can constitute a very powerful evidence which helps to iden-

¹⁶ See South Centre, *Thirty Years of the Group of 77 (1964–1994), United for a Global Partnership for Development and Peace*, South Centre Publications, 1994, pp.1 – 8.

¹⁷ An CHEN, *The Voice from China: An CHEN on International Economic Law*, Springer-verlag Press, 2014, pp.325 – 326.

¹⁸ See *Charter of Economic Rights and Duties of States*, Art. 2(c).

¹⁹ See A. Cassese, *International Law*, 2nd ed., Oxford University Press, 2005, pp.507 – 509.

tify customary international rules,²⁰ there are still a number of scholars propose otherwise.

For example, up to this day, in his globally prevalent one-volume teaching material with the title *International Economic Law*, which was published at 2002 and revised and republished at 2008, Professor Lowenfeld had consistently stuck to his American position. The global just proposals and jurisprudential opinions – such as to reform OIEO, to establish NIEO, to stipulate new norms of IEL, and to maintain and respect the economic sovereignty and economic legislations of each weak nation – strongly advocated by the developing countries who constitute 70 percent of world's population, were either ignored, or disparaged, or negated. For example, the Charter of the Rights and Duties of States, which was passed with an overwhelming majority in the General Assembly of United Nations in 1974, has won widespread identification of international society, and has already formed *opinio juris* through 2 – 3 decades of practice. Notwithstanding this fact, in **Lowenfeld's globally prevalent** teaching material, the Charter is constantly deemed as heterodoxy and “departure from the traditional international law”²¹, thus with no legally mandatory force.

This Article wishes to list out the following queries against such kind of hegemonic views:

1. *The Charter of the Rights and Duties of States*, which was passed with an overwhelming majority in the General Assembly of United Nations in 1974, reflects the common national will and the *opinio juris communis* of the overwhelming majority of members of contemporary international society. Thus, it accords most with the principle of democracy that the minority shall be subordinate to the majority; and it embodies most the principle of human rights (including sovereignty and the right to development) that safeguards billions of disadvantaged populations' human rights of international society. US has always been praising itself as “democratic model of the world” and “guardian for human rights in the world”, and is mouthful of humanity, justice and morality. Then, vis-à-vis the critical issue on the human rights (sovereignty and the right to development) of international disadvantaged groups, how would such a country play fast and loose, or even totally betray and discard the principle of democracy and that of human rights, which it consistently holds as the highest criteria?
2. After the adoption of the Charter, “more than a quarter century later”, towards the global *opinio juris* and legal idea that have already formed

²⁰ See M. Shaw, *International Law* (1977), p.550. See also I. Brownlie, *Principles of Public International Law* (1966), p.14; see also R. Y. Jennings, *The Discipline of International Law*, Lord McNair Memorial Lecture, ILA 57 Conference, Madrid, offprint, p.11.

²¹ See Andreas F. Lowenfeld, *International Economic Law*, Oxford University Press, 2nd ed., 2008, pp.491 – 493.

through decades of practice by international society, how would such a country go so far as to merely turn a blind eye and a deaf ear, and still define to be “essentially political”? Why could not the Charter be defined legal, and become legally bound norms of conduct?

3. For the last 40 years ever since 1960s, as “*appeals to sovereignty and other echoes*” from global weak groups in the United Nations and other international fora have been lasting and “*continued to be heard*”, how would the number one country in the world, who regards “to lead the world” and to guide the future direction of the world as its own responsibility, stuff its ears and refuse to listen, or act as if it had not heard?
4. How would US, who praises itself as pioneer of the era, be always pre-occupied with and unable to part from the out-of-dated, traditional international legal norms and the colonists’ moral concept, which were established in the colonial era? And vis-à-vis the newly formed international legal norms which reflect the new time spirit of the 21st century, how would such a country be so incongruous, disdainful, and even hostile to these up-to-dated norms?

For every unselfish, magnanimous and impartial law scholars, the above questions are all seemingly worthy to be deliberated, doubted and compared; and these questions are also not too difficult to be dissected, distinguished from right and wrong, and chosen between acceptance and rejection.

2.2. SSC-TYPE OF LAW-REFORMING UNDER GATT AND ITS AFTERWARDS PRACTICE

In October 1947, 23 countries signed General Agreement on Tariffs and Trade (hereinafter the GATT 1947) in Geneva, and then founded a corresponding organization. The purport of this Agreement is to promote international cooperation on tariffs and trade around the world, thus to liberalize international trade. The powerful majority of then participants were western developed countries. Contents of relating provisions of the Agreement mainly reflected the interests and demands of the western developed countries led by US. At that time, most countries from the third world were still under colonial or semi-colonial domination, with no representatives being able to participate. Consequently, their interests and wills could not be reflected let alone respected in this Agreement.

It is stipulated in GATT 1947 that all Contracting Parties should grant *unconditionally* reciprocal treatments to each other in international trade, substantially reduce the tariffs on an equal footing, and gradually realize the liberalization of international trade.²² This principle is basically fair if applied among developed countries whose economic development levels are simi-

²² See e.g., GATT 1947, Article I(1).

lar. However, it is obviously unfair to *unconditionally* apply this principle between the developed countries group and the developing countries group, as their economic development levels differ greatly.²³ With developing countries reducing their import tariffs, developed countries can seize lots of benefits on the basis of their advanced producing technology, abundant capital, strong competitive capacity and tremendous total amount of exports. On the contrary, far lesser benefits are developing countries able to make from an equal reduction in tariffs of developed countries, because of their weak competitive capacity in international market and their tiny total amount of exports. What is the worse, reducing tariffs *equally* in both developed countries and developing countries always incur loss of internal markets to developing countries, damage to their national industry and shrinkage in their external trade.

From middle 1940s to 1960s, numerous weak states around the world had got rid of foreign domination and won independent status, ready to participate in international economic and trade affairs on their own will. They increasingly found and noticed in practice that the IEL principles and relating norms embedded within GATT 1947 were deeply characterized by OIEO. Along with old principles and norms in other fields of IEL, the IEL principles and relating norms embedded within GATT 1947 are also constantly confronted with the historical demand for ceaseless and fundamental reformation.

Through years of united campaign of numerous developing countries, GATT 1947 as an international conventional organization was forced to make partial refinements and reformations for as many as three times with regard to the originally rigid system of unconditionally “reciprocal, most-favored-nation, and nondiscriminatory treatment,” respectively, in November 1964²⁴,

²³ Generally speaking, there no longer exists unfair economic intercourse between contemporary developed countries and developing countries based on unequal treaties. The overall economic strength of the developed countries is still incredibly strong after hundreds of years of accumulation and exploitation. Multinational enterprises based in these countries with exceptional management techniques enjoy overwhelming advantages in technology and capital. Seducing the developing countries and their domestic industries, which are weak and vulnerable after years of exploitation as colonies, into competing freely with the developed countries and their multinational enterprises in the international market, is no difference from seducing the developing countries into suicide. This is nothing but a simple common sense. The extremely unfair result of a fight between a well-trained boxer and a woman born weak and illy-cared-for after birth is obvious and self-evident, especially when they are following the same rule. In order to rectify the actual unfairness hidden behind the formal fairness, it is necessary to grant weak developing countries unilateral preferential treatments, so as to counterbalance their sufferings and losses in history. Such idea of fairness is pragmatic as well as scientific. Karl Marx had pointed out nearly a hundred years ago while dissecting the equal rights that: to avoid all those malpractices, the rights should be unequal rather than equal. See An CHEN, On the Substantial Development of Equity over Equality within the Principle of Equality and Reciprocity, in *An CHEN on International Economic Law*, Fudan University Press, 2008, pp.444 – 454.

²⁴ See UNCTAD, *Proceedings of the United Nations Conference on Trade and Development*, Vol. I (Sales No.: 64.II.B.11), United Nations, 1964, pp.18, 25-26; See also United Nations, About GSP,

June 1971, and November 1979. The Nonreciprocal and Generalized System of Preferences especially to products exported from developing countries and that in tariffs was gradually approved and confirmed step by step.²⁵ Specifically speaking,

[A] In November 1964, the GATT Contracting Parties agreed to add a special Part IV containing Articles 36–38 with title Trade and Development advantageous to developing countries. Thus, the equitable principle of non-reciprocity favorable to international weak groups was initiatively enacted in GATT regime.

[B] In June 1971, the GATT Contracting Parties approved a waiver to Article I of the General Agreement for 10 years in order to authorize the GSP scheme.²⁶

[C] Later, in November 1979, the Contracting Parties decided to adopt the Enabling Clause. Decision of the Contracting Parties of 28 November 1979 (26S/203) entitled “Differential and more favourable treatment, reciprocity and fuller participation of developing countries,”²⁷ created a permanent waiver to the most-favored-nation clause to allow preference-giving countries to grant preferential tariff treatment under their respective GSP schemes. This Enabling Clause was later absorbed in GATT1947, and became one specific paragraph.²⁸

Thus, the international weak groups eventually succeeded in seeking a significant and permanent law-reforming relating to Article 1 of GATT 1947: from “unconditionally reciprocal treatments” finally reforming to “the developed countries do not expect reciprocity” at all. As mentioned above, such a process has taken a period at least of 15 years, from 1964 to 1979. This process gave a crucial enlightenment and proof to the international weak groups: Notwithstanding the path for their seeking law-reforming has inevitably been rugged and tough, rather than smooth, however, by unswerving collective struggle, they will surely win a bright future.

The subsequent practices of such reformed rules are, however, a different sort of story. From 1970 on, relating GATT Contracting Parties began to gradu-

at <http://www.unctad.org/templates/Page.asp?intlItemID=2309&lang=1>, Oct. 02, 2010; United Nations, *The History of UNCTAD 1964-1984*, at <http://www.unctad.org/templates/webflyer.asp?docid=13749&intlItemID=3358&lang=1&mode=downloads>, Oct. 02, 2010.

²⁵ See, respectively, the Decision of the GATT L/3545, L/4093; Wang Xuan, *The Trade Liberalization Under GATT*; and Gao Yanping, *The GSP in International Trade*, *Chinese International Law Journal*, 1986, pp.44, 59, 60, 63 and 161–163.

²⁶ GATT, *Generalized System of Preferences* (Decision of 25 June 1971, L/3545, BISD 18S/24), at <http://www.lexisnexis.com/>, Oct. 22, 2010.

²⁷ GATT, *Differential and More Favourable Treatment Reciprocity and Fuller Participation of Developing Countries* (Decision of 28 November 1979, L/4903, BISD 26S/203-205), at http://www.wto.org/english/docs_e/legal_e/enabling1979_e.htm, Oct. 22, 2010.

²⁸ See GATT 1947, Annex I, Ad Article XXXVI.

ally implement GSP²⁹. Although they had granted a certain amount of unilateral tariff reduction to developing countries trade partners, with regards to critical trade items such as foods, textiles and petroleum products, multiple restrictions had been set. The U.S. even adopted a standard of “needs for competition”, enabling itself to initiate investigation against a certain trade product whenever needs arise. Under such investigation, the U.S. could unilaterally terminate the preferential tariff of such trade product from developing countries if it had constituted practical competition to like products in the U.S.

During the Tokyo Round Negotiation initiated since 1979, developed countries launched another round of counter-attack against the developing countries’ demand for law-reforming. For example, the newly added “Graduation Clause” demands developing countries to undertake more GATT responsibilities once their own national strength and wealth had been elevated to a certain level, and relating developed countries would then eliminate them from their original GSP schemes³⁰. And the adoption of conditional most-favored-nation strategy had enabled developed countries to rule out those developing countries who chose not to sign on the package deal of Tokyo Round, even though such strategy is against the very basic of GATT system. It is because of these and other similar measures that prevented developing countries to benefit from GSP as they originally expected. Relating statistics of UNCTAD had shown that the GSP-receiving countries’ import-export trade had only increased for only an approximate 2%.³¹

As for the interpretation and application of legal rules, practical effects of such law-reforming measures are also rather limited. Due to the unrestricted use in Articles 36-38 of ambiguous terms as “in the largest possible measure”, there is a shared concern that it would be difficult if not improbable to interpret these terms on paper into practical legal responsibilities. In GATT’s dispute settlement practices, developing countries had actually cited these articles to argue for their deserved preferential treatments in some case, in which the responsible panels had all adopted a rather conservative attitude, and would only interpret when they had to. In EEC - Restrictions on Imports of Dessert Apples, the Panel reasoned as follows:

... the Panel noted that the commitments entered into by contracting parties under Article XXXVII were additional to their obligations under

²⁹ For example, the European Economic Community began this process since 1971, and the U.S. began since 1976.

³⁰ Between 1987 and 1988, the United States and EC both “graduated” Korea from their GSP schemes. The United States also graduated Hong Kong, Singapore and Taiwan. In early 1989, Thailand was partially graduated from United States GSP.

³¹ See Karsenty and Laird, *The Generalized System of Preferences: a Quantitative Assessment of the Direct Trade Effects and of Policy Options*. UNCTAD Discussion Paper 18, 1987 UNCTAD, Geneva.

Parts I-III of the General Agreement, and that these commitments thus applied to measures which were permitted under Parts I-III. As the Panel had found the EEC's import restrictions to be inconsistent with specific obligations of the EEC under Part II of the General Agreement, it therefore did not consider it necessary to pursue the matter further under Article XXXVII.³²

This kind of reasoning was further repeated in other cases³³, confirming that preferential treatments such as GSP are exceptions and deviations from the GATT principles, whose application is actually a small probability event.

2.3. SSC IN INTERNATIONAL INVESTMENT LAW

There were some investment related arrangements in as early as the negotiations to establish an International Trade Organization after WWII, which were then strangled in the cradle together with this proposed organization. Different from the international trade regime governed by a multilateral GATT, cross-border investment was mainly adjusted by customary international law. There were severe diversifications between the capital-importing South and the capital-exporting North on which kind of customary law should be applied. Due to the afore-mentioned movement during 1960s and 1970s to establish NIEO, the envision of the North to enact multilateral investment rules had no longer enough practical grounds, and their expectations to interpret the so-called Hull Rules to customary international law also became a failure.

When they saw multilateral effort come to a dead end, they would turn to bilateral. And Germany was the first to take such approach when it signed with Pakistan in 1959 the first bilateral investment treaty (hereinafter BIT) in modern sense.³⁴ One by one, South countries began to conclude more and more BITs with the developed countries, who had won both the access to developing countries' domestic markets and the relatively strict standard of foreign capital protection, as per these kind of treaties. The U.S. launched its first generation BIT program in 1977, with clear-cut goals to conclude a treaty network so as to establish the Hull Rules as customary international law; to protect the existed and potential oversea investments from possible detrimental measures by domestic governments; and to provide a dispute settle-

³² See Panel Report of EEC – Restrictions on Imports of Dessert Apples – Complaint by Chile, L/6491, adopted on 22 June 1989, 36S/93, 134, para. 12.32. See e.g., Panel Report of United States – Imports of Sugar from Nicaragua, L/5607, adopted on 13 March 1984, 31S/67, 74, para. 4.6

³³ See e.g., Panel Report of United States – Imports of Sugar from Nicaragua, L/5607, adopted on 13 March 1984, 31S/67, 74, para. 4.6

³⁴ See Kenneth J. Vandervelde, *The BIT Program: A Fifteen-Year Appraisal*, in *The Development and Expansion of Bilateral Investment Treaties*, American Society of International Law: Proceedings Vol.86, 1992, p.534.

ment mechanism with no direct involvement of either host state's domestic courts nor the U.S. government.³⁵

Later on in mid-1990s, there were two other major attempts to design a multilateral investment governing mechanism, namely the negotiation of a Multilateral Agreement of Investment, and relating negotiation under the WTO framework. Both efforts had failed, although possibly due to different reasons³⁶. These historical facts have led to the fact that, as of now, the negotiating and concluding pattern of investment treaties are still mainly bilateral. Such pattern has arguably derived two levels of consequences.

Firstly, it became impossible for the South to conglomerate their strength to gain a better negotiating position in the making of investment rules³⁷, or even worse, there might be a so-called "competition to the bottom" during this process.³⁸ This Article, however, does not agree with the latter deduction, and opines that it is rather the one-on-one South-North confrontation that renders the weak side into unfavorable terms. For one thing, the institutional environment as stipulated as per investment treaties are not the most critical reason to attract foreign capitals. As long as the legal environment of the potential destination country is not intolerable, investors will always consider commercial conditions first.³⁹

Another counter-argument could be found in the negotiating process of most BITs, which is usually started by the North countries. The U.S. is always well prepared before such negotiations⁴⁰. According to José Alvarez, a renowned

³⁵ See Kenneth J. Vandervelde, *The BIT Program: A Fifteen-Year Appraisal*, in *The Development and Expansion of Bilateral Investment Treaties*, American Society of International Law: Proceedings Vol.86, 1992, pp.534-535.

³⁶ The failure of MAI is possibly due to the "up-bottom" negotiating pattern, which was way ahead of then historical circumstances, see Chongli XU, *Economic Globalization and the Renovation of the Negotiating Method of International Economic Treaties*, *Comparative Legal Research*, Vol.3, 2001, pp.62 – 71. The failure of the negotiation in WTO is possibly due to the collective resistance from developing countries, see An CHEN, *New Comments on International Economic Law*, High Education Press, 2007, p.286.

³⁷ Collective consciousness is only possible to form in multilateral negotiations, see R. Hudec, *GATT and the Developing Countries*, *Columbia Business Law Review*, Vol.67, 1992, p.68.

³⁸ Some scholars have noticed the following contrast: during 1960s and 1970s, the South has through the UN Assembly Resolutions resisted the compensation standard proposed by the North; while they actually had accepted even higher level of standards when they were "divided and conquered". Due to the relatively inflexible amount of foreign capitals, 0See Andrew T. Guzmán, *Explaining the Popularity of Bilateral Investment Treaties: Why LDCs Sign Treaties That Hurt Them*, Va. J. International Law, Vol. 38, 1997, p.659.

³⁹ There are a lot of pragmatic analysis based on real life statistics, see e.g., An CHEN, *Four Great Safeguards in BITs Shouldn't be Rashly Dismantled during Sino-foreign Negotiation – Comments on Critical Provisions concerning Dispute Settlement in the U.S. and Canada's Model BITs Text*, in *The Voice from China: An CHEN on International Economic Law*, Springer-verlag Press, 2014, pp.273 – 335.

⁴⁰ See Andrew T. Guzmán, *Explaining the Popularity of Bilateral Investment Treaties: Why LDCs Sign Treaties That Hurt Them*, (1997) Va. J. International Law, Vol. 38, p. 659.

professor of law and a U.S. official who served on the negotiation teams of BIT, for most U.S.'s negotiating partners, to conclude BIT is almost never voluntary and without coercion. Up till today, the U.S. BIT Model is considered to be a "take or leave" deal⁴¹. While on the other hand, some developing countries with stronger negotiating power such as China, Brazil and India could not entirely subordinate to the developed countries' arrangements.⁴²

Secondly, it became possible for the South to carry out SSC in a bilateral way, rather different from the collective action in the field of international trade law. As a matter of fact, South-South investment agreements take on unique characteristics than South-North ones, although main articles of investment agreements are similar⁴³. For example, South-South investment agreements will usually emphasize "development and mutual beneficial" in their preambles⁴⁴, and are usually elastic in its framework design, so that developing contracting parties can make reserves to their own fit. Some have stipulated "special and differential treatment" clauses⁴⁵. As to the substantial clauses, South-South investment agreements are also recognizable. For example, they usually take a relatively restrictive definition of the term "investment"⁴⁶, and are very strict on national treatment clauses.⁴⁷

2.4. SSC IN INTERNATIONAL FINANCIAL PRACTICE

As is known to all, the two important international financial organizations established after WWII, namely the International Monetary Fund (hereinafter IMF) and the World Bank (hereinafter WB), have been manipulated by the North for their own national interests. One of its most prominent characteristics is the unequal and unfair distribution of voting powers among their Members, top five of which have occupied over 40% of all the voting shares. Another practical rule, although latent, is that the IMF and WB should be run by Europeans and Americans respectively. A mainstream justification for these unfairness assumes that creditors, instead of debtors, should run the financial system. By virtue of their predominant roles in IMF and WB, developed countries, while deciding or approving financial aids or

⁴¹ See Gennady Pilch, *The Development and Expansion of Bilateral Investment Treaties*, ASIL: Proceedings, Vol. 86, 1992, pp.552 – 553.

⁴² For example, China has seldom discarded its power over investment disputes in its earlier BITs, see Ye JI, Pragmatic Analysis on the BIT Policy and Position of China, *Chinese Journal of International Economic Law*, Vol.16, No.3, Peking University Press, 2009, pp.172 – 203.

⁴³ See UNCTAD, *South-South Cooperation in International Investment Arrangements*, 2005.

⁴⁴ See e.g., China-ASEAN Framework Agreement, Preamble.

⁴⁵ See e.g., Treaty Establishing the Caribbean Community, Chapter VII, Art. 59(1).

⁴⁶ See e.g., Framework Agreement on the ASEAN Investment Area, Art. 2.

⁴⁷ See Lauge Skovgaard Poulsen, The Significance of South-South BITs for the International Investment Regime: A Quantitative Analysis, *Northwestern Journal of International Law & Business*, Vol.30, Issue 1, 2010, pp.101 – 130

loans to developing countries, always combine various political requirements to their own interests as prerequisites or “conditions”, which often make strict demands on the domestic economic system or political preference of the lending party.

The proposal of reforming international financial regime has seen a drastic rise since the 2008 global financial crisis, which originated from the subprime crisis in the U.S. People became aware of the extremely astounding fact, that the IMF and WB, who used to play a tutoring role on matters of economic system or financial governing regime towards the loan/aid recipient country, have shown incredible incompetence on the ex-ante prediction as well as ex-post coping practice on this round of global financial crisis.

As a countermeasure, a new combination of powers and a new approach to hold dialogues began to emerge and draw attention from all around the world. Specifically speaking, there would be regular meetings attended by the leaders of G7 or G8 consisting of the most developed countries with the leaders of several major developing countries. In one of this kind of dialogues held in Japan in July 2008, attended by leaders of G8 with leaders from China, India, Brazil, South Africa and Mexico, then Chinese Leader Hu Jintao took the lead to give insightful comment on this **new approach** of South-South Cooperation and South-North Dialogue. He pointed out that:

The world is in the course of great changes and adjustments. In recent years, the overall power of the developing countries is on the rise; their cooperation is enhanced; and their influence on international affairs is becoming greater. China, India, Brazil, South Africa and Mexico are all important developing countries. The enhanced coordination and cooperation between these five nations will not only bring benefit to development of each nation, but also to the consolidation of South-South Cooperation, the promotion of South-North Dialogue, and the sacred cause of peace and development of mankind... We should make contributions to the South-South Cooperation and be a role model. On the one hand, we should in joint effort promote multilateralism and democratization of international relation; stand up for the developing countries the right to participate and making decisions; and create favourable external environment for the development of the developing countries. On the other hand, we should play an active part in promoting the reform of international economic, financial, trade system, safeguarding the legitimate right of the developing countries; strengthening the ability of the developing countries to cope with all kinds of risks and challenges; and promoting a balanced, harmonious and sustainable development of the world economy.⁴⁸

⁴⁸ See, ‘Hu Jintao’s Remarks in the Meeting of Leaders of Five Developing Countries’ at http://news.xinhuanet.com/newscenter/2008-07/08/content_8512384.htm. All the emphasis on quoted words of this article were added by the authors.

In mid June 2009, then Chinese President Hu Jintao and other leaders of the BRIC countries, namely Brazil, Russia, India and China, met in Yekaterinburg in central Russia to discuss the global financial crisis and economic issues. The official Joint Statement declared:

We are committed to advance the reform of international financial institutions, so as to reflect changes in the global economy. The emerging and developing economies must have greater voice and representation in international financial institutions, whose heads and executives should be appointed through an open, transparent, and merit-based selection process. We also believe that there is a strong need for a stable, predictable and more diversified international monetary system.⁴⁹

The Times News was one of the first to sense that “a new group has come into being that can raise challenge towards the leading role of the U.S.”⁵⁰

In light of the rise of the power of SSC that can no longer be bullied, the U.S. called upon the Group of 20 Summit in Pittsburgh to be held in September 2009, in order to bring along the power of emerging economies to tackle the crisis. This is the first time that developing countries can participate in the global financial regulation together with the developed countries. Along with it, the Group of 20 has gradually replaced the Group of 7 to become the most important forum for regulating the international finance. The series of G20 Summits have listed out the objectives and timeframes for this round of financial regulation. At the G20 Seoul Summit, the developed economies have promised to transfer 6% voting power of their share in IMF and 3% in World Bank to the developing economies, which has never been seen since the establishment of the Breton Woods System.

Regretfully, however, with the world economic crisis alleviating, the developed countries have gradually walked out of the most difficult phase of the financial crisis, and began to stall the implementation of the afore-agreed-upon reforming scheme, notwithstanding their previous promise and the multiple times of capital increase of the developing countries into the IMF and WB⁵¹. As a result, the reform of international financial institutions have been staying on the paper for years.⁵²

⁴⁹ See Joint Statement of the BRIC Countries' Leaders (Translation provided by the Russian Government), available at: http://www.fmprc.gov.cn/mfa_eng/wjdt_665385/2649_665393/t569480.shtml.

⁵⁰ See The Times: BRIC Challenges U.S. Authority, available at: <http://finance.sina.com.cn/money/forex/20090617/16196362783.shtml>.

⁵¹ For example, during the G20 Summit in Mexico, 2012, China had increased \$43 billion to its capital in IMF, while Russia, India and Brazil had increased \$10 billion each, and South Africa \$2 billion.

⁵² To this the BRICS leaders have recently expressed their extreme regret, see Para. 18 of Fortaleza Declaration.

Under such circumstance, while keeping pushing the reform progress along with other developing countries, the BRICS countries have also considered to set up a completely new international financial system of their own. After over two years of negotiation and design, the envision of establishing a BRICS Development Bank (also known as the New Development Bank, hereinafter the NDB) was finally brought into fact, when on July 15, 2014, the BRICS countries signed the Fortaleza Declaration, and announced the launch of the NDB and BRICS Contingent Reserve Arrangement. This is the first time that the Breton Woods System led by the U.S. sees a substantial frontal challenge from a competitive international financial order. And the five main challenging countries are all developing countries with heavy weights. Yet together they occupy 42.6% of the global population, 29.6% of the global area, 21% of the global economic aggregate, and almost half of the global foreign reserve. The amount of their mutual trade constitutes 15% to the global trade, and makes over 50% of the contribution to the global economic growth. It is estimated that the BRICS will exceed the G7, and occupies 40% of the world in terms of economic wealth after 10 years, provided they keep their current economic growth rates. Also, there are two Permanent Members of the UN Security Council, two enormous countries with population over 1 billion. In one word, these countries are all decisive in their respective region, and can emit critical political and economic influence to their surrounding countries. The primary goal to establish this NDB is dealing with the shortage of capital of the BRICS countries and vast developing countries in their infrastructure development, which, according to the WB, is estimated to count over 1000 billion dollars. Under current global financial order, this need cannot be met by all the available funds added together.

As for the allocation of voting power, NDB has adopted the formal equality approach. In other words, the founding nations are regarded strictly as equal regardless of their economic strength⁵³. Furthermore, compared to the usual “conditional loan” provided by IMF or WB, it seems NDB is more flexible on this matter, with a sole purpose to support BRICS countries and other South countries to develop their national economy independently, and to build a much fairer future.⁵⁴

It is fair to say that the sixth BRICS Leaders’ Meeting and the Fortaleza Declaration have shown the vigour of SSC at present time, which is clearly revealed through the impact of the NDB on the old international financial order. World media’s respond towards this kind of transition is more than vari-

⁵³ Although the allocation of share in Contingent Reserve Arrangement is according to the amount of capitals invested by each members. China has promised to contribute 41% of the total capital in CRA, while Brazil, Russia and India have an equal 18% respectively, and South Africa 5%. Aside from 5% of basic share with voting power equally allocated among the BRICS countries, the rest 95% of voting share are allocated proportionately to the contributions.

⁵⁴ The term “equality” has appeared multiple times in Fortaleza Declaration, see e.g., pars. 2, 21, 26, 28, etc.

ous, and the establishment of NDB is as much praised as blamed. For example, current World Bank Chief Jim Yong Kim said during his visit to India in July 2014 that,

The only competition we have is with poverty...Any bank or any group of institutions that try to tackle the problem of infrastructure investment to fight poverty, we welcome... the World Bank has been well prepared to provide NDB with technical support and assistance.⁵⁵

While on the other hand, various views of pessimism and depreciation are constantly to be heard, there are even some comments that relate NDB to China Threat Doctrine, preaching that NDB is but a tool for China to realize its self-interests.⁵⁶

Those who are pessimistic about the NDB's future deem its foundation rather loose. The five contracting member states are themselves quite different in terms of multiple economic and political standards, although the general schedule of development promotion is shared commonly among them. There are some back-up statistics such as follows: China's economic dimension is 28 times that of India, and India's income per capita constitutes only 10% of Russia's. India and South Africa are normally regarded as pro-Western democratic polity, while China and Russia are deemed as authoritarian polity. With these bifurcations in value system and personal interests, which would possibly lead to practical difficulties in the future governance of the NDB, the coordination and cooperation among these countries within NDB are not optimistic.⁵⁷

Those who depreciate the future of NDB have also their seemingly reasonable concerns. NDB's total registered capital, which is only \$100 billion, seems too little for the severe reality, not to mention that its initial subscribed capital is only half of this number. One can easily find references from the side of global capital suppliers, for example, the World Bank has disbursed \$31.5 billion only in one financial year of 2013⁵⁸, while some regional or national development bank seem even richer. The Brazilian National Development Bank has disbursed \$190.4 billion in the financial year of 2013.⁵⁹ On the side of finan-

⁵⁵ See Reuters, *World Bank chief welcomes new BRICS development bank*, July 23, 2014, available at: <http://in.reuters.com/article/2014/07/23/worldbank-india-idINKBN0FS1MV20140723>, last accessed on August 31, 2014.

⁵⁶ See e.g., Matt Schiavenza, *How the BRICS New Development Bank Serves China's Interest*, July 18, 2014, available at: <http://www.ibtimes.com/how-brics-new-development-bank-serves-chinas-interest-1631664>.

⁵⁷ See relating reports, e.g., *what-the-new-bank-of-BRICS-is-all-about*, available at <http://www.washingtonpost.com/blogs/monkey-cage/wp/2014/07/17/what-the-new-bank-of-brics-is-all-about/>, last accessed on August 31, 2014.

⁵⁸ See The World Bank Annual Report 2013, p.55.

⁵⁹ See *The Evolution of the BNDES' Disbursements*, available at: http://www.bndes.gov.br/SiteBNDES/bndes/bndes_en/Institucional/The_BNDES_in_Numbers/#The_Evolution_of_the_BNDES_Disbursements, last accessed on August 31, 2014.

cial needs, the number also far exceeds the currently agreed NDB's capital. According to estimation of the World Bank, South Africa alone would need approximately \$2500 billion in its infrastructure in the following decade.

Those who are used to preaching China Threat⁶⁰ would certainly not miss this chance, to advertise that NDB is but a new conspiracy of China, through which this currently rising empire could acquire multiple political interests. According to such view, China aims to establish and take a leading role in another financial portal bypassing the slow moving reformation within IMF and the World Bank. With this new financial institution, China's enterprises could enhance the legitimacy of their investing overseas by borrowing the proposal of positive values such as "sustainable development" of this kind of multilateral financial framework, which also would dilute the political and diplomatic implication of such investment (especially those carried out by State-Owned Enterprises) than the case of direct bilateral investment. These would all benefit China's strategic arrangement of its outward capital at the global level.⁶¹

Against the above-listed views, we hold the following opinion:

Firstly, the establishment of NDB would certainly not imply the completion of the building of a new international financial order, which could already make an equal rival of or even replace the current IMF and the World Bank. Historically speaking, however, it indeed symbolizes a recent climax and a new start of the SSC in the field of international financial practice. It is fair to envision that such new financial institution would play an important role in both the further construction of a South-led international financial order and the propelling of reforming the traditional international financial order. As the traditional Chinese saying goes, "*A single spark can start a prairie fire* (星星之火，可以燎原)".⁶²

A similar metaphor is first seen in *Shang Shu* ("尚书"), a classical book in ancient China, in which a prairie fire is used to symbolize the formidable force to keep somebody or something away (若火之燎于原，不可向迳).

The most famous usage of this phrase is in one of Chairman Mao's early letters, addressing on the future of then Chinese Communist Party's revolu-

⁶⁰ For detailed review on China Threat Doctrine, a typical type of malicious speculation on China, see e.g., An CHEN, On the Source, Essence of "Yellow Peril" Doctrine and Its Latest Hegemony "Variant"—The "China Threat" Doctrine: From the Perspective of Historical Mainstream of Sino-foreign Economic Interactions and Their Inherent Jurisprudential Principles, in An CHEN, *The Voice from China: An CHEN on International Economic Law*, Springer-verlag Press, 2014, pp.44 – 100.

⁶¹ See e.g., Matt Schiavenza, *How the BRICS New Development Bank Serves China's Interest*, July 18, 2014, available at: <http://www.ibtimes.com/how-brics-new-development-bank-serves-chinas-interest-1631664>, last accessed on August 31, 2014.

⁶² See Mao Tse-Tung, *A Single Spark can Start a Prairie Fire* (January 1930), in *Selected Works of Mao Tse-Tung*, Foreign Languages Press, 1965, Vol. I, pp.117 – 128.

tion. Against some pessimistic views and lack of confidence, Chairman Mao pointed out with his usual precise and profound insight that the revolution was bound to become “a prairie fire” that would spread through the whole China, although such revolution was still in its early course when Chairman Mao made such prophecy and was metaphorized as “a single spark”.

Later on in China – This development rule of new-born-things has been repeated time and again in many traditional Chinese poems, proses and expostulations to kings and emperors. Song Yu, a famous poet in ancient China – in the Warring States Era, to be specific, had most vividly hidden this philosophical wisdom in his famous Ode of the Wind (《风赋》) in following words:

The wind originates in-between the earth and the sky, and then gently blows from the above of duckweed. When it later sweeps across trenches and agglomerates at the mountain pass, a gale thus emerges that would squeal along its way with as a high-spirited momentum as a roaring flame, and make even the toughest pines dance and bow. It sounds like an angry thunder, and takes on an indefinite form. It would blow over megaliths, break off branches, and sweep across dense bushes. (夫风生于地，起于青萍之末；浸淫溪谷，盛怒于土囊之口；缘泰山之阿，舞于松柏之下，飘忽溟滂，激飏燖怒。眈眈雷声，回穴声迁，蹶石伐木，梢杀林莽。).

Later on in China, this metaphor has always been used to describe that any great influence, great thoughts, novel regimes and new orders all originate from minute and indiscernible source, as the original breeze in Song Yu's Ode of the Wind, which gently blows from the above of duckweed, would finally turn into a gale, which could easily crumple anything like sweeping up dead leaves. New-born-things are vested with strong vitality, provided they accord with the development rule of human society and the trend of human history, while all counterrevolutionary and backward old regimes, old institutions are bound to be replaced under the strong gale, although they seem to be indestructible on the appearance. Such wisdom is also well reflected by the Western scientific proverb “Butterfly Effect”, which implies that a tiny challenge at the source would possibly turn out to have huge changing influence at the end.

Mr. Sun Yat-Sen, the pioneer of Chinese democratic revolution, during the decades of revolutionary course in overthrowing the imperial regime of ancient China and establishing a novel democratic republic, and even amid the overwhelming disappointed and helpless moods after so many failures and drawbacks, has asserted with a chest of faith that:

The tide of world history goes forward with great strength and vigour in formidable power. The tide would definitely award those who temporize

with it and punish those who go against it (世界潮流，浩浩荡荡，顺之者昌，逆之者亡).⁶³

According to these above celebrated dictums and folk wisdoms, a short experience could be drawn as follows: when the righteous course of revolution or reformation encounters some adversity, people should take a broad and long-term view instead of losing morality or confidence and becoming pessimistic. It is only through determined and persistent struggle, can various difficulties be overcome and our original objectives be finally achieved.

Such wisdom, ideals and practical experiences of former philosophers and revolutionists have been repeatedly proven by historical course as indisputable guiding strategy, and are valuable references for those with lofty ideals who devote themselves in contemporary course of reforming OIEO and establishing NIEO, especially at a time when this righteous path has rarely seen decisive improvements, causing the traditional rationale to be questioned or even doubted.

Secondly, the relationship between the NDB and the traditional IMF and WB can be generalized through two key words: complementation and competition. The NDB has not only complemented the capital supply at the international financial market, especially to the needs of BRICS and other developing countries, but also fulfilled to some extent the demands for a long time of the global South for a fair and beneficial international financial institution, through which they can discuss and decide more equally, and acquire financial aid with no strict political conditions. As to the competition brought by the NDB, it is not against the liberal international financial order per se, as the past experience has shown that the BRICS and other developing countries could indeed benefit from such economic system. On the contrary, the NDB is competing with IMF and WB in the sense of equality and efficiency of the international financial institutions themselves. Such competition could be seen as a repeat or replicate in the history of GATT law-reforming, when the slow progress under GATT regime in the 1960s was suddenly accelerated by the outside competition brought by the establishment of UNCTAD under UN, which the developed countries might see as a potential replacement of GATT as a trade forum among developing countries.⁶⁴

* * *

From the above succinct review over the SSC in different branches of international economic legal practices, one can easily discern different patterns. Through comparison, a few useful experiences for future might be drawn:

⁶³ This assertion was expressed by Mr. Sun in September 1916, after he went back to Shanghai from a visit of the famous Qianjiang flood tide in Haining, Zhejiang Province, see http://news.ifeng.com/gundong/detail_2011_10/09/9694533_0.shtml.

⁶⁴ See Adeoye Akinsanya and Arthur Davies, Third World Quest for a New International Economic Order: An Overview, *International and Comparative Law Quarterly*, 1984, Vol.33, p.210.

Firstly, the global South should remain vigilant towards the “divide and conquer” tactic, which had been successfully adopted by the North in the rule-making on cross-border investments, although the effects of this tactic now turns out to be detrimental to the North, too. It is only through conglomerating the collective strength, that the global South can acquire a relatively equal footing as compared to the North in the making or reforming of international economic legal rules.

Secondly, the introduction of a competitive institution at an appropriate time in an appropriate manner could assist the SSC to achieve its goals, as such competition would bring from the outward extra pressure to the vested interests group. Such kind of “*fight-but-keep-it-from-escalating*” (“斗而不破”) philosophy and wisdom are very practical in fulfilling the SSC career.⁶⁵

The next chapter will briefly retrospect China’s self-position with regard to SSC during its modern history since 1949.

3. CHINA’S SELF-POSITION IN SSC

For anyone who has basic knowledge about China’s modern history, it is an undeniable fact that, like many third world countries, China had won its entirely independent status in the middle 20th century, and determined to adopt a self-reliance and mutual-cooperation approach, in order to rehabilitate itself from ruins and poverty.

As to new China’s self-positioning at the world arena, it has always been a rather clear-cut path. In fact, as the pioneer and leader of democratic revolution in modern China, Mr. Sun Yat-Sen declared publicly in his will:

I have devoted myself to national revolution for over 40 years, with the sole aim to pursue a free and equal status for people within China, as well as for China around the world. Upon my four decades’ experience, I have made myself quite well aware that in order to fulfill such aim, it is a prerequisite to unite all nations that treat each other equally to struggle collectively.

For decades after the establishment of New China in 1949, generations of Chinese leaders have absorbed and updated the spirit embedded in Mr. Sun’s will, and have established China’s long-term fundamental foreign policy

⁶⁵ To fight but keep it from escalating is, in its essence, a dialectic philosophy. Such kind of philosophy has been repeatedly adopted by the early generations of Chinese leaders in, for example, China’s self-defensive counterattack against Vietnam during February 17 to March 16, 1979, and China’s self-defensive counterattack against India during June to November, 1962, and China’s War to Resist the U.S. Aggression and to Aid Korea during 1950 to 1953. In these relatively severe conflicts (as compared to conflicts in international economic legal conflicts), China had been rather determined in fighting for the righteous course, while at the same time rather conservative once it had occupied an overwhelming position.

through the Theory of Three Worlds proposed by Chairman Mao and the Five Principles of Peace and Co-existence proposed by Premier Zhou.

3.1. Main Viewpoints of New China's First Generation Leaders

Chairman Mao first expressed his thoughts on the division of world countries during his meeting with Zambian President in 1974, which could be understood as the theoretical base for China's foreign policy of collaborating with other third world brother countries. To quote from then People's Daily pamphlet, Chairman Mao said:

In my view, the United States and the Soviet Union form the first world. Japan, Europe and Canada, the middle section, belong to the second world. We are the third world... The third world has a huge population. With the exception of Japan, Asia belongs to the third world. The whole of Africa belongs to the third world, and Latin America too.

(“我看美国、苏联是第一世界。中间派，日本、欧洲、加拿大，是第二世界。——第三世界人口很多，亚洲除了日本都是第三世界。整个非洲都是第三世界，拉丁美洲是第三世界。”)

Chairman Mao had not pointed further out during his conversation the connotation, function or practical use for dividing the world into three classes, nor was this type of categorization based upon his understanding on world political strengths and international relation pattern. Although the Theory of Three Worlds had long been looked up to as the theoretical basis for making China's diplomatic strategy and policy, its official restatement had not been seen until November 1977, when an editorial entitled *Chairman Mao's Theory of the Differentiation of the Three Worlds Is a Major Contribution to Marxism-Leninism* was published on People's Daily of China⁶⁶, which is still the only authoritative elaboration on this theory up till today.

For this basic judgment on world situation, there has been some opposing voice, opining that such categorization as three worlds is only “*based on national wealth, and is thus a rough generalization of the economic development status and economic strength, rather than the political strength of world countries.*”⁶⁷ Such query obviously has not recognized the abundant philosophical connotations of the Theory of Three Worlds, and the potential function of it on guiding practices, which was later elaborated by Deng Xiaoping in his address on the special session of UN General Assembly on April 10, 1974. Deng clearly pointed out that: China is a socialist and developing country, and belongs to the third world. China shares similar miserable experience with most other third world countries, and faces similar problems and tasks. China determinedly takes the anti-imperialism, anti-hegemonism

⁶⁶ See *Chairman Mao's Theory of the Differentiation of the Three Worlds Is a Major Contribution to Marxism-Leninism*, Renmin Ribao (People's Daily) November 1, 1977.

⁶⁷ See e.g. Wu Min, *Queries to the Theory of Three Worlds*, available at: <http://www.aisixiang.com/data/24537.html>.

and anti-colonialism struggle as its sacred responsibility. Such self-positioning has explained the aftermath cooperation and mutual aid between China and other South countries, as well as the strong support of China to the great SSC career.⁶⁸

If the Theory of Three Worlds has determined the coordinates for China's self-positioning on world arena, the Five Principles of Peaceful Co-existence should then be regarded as fundamental guidance on China's diplomatic strategy, which was first proposed by Premier Zhou during his visit to India and Myanmar in 1954. It comprises of the following five aspects of a new and more principled approach to international relations mainly among those newly independent states after decolonization:

Mutual respect for each other's territorial integrity and sovereignty; Mutual non-aggression; Mutual non-interference in each other's internal affairs; Equality and cooperation for mutual benefit; and Peaceful co-existence. (“互相尊重主权和领土完整、互不侵犯、互不干涉内政、平等互利和和平共处”)

These five principles have set the prerequisite for any possible international cooperation, with the essence being the equality among nations regardless of its size. Under then world situation, this proposal had invented a novel approach towards the traditional idea of East camp against West camp, the Socialistic Group against the Capitalistic Group, which had been proven useless or even a deteriorating force for historical problems.

Later on, in the Bandung Conference held in April 1955, in which the Declaration on Promoting World Peace and Cooperation was published, the Five Principles of Peaceful Co-existence were completely absorbed into this famous Declaration, and were expanded and updated into the ten principles on international relations. People may well remember, it is also in this Conference that the strategic though of South's Collective Self-reliance was first proposed.⁶⁹

3.2. MAIN VIEWPOINTS OF NEW CHINA'S SECOND GENERATION LEADERS

Later on, China had experienced some sort of domestic turbulence called “Cultural Revolution” during the decade of 1964 – 1974, which rendered the newly established country to a even worse situation. After basic order having been brought out of chaos, Deng Xiaoping, as the second generation leader, has advocated and fully carried out the famous national policy of “Reform and Open-up”, and has later proposed a 28-word (numbered in Chinese characters) Foreign Policy in early 1990s against then world situation, which goes as follows:

⁶⁸ See, e.g., <http://baike.baidu.com/view/109269.htm?fr=aladdin#1>.

⁶⁹ See Chapter I of this Article.

Observe calmly; Secure our position; Cope with affairs cool-headedly; Be good at maintaining a low profile; Never claim leadership of the world; Act but stay low profile while biding our time; Make some differences. (“冷静观察,稳住阵脚,沉着应付,善于守拙,决不当头,韬光养晦,有所作为。”)⁷⁰

This summary is so concise and elastic to interpret, that it has caused some confusion. There is a point of view that the tips in the 28-word foreign policy, which goes as “be good at maintaining a low profile; never claim leadership of the world; act but stay low profile while biding our time,” is that the Chinese authorities and people should be worldly wise and play safe, keep hands off the world issues, and concentrate ONLY on internal affairs. This point is supported by the fact that Deng Xiaoping once proclaimed that

Some countries in the Third World hope that China could take the lead. However, China should not do so because she lacks the power and because she could not afford to. This is a basic national policy. Taking the lead will bring us no good but passivity... China should never take the lead.⁷¹

For the time being, the Third World is not strong enough, and efforts to establish the NIEO have always encountered difficulties and obstructions, which have all cast shadow on the great course of SSC. In such situation, the Chinese should seriously review and follow the strategic thought on foreign relations and “the way of living and conducting oneself in society” recommended by Deng Xiaoping. A seemingly logical conclusion is that it might not be wise henceforth for China to adhere to the Third World’s common cause of SSC and establishing the NIEO.

However, this point of view has at least neglected the following facts:

Firstly, Deng Xiaoping himself is one of the earliest advocates for SSC and the NIEO. In UN General Assembly special session held in 1974, Deng declared that China was a socialist and a developing country in the Third World. Like most of the other countries in the Third World, China had undergone the same hardship and encountered the same problems and tasks as they had. China regarded fighting together with other Third World countries against the imperialism, hegemonism, and colonialism as her sacred international obligation. China took a firm stand on the side of the Third World and would never seek hegemony. Right in the same UN special session, Deng as the representative of the Chinese government put forward the basic idea of establishing the NIEO. He asserted that the political and economic relation

⁷⁰ As a matter of fact, the content of the policy is a summary of talks of Deng in various circumstances. See China Expects a Promised Future through a Stable Open-up Policy, and To Deal with Development Problems by Using Timely Situations, in *Selections from Deng Xiaoping*, Vol. 3, The People’s Press, 1993, pp. 321, 326 and 363.

⁷¹ See *Selections from Deng Xiaoping*, Vol. 3, The People’s Press, 1993, p. 363.

among nations should be based on the Five Principles of Peaceful Coexistence; the international economic affairs should be dealt with by all the nations rather than be monopolized by a few countries. And it was also in this UN special session when *Declaration and Program of Action for the Establishment of a New International Economic Order* were adopted.⁷²

Secondly, while emphasizing that we should “keep low-profile and bide our time” and “never take the lead,” Deng Xiaoping also mentioned simultaneously again and again that “we must make some differences.” He said that it was “*unimaginable for a large country as China do nothing at all on international affairs*; What should we do? From my perspective, *China should play an active role in promoting the establishment of a new international political and economic order*.”⁷³

Thirdly, as early as in 1977, Deng Xiaoping had proposed to correctly interpret Mao Tse-Tung Thought as an organic whole, which would otherwise be misunderstood and cause confusion or even practical detriments. He stressed time and again that “we must hold a comprehensive and correct recognition towards Mao Tse-Tung Thought, we must be good at learning and using this systemic thought to guide our work. Only in this way would we not distort or misunderstand Mao Tse-Tung Thought.”⁷⁴ As is commonly known, Deng Xiaoping Theory had been developed on the basis of Mao Tse-Tung Thought, and is itself an organic whole. The 28-word guideline should thus also be interpreted wholly as a dialectic strategic thought on global issues, instead of separately by taking only one particular facet, so that we would not misunderstand Deng’s original intention.

Fourthly, as successor of Deng Xiaoping Theory, the new leaders of China are advocating actively “South–South Coalition” and the establishment of a new international political and economic order. One of the latest examples is that China has been participating energetically in international practices inside and outside the WTO concerning South–North Contradictions and cooperation for the past more than ten years since the Doha Conference. It is widely known that due to the increase of comprehensive national strength and influence on international affairs, China together with members of the BRICS have defeated the attempts of the hegemonic and big powers to manipulate the conference at their will and won for the weak states the right to speak by superior diplomacy.⁷⁵

⁷² See Deng Xiaoping’s Speech in special session of UN General Assembly, in *People’s Daily*, April 11, 1994, Vol.1.

⁷³ See *Selections from Deng Xiaoping*, Vol. 3, The People’s Press, 1993, p. 363.

⁷⁴ See *Selections from Deng Xiaoping*, Vol. 2, The People’s Press, 1994, p. 42.

⁷⁵ See An CHEN, *The Voice from China: An CHEN on International Economic Law*, Springer-verlag Press, 2014, pp.207 – 239.

3.3. MAIN VIEWPOINTS OF NEW CHINA'S THIRD AND FOURTH GENERATION LEADERS

The third generation of New China's Leaders, headed by Jiang Zemin, have contributed tremendously and achieved important results by enforcing the 28-word foreign policy. The most eminent achievement is to get China through various blockades set by developed powers and finally into the World Trade Organization, inside and outside of which China has been carrying out persistent struggles against hegemonism together with the global South weak groups.

As successor of Deng Xiaoping Theory, the fourth generation leaders of China are advocating actively 'South-South Coalition' and the establishment of a new international political and economic order.

One of the latest examples is that China has been participating energetically in international practices inside and outside the WTO concerning South-North contradictions and cooperation for the past decade since the Doha Conference. It is widely known that due to the increase of comprehensive national strength and influence on international affairs, China together with members of the BRICSM have defeated the attempts of the hegemonic and big powers to manipulate the conference at their will, and won for the weak states the right to speak by superior diplomacy.⁷⁶

Besides, in the historical course of Global South's collective self-reliance and South-North dialogue, a new combination of powers and a new approach to hold dialogues emerges and begins to draw attention from all around the world. Specifically speaking, there will be regular meetings attended by the leaders of G7 or G8 consisting of the most developed countries with the leaders of several major developing countries. In the meeting, South-North dialogue attempting to tackle major world issues and knotty points will be initiated. This kind of dialogue has been conducted for several times, latest of which was held in Japan in July 2008, attended by leaders of G8 with leaders from China, India, Brazil, South Africa and Mexico.

Chinese leader Hu Jintao gave insightful comment on this new approach of South-South Cooperation and South-North Dialogue during this Summit⁷⁷. He pointed out that the world is in the course of great changes and adjustments. In recent years, the overall power of the developing countries is on the rise; their cooperation is enhanced; and their influence on international affairs is becoming greater. China, India, Brazil, South Africa and Mexico are all important developing countries, which have taken up 42% of world's po-

⁷⁶ See An CHEN, A Reflection on the South-South Coalition in the Last Half Century from the Perspective of International Economic Law-making: From Bandung, Doha and Cancun to Hong Kong, *The Journal of World Investment & Trade*, Vol.7, No.2, 2006.

⁷⁷ See 'Hu Jintao's Remarks in the Meeting of Leaders of Five Developing Countries' at http://news.xinhuanet.com/newscenter/2008-07/08/content_8512384.htm.

pulation and 12% of world's GDP. The enhanced coordination and cooperation between these five nations will not only bring benefit to development of each nation, but also to the consolidation of South-South Cooperation, the promotion of South-North Dialogue, and the sacred cause of peace and development of mankind. In the past year, multi-level mechanisms for coordination were set up by these five nations and have attained positive effects in dialogues with the G8. Efforts should be continued on such basis. Now that these five nations have become an important component of the world's economy and the major driving force of world's economic growth, they should enhance reciprocally bilateral and multilateral communication and cooperation in order to tackle unfavourable conditions in joint effort, maintain momentum and vitality for rapid economic growth, and continue to contribute to the world economy.

Hu Jintao emphasized that:

South-South Cooperation is an important way to secure common development and to overcome one's own shortcomings by learning from each other. We should make contributions to the South-South Cooperation and be a role model. On the one hand, we should in joint effort promote multilateralism and democratization of international relation; stand up for the developing countries the right to participate and making decisions; and create favourable external environment for the development of the developing countries. On the other hand, we should play an active part in promoting the reform of international economic, financial, trade system, safeguarding the legitimate right of the developing countries; strengthening the ability of the developing countries to cope with all kinds of risks and challenges; and promoting a balanced, harmonious and sustainable development of the world economy.

Hu's comments are concise but comprehensive, which have not only included summary of the past and vision for the future of the South-South Self-reliance, but also emphasized on five nations' historical task and their influences on the South-South Self-reliance as a role model and mainstay. These insightful analyses have drawn worldwide attention, and have the significance of enlightening and guiding China's self-positioning in the course of establishing the NIEO.

Significance of being active in international affairs and being a role model and mainstay for the NIEO has once again been demonstrated by the South-North Dialogue in Washington Summit of November, 2008. The whole world is suffering from a severe international financial crisis, of which the pervasiveness, the extensity and impact have been unprecedented since 1930s. In Washington D.C., U.S., in mid-November 2008, leaders of world's major developed and developing countries held a Summit of G20 to map out a countermeasure. Major developing countries including China, Brazil, Argentina, India, Indonesia, Mexico, and South Africa gathered in the capital

of U.S. They made it clear that the international community should draw lessons from this worldwide financial crisis and reform the international financial system to the extent necessary. This reform should be kept in the track towards establishment of a **just, fair, tolerant, and orderly new international financial order**, and be conducted comprehensively, equitably, gradually and effectively. Comprehensiveness means that design of the new system must be carried out as a whole. Specifically speaking, the international financial system, monetary system, the financial institutions, rules and procedures of international finance, etc. should be included in the reform. As for equitableness, it means overall planning and all-round consideration. The reform should reflect interests of different parties, and form a mechanism for decision-making and management which allows for the participation of a vast variety of parties, especially the emerging market economies and the developing countries. What's should be emphasized is that the we should reform the mechanisms for electing the decision-makers, strengthen for the developing countries the rights to speak and their representativeness in the international financial institutions.⁷⁸

This clear-cut stand has long been asserted by the developing countries, and its reassertion against the background of severe international financial crisis is of great significance. The world is watching and expecting. Put it in another way, efforts to reform the existing international financial regime (the Bretton Woods System) incarnating the old international economic order has been summoned again, to which the hegemonies could no longer turn a deaf ear as they used to be.

The financial crisis Summit of the G20 in the early of April 2009 in Britain, as well as in September of the same year in Pittsburgh, have all seen Chinese leader's reaffirmation of China's stand: major developing countries should do something actively, being a role model and mainstay, in undertaking global historical tasks through South-South Self-reliance; they should positively promote the 'eradicating the old and fostering the new' of international financial order and thereby urge a progressive and overall renewal of international economic order. These affirmations will be again verified vividly by international practice of the day.⁷⁹ The Pittsburgh Summit saw another bre-

⁷⁸ See Hu Jintao's Remarks in the Summit on Financial Markets and the World Economy: Unity in Adversity', at http://news.xinhuanet.com/newscenter/2008-11/16/content_10364070.htm, last accessed on August 31, 2014. See Hu Jintao's Address on the G20 Summit: *Row in the Same Boat in Tough Times* (携手合作同舟共济), available at: <http://www.chinanews.com/gn/news/2009/04-03/1630688.shtml>, last accessed on August 31, 2014; see also China's Influence Raises Concerns, American Media suggests G20 to invite Beijing, available at: http://news.xinhuanet.com/world/2009-03/30/content_11099256.htm; see also G20 London Summit Ushers in New International Order, available at: http://news.xinhuanet.com/world/2009-04/04/content_11129541.htm.

⁷⁹ See Hu Jintao's Address on the G20 Summit: *Row in the Same Boat in Tough Times* (携手合作同舟共济), available at: <http://www.chinanews.com/gn/news/2009/04-03/1630688.shtml>, last accessed on August 31, 2014

ak-through, reflected by Para. 50 of the G20 Leaders' Statement, declaring that "Today, we designated the G-20 as the premier forum for our international economic cooperation."⁸⁰ This signals a start when developed powers would have to cease being condescending and arrogant, and begin to treat the main representative countries of the global weak South as equal to carry out South-North dialogue.⁸¹

In a word, the events aforementioned which took place in-between 2008 and 2009 have shown that:

Firstly, the strategy of South-South Self-reliance is taking root in the hearts of people around the globe, which makes it an important means of fighting for and maintaining equal status of weak states in the international community.

Secondly, the strategy has always been focusing on winning equal right to speak, to participate and to make decisions on major world economic and trade issues.⁸²

Thirdly, the fundamental purpose of this strategy has always been promoting the comprehensive reform of the international economic order stage by stage; changing the current situation in which the global wealth is unevenly and unjustly distributed; and realizing redistribution of the global wealth and common prosperity around the globe.

3.4. MAIN VIEWPOINTS OF NEW CHINA'S PRESENT (FIFTH) GENERATION LEADERS

The continuity of Communist Party of China as the ruling party since 1949 has enabled the stability of China's foreign policy. The present fifth generation of Chinese leaders has expressed on various occasions yet again similar views on steering China's foreign policy directions, including on issues like South-South collective self-reliance, and the reformation of OIEO. During his one and a half year presidency, President Xi Jinping has time and again made consistent and evolutionary elaborations as regards the abundant connotations of China's traditional self-positioning, and has been endeavoring to

⁸⁰ See G20 Leaders' Statement: The Pittsburgh Summit, September 24-25, 2009, available at: <http://www.g20.utoronto.ca/2009/2009communiqué0925.html>, last accessed on August 31, 2014.

⁸¹ See An CHEN, A Third Comment on China's Strategic Position in the Establishment of NIEO: To Where would the G20 & its "Path from Pittsburgh" Lead-The Pending Riddle of the New Platform of G20 South-North Cooperation and the Conflict between Ideas such as "Compliance" and "Change", *Journal of International Economic Law (China)*, Vol. 16, No. 4, 2009, pp.1-29.

⁸² See, An Chen, 'China's Strategic Positioning in establishing the NIEO' ; 'Reflections on the South-South Coalition in the Last Half Century from the Perspective of International Economic Law-making: From Bandung, Doha and Cancun to Hong Kong (revised in 2008)', in *An Chen on International Economic Law* (five-volume edition), Fudan University Press, 2008, respectively VI and XIV , Part I, Vol. 1 (*The Voice from China*) *An Chen on International Economic Law*, Springer-verlag Press, 2013, Chapters 6 & 7.

fulfill as such. The following three main aspects might be categorized from these elaborations and according actions.

Firstly, President Xi emphasizes the closely interweaving relationship as among the principles of peaceful coexistence, the course of South-North Cooperation and South-South Coalition and the establishment of a NIEO. As the successor of the Five Principles of Peace and Co-existence proposed by Premier Zhou Enlai, Xi has taken over this great flag of peaceful cooperation and harmonious development around the globe, and believes in the fact of the renewing, deepening and strengthening of these Principles. He addressed at the celebration of the 60th anniversary of the Five Principles of Peace and Co-existence that:

The Five Principles of Peaceful Coexistence have become the basic norms governing international relations as well as basic principles of international law...The Five Principles of Peaceful Coexistence have effectively upheld the rights and interests of the developing world...In the new era today, the spirit of the Five Principles of Peaceful Coexistence, *instead of being outdated, becomes more renewing ; its significance, rather than diminishing, becomes more deepening ; and its role, rather than being weakened, becomes more strengthened.* (“和平共处五项原则已经成为国际关系基本准则和国际法基本原则；有力维护了广大发展中国家权益；为推动建立更加公正合理的国际政治经济秩序发挥了积极作用……新形势下，和平共处五项原则的精神不是过时了，而是历久弥新；和平共处五项原则的意义不是淡化了，而是历久弥深；和平共处五项原则的作用不是削弱了，而是历久弥坚”)⁸³

As to China's attitude and present self-position on SSC, President Xi confirmed that under his leadership,

China will firmly pursue peaceful development...China will firmly pursue friendship and cooperation with all other countries on the basis of the Five Principles of Peaceful Coexistence...China will firmly pursue a win-win strategy of opening-up. (“中国将坚定不移走和平发展道路。中国将坚定不移在和平共处五项原则基础上发展同世界各国的友好合作。中国将坚定不移奉行互利共赢的开放战略。”) ⁸⁴

Secondly, President Xi emphasizes that the course of South-South Coalition and the renewing of the OIEO shall never repeat the Western colonial history, and never follow the Western hegemonic way

⁸³ See Xi's speech at 'Five Principles of Peaceful Coexistence' anniversary, "Carry forward the Five Principles of Peaceful Coexistence to build a better world through win-win cooperation", available at: http://www.china.org.cn/world/2014-07/07/content_32876905.htm, last accessed on August 31, 2014.

⁸⁴ See Xi's speech at 'Five Principles of Peaceful Coexistence' anniversary, "Carry forward the Five Principles of Peaceful Coexistence to build a better world through win-win cooperation", available at: http://www.china.org.cn/world/2014-07/07/content_32876905.htm, last accessed on August 31, 2014.

With the relentless enhancing of China's comprehensive national strength together with its global influence, certain major players on the world arena have long shown their antagonism. Some developing countries are not without their doubts either, they take a suspicious view regarding whether China would also pursue hegemony. These new circumstances are testing the consistency of the diplomatic strategy that China has been adopting.

For example, with the forwarding of China's "going abroad" strategy, lots of Chinese enterprises and individuals crowded into Africa and Latin America, causing a number of novel prejudices against China. Some western media has shown a certain mental aberration – maybe out of jealousy – towards the fact that Sino-African and Sino-Latin American economic cooperation has been expanding rapidly.⁸⁵ They wantonly, as a Chinese saying, *measure the stature of great men by the yardstick of small men*, or, *gauge the heart of a gentleman with the own mean measure* (以小人之心度君子之腹), make irresponsible remarks (信口雌黄), and arbitrarily tag China with a so-called "New Colonialism" label. Some western politicians, governmental think tanks and mainstream medias have preached "China Threat (Africa) Doctrine", trying their best to discredit Sino-African relation, accusing that China is carrying out new colonialism throughout Africa and is plundering Africa of its natural resources. Christian Science Monitor from the U.S. once reported that "[T]he rapid economic development and a strong demand for mineral resources and market have led China to Africa... China is crazily feeding with the oil berried in countries around Guinean Coast." In one speech of Jack Straw, former Foreign Secretary of UK, addressed in February 2006 during his visit to Nigeria, China is listed with poverty, regional conflict, terrorism and the like as ten grand challenges that Africa must face. He also claimed that "what China is doing to Africa today is almost what the West have done 150 years ago." The Economist reported in a more vivid way that "about 600 years ago, seafarers of Ming Dynasty brought back a giraffe from the East coast of African continent to satisfy the Emperor's curiosity; while nowadays vehicles from China sail periodically on a similar ship route loaded with oil, iron ores and other commodities, in order to satisfy the huge appetite of this

⁸⁵ The volume of Sino-African trade has increased from \$0.82 billion in 1992, to \$10.6 billion in 2000, to \$100 billion in 2008, to \$200 billion in 2012, with China becoming Africa's largest trade partner in 2009. The direct investment from China to Africa has mounted up to \$15 billion till 2012.

As for Sino-Latin American trade volume in 2013, Sino-Brazilian turnover broke through \$90 billion, with China maintaining Brazil's largest trade partner, while Brazil being China's ninth largest; Sino-Argentine turnover reached \$14.8 billion, 2400 times more than the number when these two countries first established diplomatic relations, with China becoming Argentina's second largest trade partner and main capital source; Sino-Venezuelan trade volume has also increased from \$1.4 million to \$19.2 billion, with China becoming Venezuela's second largest trade partner.

gigantic economic body.”⁸⁶ During her tenure, Hilary Clinton, former United States Secretary of State, has also specifically expressed her concern of China’s “new colonialism” in Africa.⁸⁷

The so-called “new colonialism” is coined to generalize a new pattern of western powers’ exploiting the newly independent but still weak developing countries those were originally colonies before WWII. After WWII, the world situation have rendered the direct colonialism impossible to maintain, forcing the traditional powers to turn to a more covert exploiting means. By taking full advantage of their accumulated economic strength, these western powers have continued to export their own value priorities to weak developing countries, and try to integrate them into a world economic system that was established by these powers and mainly for themselves, and continue to squeeze economic benefits from the weak countries who have transformed from original colonies only into modern raw material base areas, sales markets and investment destinations.⁸⁸

However, as numerous facts are showing, compared to aforesaid ultra-selfish behavioral pattern, China has been acting rather to the contrary, by holding “*through mutual beneficial cooperation to win-win* (互利、互惠、合作、共赢)” as its fundamental norm of conducts, by practicing honesty and frankness, by matching its deeds strictly to its words, and by acting as transparently and consistently as possible.⁸⁹

As a matter of fact, there are also a lot of reports that pertinently comment and fairly praise China’s economic and trade practice with African and Latin American countries. For example, right after the 2006 Beijing Summit of the Forum on China-Africa Cooperation, various newspapers from Spain, Germany and the U.S. have reported this fruitful event with a supportive tone. La Vanguardia of Spain reported on Nov. 6 that China does not make accusation of other countries’ development strategy, nor add any non-trade conditions

⁸⁶ See Xiaochun Lin, West Preaching China’s New Colonialism in Africa, available at: <http://www.southcn.com/news/international/zhuanti/wjbfz/lfkm/200606170131.htm>, Sep. 30, 2014. See also Zezhong ZHANG, Sino-African Economic and Trade Cooperative Mechanism in New Times – From a Perspective of International Economic Law, People’s Press of Shanghai, 2013, pp.145-147.

⁸⁷ See ‘Africa, China and governance: A new colonialism?’, at <http://www.one.org/us/2011/06/16/africa-china-and-governance-a-new-colonialism/>, Sep. 30, 2014. See also ‘Hillary Clinton Warns Africa Of ‘New Colonialism’’, at http://www.huffingtonpost.com/2011/06/11/hillary-clinton-africa-new-colonialism_n_875318.html, Sep. 30, 2014.

⁸⁸ It is Lenin who first pointed out the characteristic of “neo-colonialism”, that the imperialistic countries mainly exploit economic means to control and exploit weak countries, instead of directly occupy their lands. See Vladimir Lenin, Notes on Imperialism, in Completed Works of Lenin, People’s Press, 1959, Vol.39, p.280.

⁸⁹ Document on China’s Policy towards Africa issued by Chinese government on January 12, 2006 could be seen as the official counter argument against these accusations. African countries have found official source to relieve their doubts, and have thus regarded China as usual their reliable “All-weather Friend”. This document is available at http://news.xinhuanet.com/world/2006-01/12/content_4042333.htm, Sep. 30, 2014.

to its contracts to interfere with other countries' domestic affairs. Such brand new style of China as a responsible power is worthy of appreciation, especially in today's unrest and chaotic world. Frankfurter Allgemeine Zeitung of Germany reported on the same day that this Summit has shown China's partnership with Africa through a series of new cooperation and deals. African countries widely praise the unconditional aid and loan from China, and are very impressive of China's achievement in developing its own domestic economics. An Editorial from the US QiaoBao (uschinapress.com) reported that China is the largest developing country on earth with 56 groups of minorities, who advocates for the Five Principles of Peace and Co-existence and the ideal of harmonious world, and opposes the interference with other countries' domestic affairs. China is a proof that poverty can be successfully relieved through its own characteristic cultural tradition and value system. The mutual need of China and Africa in terms of economic, political, diplomatic and cultural cooperation is now more intensive than ever in a globalized world.⁹⁰

Under these aforesaid circumstances, President Xi has, upon his succession as the new leader of China, started a series of tight diplomatic visits to Russia, Africa, Middle America, Middle Asia, Southeast Asia, Europe, South Korea, Latin America, Mongolia and South Asia during March 2013 to September 2014. He has advocated for China's traditional diplomatic ideas in multiple occasions such as the Fifth BRICS Leaders' Meeting in South Africa in March 2013, the Eighth G20 Summit in Russia in September 2013, Nuclear Security Summit 2014 in Netherland in March 2014, the Sixth BRICS Leaders' Meeting in Brazil in July 2014, etc.⁹¹ As President Xi stressed time and again, that China "*will never seek hegemony, and has no expansionist ambitions* (中国永远不称霸，永远不搞扩张)"⁹², that "*China does not subscribe to the notion that a country is bound to seek hegemony when it grows in strength. Hegemony or militarism is simply not in the genes of the Chinese.* (中国不认同‘国强必霸论’，中国人的血脉中没有称王称霸、穷兵黩武的基因)"⁹³, that China "*will more actively promote common development, uphold the right approach to justice and interests with a priority to justice, and promote North-South dialogue and South-South cooperation. In particular, we will help other*

⁹⁰ See Positive Comments from World Media on Beijing Summit, in Military Newspaper, No.2, Nov. 8, 2006, available at: http://www.chinamil.com.cn/site1/zbxl/2006-11/08/content_638228.htm.

⁹¹ See Diplomatic Strategy and Ideas as Reflected by Xi Jinping's Ten Visits, available at: http://big5.xinhuanet.com/gate/big5/news.xinhuanet.com/politics/2014-10/09/c_1112741340.htm, Sep. 30, 2014.

⁹² See Xi Jinping's Address during his visit to Mongolia in August 2014, available at: <http://news.sohu.com/20140823/n403698395.shtml>, last accessed on August 31, 2014.

⁹³ See Xi's speech at 'Five Principles of Peaceful Coexistence' anniversary, "Carry forward the Five Principles of Peaceful Coexistence to build a better world through win-win cooperation", available at: http://www.china.org.cn/world/2014-07/07/content_32876905.htm, last accessed on August 31, 2014.

developing countries achieve autonomic and sustainable development. (坚持正确义利观，义利并举、以义为先，促进南北对话和南南合作，特别是帮助发展中国家实现自主和可持续发展),”⁹⁴ because “*one blossom alone does not make a spring* (一花独放不是春，百花齐放春满园).”⁹⁵

These diplomatic visits and speeches have responded the doubts against China's current diplomatic guideline, as well as the aforementioned unfounded accusation of “new colonialism.”⁹⁶ They have also reflected the fact that China has been always harboring a firm strategic confidence, resolution and ambition, as regards the overall direction of promoting South-South Cooperation and fulfilling mutual beneficial development.

Thirdly, President Xi for the first time proposed and promoted the South-South strategic idea of the „21st Century Silk Road Economic Belt“ and the „21st Century Maritime Silk Road,“ or “One Belt and One Road” for short, which would hopefully effectively propel the international weak groups to spread their wings and take off together.

In this aspect, Chinese Foreign Minister of China Wang Yi has made the following concise generalization⁹⁷. He points out that President Xi focuses on the long-term regional peace and common prosperity based on a firm stand at both domestic and international level. The grand design of “One Belt and One Road” aims to interwoven dreams and hopes from various countries, and bring them together to the consultation of development strategy, the promotion of peace and safety, and the realization of revitalization. This proposal since its inception in 2013 has won continuous support from neighboring countries as well as from international society. For roughly one year, the “One Belt and One Road” is coming to a practical stage from the initial design of general ideas and overall framework. Together with the countries along the Belt and the Road, China wishes to build three economic corridors including China-Middle Asia-East Asia, New Asia-European Continental Bridge and China-Mongolia-Russia, to expand new sea route of Maritime Silk Road, and to strengthen the mutually beneficial cooperation in the fields

⁹⁴ See President Xi's joint written interview with media from Latin American and Caribbean countries, available at: http://www.chinadaily.com.cn/world/2014xibricssummit/2014-07/15/content_17788270_7.htm, last accessed on August 31, 2014.

⁹⁵ See Xi's speech at the Bo'ao Forum for Asia Annual Conference 2013, available at: http://news.xinhuanet.com/politics/2013-04/07/c_115296408.htm, Sep. 30, 2014.

⁹⁶ For any with basic ability to recognize wrong from right, this accusation is not worthy rebutting. There are, however, still some forceful and well-organized articles or reports posted on the website of Ministry of Commerce and Ministry of Foreign Affairs to rebut such accusation, for example: *To Rebut the so-called Neo-colonialism*, at <http://www.mofcom.gov.cn/aarticle/i/dxfw/gzdz/200804/20080405456295.html>, Sep. 30, 2014, and also: *To Set Up the Image of a Great Country, and to Rebut the False Accusations*, at <http://yws.mofcom.gov.cn/article/public/201305/20130500111670.shtml>, Sep. 30, 2014.

⁹⁷ See Wang Yi, *To Revive the Silk Road, and To Build a Harmonious Neighborhood*, available at: http://news.xinhuanet.com/2014-09/20/c_1112556220.htm, Sep. 30, 2014.

of energy, finance, civil livelihood, and the interconnection and interworking of infrastructure facilities.

Specifically speaking, Middle Asia and South Asia are core regions of Asian-European continent, forming a safeguard curtain for China's stable domestic development, and also pointing a direction of China's strategic opening-up to the west. In September 2014, President Xi attended the Fourteenth Shanghai Cooperation Organization Summit Meeting, and paid official visits to Tajikistan, Maldives, Sri Lanka and India, which were along the ancient maritime silk road, and had an intense historical intercourse with China. Nowadays their interests are closely combined with China's, and they are important pivots for the common construction of a 21st Silk Belt and Maritime Silk Road. Amongst these visits, one thing per se merits special attention, that President Xi pointed out during his visit to India, a BRICS Member with 1.2 billion population, that *Chinese Dragon and Indian Elephant* should pursue harmonious coexistence, and peaceful, cooperative and inclusive development, which is beneficial to both countries and those around, and even the world at large. Indian Prime Minister Narendra Modi suggested a nonstop promotion of the bilateral relationship by carrying forward the *from Inch to Mile* spirit. Both sides decide to construct a closer development partnership, to enrich their bilateral strategic relationship. They agree to cooperate at the bilateral, regional and global level, to maintain the common interests of both countries and other developing countries, and to propel international political and economic order towards a more reasonable and fair one. China and India reiterate to remain calm and peace regarding their border issues, and to seek for a friendly way out. President Xi's visit has built on more trust between these two neighboring countries, and has eliminated to some extent the existed doubts, and has actually promoted the Sino-Indian relation to a new historical phase.

To sum up, the surrounding neighbors are China's base of existence and further prosperity. The development of China cannot be separated from a stable, peaceful and cooperative peripheral circumstance, and it can also bring many opportunities to surrounding countries. Currently, China's diplomatic activities are entering a new round of active phase. For over a year, President Xi, as the successor and promoter of traditional China's "good neighboring and mutual beneficial" ideal and principle, has spread his footprints across over 13 countries in Mid-Asia, South East Asia, North East Asia and South Asia. At each place, with his sincere emotions, plain words, firm believes, and concrete measures, President Xi has personally spread the diplomatic ideas of intimacy, sincerity, benefits and tolerance. It is fair to believe and expect that, China will certainly promote regional integration. With the **giant-hawk's magic wings** of "One Belt and One Road" fully spreading, China is bound to take off and fly high, and **promote neighboring states to spread their wings and take off together.**

Meanwhile, people can fully expect that when the giant-hawk of One Belt and One Road spreads its wings and soars across the sky⁹⁸, the **anti-China ring of containment** that international hegemony and its followers are busy constructing would be completely **shattered**. This would be another historical contribution to establish NIEO for a better future of global people.

4. SSC TO SAIL OUT AGAIN AT THE AGE OF 50

At the age of “knowing the decrees of Heaven”, to retrospect the historical path and various actual performances of South-South Cooperation, one can make the following summaries:

Firstly, the South-South Cooperation has taken on different forms in different fields of international economic law. Under the UN and GATT of international trade law, the global South have coordinated and gathered their force together, which resulted in a certain success of law-making and law-reforming. In the field of international investment law, although the multilateral cooperation among the South is hard to achieve because of the bilateral treaty concluding regime that the North seek to impose, the south countries have nonetheless cooperated, and the bilateral/regional investment agreements between/among the South are characteristic in a good way to facilitate the cooperation. In the field of international financial law, the South has long demanded to reform the original unfair rules and has been consistently denied, so with their collective strength consistently growing, instead they have now formed a different kind of South-South Cooperation, as a competition to the original set of international financial rules.

Secondly, the history has shown that, the introduction of a potentially competitive institution can indeed facilitate the global South to achieve their goals through cooperation. This is the exact lesson that we learn from the law-reforming fight within the field of international trade rules. With the establishment of UNCTAD in 1960s, the developed countries came up with an imminent threat that the global South might just turn to this newly formed institution and forum, and retreated from the GATT system collectively. This no doubt had accelerated the process of the North's acceptance of S&D and GSP as the reformation to the GATT rules. Similarly, with the establishment of a competitive institution, namely the BRICS Development Bank, it

⁹⁸ As to the majestic momentum when the giant-hawk spreads its wings, Zhuangzi describes in his famous work that “In the northern ocean there is a fish, called the *k'un*, I do not know how many thousand li in size. This *k'un* changes into a bird, called the *p'eng*. Its back is I do not know how many thousand li in breadth. When it is moved, it flies, its wings obscuring the sky like clouds... in the Records of Marvels we read that when the *p'eng* flies southwards, the water is smitten for a space of three thousand li around, while the bird itself mounts upon a great wind to a height of ninety thousand li, for a flight of six months' duration.” See Zhuangzi, *A Happy Excursion* (《逍遥游》), translated by LIN Yutang, available at: <http://www.edepot.com/taochuang.html>, Sep. 30, 2014.

can be fairly expected that not only such institution would benefit the developing countries in a way that the IMF and the World Bank have never provided, and also that the North would face again more severe pressure to undertake the reform of the existed financial order. Either way, it is a huge progress in the construction of a fairer financial order. To take a step further, one can even reasonably predict, when the comprehensive power of the Global South continues to grow and accumulate, their ability to participate in the institutional competition with the North would also enhance, making the future of South-South Cooperation even more optimistic.

Thirdly, China as a developing country has never changed its attitude towards the SSC career, and its relating efforts have been rather persistent, regardless of the actual ups and downs in the performance of this collective strategy, which is the natural development course of Justice historical career/phenomenon anyhow. With its comprehensive national strength keeping rising, China will certainly be more and more capable of playing her role as a driving force and firm mainstays in the course of SSC. Such confidence and capability should be dispersed among and shared by the many South brother countries, who are still fighting for a fairer and more equitable international environment for development.

Fourthly, for the past half century, despite all the difficulties and hardness, the global South-South Cooperation within the international economic field has persistently and consistently been fighting to achieve its “decrees of Heaven”. If we take the initiative of establishing the Group of 77 as to organize collective struggle against the unfair post-war international economic order, for present day after five decades have elapsed, with the comprehensive strength of the South group enhancing sustainably, SSC will show more and more activity and capability to launch cooperation within South countries, which would then form a competitive propellant to reform and refine traditional South-North struggle and South-North cooperation.

CONTRIBUTION TO THE GROUP 77 50TH ANNIVERSARY

As the international community is commemorating the 50th anniversary of the G77, one can only commend the fortitude and dedication with which this Group has fought for the common interest of the countries of the South and brought to the fore their development perspectives and concerns. The Group is praised for harmonizing developing countries' position on global issues and serving as a platform for actions to influence the international development agenda.

At this juncture, the Group is poised to face an even more challenging period ahead. The ability of accommodating the diverse needs and preferences of member countries and the leverage for influencing the international development agenda remain a daunting challenge.

Today, fifty years after its launch, accomplishments of the Group are visible beyond any doubt. There were, however, many unmet goals and disappointments. Globalization, while bringing many new windows of opportunity especially for the developed North, has exacerbated income disparity, accentuated uncertainty and eroded policy space in many developing countries.

Great many hurdles in terms of restrictive trade measures need to be addressed in order to improve the long-term growth prospects in the South, as many rich-countries' markets are still not freely accessible to developing countries' exports.

The new rules of the game under the World Trade Organization (WTO) are trespassing on domestic policies such as tax systems, subsidies, industrial policy, investment promotion and environmental standards. The Agreement on Intellectual Property Rights (TRIPS), in particular, represents a major constraint for poor countries to access knowledge and adapt the technologies used in advanced countries.

Overall WTO's rules produced weak results for small developing countries and were more attentive to the interest of developed nations. Other decisions that shape the future of developing nations are still taken in contexts that are not compatible with the circumstances and capabilities of these nations.

* Director General and Chairman of the Board of Directors, The Arab Fund for Economic and Social Development

The developing countries and especially the poor nations are still vulnerable to world economic crises and international shocks, and are not well equipped to deal with their consequences. The subprime mortgage crisis, which was nurtured by financial globalization and ill-regulated finance, emerged in the banking systems of developed countries and extended beyond these countries' borders to cost poor nations dearly in terms of lower growth and more unemployment and poverty. Similarly, the repetitive surges in food prices and the protracted international food crises have sent scores of people in poor nations into deprivation and abject poverty. Still fresh in the minds is the initiative to convert corn to ethanol (Biofuel), which has engendered big hikes in the international price of corn borne mostly by developing countries.

The Group needs to work for better globalization and for new economic order that is more mindful of economic development and domestic policy objectives in developing countries such as growth, employment and social equity. It should also strive to reverse the recent trends where domestic policies have become subservient to global policies.

The most fundamental change that is needed to ensure that the new economic order works as it should for developing countries is the *modus operandi* of international institutions and multilateral negotiations. In this regard, the Group should contribute to the effort of improving the decision-making process and reforming the system of voting in international institutions towards greater transparency and openness to make them more responsive to concerns of developing countries, especially the least developed amongst them.

The Group needs to move vigorously in a number of areas. First, the international trade system is still uneven and unfair, and is far from achieving development-friendly outcomes for poor nations. Correcting the actual imbalances between the actual trade arrangements and the domestic policy goals of developing countries is paramount.

Also echoing previously formulated plights, the issue of labor migration to the developed countries still remains an uncharted territory for globalization. Temporary work visa schemes for potential migrants represent a great window of opportunity to reduce poverty and unemployment, in the developing countries.

The third area that needs to be addressed is economic instability. Poor nations tend to be hurt disproportionately by any global economic instability and international shocks. From this premise the Group should reinvigorate its efforts of preventing the imbalances from aggravating economic cycles in the developing countries. There must be better mechanisms to alleviate the impact of global economic instability and international shocks.

Finally, a number of issues require more effort from the Group and need concerted action by the global community to develop common strategies.

These include global warming and other environmental concerns of relevance to the world at large. Water shortages, food security, air pollution, desertification, increasing land salinity and declining agriculture productivity are among the many concerns that developing countries cannot deal with single-handedly but need strong international resolve and the concerted action by all nations.

THE GLOBAL SOUTH IN THE NEW INTERNATIONAL DISORDER: THE IDEA OF A SHARED SOCIETY

As it is widely known, international order has been changing its structure and characteristic traits as from the end of the Second World War, making international organizations, including NATO, revamp their own structures.

Present day global conflicts, especially the outbreak of the Russian-Ukrainian crisis, have led analysts to a discussion of a Second Cold War seen as a repetition of the East-West conflict which characterized the second half of the last century.

I believe that at this stage we should be clear in terms of the vocabulary used. The expression *Cold War* was first coined and used by George Orwell back in 1945 after reflecting on the new global balance established after the explosion of the nuclear bombs. This expression was subsequently used by the American journalist Walter Lippmann when referring to the American – Soviet Union antagonism. It described, though, a historical background quintessentially different to the present one.

As a historian, on the other hand, I cannot but underscore the fact that the expression *Second Cold War* was used to describe the period of new tensions between Moscow and Washington in the early 1980s. So, I maintain that this paradigm should be confined definitively to the academic debate.

The end of the intrinsically bipolar system which the cold war had nourished was heralded by some analysts across the world as the final victory of the capitalist-liberal model perfectly represented by the *American way of life*, its value system and general *weltanschauung*. American political analyst Francis Fukuyama interpreted this thesis effectively describing the new historical background viewed as a paradoxical end of history.¹

Still other analysts have forwarded a rather different interpretation. Marxist historian Eric Hobsbawm² and French Pierre Lellouche³, from two radical-

* Professor, International University for Languages and Media, Milan, Italy

¹ Fukuyama, F., *The end of history and the last man*, New York, Free press, 1992.

² Hobsbawm, E., *Age of Extremes. The Short Twentieth century, 1914–1918*, London, Michael Joseph, 1994, 558–585.

³ Lellouche, P., *Le nouveau monde: de l'ordre de Yalta au désordre des les nations*, Paris, Grasset, 1992.

ly different viewpoints, have outlined a rather bleak post-cold war scenario characterized by a chaotic and dangerous international disorder.

Another American political analyst, Samuel Huntington used the expression *clash of civilizations* to describe instead the international reality increasingly characterized by conflicts and contentions among different ethnic groups and civilization in competition. This is a multifaceted world consisting of different realities tending to agglomerate on bases of affinity and commonly shared values because belonging to the same civilization.

Though considering such historical reality as complex and therefore not attributing it to just one cause, I believe that the best expression to describe the present day international conflict is the one Huntington came up with.

If ever, I would simply like to add another element to this definition – conflict of identity. In my opinion, it is a crucial point to defining the collocation *clash of civilization*. I must underline that I agree by and large with scholars who define the word *identity* as *poisonous*⁴ due to its inherent tendency to give birth to separate, impermeable and tightly-knit groups. There are also other questions of a more theoretical nature which cannot be ignored.

In terms of practicality, we run the risk that the *identity question* might be used to set new barriers and walls sparking further conflicts and contrasts. Using it as a political myth – as French intellectual Georges Sorel put it – to mobilise the masses (or, if you prefer, the individuals constituting a community), identity is a weapon of extraordinary effectiveness.

However, the issue at hand does not concern identity itself (along with its implicit limits), but the way in which it is carried out.

At this stage, I would like to express some general considerations stemming from a rather interesting elaboration of this idea by the so-called Club de Madrid⁵, an international forum of former presidents and prime ministers from different democratic countries worldwide.

The abovementioned international organisation has defined a new concept of society, namely, that of a *shared society*, representing numerous appealing elements. This model of society heaves in sight as a hope, perhaps little, for a different international community. Stefano Prato has defined it as *a notion of society where all individuals and constituent groups hold status as contributing participants, free to express their differences while integrating their voices within the broader population*.⁶

This is a notion which first and foremost implies a rejection of the idea of modernity as a process of standardisation of countries and populations across the world on the basis of a common-value system promoted by eco-

⁴ Remotti, F., *L'ossessione identitaria*, Roma-Bari, Laterza, 2010, p. xii.

⁵ See <http://www.clubmadrid.org/>

⁶ Prato, S., *Shared Society: A new approach to planetary convivencia*, Development, vol. 57, 1, 2004, 1.

nomic, social and cultural patterns of neoliberalism. Such definition rejects traditional approaches to the problem of migration and integration, referring to the English multiculturalism and the French model of assimilation alike.

In this direction, the proposal of the *Club de Madrid* can be considered as a third way, a new vision, a new idea of society and modernity where all nations can live together, sharing a common sense of belonging and maintaining their own identities. This stance has been expressed through *the ten commitments for a shared society*⁷ which reflect the problem of social cohesion; equal opportunities for minorities and groups on the fringe of society; legality and human rights protection; the importance of education and educational system; respect and safeguarding of cultural, economic, social, religious diversity, etc.⁸

This is, undoubtedly, a particularly problematic challenge set against the complex backdrop of the present era. It is a challenge concerning the international community, implying a general revamp of its structure, role and functions of international organisations, as well. On the other hand, this question involves the so-called *South of the world*, its relationship with traditionally more advanced countries and among the same nations falling in the heterogeneous group of “Southern Countries”. If considered from this point of view, relations to far distant historical backgrounds such as that of the Cold War become apparent. Considering these problems, it appears most urgent to develop new strategies and a new conceptual definition.

I believe it is useful now to highlight briefly the following crucial points:

⁷ I. Locating responsibility to ensure the promotion of social cohesion clearly within government structures. II. Create opportunities for minorities and marginalized groups and communities to be consulted about their needs and their perception of the responsiveness of state and community structures to meet those needs. III. Ensure that social cohesion is considered in devising governance structures, policy formation and policy implementation and establish procedures and mechanisms to ensure this is achieved and to reconcile divergent positions between sectional interests. IV. Ensure the legal framework protects the rights of the individual and prohibits discrimination based on ethnic, religious, gender or cultural difference. V. Take steps to deal with economic disadvantages faced by sections of society who are discriminated against, and ensure equal access to opportunities and resources. VI. Ensure that physical environments create opportunities for, rather than discourage social interaction. VII. Ensure an education system that offers equal opportunity for developing the knowledge, skills, capacities and networks necessary for children to become productive, engaged members of society and that demonstrates a commitment to a shared society and educates children to understand and respect others. VIII. Initiate a process to encourage the creation of a shared vision of society at local and national level. IX. Promote respect, understanding and appreciation of cultural, religious and ethnic diversity and support local communities in exploring their identity, sharing their experiences with other identity groups and working together with those groups on common concerns. X. Take steps to reduce tensions and hostility between communities and ensure members of all communities are protected from abuse, intimidation and violence.

⁸ McCartney, C., *Interrogating Shared Societies Through Practice and Theory*, Development, vol. 57, 1, 2014, 8-14.

1. The role of the nation state. After the Second World War two fundamentally divergent and opposed tendencies appeared transforming the role of nation state: on the one hand, there were supranational bodies with judicial, political, economic and financial capacities; on the other, there was the emergence of local actors such as small states and nations claiming and attaining larger autonomy, thus producing fragmentation. So, these two tendencies reduced sovereignty and bearing capacities of nation states on local groups within the individual state borders.
2. The role of national identities in triggering numerous conflicts within traditionally multiethnic communities featuring cultural and religious pluralism. We can mention many cases but I think that the dismemberment process of ex-Yugoslavia suffices.
3. As a result, the need to develop a broader concept of belonging and a new identity building process underway has been forwarded. Of course, the hypothesis of "open identity" is undoubtedly a paradox but it derives from an approach which several sociologists have defined as constructivist referring to national belonging – in other words, capable to dynamically follow the unfolding of history. So, identity is intended as something in constant progress, as something to be built day by day, and open to contributions from other people and communities. This seems to be a crucial point for building of identity and supranational feelings as in the case of Europe. I would add that this is certainly one of the most difficult problems of the European unification process.
4. This argumentation, however, seems to have its own limitations. For instance, it brings along the apparently insurmountable difficulty to define a common system of shared values for all nations and cultures worldwide. The very same idea of universal values is deeply rooted in the culture of the Western countries, and because of this, it is perceived by other civilisations as simply western and therefore as a pattern to be rejected.

To sum up, the attempts to establish a broader base of consensus at a level of common values have been fruitful so far (not without difficulties, obviously) in cases of integration on a regional basis as in case of Europe. That is, regional areas intertwined – to use Huntington's words – because of mutual recognition of belonging to the same civilisation. But, if we want an international society, or a *shared society* as the *Club de Madrid* has put it, it will take extraordinary efforts to keep state borders constantly open, permeable and, at the same time build structures and bodies capable of restraining and keeping all conflicts within a well-structured system of rules.

As the southern part of the world has traditionally been made up of very different countries displaying very different cultural patterns belonging to different identities and distant from one another – when considering the new shape of the South in a globalised world – the final question to discuss about is what contribute the South of the world itself can give to this new model of society and to what extent.

IN DEFENCE OF SPECIAL PROCEDURES OF THE HUMAN RIGHTS COUNCIL: AN ALTERNATIVE NARRATIVE FROM THE SOUTH

With the end of the East-West confrontation in the late 'eighties of last century, human rights have become essentially, though not exclusively, a subject for North-South interaction.

Discussions on this theme take place in the confined atmosphere of the UN glass building of Manhattan or of the Palais des Nations in Geneva. Its actors are the international elite of diplomats, NGO representatives mainly headquartered in the West and exhibiting every now and then the odd petitioner from the field, selected by them to make their point.

Human rights are about values. Unfortunately they have to do increasingly with politics both in the UN conference rooms and in the field where opposition groups invoke or manipulate them to help them access power.

The SPMHs were set up at the initiative of developing countries back in the 'sixties of last century. Their purpose was and remains to link the UN ivory towers with the reality on the ground, to protect victims of human rights violation and to promote human rights worldwide.

The developing countries took this initiative in the context of protecting the black majority in South Africa against the *apartheid* regime, the Palestinians under Israeli occupation and later to address the plight of victims of the military coup in Chile and of the "Death Brigades" in Argentina. Western countries, which had been reluctant in earlier phases, then resorted to this mechanism in order to destabilize the Communist countries. After the fall of the Berlin Wall, the focus turned increasingly on developing countries. This explains why today most of the activities of SPMHs¹ target countries of the South. These therefore have a special interest in enhancing the independence, impartiality and accountability of the mechanism of special procedures and in preventing their mandates from being derailed.

There are currently about 60 thematic experts of which half are working individually while the other half are part of 5-member working groups. In addition there are 14 country experts of which 8 have been appointed without the consent of the concerned country. Because of their sensitivity, country mandates have a one-year duration while thematic ones last three years.

* Ambassador, Permanent Representative of Algeria to UN in Geneva

¹ Special Procedures mandate-holders

Two-thirds of the country mandates target African or OIC member countries. Western countries which are particularly keen on country mandate have tried, unsuccessfully so far, to extend their duration to align them with that of thematic mandates. While being “special” initially in the sense of being an exception and not a precedent, the numbers of Special Procedures have been increasing ever since.

It is important to keep in mind this genesis of special procedures because there is a tendency today to consider that Western countries are the creators and guardians of human rights and of their special procedures. The implicit inference is that only initiatives emanating from these countries or from international NGOs headquartered in Western capitals, have the legitimacy to determine how SPMHs should exercise their mandate and what amendments to the mechanism can be legitimately discussed in the Human Rights Council.

These actors have an overbearing influence on world media. They have used it to discredit any initiative coming from the South aimed at improving this mechanism. They claim that any such initiative is necessarily guided by hidden ulterior motives whose ultimate purpose is to undermine the independence of the Special Procedures so as to whitewash human rights violations back home.

This blanket accusation is in reality intended to silence any dissent from the politically correct Western view of the human rights machinery. It is a form of intimidation which undermines the freedom of opinion and expression of many independent intellectuals from the South. I will not be deterred and therefore propose another narrative that I would call: “In defence of special procedures: an alternative narrative from the South”.

My remarks have the purpose of increasing the efficiency and effectiveness of SPMHs so as to enhance their status and credibility. They will cover five key areas: 1) the selection of mandate holders, 2) the unfinished review, rationalization and improvement of mandates, 3) the cooperation between States and Special Procedures, 4) the issue of accountability of Special Procedures and 5) the North-South convergence on funding.

I. SELECTION OF MANDATE-HOLDERS

Under the former Commission on Human Rights, the procedure for appointment of mandate-holders was particularly obscure. They would be selected by the Chair of the Commission after consulting the Bureau but without having to get the approval of its members. The selected names were then presented as a panel to be endorsed by the Council. As the Chair rotated annually between different regional groups, the beneficiaries of this opaqueness claimed that it gave each region the chance to put forward its preferred candidates. The developing countries realized however that this opaque system favoured backroom dealings in which influential representatives of rich countries had the last word.

During the discussion on the elaboration of the Institutional Building Text² of the Human Rights Council they therefore insisted on the introduction of more transparency in the procedure.

Developing countries would have preferred a straight election of mandate-holders by the Council, following the example of the Treaty Bodies which appoint mandate-holders democratically. However that option was opposed by Western countries. The compromise reached was to let the President of the Council continue to present his list of candidates but to be chosen from the names put forward by a Consultative Group composed of diplomats from the 5 regions recognized by the Council. The Group in turn would make its selection based on a broad list of candidates drawn up by the Office of the High Commissioner for Human Rights. The President would then submit his panel for endorsement by the Council.

It was not clear if the Consultative Group would present one or more candidates for each vacancy or in the case where it did, whether the President was duty-bound to observe the priorities set by the Consultative Group in making his/her panel proposal to the Council. Incidents followed in the interpretation of this language. This led the developing countries to insist during the review process of 2010–2011 in the HRC³ for the President to have to justify the reasons for not following the priorities of the Consultative Group if he considers it imperative not to do so.

While there is broad agreement in the Council on the importance of protecting the independence of mandate-holders, views differ on its implications. In the North, there is support for the untrammelled exercise of their mandates by these officials whose only limits would be those dictated by their conscience. In the South where most of the action of Special Procedures takes place, it is believed that these officials should pursue their action within the bounds of their mandate, that of the mandate of the Human Rights Council and of the UN Charter. It is also emphasized that mandate-holders should observe national laws in countries during official visits.

The implications of the notion of independence of Special Procedures need to be clarified though it is not obvious that all groups in the Council have the same interest in clarity in this respect. It remains that for developing countries independence should not be equated with unaccountability.

II. THE UNFINISHED REVIEW, RATIONALIZATION AND IMPROVEMENT OF MANDATES

The Institutional Building Text of the Council mandates the latter “where necessary (to) improve and rationalize all mandates (...) in order to maintain a system of special procedures”.

² UN General Assembly resolution 60/251

³ Human Rights Council

Western countries have been reluctant to proceed lest this open the Pandora box and give an opportunity for developing countries to call into question some thematic mandates on civil and political rights and some politically hot country mandates.

There is now a haphazard superimposition of special procedures each costing over half a million dollars a year and which at the present rate might exceed a hundred mandates and therefore many more mandate-holders in 15 years' time. This cannot be reconciled with the complaints reiterated by the High Commissioner that the activities of his Office are not properly funded. Nor can it be in coherence with the Institutional Building Text which calls on the Council to "maintain a system" and not an open-ended accumulation of special procedures.

Duplications and overlaps are perforce abundant in the current heap of Special Procedures. Thus CEDAW has defined violence against women as a form of discrimination. Yet there are two different mandates dealing with violence against women on the one hand and discrimination against women on the other hand! Likewise there are two special mandates dealing respectively with trafficking of women and children and with contemporary forms of slavery including the sale of children etc...Other examples abound.

It is high time the HRC set up a working group to:

- draw up a list of criteria to scan initiatives for the creation of new special procedures
- review the detailed mandates of each special procedure to eliminate duplication or consolidate them with others as appropriate
- to establish rules to determine whether mandates should be addressed by a working group or by a mandate-holder
- to determine how best to deal with protection gaps
- to make the distinction between titles of mandate-holders meaningful, specially for thematic mandates.

III. COOPERATION BETWEEN STATES AND SPECIAL PROCEDURES

There is a continuing problem with the unsatisfactory rate of response of developing States to requests of Special Procedures for visits and to letters of allegations of human rights violations on which mandate-holders ask governments for explanations. Western countries suggest that pressure should be exercised on States to get them to be more responsive. It was even suggested that delinquent states should be barred from applying for HRC membership.

Relations between Special Procedures and such States then become tense. Contrary to mandate-holders of Treaty Bodies, the HRC Special Procedures are entitled to call States to account on issues involving standards of legal instruments to which they have not adhered. States can also be requested to

take a position on allegations which are *sub judiciae* or to commit to legislation which is not within the competence of the Executive. Finally the west-phalian concept of sovereignty is particularly strong in developing countries whose independence may not have been acquired painlessly. They may resent what some construe as interference in their internal affairs.

The task of a mandate-holder is therefore a delicate exercise and it is important that channels of communication be not interrupted with developing States except for the most extreme cases. The latter should not determine the standards to be applied by SPMHs to the majority of delinquent States. The 2011 GA resolution on the 2010-2011 Review of the work and functioning of the HRC emphasized that "The special procedures mandate-holders SHALL continue to foster a constructive dialogue with States". This means doing more than just sending registered letters, reminders or requests for additional information as the Manual of Operations of Special Procedures Mandate-Holders, the manual of self-regulation of the Coordinating Committee of Special Procedures, defines this "constructive dialogue".

The HRC should commission an independent enquiry on the reasons for delinquency given by states and ask the CCSP to comment thereon. The Council could then try to offer viable solutions, including through identifying sources for financing capacity- building for resource deficient developing countries in need.

IV. ACCOUNTABILITY OF SPECIAL PROCEDURES

Northern sources have challenged the claim of developing countries that Special Procedures are accountable to the Human Rights Council for the discharge of their mandate, as an attack on their independence.

Yet in contemporary society there is no such thing as responsibility without accountability. This is why the African Group in the HRC insisted on including a Code of Conduct for Special Procedures Mandate-Holders in the IB text in 2006 and on voting for the adoption of the Code in which it was unambiguously asserted that "In the fulfilment of their mandates, mandate-holders are accountable to the HRC". Contrary to the assertions of major western NGOs, far from being "hobbled" by the adoption of this code, the mandate-holders were thereby given increased recognition by States and their credibility was enhanced. In the review process of the IB text in 2011, not a single criticism was made of the way the code had been used contrary to western forebodings to the effect that there would be widespread misuse of the Code.

In the same spirit, the developing countries presented during the review process in 2011 a proposal for independent legal expertise. This body would provide its legal opinion on an advisory basis. This opinion would be offered on disagreements on procedure between Special Procedures and States. The legal opinion would be given to the parties to the dispute, and if need be, to

the Council. The developed countries refused to even discuss this proposal. Thus an opportunity was lost to rid the Council of discussions on procedural issues at the expense of action on issues of protection of victims of human rights violations.

Because of this situation, Issues that arise in real life on procedure and that could set important precedents for the future remain without solution. Here are a few examples:

- Can special procedures decide, off their own accord, to substitute at a given session a study on a subject they deem important instead of a report that the HRC mandated them to present at the same session?
- Can a special procedure oppose publicly, without having been asked for his opinion, a draft resolution initiated by member-States in the Council?
- The Code indicates that “the Council should be the first recipient of conclusions and recommendations addressed to this body” by special procedures. Does this also cover fact-finding missions appointed by the Council and which tend to report on hot subjects first to the UNGA in New York?
- Should not special procedures report directly to the Council on conclusions and recommendations of studies they carry out at their own initiative or at the request of other UN bodies and that they have submitted to the latter?

It is hoped that there will be a resumption of discussions on the proposal for setting up an independent advisory body of jurists some time in the future. Pending that, it might be helpful for representatives of the 5 regions that are members of the Council to meet informally, at regular intervals, with the Coordinating Committee of Special Procedures to exchange views on such procedural issues. They could for instance review the possibility of making the Manual of Operations of Special Procedures more fully reflective of the letter and spirit of the Code of Conduct with respect to relations between Special Procedures and States. They could also find out whether some understanding could be reached on procedural issues of general interest such as those alluded to above. It is essentially a matter of good will. This would be a concrete expression of the “constructive dialogue” that the 2011 UN, a taskGA resolution on the Review of the work and functions of the HRC called on the Special Procedures to “foster...with States”.

V. THE NORTH-SOUTH CONVERGENCE ON FUNDING

Countries from the North and from the South all agree on the necessity to give SPMHs adequate resources to pursue their noble task, a task which is essential for establishing a link between world fora where human rights are discussed and the field where things really happen. Both partners advocate an increase in the resources to be made available to them.

The North advocates specially an increase in resources, whether from the regular budget or from voluntary contributions, to be allocated to Special Rapporteurs in charge of country mandates .

The South would prefer a gradual substitution of voluntary contributions by budgetary resources and more focus on the importance of providing resources for a fund that could finance capacity-building in the context of country mandates as well as for thematic mandates.

In the Manual of Operations of Special Procedures of the Council, para.11, the mandate-holders authorize themselves to raise resources, financial or otherwise, from unidentified outside sources without having to report thereon to the Council. This is a real threat to their independence contrary to what the Manual says. Mandate-holders should immediately be instructed by the Council to report to it every year on the resources received in cash or in kind from outside sources to be identified, pending the suppression of this para. from the Manual. The OHCHR should thereafter take over fully this fund-raising mission and report on it to the Council.

Finally, because of resource shortages, some Special Procedures have been fanned out to divisions of the Office other than the Special Procedures Branch. The availability of resources in those divisions might not adjust with the priorities of the task of mandate-holders.

It is therefore suggested that all special procedures be regrouped in the Special Procedures Branch pending the establishment of a separate unit for special procedures with their own separate resources under the administrative control of the OHCHR.

THE GLOBAL SOUTH: THE NEXT HALF CENTUR

THE PAST: IN THE SHADOW OF THE WEST

The Bretton Woods Conference that established the post-World-War II economic order is 70 years old this year. The Global South is just reaching its half-century mark. The reason for the rise of the latter is the failure of the former.

The global economic system for the post-world-war-II world was designed by the big powers at a conference held in 1944 in the New Hampshire resort of Bretton Woods. That conference, held one year before the 1945 San Francisco conference that created the UN, was devoted to the post-war economic regime that would govern international economic, financial and trade relations. The result was the creation of the International Monetary Fund (IMF), the World Bank and the International Trade Organization (ITO). That system was designed by the victorious allies of the global conflict, the dominant colonial powers of that era. It served their interests and was governed by them. The Soviet Union opting for the confrontational posture of the Cold War refused to join the system, until the Union's demise in 1991.

The ITO was not approved by the US senate and so it was first born as a provisional treaty named the General Agreement on Tariffs and Trade (GATT) to be finally renamed the WTO only in January 1995, but still doing very much the same function as globalization came to dominate the economic agenda of the end of the 20th century.

Although most people in the world, and specifically the people of the Global South, recognize that the UN with its slanted membership powers in the Security Council needs to be reformed, it was primarily in the Bretton Woods System that the feeling of marginalization by the non-western powers was most acute.

The Global South, a term that emerged in the sixties was the inheritor of the "Third World" and was globally manifested politically in two groupings both of which were formed some fifty years ago: The Group of 77 which celebrates its 50 years in 2014, and the Non-Aligned Movement which celebrated its 50 years in 2011.

In 1974, the countries of the Global South tried to push through the General Assembly of the United Nations a "New International Economic Order"

(NIEO), which was composed of a set of proposals to promote their interests by improving their terms of trade, increasing development assistance, developed-country tariff reductions, and other means. It was meant to be a revision of the international economic system in favor of the poor countries. "The Declaration for the Establishment of a New International Economic Order", was adopted by the United Nations General Assembly in 1974, and referred to a wide range of trade, financial, commodity, and debt-related issues (1 May 1974, A/RES/S-6/3201). Along with the declaration, a "Programme of Action" and a "Charter of Economic Rights and Duties of States" were also adopted (12 December 1974, A/RES/29/3281). This was the most complete effort of the countries of the Global South to overhaul the Bretton Woods System. It failed to have any impact. Beyond the flaws in the document (such as advocacy of central planning, then much in vogue), Western opposition completely killed it. The US and its allies were too powerful.

On the whole then, while decolonization was successfully completed in the post war period and through the sixties, and despite the many demands of the developing countries, the post war world economic order remained largely unchanged.

Looking at the second half of the 20th century, one sees that the political momentum of the victorious allies as the founding democracies in the world, fighting authoritarianism, plus their enormous wealth and the success of the welfare state in raising the standard of living of their citizens all made the post-war order seem acceptable to many, if not most, of the world. The G-7 group of western powers, victorious in the cold-war with the collapse of the Soviet Union in 1991, and then the expansion of democracy and the entry of the former socialist states of Eastern Europe into the European Union and NATO seemed to seal the success of the west and ensure that the coming 21st century would see more of the same. But things have not worked out that way.

BREAKING THE CHAINS: FROM NICs TO BRICS

The Global South, representing almost 80% of humanity would rise again in the beginning of the 21st century. First we witnessed the emergence of the Newly Industrialized Countries (the NICs) in the 1980s, as Korea, Taiwan, Hong Kong and Singapore were aptly recognized as the Asian Tigers. Korea, one of the poorest countries in the 1950s was now exporting automobiles and electronics to the USA. Soon Samsung would overtake Sony of Japan and Korea would rank third after the USA and Japan in the number of patents, ahead of the UK, France and even Germany. Mexico, Korea and Chile as well as the Eastern Europeans joined the Organization for Economic Cooperation and Development (OECD), the club of the rich countries established in 1960.

By the beginning of the 21st century these success stories were overtaken by the biggest success story of all: China's unstoppable rise to dominate much of manufacturing and to become the second largest economy in the world.

China became the holder of the world's largest reserves, and Asia generally withstood the debt and credit crisis of 2007-2008 which struck western banks. The enormous meltdown resulted in a major burden on the western powers. Their economies reeling, their citizens rebellious and dissatisfied, the western powers seemed off-balance and unable to cope, much less to lead. Politically and militarily the US seemed to have alienated everybody with its wars in Iraq and Afghanistan. Against that background, the surging China seemed to offer another model that suddenly appeared to many to be a possible alternative to the liberal economics and democratic politics of the West.

Already from the beginning of the century, the G-7 enlarged its consultations creating the G-20. But countering the G-7 there emerged the BRICS: Brazil, Russia, India, China and South Africa, all being distinguished by their large, fastgrowing economies and significant influence on regional and global affairs, and they are all G-20 members. These countries have started to build their own institutions in parallel to the Bretton Woods institutions.

Noting that the international institutions (the World Bank and the IMF) did not provide enough voting power to the developing countries and over represented the West, the leaders of the five BRICS countries met in Brazil in July 2014 and created a new \$100bn development bank and emergency reserve fund.

The leaders announced that the bank will start with \$50 Billion Capitalization and have its headquarters in Shanghai. The first president for the bank will come from India.

The emergency reserve fund - which was referred to as a "Contingency Reserve Arrangement" - will also have \$100bn, and will help developing nations avoid "short-term liquidity pressures", a clear indication of a parallel role to the IMF. However, it was announced that it would "complement" existing international arrangements".

So as the Global South reaches the half century mark, we can see that some of the mass of the poor countries of the world have clearly pulled ahead, defining themselves on the global stage, and challenging the Western powers' long-standing hegemony. So what is left of the original solidarity that pulled together 80% of the world's population in a group to challenge the economic world order and the institutions that perpetuated the special status of the western countries?

THE CHALLENGES OF THE NEW CENTURY

The configuration of success stories and emerging muscle shows that there shall be no repeat to the G-7 defeat of the New International Economic Order proposal of the last century. It also shows that business as usual for the western powers is over. The palliative of the G-20, while definitely a step in the right direction, is going to be insufficient to respond to the rising aspirations of the poor developing countries.

Twenty five years ago, the South Commission, headed by Julius Nyerere, submitted its report. In that report the Commission considered that the fundamental international cleavage was primarily between the rich and the poor, and defined the basis for grouping the countries of the Global South together as the result of their resolve to pursue united action in the struggle for a fairer international economic system. Today the economic system is changing. And the BRICS can see value in special partnerships with the poorer developing countries of the world, especially in closer ties with Sub-Saharan Africa where an enormous potential remains unexploited.

But does that lay the foundation for the next half century of solidarity? I think not. That is enough for formulating a series of trade deals and possibly for a number of joint ventures, but unless there is a conscious policy that regroups the Global South around a system whereby the poorest and least developed countries will be assisted by the more advanced countries of the Global South, to attain a sustainable development path, that solidarity will remain mostly confined to political rhetoric.

In other words, the solidarity that characterized the countries of the Global South in the last half century was based on being against the postwar order crafted by the western powers. In the next half century it will have to be based on being for something more than what has been achieved. It is infinitely harder to forge a coalition around a positive goal than around a negative goal. Thus in many colonies, a national consensus could be easily forged against the colonizer for the limited goal of independence. The colonized, from extreme leftists to right wing nationalists, despite the various ethnic and religious identities of the nationals, could all agree on the goal of independence. However, when the independent state had to face the choice of what sort of an independent country they wanted to build, these differences emerged.

So the Global South countries have to forge alliances based on their remaining commonalities of interests and their likely new avenues for cooperation. In the tasks of nation building, south-south collaboration will now loom large. This will be essential if we are to transcend the narrow confines of individual nations and pursue a purpose that will seem worthwhile to many. Europe showed the way, when visionary Europeans such as Jean Monnet and Robert Schuman, crafted the European Union, a community of nations, among erstwhile foes and longtime adversaries. The Global South must have such a supra-national perspective, a new "raison d'être" for the countries concerned as they enter their second half century.

MORE THAN AN ECHO OF THE G-20

The Global South must offer more than pure economic issues. The G-20, where the leaders of the Global South already sit, is the pre-eminent economic forum of the planet. The leaders of these countries have been meet-

ing regularly since 2008. The G-20 economies represent around 85% of the Gross World Product (GWP); 80% of world trade. In terms of population, because of the membership of the global south countries, the G-20 accounts for about two-thirds of the world population. So what is the need for an organization of the Global South unless it offers something more than the same G-20 menu?

The countries of the Global South must be willing to become the champions of a profound revision of the legacy of the 20th century economic paradigm, not just the institutions that governed it on the global scale. They must actively promote the development and adoption of an alternative economic paradigm.

The capitalist system, the most creative and productive system devised by humanity, is still in need of a profound humanist critique. There are many people, this author included, who believe that the presence of hunger amidst plenty, and other social problems are NOT a necessary price to pay for the robustness of the economy. Many of us believe that the ruthless allocative efficiency of the market must be tempered by a caring and nurturing society.

Today, many distinguished economists have argued against the current paradigm that deifies GDP growth and pays only lip service to everything else from equity to welfare, from quality of life to environment. Many are still repeating the mantras of the extremists of the Reagan-Thatcher ideology that argued that the private sector would do everything and governs best that governs least.

We must recognize that the private sector will not take care of public goods, and that the public must remain engaged to deal with market failures and public goods.

We must change the calculus of our economics and finance, to internalize the full social and environmental cost of our decisions. Some headway is being made on this at the local level, but we have certainly not even begun to introduce the global costs of local actions at the level of national policy. Carbon emissions continue unabated and are factored as zero costs in investment decisions. We must rectify our national accounts that count a forest standing as zero and give it a positive value only if it is chopped down.

We should measure the growth in our capital stock not just the growth in the volume of our activities. We should be concerned with nurturing natural capital and building human and social capital as much as we are about economic growth.

All of that is possible. It will not diminish the vibrancy of the entrepreneurial spirit, but it will help make new investments environmentally friendly and socially responsible.

But still the *raison d'être* of the Global South in the next half century must be founded on broader values and be woven in a larger vision than reforming the economic paradigm.

A VISION FOR THE GLOBAL SOUTH

The Global South must harness the emerging universal values of our common humanity, and create a coalition of the caring. It must mean something to be a member of the Global South, something more than that you are poor and are against an international economic order that serves the interests of the rich. I believe that the Global South must stand for certain values that should be central to all its members of which the following basic thrusts appear paramount.

FIRST: ENSURE REAL PARTICIPATION IN GLOBAL DECISION MAKING

Problems today confront government beyond their borders. All governments need to collaborate in an effective international machinery of decision-making to take action against environmental problems, the chaotic structure of our markets and the multiple levels and overlapping jurisdictions that govern human action in the world of the 21st century. The leaders of the Global South should help set that agenda inclusively, to avoid others suffering the same marginalization that they suffered from in the last century. They would be the forum that brings in rich and poor countries, large and small economies, to fight poverty and promote sustainable development. Those with dual membership in the Global South and the G-20 can be the voice of those who are absent at the G-20 which still seems wedded to the economic orthodoxy of the past.

SECOND: CREDIBLE MACRO-MANAGEMENT OF THE ECONOMY

The preeminent role of government in setting and maintaining the proper macro-economic fundamentals is essential for any effective growth, as well for a well-functioning competitive economy. The costs of severe austerity measures in a period of limited or zero growth is felt primarily by the poor and destitute. Sound government policies are essential to ensure social equity and welfare, limit market distortions and prevent monopolies. This broad view of the role of government in society encompasses economics but also transcends it.

THIRD: ADVANCEMENT OF SUSTAINABLE DEVELOPMENT

Environment is not just an issue for the rich. It is about every child in every country having a right to clean air, clean water and fertile soils. It is about ensuring that all children should be secure from natural calamities and have

food security throughout their lives. It is about educating girls and empowering women, and ensuring equity in the treatment of all citizens. It is about being conscious of our responsibility to our children and grandchildren. The global South, having the vast majority of the population of the planet has a direct interest in promoting mitigation and adaptive measures that will ensure sustainable development and a secure future for their citizens. The Global South should take the lead in ensuring that such measures are not flouted by the western powers who have been the prime culprits in the past for the imbalances being introduced in our climate and our global ecological systems.

FOURTH: ADVANCEMENT OF GOOD GOVERNANCE

The Global South needs to endorse systematic approaches to the promotion of good governance, under their own guidance, not under western tutelage. Here we are not talking of parliamentary or presidential systems or whether parliament should be bicameral or a single chamber, we are addressing the promotion of principles like transparency, accountability, free expression, free flow of information, participation and the rule of law. In fact, I would argue that western style electoral politics will not be the best answer for many countries where ethnic identities are strong and religious tensions are rife. Possibilities of experimenting with hybrid systems that involve forms of selection other than conventional elections such as sortition and representative sampling should be tried.

FIFTH: FACILITATE THE FLOW OF KNOWLEDGE AND INFORMATION

The future will require more access to open communications and information at a speed that will defy our current thinking and that will exceed most of what we can imagine today. It is not just about availability of information it is also about access to that information. It is also about new forms of free speech and Intellectual Property Rights (IPR) in the merging digital age.

SIXTH: THE PROMOTION OF SCIENCE AND THE VALUES OF SCIENCE

The systematic collaboration of the countries of the Global South for the promotion of capacity building for science, technology and innovation (STI) would be mutually reinforcing to the free flow of information. Science for society is not just to produce consumable technology; it is also about commitment to evidentiary-based regulation, and arbitration of disputes by scientific methods whenever possible.

SEVENTH: PROMOTING INVESTMENT IN HUMAN AND SOCIAL CAPITAL

Education and health and nutrition of persons are a primary competitive asset as well as being the best investment that societies can make; for it is essen-

tial for both equity and economy. But equally important is to strive to build up the shared values, the legitimacy of the institutions of mediation in a society, for that is the essential glue that holds societies together and allows them to function. That is their social capital.

EIGHTH: NURTURE FLEXIBLE INSTITUTIONS

The one common denominator of the global knowledge driven economy of the new millennium is the pace of change itself. The successful, competitive economies of the future, those that will be creating the jobs and the prosperity for their people will be those that ensure the flexibility of their institutions.

ENVOI: TOWARDS A NEW GLOBAL PARADIGM

We need a new global paradigm, and the leaders of the Global South should make it their goal to construct it. They should not look only to their current national economic interests, but also to the interests of all humanity. That is how they will really construct a system that is fundamentally different from the one that prevailed in the last century and that they assembled to fight for its transformation.

The eight points described in the preceding section can and should be reformulated as a set of principles for the Global South in its next half century. I think that such a declaration of principles and objectives has the capacity to harness the potential of the rapidly evolving and diversifying South-South cooperation. It has the capacity to inspire national and international visions and give meaning to actions by the countries of the Global south from the largest to the smallest. It has the ability to forge effective bonds between these disparate countries that are very different from what has prevailed in traditional North-South economic dealings.

I believe that these are some of the elements that can rally the developing countries that belong to the Global South into a meaningful unity of action despite their great diversity. That action needs such a platform of basic principles and objectives, which perhaps could even be formulated as a "Charter of the Global South" that can have a lasting value and contribute to the struggle to build a better world for the entire human family, as we promote a culture of peace, justice and sustainable development for all.

SOUTH-SOUTH COOPERATION: AN OPPORTUNITY FOR THE SOUTH TO CHANGE THE WORLD ECONOMIC AND POLITICAL ORDER

THE SETTING

For five decades, South-South cooperation (SSC) has been an orphan of the international development agenda, in the shadow of North-South cooperation.

This has not been due to a lack of knowing what needs to be done, wanting and trying. Indeed, in terms of conceptualization, declarations, blueprints, plans of action, initiatives and political enthusiasm for South-South cooperation, the record has been more than satisfactory. Many of these, however, have remained in the domain of declaration because they could not be or failed to be translated into action and tangible advances. The reasons for this have been many and complex. In the paragraphs that follow, an attempt is made to highlight the major reasons, as an important background that needs to be taken into account in the consideration of how South-South cooperation is to be transformed into a major factor and driving force of the evolving world order.

IMPORTANT JUNCTURES

In addition to in essence being an important dimension of the developing countries' quest to develop and diversify their economies, South-South cooperation is a political project of emancipation, liberation, political and economic independence, of transcending the unidirectional links with the North and vestiges of the colonial era, and one of gaining influence and voice in world affairs by pooling forces and acting collectively.

It was the UN Economic Commission for Latin America (ECLA), led by Raúl Prebisch, which laid the first foundation stone of South-South cooperation through its work and promotion of regional economic integration, inspired by the early integration efforts in the European Coal and Steel Community (ECSC). This initial conceptualization based on Latin American experience was transposed to the global level at the 1964 UN Conference on Trade and Development (UNCTAD) whose Final Act highlighted regional cooperation and integration goals. Indeed, the Secretariat of the newly estab-

* ECPD Expert, Geneva, Switzerland

lished UNCTAD, headed by Prebisch, had a very active Unit on regional integration, which helped give rise to several sub-regional undertakings in different parts of the South.

In practice, however, many of these undertakings encountered difficulties and obstacles. The East African Community, for example, had to be dissolved because of tensions that arose among its members due to problems of reconciling their national interests, policy outlooks and orientations vis-à-vis the competing global powers, and also given the nature of their own national economies. Nonetheless, SSC had political winds blowing in its sails, especially during the decade of the New International Economic Order (NIEO), when a number of initiatives were launched, including the OPEC oil-prices decisions, and two important conferences were held, the UN Conference on Technical Cooperation among Developing Countries (TCDC), held in Buenos Aires in 1978, and the G77 High Level Conference on Economic Cooperation among Developing Countries (ECDC), held with the support of UNCTAD in Caracas in 1981, which adopted a wide ranging Programme of Action.

The last political and substantive “hurrah” of this period, so to say, was the chapter on South-South cooperation in the South Commission Report “The Challenge to the South”, launched in 1990. This Chapter remains an authoritative and comprehensive analysis and detailed plan of action for South-South cooperation.

Regrettably, in addition to the objective difficulties that many plans, programmes and actions came upon against in practice, for example in the case of the General System of Trade Preferences (GSTP), South-South cooperation was also negatively affected by the changing fortunes of the United Nations, UNCTAD in particular.

It was also affected by the unilateral discontinuance of the international development dialogue by the North following the shift in its attitude and strategy, formally announced at the 1981 Cancun North-South Summit. This change was a consequence of the conservative forces prevailing in the two key powers, bent on neutralizing the challenge from the South and determined to control and shape the international development agenda on their own terms. The weakening of the developmental role of the state, the marginalization of the public sector and enterprises, the discrediting of economic planning and the ascendance of pragmatism and opportunism in policies and actions of individual developing countries did away with some of the important elements needed to launch and sustain South-South cooperation efforts.

Part and parcel of the North’s new, across-the-board, “Cold War” approach vis-à-vis the developing countries and their objectives covered also South-South cooperation. Symbolically, the rather small and underpowered UNCTAD Unit on ECDC, established in 1985 to energize the follow-up of the

1981 Caracas High Level Conference on ECDC, was abolished as part of the “restructuring” approved at UNCTAD VIII, in Cartagena in 1992. An anecdotal example of the anti-SSC drive during this period of the high tide of the neo-liberal globalization involved a country of Central America. It was requested by the Bretton Woods institutions, as a conditionality of a debt restructuring package it was negotiating, to work on weakening the Central American Common Market (CACM), an early South-South integration effort launched in 1960.

In general, the North’s multilateral interlocutor of the Group of 77, Group B, while paying lip service in public to South-South cooperation and integration efforts, did not show the willingness to help, let alone promote such activities and was openly hostile towards and worked to undermine the developing countries’ group action at the global level.

The World Bank and regional development banks did not show readiness to support projects of South-South cooperation that involved two or more developing countries. South-South cooperation, as a term and concept, was considered politically provocative and frowned upon by the developed countries in the United Nations. This attitude, which was always present below the surface and well-camouflaged, came into the open during the neo-liberal globalization era. Joint actions by the developing countries were characterized as their “ganging up on us”, seen as a systemic threat, and considered as something that had to be resisted, undermined and fought against. The repeated G77 demands for a UN conference on South-South cooperation were blocked by the North year after year on the spurious grounds that too many UN conferences were being held. Significantly, following the Uruguay Round and the weakening of GATT Part IV, the World Trade Organization (WTO) emerged as an additional obstacle to the integration efforts in the South, *inter alia*, on account of their potential “trade diversion” effects.

However, this unfavourable setting has started to change in the more recent period and South-South cooperation is gradually emerging from the shadows of being a long-neglected sibling in international development cooperation. An important trigger and catalyst was China’s rise and its growing presence and engagement in the continents of the South, in particular Africa. Alarm bells started to ring in the key North capitals: something was happening that was outside their control and contrary to their wishes. China was “intruding” in their traditional domain, a trend that had to be resisted, countered, and discredited, including via the media and academic writings.

As a sidelight, in this context, it may be worth recalling that in the late 1960s, Tanzania proposed to construct a railroad linking it and land-locked Zambia, which would have provided unimpeded access to the sea to the latter and its copper ore exports. Tanzania approached the West for development assistance. It was flatly turned down, upon which it went to China, which agreed to help, gave a long-term interest-free loan and built the TanZam or

Tazara (Tanzania Zambia Railway Authority) railroad as a turnkey project, completed in 1975. The West replicated by building a highway linking Tanzania and Zambia. This was an important, early lesson of hegemonic, neo-colonial power politics by the North and of the potential of South-South cooperation to loosen and transcend the stranglehold of the colonial-era economy and political geography.

This episode was largely forgotten or overlooked. Many continued to believe in the developed countries' largesse and good intentions, and to follow and rely solely on the traditional path of North-South development cooperation. The growing presence of China in Africa, now more business-like than in the 1960s and 1970s and based on the mutual-benefit principle embodied in the Forum on China-Africa Cooperation (FOCAC), has inspired a more forthcoming continental and global response to South-South cooperation by the North, similar in motivation to the one the North displayed in the instance of Tazara.

In addition to China's mounting presence in Africa, another important worrisome policy signal for the North has come from Latin America with the rise of progressive governments, brought to power by a wave of popular discontent triggered by the impacts of the neo-liberal globalization and decades of the neo-colonial hegemonic domination of the continent and its individual countries by the mighty neighbour in the north.

Venezuela and its late President Hugo Chávez have played a leading and catalytic role, in tandem with Cuba, in proposing, financing and implementing South-South initiatives, some taken from the South Commission Report, which Chávez had read and studied. Unlike the various undertakings in Africa that were mostly bilateral and business oriented, the regional efforts in Latin America also had a pronounced political and emancipation edge, and structural implications. Such efforts included the Bolivarian Alliance for the Americas (ALBA), the hemispheric Community of Latin American and Caribbean States (CELAC), and, indeed, the G77+China Summit, held to mark the 50th anniversary of the Group of 77 and hosted by Bolivia, and the Summit's final declaration.

SOUTH-SOUTH COOPERATION TAKING OFF AT LAST

It can be argued that one of the factors or processes that have contributed to vitalizing South-South cooperation has been "globalization", by helping to gradually overcome some traditional barriers and creating opportunities by opening up the developing countries' economies to exchange and interaction, including "horizontally" within the South. Globalization has also contributed to the economic growth of China, as well as Brazil and India, which have become more interested in SSC and acquired capacities for greater and sustained economic cooperation with other developing countries.

The ascendancy of South-South cooperation – especially of China’s multiplying ties with developing countries, including as an importer of their products, exporter of goods, investor in infrastructure projects, lender of financial resources, and purveyor of technology, generally on favourable terms and free of the traditional Northern intrusiveness, paternalism and conditionalities of all kinds – is in fact beginning, although still on a limited scale, to respond to some of the expectations and hopes the developing countries have had from North-South development cooperation.

South-South cooperation is contributing to African countries beginning to loosen their traditional dependence on the former metropolises and, in general, the countries of the North, to diversify their national economic development, and build national and regional infrastructures, including transcontinental road and railway networks. It has also helped to outflank the developed countries’ negative posture towards the international development agenda and made them more tolerant and even supportive of South-South links, driven by the very necessity of remaining in the game, including through “triangular” cooperation.

Indicative of the change and the SSC gaining “legitimacy” and becoming “the flavour of the month” have been the establishment of the Unit for Economic Integration and Cooperation among Developing Countries (EICDC) in UNCTAD; the renaming and upgrading of the UNDP’s TCDC Unit into the UN Special Unit for South-South Cooperation and higher funding at its disposal; the UN General Assembly decision to hold the UN High Level Conference on South-South Cooperation, and, indeed, the willingness of the World Bank to contribute to some of the UNDP South-South events.

Thus, given the changing outlook for South-South cooperation, the question that presents itself is: What can be done to overcome the encountered obstacles and biases, to make SSC – which is emerging as an important dimension of world economy – more dynamic and beneficial to all concerned, and, in particular, to contribute to the developing countries’ long standing goal of attaining fuller economic and political independence, securing a presence and influential role in the global policy space and decision-making, and changing the entrenched world order?

HOW TO FURTHER ENERGIZE THE PROMISE OF SOUTH-SOUTH COOPERATION?

Past experiences provide useful lessons about what can be done to further energize and channel the ongoing process. In addition to the fundamental and objective condition, that of greater economic strength and diversification of the economies of individual developing countries and their groupings, a few other familiar factors – the “nuts and bolts” of South-South cooperation – that can work in synergy are highlighted below.

The importance of the South's own conceptual framework cum platform for South-South cooperation. It is necessary to brush up and refresh the policy, conceptual framework, basic principles and rationale of South-South cooperation in the light of the contemporary conditions and the evolving context. No such up-to-date framework exists. The last effort made to that end, since the 1981 G77 Caracas Conference on ECDC, is to be found in the above mentioned chapter "The South on the Threshold of the Twenty-First Century" of the South Commission Report, which is now quarter of a century old. The was not properly examined and responded to by either G77 or the Non-Aligned Movement (NAM), nor have they adopted a platform on South-South cooperation so far.

When undertaken, this task will require thorough work and preparations, before a framework is finally adopted and "consecrated". Indeed, such a framework should become a long-term platform for the South's collective rise on the world scene, its development, the mustering of its resources and strengths through collective self-reliance, and for changing the current North-dominated world order and evolving an alternative one. In this, important lessons and guidance can be gleaned from the experiences in South-South cooperation over the last five decades, from integration and cooperation schemes in the North, from the developed countries' stance vis-à-vis SSC, and from FO-CAC and ALBA, as two recent instances of South-South policy frameworks for development cooperation.

Catalysts and locomotives. In its deliberations on South-South cooperation, the South Commission highlighted the concept of "locomotives", namely, countries that thanks to their economic power, diversified economies, size and political commitment could provide the necessary and sustained impulse for such cooperation. This was before the rise of several big countries in the South, which today have the attributes and capacities needed to perform this role and spearhead the long-term strategy of such cooperation worldwide.

The collective self-reliance of the developing countries is coming of age and they no longer need to depend on the developed countries' approval and support of SSC. The presence of the South's own "locomotives" is also bound to help overcome the traditional minimalist approach to South-South cooperation by multilateral financial institutions, dictated and imposed on the latter by the North.

It is this potential role of the major South countries to propel SSC, especially those who are members of BRICS, that calls for policy attention and coordination among them, as a core group and also at the regional level and globally through G77 and NAM. It is important to work out an agreed policy framework to guide them, orient their national policies and avoid counter-productive mutual rivalry. Such a framework is also necessary to shun the temptation, in dealings with the other developing countries, to repeat and mimic the well-known predatory, neo-mercantilist and neo-colonial practi-

es of the traditional powers of the North, but rather actively to work on overcoming the suspicions and doubts that have existed in different countries of the South vis-à-vis the “big players”, especially if they happen to be in their proximity. China, India and Brazil, in particular, can and should assume the leading role in promoting South-South cooperation globally and should allocate resources and well-equipped institutions for this purpose.

Smaller “locomotives” can certainly also play significant roles in the promotion of South-South cooperation, both at the practical and policy-initiative levels, for one thing because they are not seen to be promoting their own grand interests, as bigger players are often suspected of doing. The recent activities of Cuba, Venezuela, Bolivia and Ecuador readily come to mind.

The importance of national commitment and institutions. The “foot soldiers” of SSC are the developing countries themselves, their leaders, governments, national institutions, economic actors and the public. On the whole, one can argue that, given the low priority assigned to SSC in the majority of cases, the sustained policy support needed for such cooperation to persist and become well-established has lacked. Change of national leaderships, different policy orientations and changed priorities have shaped national policies. The cost has often been significant and payback not evident or of major importance. The complexities and practical difficulties involved in building up and sustaining South-South ventures have been off-putting and discouraging. The public has been indolent and often mostly oriented “vertically”, to the North. Complementarities between national economies have been missing, as well as have institutions, infrastructures and resources needed for and devoted to long-term and sustained efforts to build South-South links and bridges. Nor has SSC been considered or treated as an “infant industry”, which should not be entrusted to the volatility and dynamics of the markets and delegated to the private actors and interests, both domestically and internationally, and which needs to be nurtured until it can stand on its own feet solidly.

Thus, each developing country needs to vet and determine its own specific responsibility and role and take necessary measures to secure its own commitment to and involvement in South-South cooperation and ventures, a 21st century South-wide project in the making. Special attention should be focused on countries’ leaders and their role, public and private actors, the media, educational institutions, and the tenacious political resistance to SSC by powerful and influential, often conservative domestic interests that have traditionally been lukewarm to opening up to the South, have clung to the North and acted as its influential home-grown detractors of South-South cooperation, including by sabotaging and bad-mouthing specific projects and activities.

Adequate and ample financing: a necessary condition. Lack of adequate and sustained financing, including of catalytic and development financing and capital investment, has been one of the weakest links of South-South coop-

eration. Whether for holding meetings and conferences, or institution-building and -support, or investment in joint projects and construction of needed infrastructures, or payments arrangements, special purpose funds or a South Bank, the necessary funding has not been available. This condemned many good ideas to remain on paper, often for decades. Some South-South projects and aims have come to life and taken off in Latin America on a limited scale, as regional projects, thanks to the generosity and drive of Venezuela, including teleSUR and BANCOSUR. But, these have been an exception to the rule. Massive, sustained and adequate financing and investment will be needed to translate the aspiration of the South's collective self-reliance into reality.

Institutional support at global, inter-regional, regional and sub-regional levels. The required institutional support has been an important missing lynchpin of South-South cooperation. Both the absence of needed institutions and institutions that are underfunded, understaffed and not properly mandated have characterized SSC efforts at all levels. At the global level, a "Third World" organization, i.e. a South Secretariat, has remained an elusive dream after decades of hopes and efforts.

This is a major lacuna that needs to be addressed and overcome, for such institutions do play an essential role and can act as multilateral institutional "South-South locomotives". They can sustain an overall perspective of the South, act as institutional memory keepers, energize and direct SSC over a longer period, provide it with a joint vision and orientation that are not affected by whims of policy, leadership changes in individual countries, specific national interests, and can work on creating conditions that favour the engagement and participation of individual countries, especially small and weak partners.

Leadership. Country leaders with a global vision and commitment to the cause of the South and SSC are of critical importance, both in terms of engaging their own countries and linking them up in common and sustained endeavours, and in terms of personally performing a global South leadership role that is embraced by developing countries and their peoples, as was the case with the giant figures who launched NAM and G77. Such South leaders need to have experience and knowledge of history, of the South and the situations and problems experienced in different regions of the South. More recently, Julius Nyerere, Fidel Castro, Mahathir Mohamad and Hugo Chávez, each in his own way, offer examples of dynamic leadership in the domains of policy, ideas and action in the service of SSC and the Global South.

An annual global South-South cooperation report. A regular annual report and comprehensive overview of South-South cooperation, an essential empirical, statistical and analytical document, does not exist despite various attempts and efforts made to launch it in the United Nations. Obviously, a report of this nature would require a devoted, specialized institutional effort and networking within the United Nations, South-wide and in the individu-

al developing countries, and would be costly both in financial and human resources. Such a report, offering a worldwide overview, statistical data and detailed information on SSC, is an essential but still missing piece in the global architecture of international development cooperation. It is needed for deciding global strategies, for policy-making, for monitoring trends, and for concrete actions.

The UN system and South-South cooperation. The United Nations system and multilateral support are of special importance for sustaining and energizing South-South cooperation. Once the South has done its homework and established its South-South platform, in general and in detail, it should promote the platform and specific demands in the United Nations, in all organizations of the UN system, as well as in WTO, MFIs and regional development banks. It should also present concrete proposals for the support and facilitation of that cooperation and for the called for changes in the existing structures and practices that would recognize the new realities and the rise of the South. The support would need to be sustained, the goals and targets to be established and their implementation reported on regularly.

The North and South-South cooperation. Time is ripe and it is necessary openly to address and understand the North's attitude towards South-South cooperation, including by focusing on the policies and actions of the key developed countries, including "triangular" cooperation, and on specific domains such as South-South integration in WTO, South-South cooperation in science and technology vis-à-vis the existing intellectual property regime, and the role and impacts on SSC of TNCs and MFIs, respectively,

SOUTH-SOUTH COOPERATION: A LONG-TERM PROCESS

South-South cooperation is a long-term and system-changing process, which needs understanding, commitment and a global political vision to orient it. Small steps can yield significant benefits and create possibilities for new and diversified initiatives in the future. It is a political, economic, social and attitudinal undertaking, with a potential to overcome the many tenacious vestiges of the age of colonialism and imperialism and to evolve into an integrative, cooperative "game-changing" process. The seeds have been sown, including by trial and error efforts in the past decades and the experiences gained through international development cooperation. The fruits of this period need to be cultivated and harvested in the years and decades to come. They hold the potential and promise of helping the attainment of the developing countries' long-sought systemic goal – the goal of changing the North-dominated world political and economic (dis)order.

A few concrete, feasible actions that would help to energize and foster South-South cooperation come readily to mind:

- a) *“Marketing” South-South cooperation.* It is essential to build the South’s self-awareness among leaders, decision- and opinion-makers, as well as the broad public, including both by recalling the commonalities of developing countries’ past histories and experiences and the similarities of their individual positions in the North-dominated system, and by underscoring the specific objectives and goals that bind them today. It is also important to build the spirit of South-South cooperation as a vital and promising road for future development and prosperity, and for greater national autonomy and independence. The teleSUR model becoming inter-regional and global would significantly serve the advancement of the desired goals. The lessons of commercial “sell” of the kind that big PR firms practice and the means that governments use to influence public opinion would come in useful in this undertaking of rekindling the “spirit of the South”, which seems to be reawakening in Latin America now.
- b) *Establishing a “South-South Commission”.* Initially, the South Commission was meant to be a “South-South commission”, one dealing only with South-South issues. Once it was established, however, it defined its own terms of reference to be all-encompassing and to cover North-South and national development issues too. Given what has transpired since 1990, including the highly discouraging experiences concerning North-South development cooperation and a reform of the international economic order, the moment is appropriate for establishing a South-South commission to address the question of what the South can do for itself through South-South cooperation and how it can influence the shaping of the world order and the future by acting together. The South Commission Report can provide a starting base and excellent background for this South-South exercise.
- c) *Domains of special importance.* There are several domains in which South-South cooperation holds special promise, including: the application of S&T in the areas of food security, health, sustainable development and management of shared ecosystems, human settlements and urban agglomerations; joint efforts to develop regional and sub-regional infrastructures and links, as the backbone of South-South cooperation; and such systemic issues as a global information order, the Internet governance and uses, intellectual property regimes, the international regulation of the TNCs and of global finance and banking, global public goods and services, and the introduction of global taxation.
- d) *A UN organization for South-South cooperation.* A UN organization specifically dealing with South-South cooperation is necessary. Perhaps the time has come to consider entrusting this mandate – on a full time basis – to UNCTAD and thus enabling this organization to resume an active, beneficial and central role in the field of development cooperation and global economic policy. It would be free from the obligation to plead with the North for measures and concessions, which have been blocked, diluted or refused for decades, and from “self-censorship” on key policy issues so as

to please the developed countries. With most of its key functions in key domains of trade, money and finance, intellectual property, technology transfer, transnational corporations and other “hard core” economic issues having been removed from its mandate and agenda, a reconfigured UNCTAD – with a responsive and supportive constituency of G77 and China, and without a dependence on the goodwill and policy signals of the developed countries – would be reinvigorated and able to devote its energies and activism to the mission of promoting South-South cooperation. It would once again play a prominent role on the world political scene, like it did in the 1960s and ‘70s. By focusing on South-South cooperation, it would also be able to influence the shaping of the overall international development agenda and global systemic issues. After 50 years of dedicated but frustrated work for development and the causes of the South, this important UN organization could thus be freed of many constraints and revitalized by having it focus on South-South cooperation and by renewing its advocacy and activism, in tandem with G77, in pursuit of development goals and an equitable and democratic world economic order of the future.

- e) *A South’s own organization for South-South cooperation.* The policy space and freedom of action of the developing countries would most likely be somewhat constrained in a UN forum. Thus, the establishing of an organization of the South for South-South cooperation should be given due consideration. Indeed, two such organizations could work in synergy and prompt each other constructively. A South-South organization is within the reach and capacity of the developing countries today.

In conclusion, the moving of South-South cooperation to the global centre stage is a project awaiting the Group of 77 and the Non-Aligned Movement, similar to when they forced trade and development on the United Nations agenda in 1964. They have the means and power to make it happen again.

THE NATURE OF THE PLANET EARTH AND NEW SCIENCES OF NETWORKS AND COMPLEXITY

The presentation *The Nature of the Planet Earth and New Sciences of Network and Complexity*, is prepared by Prof Dr Timi Ecimovic¹ and Prof Emeritus Dr Raoul Weiler² and for 10th ECPD International Jubilee Conference Reconciliation, Respect and Human Security in the Balkan – The New Balkans and European Union: Peace, Development and Integration, Serbia, Belgrade, City Hall, October 24th and 25th 2014.

The Abstract: The humankind world of sciences and research is only treasure of humanity. Since end of 19th century sciences were undergoing transformation from the sciences of nature to the sciences of humankind. As result at present, 2014, we have countless different specialist sciences, research and practices. Even classical distribution as nature, social and technical sciences does not reflect present. In short the world of humankind sciences and research is very complex and not under leadership of researchers and scientist but “money master monster” and less is connected with the nature of the planet Earth – the Biosphere, which is only host of humanity from commencement some 202.000 years ago up to present.

Among countless specialized sciences we have new comers and one of them is The New Science of Network. Of course it is needed for better understanding of the world of humans. Besides the new sciences of network is looking like the best approach for the science of complexity understanding.

To this new more technical as natural complex problem solving dimension we shall discuss relations and commons of the new science of network & complexity and realities of the Nature and the Nature of the planet Earth.

Key Words: Agriculture, Climate Change System, Complexity, Complex Problem Solving, Education, Environmental Crisis, Global Warming, Humankind Crisis 2014, Nature Realities, New Sciences of Network, Protection of the Nature, Space and Environment, Requisite Holism, Sustainable Development and Sustainable Future of Humankind.

* Professor Emeritus, Chairman EU Chapter, Club of Rome;

** Chairman, School of Environmental studies, Ansted University, Malaysia

¹ Professor and Chair of Environmental Sciences at ANSTED University, Penang Malaysia, The Rector of WPF Univerwsity, Athens, Greece and Emeritus Citizen of Izola Municipality and Korte Community of Slovenia, EU.

² Emeritue Professor University of Leuven, Belgium; Trustee of the World Academy of Arts and Sciences; Founder-PresidentClub of Rome EU Chapter, Brussels, Belgium.

THE INTRODUCTION

It is a question whether humanity understand universality when discussing the human and the Nature sciences. Our thinking of the “New Science of Network & Complexity” and the universal science of the Nature could be nice research of general understanding. We think the science of network & complexity and universal science of the Nature should be interdisciplinary academic field which studies systems of the Nature and the nature of the planet Earth system as complex networks & complexity such as galaxies, stars, planetary, biosphere, non-living³ and living nature systems of network and complexity internally and externally.

We are discussing universal the Nature systems networks & complexity science

Understanding the planet Earth system and nature, fitting the present global community of humankind within the boundaries of the biosphere, understanding the impact of the humanity to biosphere and quality of living conditions within the biosphere and many more important issues are demanding new approach of humankind for the issue of its longevity within present and future biosphere.

With enormous development of technical sciences, wrongly set up of the global community of humankind leadership, lack of understanding of the present, enormous pollution and destruction of the basic systems within the biosphere, the water cycle, the sulfur cycle, the carbon cycle, the ozone protection band and complexity of it, enormous research and production of the synthetic chemical products without knowing of their impact to the nature and many more issues the present possibilities for survival and longevity of global community of humankind are diminishing fast.

The philosophers would say: “We are sawing of the branch on which we are sitting”.

Many researchers and scientist are pointing to needed changes but present leadership of global community of humankind is unable to see it. It is “normal” practice for those who are practicing leadership duties to see their own needs and the needs of their family members and rest of global community of humankind are hostages with duties and responsibilities to serve the needs of the leadership elite. It is the present “CIRCULUS VICIOSUS”, or the Gordian knot of humanity, or at present modern master slavery relationship.

The Nature and the nature of the planet Earth are not put together for human sciences but for human longevity which is closely related to understanding of the Nature and the nature of the planet Earth.

³ Non-living and living nature within the biosphere of the planet Earth is obsolete definitions from the past and is conditionally used in this presentation.

The present global community of humankind – 2014 – has more destruction of the nature as complementary coexistence and harmony. In our opinion humanity is moving fast on wrong path towards destruction.

The living conditions within human eco sphere and the nature of the planet Earth are changing and not for better but opposite. Unfortunately “the living conditions” are only basis of Homo sapiens existence within the Biosphere.

The new sciences of networks and complexity is as contemporary additional tool for understanding of the present and based on technical and social sciences and are opening new horizon for interdependence, interaction and co-operation with the nature understanding.

THE DISCUSSION

Cybernetics plays a central role in the development in the acquisition of new or additional knowledge. A useful definition of Cybernetics taken from Merriam-Webster:

Cybernetics is the science of communication and control theory that is concerned especially with the comparative study of automatic control systems (as the nervous system and brain and mechanical-electrical communication systems).

The definition includes “nervous system and brain” but escape possibilities of research of cybernetics as a part of the nature in reality.

Due to complexity of discussion we shall limit ourselves on discussion of the new sciences of networks and complexity and the nature as it is in reality.

Mentioning the nature in reality it is in brief description of the nature as:

The Nature, Universe, Cosmos and requisitely holistic units of the Nature – galaxies, planets and other are countless forms and transformations of the energy, matter, information, particles, rays, powers and forces, dimensions and yet unknown contents of the Nature operating under practices of interdependence, interaction and co-operation and resulting system transformations, evolvments and synergies are basis of new understanding of the Nature and the nature of the planet Earth.⁴

Presentation of “The New Sciences of Networks & Complexity: a Short Introduction” Raoul Weiler* & Jüri Engelbrecht°, July 2014, it is an excellent application of the research and science of the issue.

⁴ Please see »The Principia Nature – The Nature and Homo sapiens Global Community«, Ecimovic, ISBN 978-961-92786-7-3, 2011 and “The Anthology 2 – 2001 – 2014”, Ecimovic and Mulej, ISBN 978-961-92378-4-7 (pdf) digital book, 2014 both could be seen at “Small Digital Library” on www.institut-climatechange.si

Emeritus from University Leuven, Belgium; Trustee of the World Academy of Art & Science. Vice President Estonian Academy of Science; Trustee of the World Academy of Art & Science.

We are discussing practical application of the new sciences of networks and complexity within the nature sciences as in reality.

When researching the Nature and the nature of the planet Earth it is difficult to understand values of classical sciences methods as mathematics, synthetic chemicals and technical sciences due to their non-existence in the nature. They are a part of human sciences or human world or a part human eco sphere.

Larger damages in the biosphere have been done by synthetic chemicals, their interdependence, interaction, co-operation and synergetic results with the nature present systems and materials. As result we are facing shortage of the fresh water supply, the food supply, environmental poisoning, poisoning of the land, water and air environments, etc. All present environmental changes are result of the synergetic results from interdependences, interaction and co-operation between human eco sphere outputs and the nature. Of course on the top is explosive reproduction of humans.

Let us see the new sciences of networks and complexity role in the Nature.

Networks⁵ is:

1. any arrangement or fabric of parallel wires, threads, etc. crossed at regular intervals fastened to them so as to leave open spaces; netting; mesh
2. a thing resembling this in some way; specif. a) a system of roads, canals, veins, etc. that connect with or cross one another b) Radio and TV a chain of transmitting stations controlled and operated as a unit c) a group, system, etc. of interconnected or cooperating individuals.
3. the making of nets or netted fabric – adj. broadcast over the stations of network

Networking is: 1. the developing of contacts or exchanging of information with others in an informal network, as to further a career 2. the interconnection, as over communication lines, of computer systems.

For better understanding we are moving to case study of human body and networks role within the human body system. It is not the best case study but an indicative one.

Human body is a network of cells, matter, energy information and tissue fitting together to form a system of individual representative of Homo sapiens. The gene structure has role of network center and gene structure is a part of network within each cell. The command center is brain and networking is mode of action. The life is interdependence, interaction and cooperation within the system as well as within the environment and other systems within the environment and other very complex issue. On such way we may

⁵ According to Webster's NewWord Dictionary, Second College Edition, 1986

say: living human or any living creature is a small Universe. One in all and all in one.

The cell basic requisitely holistic unit of the living nature presents orderly, systemic interdependence, interaction and co-operation of all matter, energy and information within it. The matter exchange within one cell creatures is not from ashes to ashes because many of them are reproducing by simple divide – protozoan. Primordial one cell creatures first appearance was some 3.7 billion years ago and have been first creatures on the planet Earth. With evolution they changed to plant and animal plankton and latter to multi cells creatures. 800 million year ago aquatic and terrestrial environments have been homage of countless number of different creatures. Ancestor of Homo sapiens appeared some 8 million year ago and Homo sapiens evolved some 202.000 year ago.

In our research we find important connections developed as sciences of network and living creatures opening new possibilities for understanding, researching and learning of the methods, mechanisms and actions of living world.

Our work is using classical, contemporary, case study, cybernetic, complex problem solving, systemic thinking, requisite holism, sciences of network and complexity etc. and other research methods for better understanding of the present.

We think sciences of Network & Complexity are a step ahead in human sciences and use of network, networking and complexity for better understanding of the Nature is our recommendation with this presentation.

THE CONCLUSIONS

Our intention is to open new research for better understanding of many issues today put aside due to wrong understanding of the Nature, human eco sphere, living creatures etc. and opening possibility for survival of Homo sapiens within the Biosphere of the planet Earth.

We are recommending transformation of present global community of humankind to sustainable future society.

References:

1. "The Anthology 2 – 2001 – 2014", Ećimovic and Mulej, digital book (pdf), could be seen at www.institut-climatechange.si "Small Digital Library", ISBN 978-961-92378-4-7, 2014.
2. "The New Sciences of Network & Complexity: Short Introduction", Raoul Weiler & Jüri Engelbrecht, presentation, 2014, also published within 15th Volume of the Anthology 2 – 2002 – 2014.

CURSE OF OIL – THE LIBYAN CASE

INTRODUCTION

Majority of the oil-rich countries, including Libya, belong to the global South or the Third World. Their low or under-developed states is considered to be due to mismanagement of natural resources, existence of corrupt institutions, spending income in armament and luxury life of their ruling elites.

This research has two main purposes. The first purpose of this research is to explain the impact that Libya's main natural resource, i.e. oil, had on the development of its institutions during and after Muammar El Gaddafi's regime, as well as to explain with the help of the "oil curse", why the recent democratic transition in certain countries such as Tunisia, which is also part of the Third World, was more successful than in Libya.

The second purpose of this research is to explain how Muammar El Gaddafi, the authoritarian leader of Libya used oil resources in his attempts to weaken the geopolitical influence of the West in Africa, and how at the same time he strengthened his dictatorial political grip on Libya.

Thus, the main hypothesis of this research is: Muammar El Gaddafi used Libya's, which is a member of the Global South, main resource i.e. oil in order to extend and strengthen his reign over Libya as well as to increase his geopolitical influence in Africa through his aggressive and expansionistic foreign policy. The Libyan February Revolution and aftermath will be briefly analyzed as well.

ECONOMIC AND SOCIAL IMPACT OF OIL ABUNDANCE

When it comes to the "oil curse", it can be said that this factor contributes to the maintenance of undemocratic regimes, as well as that it is one of the factors that influences the democratization of the country. Huge profits based on the exploitation of oil reserves i.e. the so-called oil rents, hinder economic growth by undermining the effectiveness of public administration, the rule of law as well as by encouragement of corruption.¹

* Ph.d. at the Faculty of Political Science at the University of Belgrade

¹ Nebojša Vladislavljević, *Stabilni autoritarizam u arapskom proleću*, (Stable Authoritarianism), *Sociološki pregled* (Sociological Review), year XLVII, No. 4, 2013, 489–514. p. 3

It may be said that the wealth stemming from natural resources, in fact encourages the undemocratic rule. Finally, in these countries civil wars are far more likely to erupt due to the fact that the potential secessionists and rebels are encouraged and motivated by an attractive prey i.e. natural resources². There are three arguments that are in favour of assumption according to which natural resources (oil) have a negative impact on democratization. The first argument is the theory of modernization, the second argument is the analysis of the political consequences of a rentier state and the third argument is usage of the natural resources for creation of an oppressive coercive apparatus.³

The economic development based on the exploitation of oil reserves takes place in economic enclaves and often in geographic enclaves. It requires large capital investments and very little manpower and does not encourage connection with other parts of the economy. Moreover, economic development based on the exploitation of minerals, especially during periods of rapid growth, often hinders agricultural and other industrial sectors. The strengthening the natural resources sector, which today is usually controlled by the state, also strengthens the role of the state in relation to private sector, which again dominates other branches of industry.⁴

While the modern states are based on taxation of citizens and for this purpose they have developed fiscal and regulatory institutions, rentier states focus on the distribution of rents. The absence (or significantly reduced volume) of taxation, reduces the level of responsibility of the state towards its citizens.⁵

In the first modern countries in Western Europe, the strengthening of political institutions and the spread of taxation encouraged the demands for political representation and strengthening of the impact that various social groups had on the political decision-making. The undemocratic leaders of modern countries rich in oil, rulers can only state that, since there isn't any taxation (or it is on a very low level little), there is no need for representation. Thus, the governments of rentier states are less accountable to their citizens.

Countries rich in oil have huge resources which enable them in the long run to "buy" the sympathy of their citizens, or at least to reduce their dissatisfaction with the undemocratic rule. Distributive policies upon which the political stability is based, includes health care, education, food subsidies, housing, cheap loans and investment incentives. Thus, it is possible to expand the social base of the regime and pacify significant social groups, regardless of the weaknesses of the institutions of a rentier state.⁶

This type of economy and governance can be found in most of gulf countries such as Saudi Arabia, Bahrain, Qatar, with UAE being the rare exception. All

² Ibidem.

³ Ibidem.

⁴ Ibidem.

⁵ Ibidem.

⁶ Ibidem.

these countries are governed by undemocratic rulers, which “silence” their citizens by providing them high living standards. In turn, the citizens “sacrifice” their political freedom. The best example may be found in the recent Arab uprisings. Only two rich oil countries, such as Bahrain and Libya, faced political unrests, with Bahrain being able to quench the unrests, while in Libya the unrests escalated into civil war.

DEFINITION OF SULTANISTIC REGIMES

In order to properly explain the first purpose of this research, we should first consider the impact and consequences that sultanistic regimes have on the process of democratization. Stepan and Linz define sultanistic regimes and the way in which a democratic consolidation may occur after the fall of such regimes, in the following manner: “A sultanistic regime is one in which the ruler personalizes the government and the regime and subjects the state, political society and civil society to a non-institutional and an unpredictable intervention”⁷ They also state that “these regimes provide an opportunity for the transition, because if a ruler (and his or her family) is overthrown or assassinated, the sultanistic regime collapses. This way the end of the regime often leads to the formation of a provisional government, and if it does not hold elections in a timely manner, it most often poses a threat to democratic consolidation.”⁸ Furthermore, Stepan and Linz warn of a potential abuse of power by the provisional government.

According to Stepan and Linz “the direct implications of sultanistic regime for creators of democracy is present in the fact that they are faced with an initial task of forming a civil society, constitutionalism and the rule of law, professional administrative apparatus, economic society as well as political institutions from a very low level.”⁹ In other words, the process of democratization after the fall of the sultanistic regimes may prove very problematic due to the legacy of the previous regime and which, due to its sultanistic nature, had ensured that all the aforementioned factors necessary for democratization were at a very low level and almost unusable owing to the fact that at most times they were a personal instrument of the rulers and the regime.

LIBYA AND ITS OIL ABUNDANCE: GADDAFI’S DESTRUCTIVE INTERNAL POLICY

Taking into consideration that the research is partly based on the assumption that the legacy of the Gaddafi regime is largely responsible for the current situation in Libya, it is crucial to explain its internal and foreign policy during the

⁷ Juan Linz, Alfred Stepan, *Democratic Transition and Consolidation*, Filip Višnjić, Belgrade, 1998, p. 93 (Translated to Serbian language)

⁸ Ibidem.

⁹ Idem, p. 83

1970s and 1980s, due to the fact that this period is considered to be one of the most turbulent periods in Libyan history and is also crucial for clarifying the events which had occurred during and after the 17th February Revolution, as well as to clarify the current situation in Libya. It is crucial due to the fact, that after coming to power in 1969, and during the 1970s and 1980s, Gaddafi has taken a certain political direction which he implemented through oil revenues, which was the reason why his regime was classified as sultanistic. This period is also important due to the fact that it is the most turbulent and unpredictable period of Gaddafi's rule, which was marked by many international incidents that have significantly influenced and shaped Libya's internal politics and vice versa. It is important to note that Gaddafi financed the realization of all of his interests and visions, with the help of petrodollars.

After seizing power, Gaddafi was accepted by the majority of the Libyan people. However, when he announced the "Cultural Revolution" during the beginning of the 70s, the elements of his sultanistic rule have begun to emerge. The first element, which marked the beginning of the sultanistic reign of Muammar El Gaddafi, was the introduction of national committees in all aspects of Libyan society and into all existing institutions (military, educational and administration), in order to gain complete control over these institutions, and in order to monitor the implementation of the "green" revolution" as well as any suspicious elements that could somehow threaten and endanger the regime. In addition, the regime established "revolutionary committees", which were similar to national committees, with only difference being their slightly more aggressive role, and whose task was to supervise and monitor all aspects of the Libyan society. They were also entrusted with a task of spreading the repression throughout the country as well as eliminating the opposition both within and outside Libya.

Another element of Gaddafi regime's sultanism was an absolute monopoly over natural resources i.e. oil. After the discovery of oil, Muammar El Gaddafi treated these resources as his personal property rather than as a property of the state. A large part of the Libyan budget, which was mainly composed of oil revenues, was intended for building such institutions that would solely and exclusively serve the regime and thus, emergence of any form of political mobilization or opposition had been prevented. Also, regime's full focus on oil exploitation, has resulted in Libya's economy, infrastructure and other industrial branches being completely neglected and ignored. This further resulted in the fact that the natural resources sector was the most developed, and that the process of modernization had been thwarted. In a time period between 1970-2007 an average of 70 % of total Libya's government revenue came from oil, while through the same period oil exports accounted for 95 % of total exports.¹⁰

¹⁰ Saleh Ali, Issa, "Oil Revenue and Economic Development; case of the Libyan Economy (1990-2007)", Wolloongong University, 2011, p. 29

Gaddafi “inherited” a state without developed institutions, and for decades, he marginalized and weakened the army and military institutions, while at the same time he was building around himself a strong and highly repressive security apparatus, which resulted in him having an unopposed and firm grip over Libya. Thus, he was able to freely choose the direction and goals towards which the country would strive. By eliminating the opposition and all the factors that could threaten his rule, Gaddafi’s regime has moved in a direction of establishing institutions that were mainly formed for the purpose of achieving and protecting the personal interests of his family and those who were close to the regime. All aspects of Gaddafi’s policy were financed by the “petrodollars” i.e., by oil revenues.

Taking into account the fact that Gaddafi’s regime was based on repression, promotion and protection of the regime’s interests, and how during the monarchical regime of King Idris I, political mobilization was also not easy to initiate, it is easy to conclude that it was almost impossible to initiate a political mobilization independent of the Gaddafi regime (independent in the sense that it is not orchestrated by the regime). Therefore, since the repressive environment created by the regime did not allow establishment of institutions such as trade unions or civic associations that initiated political mobilization, the Libyan population was not properly “trained” to react and provide any resistance. The result of Gaddafi’s sultanistic regime is Libya after the 17th February Revolution, which has great difficulty to form one of the fundamental institutions such as Constitution, which is considered to be a crucial element for building a democratic state. Without constitution, Libya faced and will continue to face, a chain of serious problems and difficulties, such as lack of a coherent and efficient military, security and among other educational institutions necessary for the development of the country.

On the other hand, the democratic transition in Tunisia and in Egypt, which are also countries of the Third World and which throughout their history had the “culture” of political mobilization as well as institutions that would facilitate it, had showed considerable progress, although Egypt’s main problem is not so much political mobilization as is the strong role of the military. Therefore, due to the lack of appropriate institutions which would alter the direction in which the country is moving, Libya is still following footsteps of the previous regime and since it had followed the same path for 42 years, a huge amount of effort, financial investment and drastic changes are required in order for Libya to follow the example of Tunisia.

As I mentioned, in order to preserve power, the sultanistic regimes in Libya, Tunisia and Egypt had each built a very repressive state apparatus and institutions in which they have invested enormous financial resources. However, when compared with the Tunisian army, which was also marginalized, the Libyan army has been marginalized to such an extent that it could be freely assumed that Libya had no national army, but instead it only had paramilitary brigades that belonged to Gaddafi’s family, while at the same time

the members of these paramilitary brigades in exchange for various lucrative privileges had to protect the regime. Therefore, after the outbreak of the Revolution, although it sided with the revolutionaries, the chances of the Libyan army and police, as opposed to a properly equipped, trained Gaddafi's repressive apparatus (Revolutionary Guard, Gaddafi's personal guard and paramilitary units) were minor and therefore it failed to oust Gaddafi from power and stop the outbreak of the civil war. On the other hand, when the Tunisian army, although being inadequately equipped due to regime's long term marginalization, rebelled against Ben Ali's security apparatus, it managed to almost completely neutralize the violence that Libyan army could not prevent. (It is worth noting that the Tunisian army had no interest in helping Ben Ali maintain his power, due to the fact that when compared to regime's paramilitary and security forces it did not have any privileges and it was severely marginalized in all important aspects).

GADDAFI'S PETRODOLLAR AGGRESSIVE AND EXPANSIONISTIC FOREIGN POLICY

During Muammar El Gaddafi's regime, which had been in power for 42 years, the entire country of Libya was used as an instrument through which Muammar El Gaddafi realized and tried to achieve his personal ambitions and ideas, both on the domestic level, as well as on the international level. All of his geopolitical, interests, ambitions and vision were financed by Libya's enormous oil export revenues. When considering Libya's foreign policy during the Gaddafi regime, it is fair to say the least that it was very turbulent. There were many international incidents that had a very negative impact on Libya's relations with the world's leading powers and that could prove the aforementioned statement.

For example, Libya's relations with the United States have begun to deteriorate after Gaddafi's privatization of oil during 70's. During the 80's, he initiated his anti-Western campaign around the world, by sponsoring various terrorist groups, radical rebel movements and organizations.¹¹ Gaddafi's regime was also constantly trying to undermine and weaken the interests of world powers such as the US and France, by meddling in the internal affairs of its neighbouring African countries¹². In addition, Gaddafi had threatened the interests of the leading world powers, by attacking and occupying its neighbouring countries. Due to his dissatisfaction with the decision of former Egyptian President Anwar Sadat to initiate cooperation with Israel, the pan-Arab minded leader of Libya Muammar El Gaddafi, had decided

¹¹ Dana Moss, Reforming the Rogue: Lessons from the U.S.-Libya Rapprochement, *The Washington Institute for Near East Policy*, Policy Focus no. 105, pp. 1-49

¹² Sarah Charlton, *Crisis Management in Libya: Learning the Lessons of 1986*, *AL Nakhlan-Online Journal on Southwest Asia and Islamic Civilization*, Winter 2012, pp.1-11

attack Egypt on July 21, 1977, and thus he initiated a four-day war which ended on July 24, 1977.¹³

The next example of Gaddafi belligerent, unpredictable and turbulent foreign policy, was the invasion of Chad in 1979, which in 1973 was preceded by Gaddafi's occupation of Aouzou strip.¹⁴ The war with Chad ended in 1989, with a total defeat of the Libyan army by the Chadian and French armies.¹⁵ It is believed that Gaddafi initiated the conflict with Chad in order to reduce the geopolitical influence of France in the Sahel region. By occupying Chad, Gaddafi's regime has significantly worsened its relations with the US and France, and therefore initiated a wave of decisions by many to support Libya's isolation from the international community and scene.

When it comes to the terrorist acts and attacks executed by the regime of Muammar El Gaddafi, the most significant attacks were: the attack on a discotheque in Berlin on 5th of April, 1986¹⁶, the attack on US civilian aircraft which exploded over the Scottish town of Lockerbie on 21st of December 1988¹⁷, as well as the killing of British policewoman Yvonne Fletcher on 17th of April 1984, in front of Libya's national diplomatic office¹⁸ in London¹⁹.

All the above-mentioned international incidents, wars, occupations and provocations were fully or partly initiated by the regime of Muammar El Gaddafi. There are several opinions regarding the causes of such external and internal foreign policy that was led by Muammar El Gaddafi. The first opinion has taken as the main cause Gaddafi's dictatorial psychological profile²⁰. A second opinion is based on the assumption that Gaddafi's foreign and domestic policies were merely the consequence of the foreign policy of the West. US Secretary of Defence Caspar W. Weinberger, whom had served in the Reagan (Ronald Reagan) administration from 1981 to 1986, held that Gaddafi

¹³ Lyndon H. LaRouche Jr., "Egypt Invades Libya As Sadat Position Crumbles", Executive Intelligence Review, volume no.4, number 30, 26th of July 1977. god. Available at http://www.larouchepub.com/eiw/public/1977/eirv04n30-19770726/eirv04n30-19770726_041-egypt_invades_libya_as_sadat_pos.pdf (Accessed on 15th of April 2015.)

¹⁴ Helen Chapin Metz, *Libya: A Country Study*, Library of Congress, Washington, D.C.: The Division, 1989., p.42

¹⁵ Mario J. Azevedo, *War and Society; Volume 4, Roots Of Violence: A History of War in Chad*, Routledge, London and New York, 1998, p. 85

¹⁶ Nathalie Malinarich, Flashback: The Berlin disco bombing, BBC News, 13th of November, 2001. Available at <http://news.bbc.co.uk/2/hi/europe/1653848.stm>, (Accessed on 15th of April 2015).

¹⁷ Edward Cody, Pan Am Jet Crashes in Scotland, Killing 270, The Washington Post, 22nd of December, 1988. god. Available at <http://www.washingtonpost.com/wp-srv/inatl/longterm/pan-am103/stories/crash122288.htm>, (Accessed on 15th of April 2015).

¹⁸ Gaddafi didn't want the Libyan diplomatic offices to be called embassies.

¹⁹ Rosie Cowan and Hugh Muir, Police to fly to Libya in new search of PC's killer, BBC News, 26th of March 2004 Available at http://news.bbc.co.uk/onthisday/hi/dates/stories/april/17/news-id_2488000/2488369.stm, (Accessed on 15th of April, 2015)

²⁰ Ronald Wintrobe, Dictatorship: Analytical Approaches, *The Oxford Handbook of Comparative Politics*, Oxford University Press, 2009, pp.363-394

resorted to international terrorism in order to achieve strategic objectives, as well as to retaliate against the US due to the conflict in the Gulf of Sidra^{21,22}. However, there is also an opinion according to which Libya's terroristic and anti-imperialistic tendencies stem from the fact that until 1951, Libya was occupied by various imperialist countries such as Turkey, Italy and England as well as partially by the United States. Therefore, it is considered that Libya's anti-imperialist and terrorist tendencies date back to the beginning of the early Italian occupation.²³

The third opinion is that internal politics of Muammar El Gaddafi creates and influences his foreign policy decision-making. This implies absolute control over the state and desire to at any cost preserve his power as well as to take all necessary measures, even at the international level, so that nothing would jeopardize his authority. When it comes to domestic policy during the Gaddafi regime, it could be said with certainty that this period had been imbued with dictatorship and absolute control of the regime over all the state institutions. Muammar El Gaddafi used all the institutions for his personal ambitions and visions, which also served as mere instrument for the maintenance of his power. Taking this fact into consideration, it is logical to conclude that due to the nature of the regime, the public opinion did not interfere and that the institutions did not have adequate capacity to limit and restrictively influence the belligerent foreign policy of the former Libyan leader Muammar El Gaddafi. The leader of Libya was able to freely and without difficulty initiate armed conflicts with other states due to the fact that all the state institutions were completely subordinated to his regime.

LIBYAN 17TH FEBRUARY REVOLUTION AND ITS AFTERMATH

After the fall of the regime of Muammar Al Gaddafi, the progress of democratic transition in Libya has proved to progress at a much slower rate than in the neighbouring countries such as Egypt and Tunisia. The security situation in the country is very unstable. Weapons proliferation is ubiquitous despite the efforts of the government to prevent and thwart it. Various armed political groups are battling for power and are seriously undermining the authority and work of the government, thus disrupting the country's stability and security. Lack of state institutions, weakness and inefficiency of the newly established institutions as well as the institutions remaining from the previous regime, significantly affect the stability of not only the state but also the everyday lives of Libyan citizens, which after having spent 42 years under sultanistic regime still lack the know-how and knowledge to organize themselves in

²¹ Armed conflict has taken place in the Gulf of Sidra on 19th of August, 1981 in which two Libyan warplanes were destroyed and as a result Gaddafi's regime had been humiliated.

²² Sarah Charlton, *Crisis Management in Libya: Learning the Lessons of 1986*, op.cit., p.5

²³ Idem., p. 6

a coherent and efficient manner in order to fight for their rights, their well-being and prosperity of their country.

Unlike Tunisia, Egypt and even Algeria, throughout its history, Libya had never had citizen unions or associations, whose task is to protect the interests of its various members. In other words, the political mobilization in Libya (even during the reign of King Idriss I) was on very low, almost non-existent levels, while during Gaddafi's regime, it was "artificial". Another factor that contributes to the unstable situation in Libya is the long term marginalization of the army by the Gaddafi regime, which was ill-equipped and undertrained as well as lacking the capacity to improve the security situation, and thus enable the government to take measures necessary for stabilization of the country.

CONCLUSION

It is true, indeed, that more than 90 percent of the oil-rich countries belong to the Third World. Exception are the Small Gulf states united into the Arabic Emirates and Russia, which could be considered as a Second World country. Norway was the First World country before oil was discovered in her territorial water.

When taking into consideration the case of Libya as being a part of the Third World, the First World-Second World dichotomy is very important. Libya had all conditions to become a part of the First World. However, due to Muammar El Gaddafi's wrong policy, Libya remained at the very end of the Third World.

However, the means by which he intended and tried to realize his interests were extremely aggressive and unpredictable. As a result of these aggressive attempts, the international society had for almost two decades, considered Libya to be a "rogue" and a "pariah" state. It is almost important to note, that Gaddafi's regime, during 1970s and 1980s, had spent a very large part of the Libyan budget²⁴ [1] on weapons acquisitions and lucrative arms deals, instead of investing into Libya's educational, social and economic infrastructure. This research has shown that this kind of domestic and economic policy adopted by Muammar El Gaddafi's regime had greatly hindered Libya's progress towards development and also its attempts, to become a member of the more developed and advanced First World.

The conflict in Libya stems from battle over territory, public and private resources as well as over power. All these conflicts are taking place without the presence of a strong and decisive state and government. These tensions had

²⁴ In a time period between 1970-2007, an average of 70 % of total government revenue came from oil. It is important to note that through the same period oil exports accounted for 95 % of total exports.

already existed before Gaddafi, but they were further exacerbated due to his politics of clientelism and patronage.

This situation had then developed into a very unstable competition and co-operation among various political actors. The dynamics of inclusion and exclusion from the political scene is frequently accompanied by regular use of violence, for the purpose of achieving local, regional and national goals and interests. The current situation in Libya is a result of the following factors: the struggle for power, control over oil resources, tensions between ethnic and tribal affiliations. Another reason is the lack of firm state whose task would be to regulate the volatile role of the non-state armed forces. All the above-mentioned factors have significantly set back the attempts of the Tobruk based government to establish state institutions, as well as their attempts to reduce violence.²⁵

References

- Anderson, L. (1987). The State in the Middle East and North Africa. *Comparative Politics* 20 (1): 1-18.
- Azevedo, Mario J. *War and Society; Volume 4, Roots Of Violence: A History of War in Chad*, Routledge, London and New York, 1998, 163
- Beblawi, H. and G. Luciani (eds.) (1987). *The Rentier State: Nation, State and the Integration of the Arab World*. London: Croom Helm.
- Chapin Metz, Helen. *Libya: A Country Study*, Library of Congress, Washington, D.C.: The Division, 1989, 175.
- Charlton, Sarah, Crisis Management in Libya: Learning the Lessons of 1986, *AL Nakhlan-Online Journal on Southwest Asia and Islamic Civilization*, Winter 2012, pp.1-11
- Cody, Edward, Pan Am Jet Crashes in Scotland, Killing 270, *The Washington Post*, 22nd of December. 1988, Available at: <http://www.washingtonpost.com/wpshr/inatl/longterm/panam103/stories/crash122288.htm>, Accessed on 15th of April 2015
- Cowan, Rosie and Muir, Hugh, Police to fly to Libya in new search of PC's killer, *BBC News*, 26th of March, 2004 Available at: http://news.bbc.co.uk/onthisday/hi/dates/stories/april/17/news-id_2488000/2488369.stm, Accessed on 15th of April 2015
- Jensen, N. and L. Wantchekon. (2004). Resource Wealth and Political Regimes in Africa. *Comparative Political Studies* 37 (7): 816-841.
- LaRouche Jr., Lyndon H. "Egypt Invades Libya As Sadat Position Crumbles", *Executive Intelligence Review*, volume no.4, No. 30, 26th of July 1977
- Available at http://www.larouchepub.com/eiw/public/1977/eirv04n30-19770726/eirv04n30-19770726_041-egypt_invades_libya_as_sadat_pos.pdf (Accessed on 15th of April 2015.)
- Linc, Huan i Stepan, Alfred, *Demokratska tranzicija i konsolidacija*, Filip Višnjić, Beograd, 1998, 577
- Malinarich, Nathalie, Flashback: The Berlin disco bombing, *BBC News*, 13th of November 2001. god, Available at <http://news.bbc.co.uk/2/hi/europe/1653848.stm>, (Accessed on 15th of April 2015.)

²⁵ Combaz, Émilie, "Key actors, dynamics and issues of Libyan political economy", GSDRC, 2014, p.18 Available at: <http://www.gsdr.org/docs/open/HDQ1106.pdf> (Accessed at: 8th of May, 2015)

- Moss, Dana, Reforming the Rogue: Lessons from the U.S.-Libya Rapprochement, *The Washington Institute for Near East Policy*, Policy Focus no. 105, pp. 1-49
- Ross, M.L. (2001). Does Oil Hinder Democracy? *World Politics* 53 (3): 325-361.
- Ross, M.L. (2012). *The Oil Curse: How Petroleum Wealth Shapes the Development of Nations*. Princeton: Princeton University Press. Kindle Edition.
- Sachs, J.D. and A.M. Warner. (1999). Nature Resource Intensity and Economic Growth. In: J. Mayer, B. Chambers and A. Farooq (eds.) *Development Policies in Natural Resource Economies*. Cheltenham: Edward Elgar, pp. 13-38.
- Sala-i-Martin, X. and A. Subramanian. (2003). Addressing the Natural Resource Curse: An Illustration from Nigeria. *IMF Working Paper*. Washington, DC: International Monetary Fund.
- Saleh Ali, Issa, "Oil Revenue and Economic Development; case of the Libyan Economy (1990-2007)", Wolloongong University, 2011, 303
- Vladislavljević, Nebojša, Stabilni autoritarizam u arapskom proleću", (Stable Authoritarianism), Sociološki pregled (Sociological Review), year XLVII, No. 4, 2013, pp.489-514
- Wintrobe, Ronald, Dictatorship: Analytical Approaches, *The Oxford Handbook of Comparative Politics*, Oxford University Press, 2009, pp.363-394

Detailed instruction for authors

The Journal solicits papers which are 8,000 to 10,000 words in length. Shorter papers between 5,000 and 8,000 words will also be considered for publication, especially if they are review articles or if they put forward new, insufficiently explored ideas and approaches (often deemed to be premature by other journals). Book reviews should exceed 2,000 words and reviewers are required to submit a copy of the book reviewed if they initiate a review of the publication.

All submissions must be in English. However, as this journal belongs to the UN family, it encourages the translation of works originally written in other languages into English. Nevertheless, submission to the journal implicates that the paper has not been published elsewhere (regardless of the language of publication) and that it is not submitted for publication in any other medium.

All papers submitted for publication should be sent electronically to the Editor at the following address: zeljko.sevic@gcal.ac.uk or ecpd@eunet.yu.

Submission of a paper will be held to imply that it contains original unpublished work. The Editor does not accept responsibility for damage or loss of papers submitted. Upon acceptance of an article, author(s) will be asked to transfer copyright of the article to the publisher – the European Center for Peace and Development at the University for Peace established by the United Nations (ECPD). This transfer will ensure the widest possible dissemination of information.

Manuscripts should be double-spaced with wide margins. All pages should be numbered consecutively. Titles and subtitles should be kept as short as possible. References, tables and legends for figures should be inserted into the main text and also submitted as separate files with the final version of the paper. This final version should be sent in hard copy form and on a 3.5" diskette or a CR-Rom to the editor at the following address: Zeljko Sevic, Caledonian Business School, Glasgow Caledonian University, Cowcaddens Road, Glasgow, G4 0BA, Scotland, UK, UK or ECPD, Terazije 41, 11000 Belgrade.

The first page of the manuscript should contain the following information: the title; the name(s) and institutional affiliation(s) of the author(s) and an abstract of not more than 200 words. At the bottom of the cover page, please provide the full postal address, telephone number, fax number, and E-mail address of the corresponding author. Please also supply up to five key words with up to three Journal of Economic Literature codes.

In principle, any acknowledgements, and information on grants received should be given in a first footnote, which should not be included in the consecutive numbering of footnotes, and marked with an asterisk (*).

Footnotes should generally be avoided. The Journal's view is that if the material is worth including in the paper, it should be incorporated into the text. However, footnotes can be used for very long lists of references that would otherwise break up the text, or for material that is substantive but takes the reader too far afield to be easily integrated into the

text. Acknowledgments also belong in the footnotes (e.g., “We thank John Long for suggesting this new approach/test/interpretation.”) A general guideline is no more than one footnote to every 4-5 pages of text, not including acknowledgments and long lists of references. Footnotes are numbered consecutively in Arabic superscripts. Footnotes must not, under any circumstances, include displayed formulae or tables.

Displayed formulae should be numbered consecutively throughout the manuscript as (1), (2), etc. against the right-hand margin of the page. Section headers are left-justified with Arabic numerals. Only the first word is capitalized. Headers are in boldface type, and subheads are in italics. A period follows the last numeral. As headers and subheads introduce text, it is preferable that they not be immediately followed by additional subheads. References in the text to other sections of the paper are capitalized (e.g., “as noted in Section 2.2”).

The first line of each paragraph is indented. The use of the active voice greatly improves the readability of a paper (e.g., “the tests show” or “we show,” not “it is shown”), but authors should avoid the use of ‘I,’ since good academic writing should be depersonalised. Italics, quotation marks, and capital letters are considered to be distracting and should be kept to a minimum (although the words *a priori*, etc., i.e., e.g., et al., ex ante, and ex post are italicised). Special terms can be italicised but only at the first occurrence, and all foreign (non-English) words should be italicised. Abbreviations should be kept to a minimum, and the full text with an abbreviation in brackets should be given when the term is used for the first time. Do not assume that all readers are familiar with the abbreviations/acronyms that are used in your paper. The use of appendices is discouraged but if they are used, please refer to them as Appendix A, Appendix B, etc.

The Journal endorses full Harvard referencing style. Potential authors are strongly encouraged to consider the latest edition of the Chicago Manual of Style, before submitting their paper. The list of references should appear at the end of the main text (after any appendices, but before tables and legends for figures). It should be double-spaced and listed in alphabetical order by author's name. Everything in the list of references should be cited in the text, with no discrepancies in the spelling of the authors' names or in the date of publication. In the reference list, there are no quotation marks, no underlines, and no italics. The authors' last names and first initials are used. Only the first word of an article title is capitalised. Book and journal titles take normal initial capitals. References should appear as follows:

For Monographs/Books:

Hunt, B. and D. Targett (1995), *The Japanese Advantage? The IT Battleground in Europe*, Oxford: Butterworth Heinemann in association with “Management Today”.

For Contributions to Collective Works (book chapters – edited volumes/conference proceedings):

Barsoux, J.-L. and P. Lawrence (1991), Countries, Cultures and Constraints in R. Calori and P. Lawrence, eds. *The Business of Europe: Managing Change*, London: SAGE Publications, 198-217.

For Journals:

Kornai, J. (1993), The Evolution of Financial Discipline under the Post-Socialist System, *Kyklos*, 46(3), 315-336.

For Unpublished material:

Bonin, J. P. and M. E. Schaffer (1995), *Banks, Firms, Bad Debts, and Bankruptcy in Hungary 1991-94*, CEP Discussion Paper No. 234, London: Centre for Economic Performance at LSE

For WWW material:

CATO Institute (1998), *Rita Gluzman, Petitioner v. United States of America, Respondent, Brief of Amicus Curiae the Cato Institute in Support of the Petition for a Writ of Certiorari to the United States Court of Appeals for the Second Circuit*, <http://www.cato.org/pubs/legallbriefs/gluzman.pdf> [accessed 15th March 2001]

Journal titles *should not* be abbreviated. Also, the location of the university or publisher must only be a city. Do not provide information on a county, state or a country.

Citations in the text and footnotes should include the surname of the author(s) followed by the year of publication in brackets, such as (Merton, 1986). If the author refers to a direct quotation, this should be given under quotation marks and page number should be provided, such as (Merton, 1986: 3). If there are more than three authors credited to a single publication, the reference is referred to as the first author's surname, followed by *et al.* typed in italic, whilst all the authors will be listed at the end of the paper in the list of references. For instance, (Merton, *et al.*, 1986). Note that where there are more than two authors, their names should be separated by commas and multiple parenthetical citations should be separated by semicolons.

Use commas in numbers with more than three digits (e.g., 1,234 vs. 1234). Per cents appear as 12.34 per cent (not 12.34%). In principle, avoid the use of symbols in the main text. Decimals are preceded by a zero, as in 0.1234 (not .1234). A number or percent at the beginning of a sentence is spelled out (e.g., "Forty-two of these firms are in the full sample...") but it is preferable to use a different construction (e.g., "The full sample includes 42 of these firms..."). Months and years are written without commas or apostrophes (e.g., 1980s, January 1990).

Any illustrations will be reproduced photographically from originals supplied by the author; the publisher will not redraw them. Please provide all illustrations in duplicate (two high-contrast copies). Care should be taken that lettering and symbols are of a comparable size. The illustrations should not be inserted in the text, and should be marked on the back with figure number, title of paper, and author's name.

Tables should be numbered consecutively in the text in Arabic numerals and inserted into the main text. However, they must also be printed on separate sheets and saved into separate files labelled appropriately in an understandable manner (table 1, table 2, etc.) when the final version of the accepted paper is submitted in electronic and hard copy to the Editor. The legends, axis labels, column and row labels and footnotes for all figures and tables should be clear enough so they are self-contained; that is, the content of the table or the figure must be understandable without reading the text of the article and authors should avoid describing the same material presented in the tables in the main text. Each table must have a title (at the top) followed by a descriptive legend. The source(s) of the table must be given below the table, following the word 'Source:' written in italic script (For example: 'Source: John, 1992, p. 23'). Authors must check tables to be sure that the title, column headings, captions, etc. are clear and to the point. All graphs and diagrams should be referred to as figures (e.g., Fig. 1), and should be numbered consecutively in the text in Arabic numerals. Illustrations for papers submitted as electronic manuscripts should be in traditional form.

The legends and captions for tables or figures should be complete enough that the table or figure can stand on its own. Large tables and graphs must be presented in landscape format, and tables should be typed in 9 pt script, while the main text is typed in 12 pt script. In particular, the TITLE AND LEGEND of the table or figure must describe the content of the numbers or symbols in the body of the table or the content of the figure. For example, a table legend that says “Descriptive Statistics” is unsatisfactory.

Equations in the text are indented on a separate line with the number of the equation right-justified. All equations are numbered, even if they are never referred to in the text. In general, equations are punctuated as normal parts of a sentence if the sentence continues after the equation, as follows:

Revenue, R is calculated as

$$R = P \times V \quad (1)$$

where

- P is the selling price, and
- V is the volume of sales in units.

Ensure that the letter “I” and digit “1”, and also the letter “O” and digit “0” are used properly, and format your article (tabs, indents, etc.) consistently. Characters not available on your word processor (Greek letters, mathematical symbols, etc.) should not be left open but indicated by a unique code (e.g., alpha, @, etc., for the Greek letter “alpha”). Such codes should be used consistently throughout the entire text and a list of codes should accompany the electronic manuscript. Do not allow your word processor to introduce word breaks and do not use a justified layout. Please adhere strictly to the general instructions below on style, arrangement, and, in particular, the reference style of the Journal.

Any manuscript that does not conform to the set instructions will be returned to the author(s) for necessary amendments before being sent to the referees.

Once the accepted paper is ready for going to print, the page proofs will be sent to the corresponding author. Proofs should be corrected carefully; the responsibility for detecting errors lies with the author. Corrections should be restricted to instances in which the proof is at variance with the manuscript. Each author will receive 5 reprints of his/her paper and a copy of the journal issue in which the paper has appeared. All the reprints will be sent to the corresponding author and he/she will be responsible for distributing reprints and copies of the journal to other co-authors.

Potential authors are strongly encouraged to consider the Journal of Financial Economics’ style guide as this promotes good academic writing. However, if there is an inconsistency between the above instructions and the JFE style-sheet, the authors should adhere to the above stipulated guidelines. JFE style-guide can be accessed via WWW at <http://jfe.rochester.edu>.