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'SOUTH–SOUTH' STRATEGIC CHALLENGES

to the global economic system and power regime

Dot Keet

October 2006

Institute for Global Dialogue

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Acronyms and abbreviations

ABI	Argentina, Brazil, and India
ACP	African, Caribbean, and Pacific
APEC	Asia-Pacific Economic Community
APTA	Alternative Peoples' Trade Agreement
ASEAN	Association of South East Asian Nations
AU	African Union
BIT	bilateral investment treaty
CARICOM	Caribbean Community
CEO	Corporate Europe Observatory
COSATU	Congress of South African Trade Unions
CUT	Central Unico dos Trabalhadores
DDA	Doha development agenda
ECOSOC	(UN) Economic and Social Council
ECOWAS	Economic Community of West Africa
EFTA	European Free Trade Association
EPA	economic partnership agreement
FAO	Food and Agriculture Organisation
FTA	free-trade area/agreement
FTAA	Free Trade Area of the Americas
G-20, ETC	group of 20, etc
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
GSP	generalised system of preferences
GSTP	global system of trade preferences
IBSA	India-Brazil-South Africa
IFI	international finance institutions
LDC	least-developed country
LMG	like-minded group
MERCOSUR	Mercado Comun del Sur
MFN	most favoured nation
MTS	multilateral trade system
NAFTA	North American Free Trade Area
NAM	non-aligned movement
NAMA	non-agricultural market access
NGO	non-governmental organisation
NIC	newly industrialised country
OAU	Organisation of African Unity
SAARC	South Asian Association for Regional Co-operation
SACU	Southern African Customs Union

SADC	Southern African Development Community
SADCC	Southern African Development Co-ordination Conference
SAFTA	South Asian free trade area
SAPTA	South Asian preferential trade area
SDT	special and differential treatment
SILV	small, island, and vulnerable economies
SP	special product
SSM	special safeguard measure
STE	state trading enterprise
TRIMS	trade-related investment measures
TRIPS	trade-related aspects of intellectual property rights
UNCTAD	UN conference on trade and development
UNDP	UN development programme
UR	Uruguay round
URA	Uruguay round agreements
WHO	World Health Organisation
WSSD	World Summit on Sustainable Development
WTO	World Trade Organisation

Context and focus

Increasing public attention has recently been focused on international initiatives and engagements being undertaken by the South African government in conjunction with other governments of 'the South'; that is, the countries of Africa, Asia and the Pacific, Latin America, and the Caribbean. In the very recent period, high-level South African representatives have been engaged in major meetings:

- in Brasilia at the beginning of September, among the governments of Latin America, Asia, and Africa that operate together in the group of 20 (G-20) alliance in the World Trade Organisation (WTO);
- among the countries in the India-Brazil-South Africa (IBSA) 'dialogue' alliance, held on 13 September, also in the Brazilian capital;
- among the 118 countries of the South participating in the meeting of the non-aligned movement (NAM), hosted by the Cuban government in Havana, 15–6 September; and
- in the context of the current session of the UN General Assembly in New York, fewer public consultative meetings have undoubtedly been taking place, as is their practice, among some 130 countries in the group of 77 plus China (G-77+China) that operates within the UN system.

The media have drawn unprecedented public attention to these South-South meetings, as well as to other international events taking place concurrently, particularly the annual meeting of the International Monetary Fund (IMF) and World Bank in Singapore. Although potentially significant, the meetings of these latter two are very different to the above international meetings/groupings, which involve only governments of countries of the South. The IMF/World Bank meetings formally include many governments of the South, and various formal and informal alliances among them, but they are dominated by the direct engagements, and confrontations, between the countries of the South and those of the North. The IMF/World Bank meetings are therefore of a different order to the specifically and exclusively South-South meetings and organisations noted above.

The purpose of this paper is to focus on these specifically South-South meetings and groupings, rather than directly on broader South–North engagements and relations. The reshaping of these South–North relations, and of the Northern-dominated global economic system and institutional regime, are among the aims and objectives of the intensifying South-South strategic engagements, and the increasing number and range of specifically South-South initiatives. But these South-South engagements have a longer history, and also go further. Some of these political and economic, and political-economic, initiatives by and among the countries of the South are not new, and have already engaged the attention of South analysts and movement activists over the years.[2] These old and new South-South organisations and alliances are also not equally effective, and not all of them merit or will receive the same attention in the following analysis. They are also characterised, not only by their differing terrains of engagement, but also by their differing immediate aims, and broader potentials, and trajectories. Closer critical analysis is required to assess:

- how, or how effectively, such groupings or alliances operate within the existing international institutions, and political and economic arrangements, in the world today;
- how, or whether, their joint engagements are aimed against the current institutional and economic order or, at least, at radically changing the instruments and relations of power; and
- what their potential is to go further and challenge the existing global economic system and power regime, by establishing different, and greater, political and economic capacities to function alongside, or even outside, of these economic and political paradigms.

The main international terrains of engagement

The globalisation of capitalism, penetrating more extensively and intensively into every country and every sector throughout the world, has been advanced through complex and shifting combinations of the direct operation of economic 'market' forces; the political exertion of economic force; the application of political pressures; and the utilisation of technological and ideological instruments, and military means, as deemed necessary. All these dimensions demand, and are receiving, the attention of critical analysts and organised popular forces, focused in particular on the more blatant unilateralism and aggressive militarism of the current 'global superpower', the United States.

At the same time, however, important critical attention has to be applied to international institutions that are utilised by the governments that dominate them in order to provide a seemingly 'legitimate' cover, and more insidious forms of control than are possible with the naked crudities of overt military power. The more pervasive and persuasive means of global control, and more universally applied by more governments, reside increasingly in a range of 'multilateral' institutions. These together constitute – and are used, by the more skilful and sophisticated powers, as – an emerging system of global government.

There is, of course, already a form of de facto 'global government' that resides in large measure within the mainly un-public organisations and unpublicised political – and not only economic – strategies of private-sector enterprises, and through a multiplicity of interlinked international business organisations and institutions.[3] But the public inter-governmental side of the emerging system of global government resides in the expanding system of interlocking official political/economic institutions. These are sidelining, or subordinating, and in some measure even displacing, the established global governance institutions and agencies of the UN system. The new system of global government is based mainly in the complex of international finance institutions (IFIs), led by the IMF and the World Bank, and by the WTO, among others.

From the early 1980s, the IFIs were extremely useful instruments for the governments of the highly industrialised economies, as their main funders and policy-shapers, to compel countries – through IMF 'macroeconomic stabilisation' programmes and accompanying World Bank 'structural adjustment programmes' – to restructure and reorient their economies towards the 'benefits' of international trade, and international investment and capital flows. In other words, countries were to open up to – and rely upon – the burgeoning producers/exporters and investors from the countries of the North. However, the imposition of the sweeping liberalisation and privatisation programmes of the IMF and World Bank were only really feasible with highly indebted governments that came under their control. In the 1980s these were mainly in Latin America and Africa, whereas the countries most attractive to Northern exporters and investors were Japan and other similarly protected newly industrialised countries (NICs) in Asia. These, however, were not – then – sufficiently in debt to be accessible to IMF/World Bank policy dictates. The governments of the most industrialised countries needed another more pervasive, permanent, and powerful instrument to compel these, and all other governments, to open up their economies. Trade provided such a universal lever.[4]

All countries, however protective of their own economies, need external trade to one degree or another. The NICs, moving from their earlier inward industrialisation towards export-oriented strategies, were particularly dependent on trade access to other countries, especially the large consumer markets of the richest countries. Thus, for the governments of the rich North, providing improved 'trade access' into their markets became an effective instrument to force all such economies to 'reciprocate' by opening up their markets, in turn. This could, of course, be achieved piecemeal through hundreds of bilateral free-trade agreements (FTAs) and thousands of bilateral investment 'treaties' (BITs).[5] But a 'multilaterally agreed' system of trade regulations would be more generalised, more uniform, and more 'efficient' for the transnational operations of rapidly expanding global financial, production, and trading corporations. International trade is, per se, a vital economic outlet for the excess production and the accumulated capital of the most highly industrialised countries themselves, but is also a powerful instrument to serve their other broader economic – and political and military – aims.

The General Agreement on Tariffs and Trade (GATT) provided a multilateral platform for the narrower, literal aims of trade, but also for its broader, more strategic utilisation. Thus, the Uruguay round (UR) of GATT negotiations (1986–94) was expanded in depth and scope for this purpose. In addition to the promotion of wider and faster trade liberalisation, new, multilateral 'trade-related' agreements were also introduced during the UR – for example, promoting the rights of international investors through the Trade-Related Investment Measures (TRIMS) agreement and protecting corporate 'intellectual property' through TRIPS (the so-called Trade-Related Aspects of Intellectual Property Rights). These and many other UR agreements (URAs) were designed to place wider obligations and constraints on all member states' international trade practices, but also with regard to their internal domestic policies. The UR set up the WTO in 1995 in Geneva for the monitoring, supervision, and enforcement of such trade and trade-related agreements throughout the world.

In the years that followed this strategic thrust by the governments of the most highly industrialised countries, other WTO member states in Asia, Latin America, and the Caribbean, and in Africa, gradually became aware of the underlying strategic aims and the grossly imbalanced nature of the package of agreements they had been persuaded or pressurised to sign during the UR. Conversely, these countries also became aware that the governments of the richest and most powerful countries, particularly the United States and the EU, had, during the UR, skilfully evaded the extensive and rapid liberalisation terms that they were imposing on other countries through the WTO and/or the IMF/World Bank. These more powerful governments, known as 'the majors' in the WTO, had instead inserted targeted exceptions and exemptions for themselves; allowing them to maintain various protective terms and protectionist devices within their own economies, and especially for their more vulnerable sectors, such as agriculture, and less competitive producers/products, such as clothing and textiles.

However, as the more active of the governments of the developing countries tried to raise their concerns in the WTO, they were also exposed to the heavy bias of the director-general[6] and the secretariat of the WTO towards big-power interests, and their unquestioning promotion of the neo-liberal assumptions driving the 'multilateral trade system'. These were clearly designed to promote the ever-expanding 'open global economy', dominated by the rich and powerful economies and their corporations, and on terms favourable to them. At successive WTO ministerial conferences in the years following the UR, developing-country representatives in the WTO tried to take up and amend the defects and deficiencies in the URAs.[7] And, in the process, more and more of them also became angrily aware of the thoroughly undemocratic, untransparent, and exclusionary nature of the modus operandi of the WTO, which the majors created and manipulated to suit themselves. These undemocratic methods of work make it virtually impossible for other countries to even get their proposals incorporated into the negotiation 'texts', let alone accepted.

Overlapping tactical South alliances within the WTO

The better informed and more proactive of the developing-country governments began to come together to discuss these problems, and to create informal working alliances to deal with them. The earliest such initiative of the stronger and/or more determined of such countries came to be known as the Like-Minded Group (LMG), bringing together some 15 developing-country governments. Depending on the issue in focus, the LMG at various points included countries such as Cuba, the Dominican Republic, and Jamaica in the Caribbean; India, Indonesia, Malaysia, Pakistan, the Philippines, and Sri Lanka in Asia; and Egypt, Kenya, Mauritius, Tanzania, Uganda, and Zimbabwe in Africa. Over the years, with various changes of government, and/or changes in the economic orientations of existing governments, not all of these countries would consider themselves – or be considered – to be part of this informal 'like-minded' group. This loose grouping has, itself, also been superseded in many ways by the participation of most of these countries, separately and together, in various of the other more formally constituted groupings analysed below.

With regard to the role of the now 'emerging economies' of the South, it must be noted that India played a proactive role in GATT and in the WTO from the start, and was thereafter a leading participant in many of the developing-country initiatives. Brazil and South Africa, on the other hand, were not participants in the informal groupings of more proactive developing countries in the WTO. The only grouping – and a more formal grouping – within the WTO that Brazil and South Africa publicly joined from the start was the Cairns group, consisting mainly of larger and/or more developed agricultural exporting countries, and promoting the export needs of the commercial agricultural sectors in these countries. The Cairns group also included a number of other 'more advanced' developing countries, such as Chile and Argentina, but it was dominated by more highly developed agricultural exporting countries, such as New Zealand and Australia. The last acted (and continues to act) as their official spokesperson in the WTO, and the group often operates in informal tactical positionings with the United States in the WTO in order to counter or put pressure on the EU.

For its part, South Africa continued as a member of the Cairns group in the years following the democratic transition in 1994, but as a newly integrated member of the Organisation of African Unity (OAU), it also began to participate in the Africa group in the WTO in Geneva. However, although formally endorsing the joint positions formulated by African trade ministers through regular continental strategy meetings, the South African government essentially followed its own priorities and approaches. At that stage, the strategic conceptualisation of South Africa's role in the WTO, as articulated by the then minister of trade, was to 'act as a bridge between the developing and the developed countries' (Erwin 1999; see also Keet 2002).[8] This carried various problematic implications for South Africa's own interests and role in the WTO and in the global economy. But the practical expression of this approach in the WTO also contributed towards increasingly critical views in Africa on South Africa's international trade strategies.[9]

Over and above the initiatives being taken by some of the more active WTO member governments, such as the LMG, up to and in the third WTO ministerial in Seattle, United States, in December 1999, the dramatic breakdown of that meeting also reflected the impact of the unprecedented presence and role of international social forces against the terms and very purposes of the WTO. From inside the WTO itself, a growing dissent was, in some measure, reflected even in the diplomatically expressed but politically significant united stand taken by the Africa group against the WTO's exclusionary procedures. Following on from the experience in Seattle, developing-country members of the WTO came together more and more in various new groupings to promote their views on key issues and processes in Geneva, as these arose.[10] It is significant that, in addition to some of the major developing countries, such as India, that had traditionally played leading roles in GATT and the WTO, a core of Caribbean and African countries participated in these proactive tactical alliances.[11]

Despite the reluctance of South Africa and Brazil, during almost a decade of the WTO, to take active and public stands together with other more proactive developing-country governments, their governments did eventually decide to come out strongly in one major new developing-country grouping that emerged in August 2003. This was the Group of 22 (G-22), focused on key agricultural issues. Two thirds of this group were Latin American countries, many with quite questionable political and economic relations with the United States.[12] But the G-22 was led mainly by Brazil, under the newly elected Workers' Party government, and included also India and China and a few other Asian countries, as well as one African country in addition to South Africa, namely Egypt.[13]

During the fifth WTO ministerial in Cancun, in September 2003, this very mixed tactical alliance focused its skilful diplomatic activities and highly technical engagements on the agricultural policies and practices of the most industrialised countries. The G-22 was determined to tackle the major inconsistencies and imbalances in the implementation of the WTO agreement on agriculture, and open up the markets of the rich countries to their own large-scale agricultural exporters. This required the removal of agricultural tariff barriers in the North, but also involved dealing with the 'trade-distorting' effects of the agricultural export and production subsidy/support policies, particularly of the EU and the United States.[14] Such a united engagement within the WTO by a grouping of developing countries, including larger and/or key countries of the South, perturbed and preoccupied the majors, and held much of the mainstream media attention during Cancun.

Receiving far less attention was another grouping, mainly of African and Asian and a few Latin American countries, all with heavily agricultural economies, which came together as the Group of 33 (G-33). Their unifying concern was to fight for the production and livelihood needs of their millions of small-scale peasant and family farmers, constituting the majority of their populations. In addition to some 14 African countries in this category that eventually joined this group,[15] the other countries then in the G-33 included India, Indonesia, China, and the Philippines in Asia; and Cuba, Jamaica, and Venezuela in Latin America and the Caribbean.[16] The significance of the G-33 alliance is that its main concern is not agricultural trade liberalisation, as in the case of the G-22, but the countries' rights to prevent Northern agricultural export dumping, and damage to their millions of small agricultural producers. They go further to demand their rights to employ Special Safeguard Measures (SSMs) to protect and promote their key, and self-identified, Special Products (SPs) and their small producers against import surges and/or price collapses. Thus, while co-operating with – and with some of them overlapping with – the G-22, the G-33 countries maintained, and maintain to this day, their separate identity and more specific demands.

While it is the G-22 grouping that is widely blamed, or credited, with having created the impasse in the negotiations that brought the Cancun ministerial to an abrupt halt, the fact is that the G-22 was convinced that it was making gains in Cancun, and publicly regretted the collapse of that meeting. The fuller irony, however, is that the Cancun negotiations were effectively brought to a stop by a very much larger grouping of African, Caribbean, and Pacific (ACP) countries (led by Jamaica and, in Africa, by Botswana), in combination with the group of least-developed countries (LDCs, led by Bangladesh and, in Africa, by Senegal), and the African Union (AU, led by Mauritius). Together, these countries, known as the Group of 90 (G-90), constitute by far the largest grouping in the WTO.[17] They stood together in Cancun on their separate and combined demands for their development needs to be fully recognised and operationalised in WTO agreements. They insisted, above all, on receiving 'Special and Differential Treatment' or terms (known as SDTs in the WTO) in recognition of their lesser levels of development.In this context, too, they opposed the introduction into the WTO negotiations of yet further new liberalisation agreements, known collectively as the 'Singapore issues', especially on the free movement and operations of international investors.[18] It was the moderately expressed but firm stand taken by the G-90 on these latter issues that ultimately produced the insurmountable stalemate in the negotiations in Cancun.

The fuller picture of the forces at work in Cancun has to include the presence and impact of tens of thousands of unionised workers, farmers' and fisher-peoples' associations, and women's organisations, and other social forces and progressive non-governmental organisations (NGOs), demonstrating their opposition to the WTO and its trade-liberalisation agenda, and, through some radical 'accredited' NGOs, even having their views projected within the very negotiating halls. This presence and impact reflected the many other mass actions and the international movements building up, and the NGO networks acting with them, all over the world, against the WTO and against neo-liberal globalisation. These had become a constant feature and factor in relation to all WTO – and IMF and World Bank – meetings over the years.

But the resistance and impact of governments of the weaker countries within the very processes of the WTO was unprecedented in the organisation's history. This was probably not foreseen nor even intended by the G-90 constituent groupings. However, simply by standing together on certain key issues, they effectively challenged the existing structures of power and the established patterns in the WTO. They also managed, through an innovative procedure during Cancun, to avoid being divided by the majors and out-manoeuvred, as in previous ministerials, most notably in the fourth WTO ministerial in Doha, in 2001. Their newer defensive and preventative modus operandi ensured that no single G-90 member country, even if nominated to represent any sub-grouping, and invited into the privileged inner conclaves of the WTO, could make any undertakings without first reporting back to the broader group(s).[19] This, of course, is a system of democratic mandating very familiar to radical trade unions and broader social movements in South Africa. Clearly, the G-90 grouping of the smaller and/or poorest and weakest countries in the world managed to play the role that they did because, as always, 'unity is strength'. The weak and fearful are embraced and covered by the whole. And the whole is greater than the sum of its parts.

At the same time, however, it must be noted that the G-90 also held firm because the strong stand taken by the G-22 on its own specific issues diverted the attention of the majors. Furthermore, whether the G-22 intended it or not, its determined challenge to the majors' agricultural policies changed the overall climate within the negotiations in Cancun which – together with the challenging climate being created by mass actions around the meeting – encouraged the otherwise vulnerable G-90, and the somewhat cautious G-33, to hold their ground.

Some key questions and challenges

For the peoples of the South, it is certainly to be welcomed that their governments, in their strategic positioning on international trade and particularly within the WTO, seem to be adopting more proactive and even challenging positions in relation to the powers of the North. However, there remain questions of detail and important strategic issues to be posed to these governments.

The strategic focus on agriculture?

On the face of it, the major focus of the current Doha round of the WTO on agriculture does reflect the significance of agriculture in the economies, societies, and cultures of most of the countries of the South. And, in this context, it is strategically important for their governments to insist on their right to protect their millions of vulnerable small farmers and their rural economies. However, the limited nature of the safeguard measures they propose, and the identification of a few key SPs, relate only to the current levels and structures of their agricultural sectors. Thus:

- unless such governments also frontally challenge and remove the *de minimus* limitations set during the UR on their right to subsidise farmers in their countries, and
- unless they energetically resist United States attacks on their right to create and utilise agricultural marketing boards and other such public transport/distribution agencies to support their farmers,[20]

such countries will not be able to make qualitative advances in their agriculture production systems according to their own circumstances, needs, and broader national objectives.[21]

Furthermore, in order to enable farmers in the developing countries to sustain their production and defend their livelihoods without powerful pressures from producers and exporters from the North, it is also essential that a definitive stop be put to the destructive 'dumping' effects on both large and small agricultural producers in all developing countries. These damaging effects are caused by:

- the floods of excess agricultural products from the highly industrialised economies, encouraged by their governments' agricultural export subsidies and agricultural support programmes; in combination with
- the opening up of agricultural markets in developing countries through the forced reduction of their protective agricultural tariffs.

This situation requires, at the most basic, that governments in the developing countries refuse, and if necessary reverse, tariff reductions in their agricultural sectors. However, the G-22 governments, subsequently renamed the G-20,[22] are now, in the guise of resisting the radical market liberalisation demanded by the developed countries, putting forward more 'moderate' and varied 'multi-band' proposals for such tariff reductions by developing countries. The further indications are that the countries of the G-20 are even prepared to make significant accommodations in their demands as to the levels and time-scale for the reduction of the developed countries' export subsidies. They are also compromising on the continuation of domestic agricultural supports in the highly industrialised economies, which are now being recast in new and disguised forms by the EU and the United States, and protected in various legal 'boxes' in the WTO (Keet 2006). These compromise positions by the G-20 are highly problematic, even in the interests of the more advanced developing countries, let alone the other, very vulnerable, developing countries.

A further question has to be posed, more specifically, to the governments of Brazil and South Africa, as to why they were for so long prepared to make agriculture the one matter on which they were willing to form tactical alliances with other – many of them politically questionable – countries in the WTO, whether in the Cairns group or in the G-22. Even with their more recent, unprecedented initiatives, the governments of Brazil and South Africa have chosen to be members only of the G-20, which essentially reflects the export-promotion and trade-liberalisation interests of large commercial farmers.[23] If the Brazilian and South African governments are serious about supporting existing and promoting new small farmers and agricultural communities in their countries, as they declare, they would – at the very least – also be members of the G-33; as are other members of the G-20, such as India, China, Indonesia, Pakistan, the Philippines, and others.

Agriculture as a tactical issue in relation to the North?

Agriculture may well be of fundamental importance in the economies of most countries of the South, but, with the current heavy focus of the WTO negotiations on agriculture, there is a real danger that this will not only reflect, but reinforce, the character of such countries as predominantly – and permanently – agricultural economies ... while the developed countries are simultaneously and energetically advancing their more fundamental interests in the industrial and services sectors. The resistance by the EU and the United States in the agricultural negotiations is a necessary, but mainly interim, political stance to accommodate politically influential domestic constituencies. But their other tactical objective in the Doha Round was to focus the attentions and limited resources of the developing countries on the agricultural issues ... while the real interest and strategic thrust of the majors is towards further and faster liberalisation in the industrial and services sectors, which are of much greater importance to their own economies. They go further to demand that the developing countries must 'compensate' the developed for the 'costs' to their farmers and national economies that would be caused by proposed changes to their agricultural subsidisation policies.[24] This compensation to the developed countries is to be through the 'opening up' of the industrial and services sectors in the developing countries, through Non-Agricultural Market Access (NAMA) industrial liberalisation, and the General Agreement on Trade in Services (GATS).

An alternative interpretation is that the emphasis by the G-20 countries on agriculture was, in turn, based on their own tactical calculations for the negotiations. This is because it is in the agricultural sector that the most blatant abuses by the major powers are to be found. The continuing evasions by the EU and the United States of the 'liberalisation' terms supposedly enshrined within the WTO apply to other sectors as well, but it is in agriculture that their 'double standards' are most clearly evident *and* most prejudicial to all the heavily agricultural countries in the South. Thus, it is on these agricultural issues that the most developed countries, especially the United States and the EU, are most politically vulnerable within the WTO, and in struggles around international public opinion. However:

- if this is, indeed, the shrewd overall calculation by developing-country governments, such as Brazil, India, and China, and others in and through the G-20; and
- if it is on this tactical basis that they are also utilising the 'trade-distorting' agricultural policies of the most industrialised economies as an effective negotiating lever, a bargaining device in the current round of WTO negotiations;

then the more fundamental question is whether such countries are pursuing a less public, broader, strategic economic and political agenda in the WTO negotiations.[25] This is particularly the case for those semi-industrialised and industrialising countries, such as Brazil and South Africa, where agriculture is actually a lesser part of their GDPs compared to their manufacturing, mining, and services sectors.[26]

Strategic focus on industrial and services sectors?

If these developing-country governments do have a broader economic agenda in the WTO than simply agricultural trade concerns, the question is why they have been so slow in entering into alliances in the WTO on the other larger and more important aspects, and instruments, for the development and diversification of their countries' national economies, namely the industrial and services sectors. Argentina, Brazil, and India (known as the ABI) did come together, in mid-2005, during the NAMA negotiations, with a modified formula for industrial tariff reductions that might provide certain developing countries with relatively less unfavourable reductions than the formulas placed on the table by various developed countries (see Keet 2005a: 12–15). This ABI proposal was hardly an adequate response to the aggressive demands of the EU, and especially of the United States. But in the lead-up to, and at, the WTO ministerial in Hong Kong in December 2005, these and seven other developing countries, including and largely led by South Africa,[27] came together on the NAMA negotiations with more nuanced and additional qualitative criteria, rather than a simply quantitative 'formula' proposal. However, even with their argument that tariff reductions must be 'proportionate and commensurate' to the size of the respective economies, they were not effectively challenging the very notion of the 'multilateral obligation' of all countries to make further across-the-board and fixed ('bound') tariff reductions. Nor were they defending the principle of the right of all governments to set and utilise trade and tariffs policies, in combination with other policy instruments, for their own national industrial development, as their trade unions and other social players already argue (see ibid).

The problem is that these governments' positions are characterised by pragmatic 'realist' accommodations to the offensive thrusts of the more developed countries (see Keet 2005b: 14–5). Their trade negotiators and technocrats continue to accept the 'inevitability' of tariff reductions. Some services companies in India and industrial organisations in Brazil even argue for the 'necessity' for liberalisation in these spheres. Hence, these and other governments are not mounting fundamental challenges against the problematic effects and negative implications on further and future national development and diversification prospects in their industrial sectors through NAMA liberalisation, or in their services sectors through GATS.

The Doha round as a genuine 'development' instrument?

The further broader challenges relate to the governments of the South holding up the so-called Doha Development Round as a significant framework for promotion of the development needs of the developing countries of the world. Yet it is quite clear in the Doha agreement text, and in the positions and interventions of the majors since the Doha ministerial in November 2001, that some of its terms are highly questionable, and others are very modest and hedged around with various caveats and evasions, by and on behalf of the major economies (see Keet 2006: 38–43). It could be that the developing countries are well aware of the limitations of what some like to call the Doha Development Agenda (DDA).[28] It could be that some governments are, in fact, consciously using the purported 'development' aims of this round as another skilful negotiating weapon to pressurise the developed countries. The 'development' aims and claims about the Doha Round are also to be a useful defensive shield to fend off the offensive 'market access' demands by the United States, the EU and others.

The more important question, however, is how far the developing countries can proactively utilise the supposed 'development' orientation and promises of the DDA to pressurise the developed countries towards fundamental changes. These actions have to be undertaken not merely within 'the rules' of the WTO[29] but, in concrete terms, within the policies and practices of the already more developed and highly industrialised economies. Changes in 'the rules' of the WTO may be useful towards limiting abuses by the powerful countries, but such reforms are certainly not adequate. Removing so-called 'trade distortions' in the global economic system is totally inadequate in the context of the many other marked productive, technological, and human skills imbalances being created and exploited in the current global system. It is, in major part, through the formulation and application of domestic policy instruments that developing counties may begin to deal with many of these deficiencies. However, to be able to do that they need the restoration of their 'policy space' and the policy flexibilities that all more developed countries were able to apply in the earlier pre-globalisation periods, and the pre-WTO era.

At the same time, it is essentially through internal economic – and therefore political – changes within the developed countries that their domestic economies, and therefore their expansionary and aggressive international economic roles, will be challenged and changed. Obviously, this is fundamentally the role and responsibility of the peoples of these countries. But positions taken by the governments of the South in eschewing solely diplomatic niceties, and finding ways to expose the dirty dealing, double standards, and anti-democratic behaviour of governments of the North – and informing and empowering their independent civil society organisations to do this, could certainly contribute towards the information and activation of democratic peoples' organisations at the very heart of the global system.

Changing the balance between the South and the North . . . and within the South

In the meantime, even to achieve the mere defensive reforms that the present developing-country governments are seeking within the URAs and in the WTO, there would have to be major changes in the balance of power among governments within the WTO. Many of the developing-country governments have made considerable advances in their understanding of the URAs and the WTO – in large measure thanks to national and international NGO efforts with them and on their behalf.[30] And many such governments seem to be taking significant steps in forming tactical alliances, as indicated above, to defend their own countries' interests, as the recent repeated stalemates in the WTO indicate. But, for this to be sustained and carried further, the majority of the member states of the WTO, namely the African countries and the G-90 in general, have to be held together to resist the typical divide-and-rule devices of the governments of the North. These latter very effectively utilise the political susceptibility of the governing elites in these countries, their aid and trade dependency, and the many vulnerabilities of their economies, to ensure their continued cautious and compromising positions.

However, the more determined governments in the G-90 and the G-33 realise that their own respective unities and potential impacts have to be strengthened through forging tactical and strategic alliances with the stronger G-20 governments. The governments of 'lesser' developing countries need to secure active support for their positions from the larger 'middle-power' developing countries, and to do so without surrendering their own positions and compromising their specific needs. The potential for this is indicated in the determined interventions by the G-33 in the Doha Round. Towards the end of the Doha negotiations, they sent out a diplomatically worded but clear signal that they would not accept some compromise deal stitched up within the G-6 (comprising the EU, the United States, Japan, Australia, India, and Brazil) that did not guarantee their interests. Significantly, their resistant stand was aimed not only at the governments of the North, but also in response to some members of the G-20 proposing limitations on the G-33's demands on SPs and the SSMs.

In the event, the firm stand of the G-33 countries prevailed, and the G-20 maintained its (public) position of support to them (see also page 31 below). This, in turn, may also have reflected some backstage tactical co-ordination among them, in so far as at least ten supporters of the G-33 are also members of the G-20. These are China, Cuba, India, Indonesia, Nigeria, Pakistan, Philippines, Tanzania, Venezuela, and Zimbabwe. Such cross-cutting group memberships, and their co-operation and mutual support, could, more significantly, contribute towards gradually shifting the overall balance of power in the WTO, and possibly more widely. The potential of such self-organisation and self-assertion by developing countries was most recently expressed in the impasse in the negotiations in the Doha Round. However, major questions still remain:

- on the one hand, about the continuing potential accommodating role and the influence of the bigger developing-country governments, including South Africa, over the rest in the WTO; and,
- on the other hand, about the complex relations among the countries of the South themselves in this and other contexts outside of the WTO.

The related strategic question is how developing-country governments can be encouraged to move beyond strategies within the WTO and, instead, begin to engage in fundamental challenges to the very purpose and role of the WTO in promoting neo-liberal globalised capitalism. How can the bases of the 'paradigmatic' debate on alternatives, and on alternative South-South strategies and alliances, be widened and deepened to look beyond the WTO altogether? This poses a broader set of questions and challenges.

All-inclusive South alliances outside of the WTO

Long before the G-22/G-20, and other groupings of 'developing' countries, came to be formed within the WTO, countries of the South had joined together in a number of international alliances. In the context of anti-colonial struggles and 'post-independence' neo-colonialism in the South, and in the face of the imperialism of the North, the common aims of the countries of Africa, Asia, Latin America, and the Caribbean were to protect or promote their interests as 'the Third World'. This was seen to be a world positioned between or apart from the First World of the capitalist west and the Second World of the anti-capitalist 'east'.

At the same time, however, during the 1970s – and long before the most recent era, of globalisation – there was a deepening realisation within the countries of Latin America and the Caribbean, Africa, and Asia that, as former colonies and now neo-colonies – that is, in the very internal structuring as well as the external orientations of their economies – they were in fact integrally part of the international capitalist economy. The Third World was not 'separate from' but economically integrated as the underdeveloped 'periphery' of a world economy driven by the interests and power(s) of the highly industrialised 'core' countries at the centre of the intrinsically international(ised) capitalist economy.

The earlier groupings of Third World countries in what is now referred to as the South were much larger in their membership than the G-20 or even the G-90, and were much broader in their coverage and scope. In the late 1960s and the 1970s there was the attempted development of the radical Tricontinental Movement of governments and political parties, and labour, social, and national liberation movements, influenced by the roles and examples of Cuba and Vietnam at the time. However, the oldest and largest of these groupings was the NAM, comprising more than a hundred countries in Asia, Africa, Latin America, and the Caribbean.[31] As the questionable notion of their political 'non-alignment' between West and East became more and more evident, especially after the economic and political collapse of the so-called Second World in Eastern Europe and the Soviet Union began in the late 1980s, the official rationale for the NAM, its role, and its very survival, became increasingly doubtful.

Under the influence of the revived and growing resistance during the 1990s by countries of the South, above all inside the WTO, the NAM has in recent years undergone something of a revival. Until recently, Malaysia, under the radical Third World-ist leadership of Mahathir, played the most active leadership role in NAM. In 2005, a commemoration took place in Bandung, Indonesia, as the site of the earliest roots of the movement, in 1955. This also produced a formal revival of the 'Afro-Asian solidarity' of the 1960s and 1970s; although the indications are already that – within the economic and political accommodations to the capitalist 'market' system in virtually all these countries, including Malaysia – such a revived co-operation between Asia and Africa will be carried out largely by and for their respective business interests (see also the section below on selective 'middle power' alliances). The earlier anti-imperialist rhetoric has been largely displaced by pro-capitalist practice.

South Africa has taken up an active role in the NAM since 1994, and Cuba is also engaging actively with(in) the NAM, as the host of its latest summit in Havana, 16-7 September 2006. This has resulted in more radical language than has been heard from the NAM for many years, as many of its governments became more accommodating and cautious. However, the nature and role of the all-inclusive NAM, as a whole, has long posed complex political questions and intractable problems, even before the more recent (voluntary or coerced) 'conversion' of many governments of the South to neo-liberal policies, accommodations to globalised capitalism, and various forms of realpolitik engagement with the imperialist powers.

In general terms, the very size and scope of this earlier international grouping of the Third World is both its potential strength and weakness. On the one hand, its members could pose a powerful combined South counterweight to the North. On the other hand, the member states are so diverse and, in many cases, their governments so deeply questionable in their political and economic characters, and national policies/positions, that it was, and remains, extremely difficult to forge meaningful and active positions among them. Thus, joint NAM positions tend to focus on very specific current political issues, or lowest-common-denominator agreements on sensitive issues, or are based on very general political declarations. And, even where they do formulate proposals for collective actions on the global plane,[32] these rarely go beyond paper declarations. They are lacking in practical application or meaningful impact, although they may have a certain utility in international political and propaganda battles. Thus, even as they adopt stronger language, as in the most recent summit in Havana, the test will be whether this is translated into, or contributes to, the necessary real substantive shifts in the global balance of forces.

Some more practical issues are the target of the other large international grouping of developing countries. This is the G-77+China, which aims to provide a common platform within the processes of the UN from which to articulate the needs of developing countries. The G-77 was formed in 1964, and is a framework for political co-operation, and even a degree of co-ordination, among its 132 member states within the UN General Assembly and ECOSOC (its Economic and Social Council) and in the various specialised UN socio-economic agencies. The engagements of the G-77 are largely determined by negotiation processes on UN institutional reform, and on economic reform programmes within the UN system, such as the very limited aims set in the Millennium Development Goals and the weak Monterey financial aid consensus. Thus, the actions and interventions of the G-77 are located within limited reform(ist) programmes, within the status quo.

The limitations on the global impact of the G-77 also reflect the institutionalised imbalances of power within the UN, particularly in the membership and powers of the Security Council, and of the major powers therein. Nonetheless, the G-77 countries continue to play active roles in key UN special agencies, such as the UN Conference on Trade and Development (UNCTAD) and the UN Development Programme (UNDP), in order to prevent their total displacement by the IFIs and the WTO, and to ensure that they continue to play their research and policy analysis roles in support of the developing countries.

However, the G-77 'common platform' is – like that of the NAM – also constrained from within the grouping itself; that is, by the need to achieve consensus among such a large number and variety of countries. Furthermore, like the more recent NAM meetings, it is notable that on major international economic issues, the G-77+China seem mainly to be following behind the positions being promoted by the various developing-country groupings within the WTO framework. Even though the G-77+China took a significant initiative in 1985 to launch a global system of trade preferences (GSTP) among developing countries (see the section below on 'preferential' South-South trade, and 'multilateralism'), this was soon outflanked and sidelined by the Uruguay Round of multilateral trade agreements. This reflected not only the limitations of the G-77 and the UN, but also reflected – and reinforced – the role and dominance of the WTO and, within that, the significance of the G-20 and the other issue-based groupings.

In this context, the longer-established, all-inclusive South-South groupings, such as the

G-77 and the NAM, and their international roles have to be assessed both on the basis of their own functioning, per se, and in comparison with the more recent modalities for South-South tactical and strategic initiatives within the WTO. The more recent issue-based groupings of the governments of the South within the WTO processes are more focused and more practical, and might prove to have a more effective modus operandi than the earlier generation of developing-country initiatives. The major political and operational innovation now evident within the WTO is that countries of the South do not assume that they have exactly identical concerns, nor are all their concerns to do with the same matters, and they do not rely on merging into one huge amorphous grouping. Instead, they group around specific issues, as they judge necessary, and they engage in mutual lobbying, in informal consultations and formal negotiations among their respective groupings. The developing countries also seem to be creating modalities for operating as an alliance of alliances, such as the Grand Alliance among all the respective developing-country groupings in the WTO that stepped into the limelight in Hong Kong in December 2005. This, however, is a different form of structured co-operation/co-ordination than the inter-governmental deals and formalistic declarations within the NAM, for example.

Within this changing power scenario, more immediate – and crucial – questions are posed about the role of the 'middle economies' of the South within the emerging 'alliance of alliances' of virtually the entire developing-country membership of the WTO.[33] The role of the larger and stronger countries applies in relation to the broader groupings such as the G-77, as well as in the context of other more specific 'middle power' initiatives (see the section below on selective 'middle power' alliances).

Some key questions and challenges

At the institutional level, these trends pose questions about the various forms of South-South co-operation, as well as about the role of the WTO, as such. The WTO is rapidly becoming the central institution in a new system of global government, as observed at the outset of this paper, and is upstaging the UN system in many areas, and particularly its specialised socio-economic agencies, such as UNCTAD, the UNDP, the World Health Organisation (WHO), the Food and Agriculture Organisation (FAO), and others. Similarly, the developing-country coalitions within the WTO may be upstaging the G-77. Although largely piecemeal and pragmatically, rather than by conscious design, developing countries are evolving a system of overlapping groupings/alliances which could, together, counter the major powers, and outflank the aims and agendas of the North. This mode of engagement is not straightforward, but it seems to allow for negotiated co-ordinations among countries of the South, acknowledging their differences but providing for effective practical co-operation among them from clear and distinctive bases, and on specific sets of issues. However, these new tactical/strategic modes of operation within the WTO are still emerging and evolving, and they are accompanied by further questions and challenges about the WTO, about the relationship between the WTO and the UN, and about the UN, itself.

Coalitions within, and to reform, the WTO?

In the first place, although carrying broader strategic possibilities, the fuller potential role of these new developing-country coalitions or alliances are, at this stage, limited by their location within a 'trade' negotiating body and by their cautious reformism within the neo-liberal trade paradigm. And there are also other constraints imposed by the undemocratic modus operandi of the WTO. In this context, the challenge facing developing-country governments is not merely how to achieve reforms in the functioning of the WTO, to make it the genuine and enabling multilateral negotiating forum that it is supposed to be (see also pages 38-9 below). More substantively, the current WTO agreements, rules, and regulations would have to be fundamentally revised in such a way or degree as to allow for the full policy space – and political rights – of countries at different levels of development, and seeking different forms of development, to pursue their own interests and needs. This must include the need to pose the complete rescinding of some of the most highly tendentious and prejudicial UR agreements, such as TRIPs, TRIMs, and GATS. NAMA, similarly, has to be stopped from going any further, as some trade unions demand.[34]

The problem goes further than the substance, effects, and implications of all these rules. The main issues are not actually about the fine details of these rules, but that they are externally imposed through very imbalanced power relations within the WTO, and they then limit the domestic policy-making rights of governments. These governments, themselves, have to be challenged directly on where they stand on the fundamental principle of their national policy-making responsibilities and obligations. Labour and other popular social organisations, and progressive NGOs, etc, have to defend their own democratic rights to change their governments' policies, and/or their governments, without being told that governmental 'hands are tied' by international agreements signed in the WTO. That is why many NGOs argue that the most effective approach is to not allow such agreements through at all, especially where they contain unsatisfactory terms and foreseeable negative effects. These agreements are extremely difficult to alter, once they have been agreed 'multilaterally', and are in effect virtually irreversible. Furthermore, such tendentious agreements, once signed, are enforceable through various legal processes and economic sanctions within the WTO system, which poses yet further questions.

Broader alliances to reduce WTO powers ... or 'relocate' the WTO under the UN?

The legal enforcement/sanction powers of the WTO point to the broader implications of the WTO's exceptional status in the emerging system of global government, and the need to deal with this. On the one hand, some NGOs argue that the built-in imbalances of the WTO's quasi-judicial functions require reviews and revisions of the biased rules upon which these sanctions are applied by the WTO. This also poses the question of the relationship of the WTO's dispute settlement body to other international dispute resolution and judicial mediation bodies, and international law. This, in turn, raises the entire relationship of the selective and non-inclusive WTO[35] to the more inclusive UN system. One immediate demand, therefore, is that the WTO has to be reduced in its coverage and powers. And its currently predominant role has, at the very least, to be 'brought under control' by being firmly located within the broader UN system of institutions and agreements.

At present, the WTO's rules and agreements are, in de facto practice and through deliberate political interventions, projected as standing above all others,[36] whereas 'international trade law' and mere commercial practices have to be devised and implemented within and under more elevated considerations of international law and higher universal principles. This means that all governments and all international organisations and institutions, such as the WTO – and including the UN Security Council, have to be required to act under the over-arching system of (present and further) global agreements on universal human, labour, gender, developmental and other rights; environmental and related global agreements; and other cumulative international law. These must be prioritised, projected, and promoted further in order to ensure governmental and institutional compliance with these global agreements and these overriding principles. It is only on this basis that there would be real justification and positive effects from placing the WTO 'under the UN'.

Transformation of the UN . . . and all UN member states

Such a framework of principles for global co-existence and a democratic, balanced, and accountable system of global governance poses fundamental questions, in turn, about the current structures and functioning of the UN system itself and all its agencies (see Keet 2001). This includes, most controversially, the membership and highly questionable veto rights of the major powers in the UN Security Council, and its very role. An immediate and particular challenge to South African labour and social organisations and NGOs, in this regard, concerns South Africa's aspiration to become a permanent member of the Security Council within the proposed reforms being negotiated. More immediately, there is the impending role of South Africa as a temporary ('non-permanent') member, and the alliances within which it utilises this position. Some such alliances may reflect, and draw upon, the new type of South-South alliances described above, which could also include China as a permanent and also a veto-wielding member of the Security Council. Others alliances may even involve tactical engagements with Russia, which also enjoys veto powers. The more fundamental question, of course, is the very existence of such veto powers, and the extent to which countries of the South aiming for seats on the Security Council are prepared to compromise on the continuation of such anti-democratic powers for the select few.

Another challenge relates to the role of South Africa as the current chair of the G-77. By extension, this raises questions relating to the nature and functioning of the G-77 in the context of the broader political and economic challenges facing South Africa, and all member governments, as outlined above. Is the G-77 capable of playing the skilful tactical and strategic role that it should, while so many of the member governments lack political commitment and democratic credibility? The answer is that neither the G-77, as a developing-country alliance within the UN, nor the UN itself, will be made totally democratic, fully effective, and legitimate until all the participating member states are themselves fully democratised. This, in turn, requires, at the most basic, that member countries be more economically and financially, and therefore politically, independent and, at a more advanced level, imbued with various sets of economic, political, social, and environmentally responsible understandings and principles. This applies to all countries in the G-77 and in the UN as a whole, and it applies to the UN per se. The challenge for all organised popular forces is (to expand on a common saying) how to clean the baby and clear out the dirty bath water without throwing the baby out with the bath water, and without destroying the bath itself, namely the UN system. Given the growing impact of ‘global government’ on the lives of all peoples and the planet, this is not a remote issue.

However, another more immediate South-South democratic-and-development initiative outside of the UN system is now also being promoted. This is for such economic development and democratising political objectives to be pursued directly, and promoted jointly, by the more developed ‘middle-power’ – and already democratic – leading countries of the South. One such independent initiative is already being undertaken directly among three such self-selected countries, and not – at least in the first instance – necessarily or directly within the WTO or the UN, as such.

Selective ‘middle power’ alliances outside the WTO or the UN

The overall global balance of economic, political, and military power, and the fundamental distortions and dangers posed by the current domination of the world by one or two overwhelmingly powerful entities, the United States and the EU, require new countervailing international alliances of the countries of the South. But these, in turn, need to learn the lessons and go further than the established historic modes, or even the more recent innovative networks of overlapping tactical alliances emerging within the functioning of the WTO. It is in this context that considerable significance could be attached to a new alliance among three major ‘middle-income’ countries of the South – India, Brazil, and South Africa. This alliance has been formed and is functioning outside of the WTO, although these three countries are also the core players and allies in the G-20 within the WTO.

This tighter grouping started out as the ‘India-Brazil-South Africa Dialogue’. South

Africa gave a spur to various bilateral relations among these three countries through initiatives launched in Pretoria in early 2000, in the aftermath of the WTO fiasco in Seattle. This was given added impetus when Luiz Inácio Lula da Silva, the Workers' Party leader, was elected president of Brazil in late 2002. Both South Africa and Brazil worked hard to draw in India, although it was then under a right-wing government. The formal launch of this tripartite alliance took place in Brasilia in June 2003, and was soon designated the IBSA alliance. The three participating governments have since held annual meetings of their foreign affairs and economic ministers, rotating to each of the three countries in turn, backed up and followed by other less visible technical planning meetings. The IBSA summit of their heads of state in Brasilia, 13–14 September 2006, could presage a higher profile and broader political role of what some are now calling a 'strategic alliance'.

The distinctive character of this new alliance is that it is based on only three of the larger 'emerging' economies of the South, which claim also to share certain 'political affinities', over and above the fact that they are established democracies.[37] These particular common economic and political characteristics of the alliance are stressed despite the facts that:

- India's democratic credentials are sometimes somewhat formalistic, and even shaky, under repeated states of emergency and, particularly, in its militaristic stand and role in the Asian sub-continent, and its insistence on its nuclear armaments 'capabilities'.
- Brazil, similarly, has formal constitutional democratic provisions, but also extensive official abuses of human rights and political probity, although at least it is not a nuclear power, and does not engage in militaristic posturing and actions, as India does.
- South Africa, for its part, is a much smaller economy than the other two and has significance mainly in the context of its – internally and internationally assumed – economic and political role on the continent of Africa, and its emerging role in 'conflict resolution' and as a continental 'peace-keeper'.
- All three countries are 'middle economies', essentially in the relative size of their GDPs in the context of the South, but all three also have vast sectors of extreme poverty within their populations, and share many of the same economic characteristics, and social concerns and stresses, as other developing countries.[38]

However, although the IBSA countries have much in common with each other, economically and socially, and within the huge spread of developing countries of the South, there may also be significant political advantages in their more specific alliance. IBSA is based on very much fewer, and politically rather more similar, countries than the broad spread within the NAM or G-77, and, thus, reaching meaningful agreements within this tripartite grouping is more feasible. Its coverage and aims are also more practical and realistic, and less general and rhetorical, than are those of the NAM. Conversely, IBSA is much broader in its subject coverage, and not as narrow in focus, as the G-20, or as questionable in political character and as equivocal in commitment as are many of the member governments in the G-20, the G-77, and the NAM.

The potential areas for tripartite IBSA co-operation have been identified over the years to include technical and economic co-operation in various spheres, including in education and training, science and technology exchanges, and trade and investment promotion. There is, for example, a proposal for a trilateral light-aircraft manufacturing project, building on the complementarities of the three economies – Indian design and technology, Brazilian manufacturing infrastructures, and South African minerals and related technological capacities, as well as aviation communication skills. And the aircraft produced through such a joint venture would be designed for the specific conditions of the three participating countries, and fill a considerable niche in their sizeable combined markets and growing economies. The innovative and ground-breaking potential in such trilateral technological and production co-operation is still at a very preliminary stage, and has yet to be tested in practice.[39]

In the meantime, more traditional economic interactions are advancing rapidly. The combined GDP of the three countries is some US$1,3 trillion. This is only about 3 per cent of global GDP but, with a combined population of more than 1,2 billion people, these economies together constitute enormous markets for each others' investors/producers and exporters. Inter-IBSA trade has been expanding rapidly over recent years, and is anticipated to rise to US$10 billion by 2007 (SUNS 2006a). Such trade relations will be encouraged further through preferential trade agreements between South Africa, with its Southern African Customs Union (SACU) partners, and the Mercado Comun del Sur (MERCOSUR), the four nation common market of South America, with Brazil at its core. Negotiations on other such preferential trade agreements are being mooted between South Africa/SACU and India, and between India and Brazil/MERCOSUR. This indicates that such inter-IBSA trade relations are also significant in that they involve, not only relations among the three core countries, but among the regions within which they are situated geographically, economically, and politically; although this poses other issues about such South-South regional and inter-regional relations (see the section below on South-South 'regional co-operation' alternatives).

These South-South agreements and arrangements are raising concerns among the governments of the North as to what the IBSA alliance may mean for their own trade and investment ambitions in these and other rapidly expanding developing economies. On the other hand, however, the IBSA alliance is raising both positive expectations and probing questions within these countries themselves, and in the rest of the South, as to what the alliance of these 'middle economies of the South' or 'South powers' will mean for them, in turn.

Some key questions and challenges

For the peoples of India, Brazil, and South Africa, it is certainly to be welcomed that their governments are entering into co-operative arrangements with each other. However, there are both promising aspects in the mutual support and co-operation programmes among these governments, and countertrends and conflicting tendencies within them. The peoples of these three countries, and particularly their relatively well-developed labour and/or other social movements, need to be aware of and respond to these challenges.

Business-driven, business-serving 'South-South co-operation'?

As a government-initiated political and economic alliance, will IBSA be based on government-to-government and people-to-people co-operation, and people-to-government engagements, to create innovative forms of co-operation and co-ordination – to ensure, in turn, balanced development and (re)balancing effects, within and among these countries? Or will the entire project and the programmes already underway be dominated or completely hijacked by proactive business forces within all three countries, in pursuit of trade and investment opportunities in each other's economies? All three governments have made pragmatic accommodations to the 'realities' of the currently dominant neo-liberal market system and 'market forces'. They are also all actively promoting the international outreach of their respective national private sectors more generally. This will, furthermore, be energetically advanced through the IBSA Business Council, and other business agencies.[40]

In this context, the project could be denuded of its broader strategic potential, and used simply to create conditions conducive to the expansionist and exploitative activities of their respective national and multinational companies in each other's markets.[41] IBSA businesses could also use each other's markets as springboards into the broader regions around them. As a report on one joint workshop among market-supporting organisations in the three countries concluded, with little apparent awareness of the highly questionable implications: '... there is consensus that just as South Africa can act as a hub for trade with the entire continent of Africa, and Brazil for Latin America, India too could act as a gateway for trade and economic relations with the entire SAARC region – the seven countries of the South Asian Association for Regional Co-operation . . .' (Tharkuta 2006).

Such advantageous opportunities for trans/national companies from the South and within the South will expand their own spheres of operation, but it does not follow that this would be to the benefit of their respective countries, let alone their populations, or their surrounding regions. How do the trade union organisations in these countries, and those employed in the same transnational companies operating simultaneously in the three IBSA economies, co-operate with each other, and with other social forces in the respective countries, to counter such business-driven and narrowly self-serving economic ventures under the attractive cloak of 'South-South co-operation'? (See also the section below on South-South 'regional co-operation' alternatives.)

Alternative geo-economic development strategies?

Can the IBSA governments be made, rather, to design their co-operation as part of a far-reaching and far-sighted geo-economic strategy, to strengthen and transform their countries through genuine South-South financial, broader economic, and technical co-operation? This would have to be based on negotiated 'mutual benefit' arrangements, and on different criteria than those which characterise aggressive, neo-liberal, globalised capitalism today. The alternative is that they simply use their trade and investment inter-linkages to maximise the benefits for their national economies, and create preferential trade and investment arrangements to serve the competitive advantage of 'their' companies against other outside international producers and exporters. The related question is whether the growth and expansion of their economies will simply remain within the existing global capitalist order, as both the first and second waves of East Asian and South East Asian NICs have done, and as China now seems to be doing.

The challenge for peoples' organisations in these countries is whether they can ensure that the co-operation among their governments functions to ensure people-centred and developmental relations that draw on, co-ordinate, and combine their respective resources; enhance their current complementarities; and create new capacities and strengths. The existence of such co-operative and mutually developmental agreements and agencies among the IBSA countries, rather than exploitative and competing business interventions into each others' economies, would counter the dominant modalities and corporate forces within these countries. This could, in turn, provide a different model of relations and alternative modes of development from within the relatively stronger developing countries as examples– and even supports – for the rest of the developing countries, separately or together.

Proactive geo-political role from within, and for, 'the South'?

The governments of India, Brazil, and South Africa frequently present themselves as champions of the countries and peoples of the South, in relation to the governments and other forces in the North. In practice, the picture is more complex, and the possibilities are rather more contradictory. Even though it has been proposed as the 'Southern hemisphere group' or the 'South-South club', or the G-South, IBSA, of course, includes only three of the larger economies of the South, each with its own problems and perspectives, national interests, and ambitions. The immediate question is how, or whether, they can represent or presume to represent the whole of 'the South'. This doubt becomes more marked when the IBSA group is depicted as 'the G-3' of the South, and in relation to the G-8 of the North – hardly a reassuring analogy. And such concerns are reinforced in practical experience when representatives of these countries are invited, as special participants, to G-8 meetings, and when the possibility is mooted of expanding the G-8 into the G-13, with the incorporation of India, Brazil, South Africa, Mexico, and China into this selective club of the rich and powerful.[42]

The dangers of such co-optation were evident time and again in the most recent round of WTO negotiations. This was especially so with the incorporation of India and Brazil into the G-6, the inner Doha 'deal-making' group, together with the EU, the United States, Australia, and Japan. So far, India and Brazil – even if they had so intended – seem to have been prevented from 'selling out' the rest of the developing countries, apparently due to the short-sighted intransigence of the United States and the EU. On the other hand, as (externally appointed) 'representatives' of the developing countries in the G-6, Brazil and India also faced diplomatic but determined warnings from the G-33, and even the G-90, that they would not accept their interests being sidelined through some compromise deal worked out within the 'big boys' club'.

The broader question is how or whether these governments, in relatively stronger intermediate-sized economies of the South, can also play positive and co-operative leadership roles in support of the needs and the articulated demands of the rest of the South, on the basis of their common interests in resisting the domination of them all by the governments and corporations of the North. The alternative possibility is that these 'intermediate' states in the South will be used politically by the North as 'intermediary' states, between the North and the rest of the South, in order to secure the compliance of the latter, and the consolidation of the current global order.

Sub-imperialists of the South?

Will the national economic interests and political aspirations of the IBSA governments be successfully manipulated by politically shrewd governments in the North, and other powerful economic agencies in the North, to turn them into 'sub-imperialist' agencies on behalf of the North and the global capitalist system; and do so not only in their political, but also in their economic roles? The utilisation of these countries by transnational corporations and international investors as solid platforms for their own penetration of the surrounding regions/continents exemplifies this. Alternatively, will the national economic interests and hegemonic tendencies within these emerging economies and 'powers of the South' turn them into regional sub-imperialists on their own account; or, more precisely, on the side of 'their' trans/national companies and local capital? This is already being noted in the roles of Brazilian companies in South America, and even promoted by the Brazilian government in Africa;[43] with South African companies being similarly supported by the South African government in Africa, and further afield.

However, competition is intrinsic to the very nature of capitalism, even among governments and corporations that are all committed to defending the system as a whole. Thus, the question is whether the IBSA governments, harbouring their own 'national' political and economic aspirations, will simply play the role of junior partners within global capitalism, or also act as new, if as yet smaller, sub-imperialists on their own account. This, of course, applies much more forcefully with respect to China, widely projected as the new global superpower emerging from within the South. The role and relations within Africa and other countries in the South that China is rapidly assuming resembles not only a 'new imperialism', but 'old colonialism' (Mallett 2006).

With their competing and some conflicting interests – and not solely collaborative relations with the governments and corporations of the North – all the potential 'sub/imperialists' of the South might be impelled to build their own economic and political power bases among other countries of the South, in order to counterbalance the dominance of their much bigger imperialist counterparts in the North.[44] The major question is how, or whether, that scenario could be transformed, from a pragmatic and self-serving strategy for these potential sub-imperialists, into a genuine and more mutually advantageous alliance within the whole of the South against the major imperialists of the North.

Alternative relations and models for the rest of the South

In this light, a question arises as to whether the rivalries between the established powers of North and the aspiring powers of the South can also be utilised by the many 'lesser' developing countries of the South to their own advantage. This latter-day version of 'inter-imperialist rivalries' could provide weaker developing countries with a new or renewed political leverage, in the same way that, in the past, they tactically used to their own advantage the East-West, capitalist-communist, United States-Soviet Union rivalries.[45] Unlike in the past, however, such a strategy of countering and counter-balancing, or playing off one side against the other, need not depend on the unstable realpolitik of opportunistic and unprincipled developing-country governments. There are now large and independent labour and other organised popular forces in many developing countries, large and small, which are able to intervene in these processes on more principled grounds.

Various non-governmental co-operation initiatives are already underway on these South-South issues, as well as other more specific concerns, among labour and other popular organisations in Brazil, South Africa, and India.[46] Among other co-operative and proactive development objectives, these aim to counter the perceived or planned 'sub-imperialist' tendencies in their countries on behalf of national or international capital, or both. It is significant that organised popular forces in these stronger and relatively democratic countries are also co-operating with each other to help to empower their counterparts elsewhere in the South, in complementary and combined peoples' solidarity campaigns against all sub/imperialistic and pro-capitalist forces, governmental or entrepreneurial, North or South. (See the section below on South-South 'regional co-operation' alternatives.)

'Preferential' South-South trade, and 'multilateralism'

In the meantime, at a very different level, there is another programme – more narrowly focused in substance, but more inclusive in participation – for South-South intergovernmental trade co-operation. This is the GSTP, which is already underway, and could promote arrangements that include all the large and small, developing and least developed countries of Africa, Asia and the Pacific, Latin America, and the Caribbean. Initiated by the G-77+China at a ministerial meeting in New Delhi in July 1985, this agreement for the promotion of trade among developing countries was taken further in the G-77 ministerial meeting in Brasilia in May 1986, and formally launched in April 1988. This agreement takes advantage of the so-called Enabling Clause agreed within GATT in 1979, which 'permits' developing countries to offer each other trade preferences, through lowering their external tariffs. They do not have to concede these preferences to developed countries, despite the broader 'non-discrimination' principles of GATT and the WTO.[47]

The GSTP may merit some consideration by developing countries because it differs from the WTO multilateral trade system (MTS) in not being based upon, and promoting, sweeping global 'free trade' for all and among all. The GSTP could promote differentiated preferential trade terms, and self-selected variable liberalisation arrangements, by the participating developing countries. These could be negotiated in different sectors and for different products, according to the different situations among the participating countries. For the weaker economies of the South, the GSTP enshrines the SDT of the earlier GATT, designed to take into account the different situations of member states, and based on principles that are now being deliberately reinterpreted, downgraded, and sidelined in the uniform-ising and universalising rules of the WTO.

On the basis of the different and differentiated modes of the GSTP, the indications are that this system of trade relations has the potential both to promote both more, and more fair, South-South trade among the participating countries. There are at present some 44 countries participating in this system, and a further 40 are expected to join during the third round of GSTP negotiations, launched in 2004. If this is successful, preferential trade will be enormously expanded. By 2000, GSTP trade was reportedly close to US$2 trillion, that is, 55 per cent of the trade among such countries.[48] General South-South trade is expanding rapidly, from 24 per cent of total developing-country trade in 1960, to 43 per cent by 2003, although 70 per cent of this continues to be among a handful of the economically better-placed developing countries, particularly in South, South-East, and East Asia.[49] UNCTAD anticipates that an expansion of South-South trade under preferential terms could generate a further US$15,5 billion for the participating countries annually.

Such a diversification of their external trade will spread their risks against exposure to external price fluctuations and other economic shocks mainly emanating from the economies of the 'most advanced' countries. South-South trade can also reduce the current trade dependence on the North in general. Although conceived before the launch of the Uruguay round, the GSTP 'was a timely strategic response on the part of the developing countries, signalling collective resistance to the onslaught of the UR … [and could provide] a parallel, or alternative framework for mutual co-operation among the developing countries', according to a highly experienced participant from the earliest stages of the GSTP (Shukla 2004). This is precisely why the governments of the industrialised economies of the North moved with such alacrity during and through the Uruguay round of GATT from 1986–94 to outflank the GSTP.

Thereafter, the GSTP did not expand much further, and the second round in 1998 did not produce many practical results. Partly, this was due to the very similar structures and content of the external trade of many developing countries, and, even more so, the heavy orientation of their external trade towards the markets of the rich North. The slow pace of the expansion of membership of the GSTP was due also to the conviction of most developing-country governments that they could better obtain the market access they needed through the global MTS and the WTO. Developing-country, and especially LDC, governments also put great hope in the alternative Generalised System of Preferences (GSP) concessions that the rich Northern governments could bestow upon them. However, three developments may have now made more of the governments in the South more open to the alternatives posed in the GSTP, as expressed during UNCTAD XI in Sao Paulo in June 2004. These are:

- their experience of the real purposes, functioning, and effects of the WTO regime over the years;
- the narrowing down or erosion of GSP within the more general liberalisation of developed countries; and
- the ultimate unreliability of the North's GSP concessions, which by their very nature can be unilaterally altered or withdrawn.

The more proactive and stronger developing-country governments, such as Brazil, India, and Thailand, were particularly positive about the relaunch of the GSTP, parallel to the UNCTAD XI gathering. And they urged all the developing countries of the G-77+China to join this alternative trading system for the South, and help to create a 'new trade geography', according to president Lula of Brazil (SUNS 2004). However, the WTO director-general, also present at the launch, supported by the Argentinian economic minister as chair of the GSTP committee, stressed that the terms of the GSTP are 'complementary to and do not substitute for the WTO'. The WTO director-general's intervention was interpreted by various developing-country representatives present to be an attempt to 'dampen down' the enthusiasm expressed in the meeting (Khor 2004). But the first question is whether the compatibility of GSTP terms with those of the WTO mean that they are also compliant with the WTO's controversial trade-related agreements on investment, services, and intellectual property rights, and the many other issues that the majors are still trying to introduce into the WTO. These questions, plus other aspects and broader implications of the GSTP itself, pose a number of significant challenges.

Some key questions and challenges

For the countries of the South in general, the greater 'collective self-reliance' referred to by various South leaders, including foreign minister Celso Amorin of Brazil (ibid), is important. However, despite the similar situations and some shared problems that they experience with the North – and although they can, on these bases, forge common positions and tactical alliances in relation to the North – the countries of the South are clearly not all of the same size, nor at the same levels of development. This raises the following questions about increased and improved preferential trade relations, together with the terms of their simultaneous engagement in the global multilateral trade system and regime.

'Preferential' trade towards productive development ... or vice versa?

Even with the best of intentions, can preferential trade agreements among developing countries at different levels of development produce equal or 'mutually beneficial' outcomes or, at least, reasonably balanced gains on all sides? As with 'improved market access' into the countries of the North, increased and preferential developing-country access into the markets of the larger economies of the South, while potentially helpful, will not guarantee real gains for weaker economies without improvements in their productive capacities.[50] It is, most importantly, through the building of effective internal production systems, and other domestic capacities and facilities, that economies can achieve more effective and diversified external trade, not vice versa. It is essentially on the basis of improved infrastructures, technological and processing/manufacturing capacities, market information and marketing skills, and other human skills, plus much more, that lesser-developed countries would be able to take advantage of preferential access into the larger and more developed countries of the South within the GSTP scheme.

Without such pre-conditions and flanking provisions, preferential trade, even if graduated and variable, could still result in very uneven outcomes, increasing rather than reducing the existing imbalances among these countries 'of the South'.[51] Thus, doubts can be voiced about the over-optimistic declarations – and possibly self-interested exaggerations – of the stronger countries of the South about such 'preferential' trade. More fundamentally, it is necessary to challenge the superficial 'growth' assumptions of the 'trade paradigm' on which even GSTP is premised, and replace it with an holistic internal development and diversification paradigm that is less heavily dependent on external trade, whether with the North or the South.

Reduced dependence on the North . . . or reducing the dominance of the North?

Can the necessary 'reduced dependence on the North' be adequately achieved solely through reduced trade dependence? Such countries are, indeed, locked into Northern-oriented trade patterns through the nature of their export products and the very structuring of their economies, transport, and other infrastructure, etc. It is precisely these things that also make the expansion of South-South trade so difficult. However, the further problem is that these dependencies, in turn, both reflect and reproduce broader and deeper financial and technical 'aid' dependencies, and investment and technological dependencies. These have to be consciously reduced rather than constantly reinforced, as many of the proposals and pleas of most of the developing countries, and especially the LDCs, do.

But the greatest challenge for the governments and all social forces in these countries is not only to reduce – or better still, eliminate – all these forms of dependence on the North, but to reduce the global dominance of the North per se. And that requires not only different South-South trade orientations and relations – although this could help – but sophisticated and combined geo-economic and geo-political strategies, to tackle the very nature and structuring of the global economy. These, of course, are epochal systemic challenges that can only be met by major changes in the global balance of power – as posed in earlier sections of this paper, and in the section on South-South 'regional co-operation' alternatives, below – which have to go far beyond changing only the 'global trade geography'.

For South Africa, in particular, a number of internal challenges are already posed by the inherited heavy export dependence of its economy, and the reinforcement of this orientation through the export-led growth strategies of the post-apartheid democratic government. In its accompanying concern to improve the international competitiveness of exporters, South Africa's government feels compelled to adjust its internal policies and programmes, for instance, in the direction of greater 'labour market flexibilities'. However, within this external-trade orientation, there is now an evident concern among key policy-makers also to diversify South Africa's external trade in both content and direction.[52] But, in the context of the South-South strategies being examined here, and in addition to the above questions, there are some other specific challenges to be posed to the South African government about its newly increased 'trade orientation' to the South.

Replicating the North-South division of labour in growing South-South relations?

How can developing countries utilise greater South-South trade, not merely to promote simple quantitative 'growth' by any means, but rather to support qualitatively different modes of development? At present – as in other lesser-developed countries, although, in some regards, at a relatively more advanced level – a major part of South Africa's rapidly expanding exports into the larger economies of the South, especially China and India, is in commodities. These are mainly minerals and chemical products, and forestry and agricultural products, with no, or relatively low, levels of processing, and including limited manufactured components or finished goods. If these patterns are not changed, they could reinforce, in a South-South framework, the current global division of labour between more and less developed, more and less industrialised economies.

Neither South Africa nor other, much less developed, countries of the South can allow themselves to be reliant on such a commodity-supply role in relation to other larger economies of the South; even though their producers and exporters are now opportunistically attracted and excited by the immediate commercial opportunities. The fundamental challenges facing the governments of the resource-rich countries of Africa and South America are how to use their natural resources – and their current commodity-earning 'windfalls' – as a financial resource, and as the solid base from which to diversify, develop, and re-orientate their entire economies, and not only their external (mainly) commodity trade, whether with the North or the South.

Either simple 'free' trade, or variable 'preferential' trade ... or neither?

Notwithstanding the above problems, there is certainly something to be said for carefully designed and variable preferential-trade agreements being negotiated among the countries of the South. There are, however, considerable difficulties in negotiating a range of fine-tuned and variable terms among a large number of countries at different levels of development. And, in this wide 'global' framework, governments might encounter similar problems to those experienced in other vast agreements of the South, such as among the members of NAM or the G-77. Thus, it is not clear whether many more countries of the South will come forward to support actively the global preferential trade modalities of the GSTP, or even the aims and logic of preferential trade per se. Once again, this suggests the greater feasibility of more focused and tailored preferential trade agreements among sets of countries of the South – as is the case with their more focused, issues-based, tactical alliances in the WTO – rather than among them all. At one level this will be more complex, but, at another, more realistic and realisable (see also the section below on South-South 'regional co-operation' alternatives).

Furthermore, despite the possibilities offered by preferential trade, official government statements constantly stress that they continue to prioritise the 'multilateral trade system' within and through the WTO, with its orientation towards generalised global trade liberalisation (see the following questions).[53] More work is required to investigate the comparative returns from generalised free trade and from differentiated preferential trade arrangements.[54] This entails exposing the WTO's liberalisation claims to critical analysis.[55] It also entails interrogating the 'free trade' language, and the officially declared free-trade trajectory and ultimate goals of the many bilateral, and even the 'preferential', trade agreements that many countries, and groups of countries, of the South are now pursuing.

South Africa already has trade liberalisation agreements with the EU and the European Free Trade Association (EFTA),[56] and potentially with the United States. The South American regional grouping MERCOSUR is engaged in protracted trade liberalisation negotiations with the EU. South Africa and its SACU partners are, together, also pursuing a trade agreement with MERCOSUR, and possibly even with India and China, among other countries and groupings in the South. These countries, in turn, are reportedly pursuing 'free trade' agreements among themselves and, for India, with the vast Association of South East Asian Nations (ASEAN) grouping (see page 45 below). Whatever may be the current modulated details of these agreements, as between SACU and MERCOSUR, they are invariably presented as preliminary stages on the way to full free-trade relations. A trilateral free-trade agreement has even been made part of the aims included in the official declaration to emerge from the IBSA heads of state summit in Brasilia, 13 September 2006.

At present, most of these 'free trade' agreements are actually (and wisely) selective preferential trade agreements. The question is whether such agreements are simply preliminary stages towards full free trade, or whether they are to be negotiated and explicitly defined – and sustained – as 'preferential' trade agreements in and of themselves; although even the latter are not sufficient without comprehensive productive development, as indicated above (see also 'Regional preferential trade … or comprehensive productive development?' below). However, in the context of global warming and potential global catastrophe, the questions about plans for further trade expansion have to go much further, to challenge the entire logic of constantly expanding international trade, whether South-North or South-South. International trade constitutes one of the major sources of transport and energy pressures on global resources, together with the production and distribution/trade emissions of CO_2, and pollution pressures on the global environment. International trade has actually to be reduced.

Defending 'multilateralism' through – or instead of – the WTO

There is a more immediate and significant challenge facing governments in pursuing alternative frameworks for South-South negotiations and relations. This is posed by the so-called 'multilateral system for the negotiation and regulation of international trade relations and "trade-related" policies'. This system is currently located within the WTO, driven by the neo-liberal assumptions underpinning WTO rules and regulations, and, until recently, completely dominated by big-power interests and aims. The main problem is that – despite important gains being made by developing-country members of the WTO in questioning its modus operandi, and in opposing the one-size-fits-all trajectory of its agreements – the overriding concern of developing countries is to sustain what they see as an essential 'multilateral rules-based system' within which to argue for their own needs.

Negotiating together on global rules certainly carries advantages for weaker countries in facing up to the more powerful. And it is certainly preferable to have internationally agreed rules that might constrain some of the worst abuses of the strong over the weak.[57] But the anxieties of the developing countries to keep the big players 'in the game' has the effect of damping down the full extent of their engagements, and inhibiting their fuller potential challenges to the big powers in the WTO. Developing countries are constantly warned by defenders of the status quo that if they are too sharp in their critiques and too 'uncompromising' in their positions, and if they refuse to engage in appropriate 'trade-offs', they might cause the breakdown of negotiations and 'imperil the very survival of the WTO *and* multilateralism'. The accompanying threat is that such a weakening of 'the multilateral system' will open the way to unrestrained big-power unilateralism, to bilateral pressures of the big developed, against small(er) developing, countries, and to other such imbalanced processes. These threats are real but they are, of course, already part of the established practice of the majors (see also the opening paragraphs of 'South-South "regional co-operation" alternatives' below), and such 'future threats' are utilised by the developed countries and their supporters as standard pressurising ploys in WTO negotiations.

The further and fuller reality is that the governments of the more highly developed countries cannot afford to allow the WTO to collapse altogether. They, themselves, need and will ensure the continuation of the complex system of global rules and regulations already located in and administered by the WTO. These will not suddenly disappear. In fundamental ways – and even more than other countries – the highly industrialised and highly internationalised economies of the North need the WTO and the current uniform-ising and universalising system of 'multilateral' rules in order to secure and ensure the smooth and efficient global operations of their transnational corporations and financial institutions (see page 10-11 above).

Deeper insights by developing-country governments into the interests, aims, and tactics of the developed countries, the purpose of the WTO and its agreements, would counter the current rationale in the minds of their technical trade negotiators about the 'necessity' for them to make constant accommodating compromises in the WTO, which – as the more acute government analysts know full well – are not in the deeper and longer-term interests of their countries' development. Yet, despite the acknowledged problematics within such accommodating 'trade-offs', narrowly focused trade negotiators in these countries are willing 'realistically' to accept such disadvantageous concessions to the majors in order to protect, defend, and preserve what they see as the essential 'multilateral system'.

There is, furthermore, in much of the defence of the MTS, a conflation of three different aspects or phenomena:

- The first is multilateralism as an inclusive *mode* for negotiating diverse interests, which enables the weak to engage collectively with the strong(er). This should certainly be defended but, in the case of the WTO, has to be made more inclusive, democratic, and real, and the entire functioning of this institution and its technical secretariat has to be radically changed to make it a genuine 'multilateral' forum.
- The second usage of the term actually refers to the *outcomes* of such negotiations, that is, the agreements and rules and regulations which have hitherto been produced. These, in the case of the WTO, are thoroughly biased towards the interests of the larger economies and their companies, and need to be challenged and changed, or removed altogether. Unless this is achieved to the benefit of all the participating countries, these are 'multilateral' rules only in the most formal sense of the word, and with little of the fundamental essence of multilateralism as real mutual benefit and shared concerns.
- The third way in which the term is employed is to refer to the complex sets of practical *international trading relations* that are assumed to have been built upon, and to depend upon, the current rules, with their smooth running assured by the WTO as the supervisory multilateral institution. Whereas, of course, international trade long preceded the WTO, much trade still takes place 'informally' (and 'illegally') outside WTO's rules and regulations, and even more is catered for and shaped by bilateral and regional agreements and modalities. Thus, the international trade system is much more varied and complex than the model, and the uniformising and univeralising rules being imposed by the WTO. In any event, 'the multilateral trade system' used in this third sense refers to an entirely different phenomenon, and an entirely different level of analysis and action than the two other uses of the term.

Thus, there is a conflation and a confusion of the so-called multilateral *method* for negotiating trade regulations with the supposedly multilateral trade *regulations* themselves, and with the multilateral trade relations that they purport to regulate. These are not one and the same thing at all, and they require a clear understanding as to what the problems and needs are at each level or in each dimension, and what the appropriate positions of governments should, therefore, be. Such a clarification would assist governments in developing more appropriate strategies on how they view and engage within, with, and in relation to this institution. Once 'multilateralism' is understood more clearly to refer to a system of negotiations, rather than a very specific institution or current international trade agreements/relations, then it will be possible to consider more constructively, unencumbered by conceptual confusions, what is required to ensure more equitable international relations. The fundamental and profound conceptual error is to conflate the WTO, as one particular multilateral institution, with multilateralism per se. The WTO is not the only multilateral forum in the world today. Nor is the WTO the only possible, or the only conceivable, venue for such democratic international negotiations and relations.

The effective counter-response by developing countries against the threats and the proscriptive pressures from those defending the WTO as being the key multilateral institution in the world today, has to be that there are various other multilateral institutions dealing with other dimensions of international relations and global concerns, and the WTO is certainly not the most exemplary of these in its functioning. In fact, the WTO is increasingly recognised to be a highly unsatisfactory 'multilateral forum':

- in its exclusionary, imbalanced, and undemocratic modes of operation;
- in the profoundly questionable neo-liberal theories and the trade-and-growth paradigm driving it; and
- in the detailed substance of its biased agreements, rules, and regulations.[58]

Once this is understood, serious thought and efforts can be applied to developing such an alternative multilateral forum and system, rather than timidly defending the thoroughly questionable institution in place. The fundamental question is whether the WTO can be reformed or radically transformed, or whether it has to be replaced altogether. If the WTO is not, and – on the basis of the very paradigm on which it is based – if it cannot be made, more even-handed in its functioning and equitable in its effects ... then multilateral trade negotiations would have to be carried out in a new and very different institution, or on a more appropriate institutional terrain, altogether. Disestablishing and replacing existing institutions, currently dominant paradigms, and established powers is certainly difficult, but is not without precedent in the intellectual, institutional, and political history of the world. As always, it is a question of intellectual independence, social mobilisation, political will . . . and political power.

Finally, for such an alternative system to be genuinely engaging and empowering in its modus operandi and equitable in its outcomes, it would have to be based on entirely different rules, and operate on the basis of a totally different paradigm. This would have to ensure the genuinely democratic multilateral negotiation and regulation of the relations among nations and among peoples, and to recognise and encourage the diverse approaches being considered in the various South-South development strategies being discussed here, including regional strategies, as follows.

South-South 'regional co-operation' alternatives

Despite all the talk by the majors about the necessity for the multilateral system, the reality is that unilateral, bilateral, and regional strategies are already, and have long been, integral to the positioning of the major powers vis-à-vis the rest of the world. Even while pursuing the ground-breaking UR liberalisation agreements to entrench the emerging globalised economy legally and advance it rapidly – and to secure their dominance therein – the major industrialised economies were simultaneously negotiating their own bilateral and regional agreements, and building their own regional bases within the European Community/Union and the North American Free Trade Area (NAFTA) respectively (see AIDC 2004c).

The United States was assiduously building its regional economic base in North America, even during the UR, probably as something of an insurance policy, in case the UR did not yield global terms conducive to United States national economic and strategic interests. But, even though the UR terms turned out to be very favourable to United States national and corporate needs and aims, Washington has persisted in its bilateral and regional efforts; for example, to swallow ASEAN into a free-trade area of the Asia-Pacific Economic Community (APEC). The United States has also continued to try to extend NAFTA into a vast Free Trade Area of the Americas (FTAA). Failing that, the United States has foisted free-trade agreements on various regions and subregions in Central America and the Caribbean, and elsewhere. The United States has also, even in the period since 2001 – while it was supposedly negotiating the multilateral Doha Round – pursued and pulled off some 26 different bilateral deals all over the world.[59] The EU is not far behind, and often competes with the United States even in its own back yard, in Mexico and South America (see AIDC 2004c).

Conversely, strategic analysts and even some of the governments of developing countries have, themselves, and for their own defensive and developmental reasons, long recognised the importance of advancing their own bilateral and regional South-South strategies alongside the single paradigmatic 'multilateral trade' logic of the WTO; and, potentially, outside of the 'single integrated open global economy' being promoted and imposed. Regional co-operation strategies are, in fact, the most common of the range of South-South strategic options being pursued by developing-country governments. The Caribbean Community (CARICOM) goes back to the late 1980s, but others were developed, significantly, precisely as 'the multilateral trade system' was being consolidated through the UR. For example, the MERCOSUR customs union agreement was signed in 1991, and the previously loose Southern African Development Co-ordination Conference (SADCC) was expanded and upgraded to the Southern African Development Community (SADC) in 1992.

There are now dozens of regional co-operation programmes under way in many spheres among various groupings of countries in Africa, in the Caribbean and Latin

America, in South and South-East Asia.[60] Whether they recognise their own full potential or not, these are, in many ways, the most 'natural' and the most 'practical' of all the South-South strategic plans for the enhancement of actual and potential relations among themselves. Regional programmes of co-operation and co-ordination between neighbouring countries reflect the influences of shared histories, cultures, and populations, especially in Africa and South America. Regional strategies also recognise the concrete realities of shared geography and topographies, climatic and environmental challenges, and common natural resources, such as wild-life and forests, wet-lands and flood-plains, rivers and lakes, ocean waters and coasts. They are also linked through formal commercial relations and, even more extensively, through 'informal' cross-border trade flows, as well as through politically and economically driven movements and migrations of people across their common borders. In fact, the most un-natural features of these regions are the artificial political boundaries drawn by colonialism, and randomly cutting across ecological and economic systems, and pre-existing societies, cultures, and peoples. Undoing these arbitrary and divisive lines has long been central to the arguments and visions of 'Bolivarian' pan-Americanism and the political prophets of pan-Africanism.

Over the years – whether on the basis of elevated principle, or hard practical necessity and sheer pragmatism – cross-border co-operation has been increasing and extending to more areas and sectors, and raised to higher levels of importance under adverse local and national circumstances, and threatening regional and global economic and political pressures. Regional programmes for the concerted promotion of greater intra-regional trade are viewed by strategic analysts as an important way to build the respective local and national economies. Furthermore:

- Increased intra-regional trade is also seen as a significant strategy to reduce exposure to the instabilities and fluctuations of international trade, and the contrived impediments and objective competitive counter-pressures these countries face in foreign and far markets.
- Lower transport costs and the advantages of much larger combined regional markets could open up more conducive trade opportunities and stimulate local producers. The economies of scale in combined regional infrastructural projects would contribute further to economic expansion and development.
- Similar advantages of scale could be gained from complementary, and even combined, production programmes bringing together the respective resources and comparative advantages of the regional partners, and premised on the necessity for greater productive diversification and wider distribution of productive capacity within and among these countries.

In these and other ways, such regional groupings could achieve wider and deeper development and higher levels of economic self-reliance. This would generate both greater economic capacity and confidence, and reduce their external dependence and vulnerabilities. A greater degree of combined self-sufficiency (which is not the same as total economic autarchy!) would, in turn, enable all the countries within such regional groupings to engage within, or with, the global economy from far stronger economic bases than any one of them could achieve alone. This would apply even to the rather more developed individual economies among them; and this certainly includes South Africa.

In addition to the many economic advantages of practical co-operation and co-ordination, and policy harmonisation within increasing regional market integration, there are also important political advantages to be gained from the creation of such South-South regional blocs. These could provide the far stronger *political* bases for all their member states, whether in combination or individually, to engage more effectively with the challenges of the global economic system and the global institutional regime, and against powerful external political forces.

For example, the high-profile role and influence in the WTO negotiations of the multiplicity of small island nations in the Caribbean, with CARICOM at its core, is due in large measure to their regional research and planning structures, agreed joint negotiating positions, and co-ordinated interventions.[61] At the same time, intra-regional economic and political programmes and institutions, and appropriate political modalities and principles, can be developed for national and intra-regional conflict/dispute resolution. Means could be formulated, negotiated, and implemented together to deal with internal/national and intra-regional political, economic, social, and environmental problems and other very direct common concerns, as they arise.

These are the multifaceted, far-sighted, and ambitious political and economic aims and visions informing most of the South-South regional co-operation projects under way. Some of these are within ambitious plans for full regional economic integration. Others even foresee eventual political union. Not all of them are so comprehensive or ambitious. Not all are advancing as smoothly and rapidly as planned and required. Some are attracting new members and associate members, such as the huge four-nation common market in South America, MERCOSUR, which is evincing a new dynamism and playing a strategic role in the hemisphere of the Americas,[62] and globally. There are, however, also tensions within the region over the preponderance of the Brazilian economy, at some 40 per cent of the combined GDP of this grouping, as well as suggestions of Brazilian hegemonic ambitions and even sub-imperialism. There are also other more specific cross-border issues and tensions among various of the other participating countries, in turn. It is significant, however, that the governments involved in such inter-state disputes insist that these are simply part and parcel of the process, and must not prejudice, and will not stop, the longer-term aims and more fundamental objectives.[63] Nonetheless, these tensions are real and have to be dealt with, not merely through piecemeal 'dispute resolutions', but through appropriate policy changes, and in the very conceptualisation of the nature of the region and its active upgrading, as planned, beyond a mere 'customs union'.

Another potentially powerful regional grouping is ASEAN. The full intra-regional potential and plans of ASEAN had been somewhat sidelined in recent years by its own member states. In the euphoria of the new 'global economy' opening up, most of the stronger ASEAN states were energetically pursuing their own unilateral paths and bilateral relations with governments and economies outside of their regional grouping. In addition to their long relations with Japan – and increasing focus on China, in more recent years – a major part of the economic orientation of ASEAN was also outside of Asia altogether, as they focused much of their production and external trade on the rich consumer markets of the United States and the EU. But the tensions between the interests and aspirations of many of the ASEAN states and those of the United States and the EU, as evident also in the WTO processes,[64] are now reportedly encouraging the governments of this Asian grouping to revitalise and expedite its earlier regional plans. But here, too, there are markedly different levels of economic development among the ten participating states; from the most highly developed, Singapore, to rapidly industrialising economies such as Malaysia; the large but still mainly agriculture-based developing states, such as Indonesia and the Philippines; to the various LDCs of the South East Asian mainland. The key current question is whether this accelerated integration is simply going to be based on deepened, and more extensive, trade and investment liberalisation, which will undoubtedly be to the greater advantage of the stronger participating economies and their companies.

Other regional groupings of the South, such as the seven-nation South Asian Association for Regional Co-operation (SAARC), are equally uneven in the size and levels of development of their member states. In fact, SAARC seems to amount to little more than the attachment of the surrounding smaller economies to their overwhelming regional giant, India. There does not seem to have been much progress, in recent years, even on intra-regional trade negotiations, although there are provisions for a SAPTA (preferential trade area) and a SAFTA (free trade area). This low prioritisation and slow progress is probably due in large measure to many Indian companies, and the Indian government, seemingly being more focused on the competitive positioning of that country, and its transnational companies and investors, in the global economy. But the co-operative potential among the countries of the sub-continent is also complicated by a number of cross-border tensions and national conflicts, and the role of India as the regional hegemon in, or in relation to, these conflicts (see also page 27 above).

The same regional instabilities, and potential regional economic and political dynamics, can be observed in the equivalent situation and role of Nigeria, with its economic and demographic dominance in the West African region. This is further complicated in the current unstable situations, within various countries and across borders, in the regional Economic Community of West Africa (ECOWAS). And, while SADC does not face internal conflicts of the same order as West Africa, or central East Africa and the Horn of Africa, it does face the overflow effects of these major sources of instability elsewhere on the continent. This is inclining the regional power, South Africa, to slide into the role of regional peace-keeper. The powers of the North, for their part, are promoting the structuring and functioning of SADC, as a whole, as a regional ‘stabilisation’ project; and mainly on the argument of the need to reassure and secure more international investment. SADC, as such, does contain its own lesser but significant sources and levels of internal/national political and social tensions,[65] but intra-regional tensions within SADC also include economic rivalries and national(ist) resentments. This is particularly with regard to the overwhelming economic predominance of South Africa, which accounts for some 70 per cent of the combined regional GDP, and is perceived to be pursuing the role of regional/continental hegemon or sub-imperialist.

Some key questions and challenges

Clearly there are enormous geo-economic and geo-political potentials in the plans and the officially declared aims and objectives for these regional groupings of countries of the South. There are also objective economic differences and ‘subjective’ tensions, carrying political and social consequences. There are a number of other issues that need to be taken up by labour and social organisations within these regional groupings, and with regard to these potentially significant regional South-South strategies. There is already formal recognition, and some initiatives, among the trade unions in these regions concerning the adverse implications of the grossly uneven levels of development within and among the respective economies, and among their respective trade union organisations. There are also many regional networks of NGOs in all sectors and on all issues, and regional social movement alliances that are gradually taking up these strategic regional challenges.

Regional trade and market integration . . . or comprehensive (re)balancing development?

The prime question is whether the governments of the larger and/or economically stronger countries within these South-South regional groupings have the far-sightedness to look beyond the trade-and-growth paradigm currently dominating the world. Will they (as indicated also in the previous section), look beyond even the more accommodating ‘preferential’ trade arrangements, because these, too, require more than trade facilitation to produce equitable returns among trade partners of different size and at very different levels of development.

The political and policy response has to recognise that the gains from trade relations among uneven partners will accrue mainly to the strong(er) and not the weak(er) enterprises and economies involved, and will reinforce the existing imbalances unless they build into their regional agreements:

- other balancing and corrective measures within their regional ‘trade’ agreements, including asymmetrical obligations and adjustments by the stronger, and special

and differential rights for the weaker; plus
- various flanking provisions, and supportive financial instruments and funds, particularly for the weaker countries or sectors, and practical programmes in infrastructural, production, and other spheres that go well beyond only trade promotion; and
- clearly defined developmental principles, standards, and commitments and 'performance criteria' for all exporters/importers, producers, and investors, whether they originate from within or outside of these regions.

Such a deeper and more comprehensive approach – with multifaceted and multi-sectoral regional cross-border co-operation and development aims and regulatory instruments – will only be possible on the basis of extensive and ongoing inter-governmental negotiations. Such complex inter-sectoral co-operation, and redistributive programmes among member countries, and towards disadvantaged subregions and social sectors, and oriented towards more equitable outcomes, cannot be left up to blind 'market forces' to produce and dubious 'trickle down' effects to deliver. Without conscious political commitments and effective inter-governmental policies and programmes to undo the inherited – and historically created – current gross imbalances within and among the countries of regions such as SADC, the hoped – for economic stability and human security will not materialise. In fact, as is already evident in Southern Africa, it is the stronger economies and their stronger companies that will reap the greatest benefit of regional integration.

Equally, it is only through such enabling and deliberated (re)balancing arrangements, and democratic negotiations among all the governments involved, large and small, more and less developed, that the hegemonic tendencies of the strong will be countered, and the sub-imperialist accusations against them will be put to rest. Real developmental and distributive programmes would provide the solid economic underpinning to political efforts, by committed regional labour and broader social forces, to counter the current and growing imbalances within and among the member states of such regions.

Resolving internal tensions

Clearly, too, such ambitious and innovative regional strategies will not be simple, and will take time to conceptualise, create, negotiate, and implement. Further complications will, undoubtedly, also be caused by many contrary 'subjective' tendencies within the participating countries. These include the political and economic vested interests of the political/bureaucratic elites in the status quo, and their reluctance to cede any of their 'national sovereignty' rights (and political powers and patronage resources) to the oversight and 'interference' of regional structures and entities, even where these have been democratically set up through inter-governmental negotiations.

There are also competing trade and investment interests among the various national business forces in these countries. The opportunistic recourse by political and economic elites to national(ist) sentiments, in order to promote their own class interests, can even encourage competitive or actively hostile attitudes towards other regional citizens among their respective populations – as is evident in many countries in the South (see AIDC 2004b). These political problems and social tensions are not insurmountable, but much will depend upon the will and capacity of the labour organisations, popular social movements, and other progressive forces within these countries and regions to counter such tendencies, and build regional peoples' solidarity and mutual development (see SAPSN 2000).

Preventing external interventions

However – even as people-to-people processes and regional organisations and initiatives are being developed, and even as inter-governmental planning and negotiations are under way – contradictory external forces are intervening pre-emptively to shape the content and direction of the regional co-operation strategies of the countries of the South. In order to ensure that these preferential trade and mutual developmental regions do not 'discriminate' against international exporters and expansionary global production and service corporations from the more developed economies, the World Bank and the IMF have been marshalled to ensure that these South-South co-operation projects are structured as 'open regions'. What this means, in practice, is the extension of existing national liberalisation (structural adjustment) programmes to the regional level. In this way, it is argued by the World Bank (1991), they will be built as regional 'stepping stones' to assist all the member countries to 'integrate' more effectively and collectively in the global economy. The WTO, in turn, imposes similar conditions and constraints against alternative regional arrangements that depart from global liberalisation requirements (AIDC 2004a).

Further liberalisation pressures are also being externally imposed on these potentially developmental and transformative regional projects by governments of the North. This is especially the case with the United States and the EU through their parallel and competing FTA offensives under various guises. For example, both the United States and the EU are targeting MERCOSUR in South America. The EU is wielding its liberalising so-called Economic Partnership Agreements (EPAs) against CARICOM and SADC, and other putative regional economic communities in Africa.[66] The blatantly self-serving nature of these 'free trade', investment and privatisation promotion projects by the major powers into, and against, these emerging regions of the South are alerting labour and popular social organisations to build more active national, regional, and inter-regional engagements among themselves to oppose such interventions,[67] and to challenge their regional inter-governmental deviations and prevarications.[68]

Regional re-positioning and de-globalisation . . . towards alternative sustainable system(s)

Despite all the external, and some internal, counter-pressures, countries of the South have much greater potential to develop within their respective regions, create different development modalities, and contribute to the emergence of different equitable relations and co-operative development models. These regions could even contribute towards challenging the single dominant neo-liberal capitalist model now being imposed on the whole world under the rubric of 'globalisation'. The example of the trilateral mutual support among Cuba, Bolivia, and Venezuela, and the practical potentials in their proposed peoples' trade agreements – although as yet somewhat ad hoc and narrowly focused – raise such alternative perspectives.

Through mutual inspiration and support, in concrete practice and in real economic outcomes, South-South regional development co-operation agreements and alliances could enable developing countries to engage more strongly and effectively with/ in the global economy. This means that the consequently stronger economies and peoples, in stronger regional communities, would be able to reposition themselves collectively and more advantageously in relation to . . . or against . . . or outside of . . . the currently distorted and dangerous global economy. Such a reconfiguration of global economic relations could actually contribute to broader processes of deglobalisation. This would be:

- both in the literal, practical sense of creating a range of more varied regional and continental economic and political entities within which diverse and appropriate economic and social programmes can be democratically developed and applied;
- and, therefore, in the conceptual sense as well, challenging the idea and the currently dominant neo-liberal 'globalist' theories promoting one single model of unfettered capitalism in a 'single', 'open', 'integrated', 'global' economy. [this is entered in bold only because it is a new insertion]

Summarising the strategic questions for 'the South'

The above five South-South strategic alternatives are not the only, nor the only possible, joint strategies to be pursued by developing countries. They are also not 'alternatives' to one another, but rather pose alternatives to the current imbalanced and inequitable global economic system and regime, and the dominant powers. Although these alternative strategies are not mutually exclusive, they do pose questions about their relative utility and effectiveness, and how these strategic initiatives relate to one another, and can best be integrated, or co-ordinated or alternated, and how they can be carried forward and further more effectively.

But what all the above South-South strategic initiatives do point to is that there are significant international developments and alliances being created among developing countries that are not based simply on the broad polarities of the past. Nor are these initiatives simply defensive responses to the more recent patterns and expressions of 'unipolar' power, and the exertion of unilateral pressures by the United States. These South-South initiatives are significant in their own right, and signal more proactive engagements by the developing countries of the world among themselves, and in relation to the global system.

The world and global institutions are, indeed, still dominated by the global superpower, although characterised also by the more complex collaborative and/or conflicting relations and positions between the United States and the EU as the 'second league' global power. But it is no longer adequate or accurate to see a simple unipolar or even a (semi-)bipolar global system of power. Nor is a new global power scenario necessarily only posed by the emergence of China as a future global superpower, and India and Brazil as other sources of economic and possible political power.

Even these last two broader scenarios, incorporating selected larger countries of the South, still see and pose future power relations in very traditional terms, whereas a new *multipolar system of global power and global powers* is gradually emerging. This is 'multipolar' in that it comprises multiple combinations of countries in different organisations, and includes innovative forms of collective power. In addition to what is being hailed as the 'relaunch of NAM'[69] as the all-inclusive political platform of all the countries of the South, there are now also:

- new forms of inter-governmental political and economic alliances among the larger and stronger countries of the South, as outlined in the case of IBSA above; plus
- new forms of combined strength and collective positioning by the much greater number of smaller and economically weaker countries of the South, as evident in the G-90 in the WTO, and even in the LDC group in the UN; plus
- new forms of co-operation among richer and poorer countries on the basis of their shared political/ideological options, such as among Bolivia, Cuba, and Venezuela; plus
- new forms of co-operation and co-ordination among all these very different sets of larger and smaller countries of the South within their different frameworks of joint or collective power, as in the alliance of alliances in the WTO; plus
- new forms of non-governmental power; that is, among popular social/sectoral organisations and issue-based networks across the South, and cutting across the divide between South and North, as well.

Many questions face governments and peoples' organisations in the unfolding new 'South-South agenda' or agendas. And, in addition to the above economic, political, tactical, and strategic questions, others will arise as these processes develop further. In the broadest organisational terms, the *immediate strategic challenge facing the governments and independent peoples' organisations of the South is how to create, evaluate, and inter-relate the various bases for their South-South co-operation and mutual support;* that is:

- as the entire South, self-defined politically in terms of its shared (colonial) history and/or current general location in a global economy, and in international/multilateral institutions currently dominated by the rich and powerful countries of the North (that is, through all-inclusive counter-groupings of the South such as the NAM or G-77);
- as more defined geographical groupings of contiguous countries, continentally or sub/regionally, on the basis of the above considerations, as well as on more specific cross-border issues and shared problems, and the commonalities among them in their respective regions (such as with SADC and other African regional groupings, or the AU of the whole continent; or as with CARICOM in the Caribbean and MERCOSUR in South America, or the proposed united states of South America, etc);
- as partly geographically based, and historically linked (by their experiences of the effects of colonialism), but, more specifically, as the currently most economically prejudiced, and politically most disempowered countries within the global system, and brought together on the basis of their particular needs (such as through the LDC and the small, island, and vulnerable economies [SILV] groupings, and the ACP group, and through the G-90 combining them all in the WTO context];
- on the basis of very specific common issues or shared interests, independently of physical or geographical location, for defined purposes and periods, within specific situations/institutions and at particular conjunctures (key current examples being the G-20 or the G-33 alliances in the WTO, specifically on their respective agricultural concerns);
- on the basis of the relatively more advanced levels of economic development, political character, and affinities among specific countries, and actual locations, or presumed roles in 'their' respective regions; and their attributed, aspired, and potential roles, economically and/or politically, in the global system overall (as in the case of IBSA); and
- on the basis of their own internal economic and political options, and their international political positioning and engagements, and paradigmatic/ideological and practical alternatives (as with the Alternative Peoples' Trade Agreement APTA among Bolivia, Cuba, and Venezuela, posing a different South-South and explicitly anti-capitalist alternative).

These different forms and levels of self-organisation, and South-South political and economic co-operation, are, of course, not mutually exclusive, and in general have overlapping memberships. This is precisely where their potential strengths, tactical flexibility, and overall effectiveness could reside. However, there are also potential tensions among these governmental alliances, particularly between the last two and the others, although for very different reasons. These tensions, and particularly the last, arise especially because there are other potential differences and strategic challenges posed in all these forms and levels of South-South inter-governmental co-operation, that cut across the above in some ways.

These differences relate to their respective political purposes and overall strategic aims. The challenges to be posed to governments, current or future, are whether they are aiming:

- to gain concessions from the North in order to improve their own participation in current international economic relations, and, in much UN- and government-speak, to 'reduce their poverty' (for example by receiving better 'market access' for their exports through the WTO, or being provided with increased aid in order to be able to 'reduce poverty' through the UN's Millennium Development Goals);
- to obtain reforms in the current global economic system and governance regime, in order to secure better rights and means to be able to participate therein, and be able, themselves, to promote their economic needs and proposals (for example by 'reforming' the WTO, or democratising the UN);
- to persuade the stronger and richer countries to accept – whether on principled, or pragmatic and self-enlightened grounds – the necessity for a more equitable global system, entailing certain reductions in their own (excessive) levels of wealth and (dominating) power (for example, as South Africa and other African governments are, in part, trying to achieve in their engagements with the G-8, and through NEPAD);
- to pursue reforms in the rules of the WTO, enlarge the temporary exemptions therein, and entrench the special and differential principles, in order to ensure more 'policy space' for governments to formulate and implement policies more appropriate for their specific circumstances or stages of development (as UNCTAD, in particular, argues, and as do the developing-country alliances in the WTO);
- to pursue forms of repositioning in relation to the North in order to create more favourable economic terrains and possibilities for themselves in the global economic system, minimising their disadvantages and improving their gains – mainly from each other (for example, through bilateral South-South trade or the multilateral GSTP, and using UN agencies; or through the model of the APTA);
- to build countervailing power up incrementally, both within and outside of established global institutions, in order to be able to counter ... or contain ... or outflank ... or even challenge the rich and powerful governments of the North, and begin to change the power bases of the entire global economic system, and institutional regime, through which the gross inequalities of power and wealth are exercised, constantly reinforced, and widened; and
- to welcome, and tacitly encourage, the greater information and role of their own citizens 'propelling them from behind' in all the above engagements; and/or
- to learn how to take tactical advantage of such peoples' proactive engagements on the global plane, within and around key global institutions, as a 'backup force' to

their own engagements within such institutions; and/or

- to actively welcome and encourage direct popular challenges to global corporations, as part of the broader battle to counter the imbalances between elected/public authorities and unelected/private corporate power in the world of globalised capitalism.

The question for South Africa and other countries of the South is where their respective governmental tactics and strategies, separately and in combination, are located or focused in terms of all of the above aims and means, as well as in the more specific broader South-South counter-strategies highlighted in this paper.

Endnotes

2 The present paper is based on presentations made at various national, regional, and international trade union, social movement. and NGO meetings over many years, culminating in a presentation made in the session on 'The South-South global agenda and the domestic implications' at the Congress of South African Trade Unions (COSATU) conference on 'Ten years of democracy', 4–7 March 2005.

3 Some indication of the size and power of global corporations is the fact that if the hundred largest 'economic entities' in the world today – that is, both countries and corporations – were listed in order of economic size, more than half of these would be corporations, some larger than even sizeable economies and rich countries, such as Norway. See Corporate Europe Observatory (CEO), Amsterdam (www.ceo.org).

4 This is not to suggest that financial levers and controls are no longer part of the arsenal of the global system of control by the governments of the North. Nor does the overall focus of the analysis in this paper imply that the IMF and World Bank do not continue to play central roles in the assemblage of global government institutions.

5 Many of which are already in existence, but largely out of public sight.

6 Specifically chosen for his 'reliability' in the eyes of the major powers, as is the case with the leading executive figures in the IMF and the World Bank, as well as the occupants of the positions of UN secretary-general and deputy secretary-general. The same controls are also being asserted through the – less public, but effective – targeting of UN socio-economic agencies to be headed by figures considered to be 'reliable' by the United States government.

7 The many inadequacies, inconsistencies, and imbalances in the terms of the UR were designated as 'implementation issues', because they mainly became evident as governments tried faithfully to 'implement' them, and hence examined more closely the terms of the agreements that they had already signed on to. The problems they identified within the URAs soon came to number more than 100 large and small issues requiring 'review, rectification, and reform', as it was often expressed; although many informed and engaged NGOs added proposals also for the definitive 'removal' of some of the most blatantly tendentious of these terms.

8 The civil society consultative conference at which Erwin spoke was part of the lead-up to the WTO ministerial in Seattle.

9 This, in turn, coloured views in the rest of Africa on this country's motivations for its other political and economic initiatives – however well-intentioned these may have been – in, and in relation to, the rest of Africa in other contexts.

10 For a fuller analysis on the positions and the countries participating in these and other tactical groupings, see Keet 2006.

11 These groupings variously included Kenya, Zimbabwe, Nigeria, Uganda, Tanzania, Zambia, and Botswana, and to a lesser extent Ghana, Mauritius, Senegal, and Egypt; see endnote 7 above.

12 When the G-22 was formed just before the Cancun ministerial in September 2003, it included countries such as Bolivia, Chile, Colombia, Costa Rica, Ecuador, El Salvador, and Guatemala; most of which withdrew soon after Cancun, under pressure from Washington.

13 See also Keet 2006: 32–4, appendix B.

14 Although Japan is another notorious agricultural subsidiser and protectionist economy.

15 Which, by the time of the Hong Kong ministerial conference in December 2005, had expanded to at least 14, namely Benin, Botswana, Congo, Côte d'Ivoire, Kenya, Madagascar, Mauritius, Mozambique, Nigeria, Senegal, Tanzania, Uganda, Zambia, and Zimbabwe. See also Keet 2006 (30–2, appendix A).

16 Bolivia has also since joined the G-33, which now numbers some 45 countries in all.

17 Although actually numbering some 64 countries, due to simultaneous country memberships in the various constituent groupings in the G-90, and the fact that only 41 of the 54 African countries are members of the WTO.

18 Others of these controversial 'new issues' being pushed by the majors were government procurement, competition policy, and so-called 'trade facilitation' (see AIDC 2003).

19 See the comprehensive and authoritative analysis by the South Centre (2004), an inter-governmental policy research and strategy institution in Geneva.

20 The United States adamantly opposes all such state trading enterprises (STEs), even in countries such as New Zealand and Australia, whereas United States federal and state authorities provide their own characteristically more indirect forms of governmental financial, research and development, government contract, and other supports to their farmers and other producers.

21 For many developing-country governments this will also entail getting out from under the policy controls set by the IMF and World Bank over their public revenues and expenditures, and particularly against public subsidy programmes.

22 Actually numbering about 19, since a number of Latin American countries left the group soon after Cancun under United States pressure, although three African countries have since joined: Nigeria, Tanzania, and Zimbabwe. It must also be noted that the G-20 within the WTO is an entirely different grouping of countries than the more recently formed 'G-20' that operates within the processes of the IMF and the World Bank. See also endnote 42 below.

23 But which also include large-scale transnational agri-corporations operating in these countries, especially in Brazil.

24 This argument is often made by such governments, and was repeated by EU trade commissioner Peter Mandelson, in defensive response to critical questions from the floor on the EU's positions in the WTO, during a meeting at the SA Institute of International Affairs at the University of the Witwatersrand, 10 February 2006.

25 'Solidarity of the core countries of the South, on the issue of negotiations on agriculture, needs to be recognised as only part of the wider processes of forging the solidarity of the South. Whatever may be the tactical and diplomatic considerations obliging the leading countries of the G-20 to underplay this aspect in a specific negotiating context, the objective reality as it has been emerging in the post-Seattle era cannot be ignored.' – SP Shukla (2004), former ambassador for India at GATT, 1984–9.

26 In the case of South Africa, agriculture accounts for less than 3 per cent of GDP, although almost 10 per cent of employment.

27 The full list was Argentina, Brazil, Egypt, India, Indonesia, Namibia, Philippines, South Africa, Tunisia, and Venezuela.

28 Whereas others insist that the Doha round could only be designated as a 'development' round on the basis of its real – eventual – development-enhancing outcomes, if at all.

29 Even WTO director-general Pascal Lamy was prepared to state, at a press conference in Geneva in the immediate aftermath of the impasse of 24 June 2006, that some of these 'rules are unfair'. But this was directly linked to his argument for the necessity to therefore get the Doha negotiations back on track, as the essential way to deal with these 'unfair rules'.

30 Above all, the international Third World Network, headquartered in Penang, Malaysia; but also the economic policy and globalisation unit in UNCTAD, and the intergovernmental South Centre in Geneva, among others.

31 At one period including a European country, Yugoslavia, and now formally numbering 118 countries.

32 Such as the NAM summit declaration, 'The Jakarta message: a call for collective action and the democratisation of international relations', Jakarta, September 1992.

33 The positive potential, but also questions about the role of this grand alliance in the Hong Kong ministerial in December 2005, are analysed more fully in Dot Keet (2006: 32–8).

34 Most notably, COSATU and its trade union ally the Central Unico dos Trabalhadores (CUT) in Brazil.

35 The WTO is non-inclusive, not only in its overall functioning, but in its very membership. Entry into the WTO is not by right for all countries, but has to be negotiated with and agreed by the major powers, especially the United States. The current 149 member states of the WTO exclude almost 40 countries, including Russia, and a dozen in Africa, not all of these by choice.

36 This was explicitly and controversially expressed in the text that the major powers and WTO promoters attempted to impose in the World Summit on Sustainable Development (WSSD) in Johannesburg, 2002.

37 Which is also the argument as to why other putative powers, such as China and Russia, are not members of this alliance.

38 And Brazil and South Africa have the dubious distinction of being among the most unequal societies in the world in terms of Gini coefficient measures; that is, their internal income distribution, which is a much more telling indicator than the overall size of national GDP, or even average national per capita income.

39 Among other things, such a government-supported public-private project might be challenged in the WTO by the United States or the EU, as has already been done to other such government-supported manufacturing projects in countries of the South, because they are alleged to threaten to compete 'unfairly' with the highly industrialised countries' corporations.

40 An editorial entitled 'The future of IBSA' in *Business Day*, Johannesburg, 15 September 2006, concludes with the injunction that '[a]lliances need to be forged with the business communities in the three countries if there is to be any real progress made on IBSA's initiatives'.

41 Internationally ambitious Indian service corporations have, for example, persuaded the Indian government to join some of the 'plurilateral' groups of *demandeurs* in the WTO that are demanding market access rights under the WTO's GATS, and these demands are even targeted at South Africa and Brazil (and Argentina and Uruguay, which are joint members with Brazil in MERCOSUR), as well as China and various other developing countries.

42 There is also a simultaneous proposal for the 'other' G-20, operating within and in relation to the IMF and World Bank – and including Australia, Brazil, China, India, Indonesia, Mexico, Russia, Saudi Arabia, South Africa, South Korea, and Turkey – to assume the role hitherto ascribed to

the G-7 of most developed countries, and to do so in combination with them (see *Business Report* 2006).

43 This was particularly evident in the official visit by president Lula to South Africa and other countries in the region in 2004, accompanied by a huge Brazilian business delegation out to garner profitable business deals for themselves (see *Business Day* 2006).

44 This may also be suggested in China's participation, although not active role, in the G-20 and the G-33 in the WTO, and in its co-operation with the G-77 developing countries in the UN. Such essentially political positionings – over and above its drive for economic resources and investment opportunities in other developing countries – might be a reflection of an as yet emerging geo-political strategy, being developed by China in relation to the rest of the South, and the North.

45 And to some extent more recently, even playing on the rivalries between the United States and the EU, and Japan!

46 Such as the 'Peoples' Dialogues' already under way among popular organisations in Brazil-and-MERCOSUR and South Africa-and-SADC, and their proposed extension to their counterparts in India.

47 This is the so-called 'most favoured nation' (MFN) non-discrimination principle, requiring that the same treatment and rights be accorded to like countries. Conversely, this means that MFN can not, in principle, be applied to relations among countries at very different levels of development.

48 GSTP committee estimate, Geneva, reported in *SUNS* (1 June 2004).

49 UNCTAD secretary-general Rubens Ricupero, speaking at the launch of the third round of GSTP, parallel to UNCTAD XI, in Sao Paulo, Brazil, 16 June 2004.

50 This has long been evident, even with the 'preferential' market access into Europe accorded to the ACP members of the Lomé Convention by their big-brother 'partners' in Europe.

51 President Carlos Diego Gisbert of Bolivia, speaking at the re-launch of the GSTP, stressed that '[w]e need South-South relations which would not repeat the problems of North-South relations' (*SUNS* 5594, 14 June 2004).

52 A 'butterfly' concept for South Africa's global positioning is often employed by South African trade strategists – with one 'wing' spreading out east into Asia, the other west into Latin America, and with the 'head and antennae' pointing into the rest of Africa.

53 For example, 'There is no substitute for the WTO and the multilateral trade system ...' – Brazilian foreign minister Celso Amorim, speaking at a press conference in Geneva on 24 June 2006, in the immediate aftermath of the collapse of the Doha round negotiations.

54 See, for example, the UNCTAD *Trade and Development Report*, 2005.

55 See, for example, Weisbrot and Baker 2002.

56 Identified as 'South African' international trade agreements with these countries, although, of course, South Africa is formally a member of SACU, and the members are all indirectly and directly affected by any agreements that South Africa signs with others.

57 But even these rules are not necessarily observed by the powerful – as is born out in the evasion by the United States of rulings made against it by the WTO dispute resolution body ... let alone United States defiance of other international law, such as the Geneva Conventions!

58 See endnote 7 above.

59 *Sunday Times*, Johannesburg, 31 July 2006.

60 The WTO reports that there are some 200 regional agreements worldwide, covering some 50 per cent of global trade.

61 It is, in contrast, noticeable that the SADC countries do not act together, as such, in the WTO. This is undoubtedly due in large measure to the differing interests – but also the differing positions and strategies, hitherto, between South Africa and the rest of the SADC states in the WTO.

62 For example, in leading the resistance against the offensive drive of the United States to extend its North American regional base into a vast FTA of the Americas, the highly contested FTAA; although this governmental resistance was, itself, spurred by the Hemispheric Social Alliance of many hundreds of labour, social, environmental, and other popular organisations across the Americas, mobilising and representing many millions of people.

63 It is significant that governments involved in difficult inter-state disputes, such as between Argentina and Brazil in the past, and Uruguay and Argentina more recently, insist that these can best be resolved within and through regional agreements. In this view, such inevitable disagreements will not prejudice the longer-term and fundamental objectives (see *SUNS* 2006b).

64 Especially involving Indonesia and the Philippines, and other G-33 Asian countries in the WTO agricultural negotiations.

65 The 'overflow' effects into South Africa of the current economic crisis, profound social problems, and political tensions in Zimbabwe being the most acute case in point.

66 See endnote 64 above.

67 Such as the highly successful Hemispheric Social Alliance against the FTA of the Americas, and the 'Stop EPAs' campaign by ACP country organisations and networks.

68 One such example is the peoples' summit with the aim of 'reclaiming SADC for peoples' solidarity and development co-operation', held in parallel to the SADC heads of state summit in Maseru, Lesotho, August 2006.

69 Cuban government spokesperson, at the conclusion of the NAM summit held in Havana, 16–7 September 2006.

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