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# Cooperation Regimes and Hegemonic Struggle: Opportunities and Challenges for Developing Countries

Sara Caria <sup>1,2</sup><sup>1</sup> Instituto de Altos Estudios Nacionales, Ecuador<sup>2</sup> University of Modena and Reggio Emilia, Italy; [sara.caria@unimore.it](mailto:sara.caria@unimore.it)

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## Abstract

There is an increasing convergence in the international relations literature around the idea that changes in the world economy during the last decades are reshaping the international order; although the outcome of such a reconfiguration is yet unclear, many scholars argue that a dispute over global hegemony is already underway. At the same time, drawing on realist and neorealist approaches, international cooperation can be seen as a means to gain legitimacy and tighten alliances. In this framework, this article analyses three cooperation regimes as terrains of dispute to expand—or maintain—international leadership. The first, the Sustainable Development Goals (SDGs) Agenda, reflects mainly the attempt to maintain the legitimacy of the United Nations system and the multilateral institutions that make up the traditional cooperation regime. This framework still responds to Western interests, despite China's efforts to contest and contain US influence. The second, South–South Cooperation, wrapped up in the rhetoric of horizontality and common challenges, is the privileged terrain of middle powers and emerging countries, aiming at increasing regional influence. Finally, the third scheme, International Cooperation for Structural Transformation, is China's new development doctrine and the fulcrum of its struggle to promote itself as a successful new model for global development. In my conclusions I reflect on the opportunities that the co-existence of different regimes offers for developing countries, as well as the challenges that they continue to face in their search for autonomous development paths.

## Keywords

2030 Agenda; development cooperation; hegemony; liberal order; Global South; South–South cooperation

## Issue

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## 1. Introduction

In March 2018, the China International Cooperation Agency was created to coordinate the country's fragmented cooperation efforts. This followed on the heels of the foundation of the Asian Infrastructure Investment Bank in 2014, a Chinese-led initiative challenging the traditional multilateral financing mechanism of the World Bank. Meanwhile, a wider glance at the Global South reveals that economic exchange among developing countries has expanded significantly in recent decades: The South–South share in global trade increased from 41.8% during 1995–1997, to an average of 57.4% in 2015–2017 (or from 34.8% to 42.1%, if China is not

included in the figure) while lending, foreign aid, and foreign direct investments from developing countries have also increased notably (Chang, 2020).

These figures reflect the profound transformations that occurred in the world economy during the last decades. The international order that emerged after the Second World War, the “liberal world order” (Acharya, 2017), was founded on the hegemony exerted by the US over a significant part of the world: Initially focused on the “US–UK–West Europe–Australasian configuration,” it expanded towards the end of the twentieth century (after the end of the Cold War) and increased its reach with the economic reforms in China and India (Acharya, 2017, p. 273).

Hegemony has assumed different connotations through history (Anderson, 2017). For Wallerstein:

Hegemony in the interstate system refers to that situation in which the ongoing rivalry between the so-called “great powers” is so un-balanced that one power...can largely impose its rules and its wishes, in the economic, political, military, diplomatic, and even cultural arenas. (Wallerstein, 1984, p. 38)

Drawing on Gramsci, Arrighi and Silver (1999, pp. 26–27), shifting the focus from the state to the broader concept of social forces, explain that hegemony reflects the “capacity of the dominant group to present itself, and be perceived, as the bearer of a general interest”: The idea that the rules established by the hegemon will also serve the interests of subordinate states generates an “additional power” with respect to simple coercion.

In addition to the traditional unifying force of military threat, the pursuit of democracy, together with the faith in market forces and free trade, was part of the combination of coercion and consensus that allowed the US to set the rules of global governance (Gill & Law, 1989). Though the liberal order was “hardly benign” for most of the Global South (Acharya, 2017, p. 273), many developing countries still participated in international regimes, motivated by the possibility of obtaining resources to promote domestic economic development.

This order has, however, entered a phase of decline, connected to the slowly decreasing importance of the US in the world economy—in terms of share in global GDP, trade and investment, and technological advances—as well as the surge of emerging powers since the 1970s (Arrighi & Silver, 1999; Sachs, 2016). Furthermore, the 2008 financial crisis made evident the risks of unregulated financial systems, while the Covid-19 pandemic’s consequences in terms of global trade disruption have forced many countries to reconsider how their production of strategic goods is organized (Chang, 2020).

The condition of hegemony depends, ultimately, on the dominance of determined social forces over others; as relative power among human groups is permanently evolving, insofar as economic and political power shifts from one group or one region to another, hegemony is subject to continuous challenges (Arrighi & Silver, 1999). Therefore, and as a consequence of the changes occurring in the international system, a wide range of new regional and multilateral agreements, initiatives, and partnerships have begun to challenge the hegemony of the US on a growing number of issues, reflecting emerging powers’ attempts to increase their influence regionally and globally.

It has been argued that these challenges are warnings of a transition towards a new order (Arrighi & Silver, 1999), whose outcome is still uncertain: Sachs (2016) foresees a multipolar world, gravitating around regional hegemonies, while Streeck (2016) projects a fragmented world as the result of the collapse of capitalism, accom-

panied by chaos and anarchy. Much attention is given to Asia’s growth trajectory, particularly to China’s astounding expansion since the 1990s. Acharya (2017, p. 273) projects a “multiplex order” of “multiple modernities,” where American influence will not end, but will coexist with other actors, development perspectives, and institutions that “do not bend to America’s commands and preferences”: China’s initiatives such as new multilateral banks or the Belt and Road Initiative (BRI), as well as the tightening of South–South economic relations and political alliances, are examples of this trend.

In the struggle to increase international influence, international cooperation has been key to build the consensus necessary to the forging of hegemony. The international aid regime, based on the norms and practices established by the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD), played a significant role in the strengthening of US hegemony in the post-war order. As the main channel of resources for domestic development, this regime has often been considered as a mechanism of soft power (and hard power where it generated economic dependency), a way of pursuing donors’ national priorities disguised as common interests (Lemus, 2018; Sogge, 2009), and an essential complement to diplomacy and military power in foreign policy (Morgenthau, 1962). In fact, attempts to challenge the dominant role of Western countries, such as the demand for a New International Economic Order in the mid-1970s, included proposals for major changes in aid regimes and greater attention to other forms of international cooperation. In this perspective, it is not surprising that international cooperation regimes turn into a terrain of dispute, as countries adopt new (and adapt old) strategies to struggle for power, taking advantage of a loosened global governance. The outcome of this dispute will depend on the potentiality of each country: middle power emerging countries, such as Turkey, South Africa, Brazil, and India, among others, deploy efforts to strengthen their regional influence, while China, aspiring to become an increasingly global player, aims at directly challenging US global hegemony.

This article analyses three cooperation frameworks as means to expand—or maintain—international leadership. I will argue that, even though cooperation systems are not strictly international regimes, the international regimes approach offers a useful lens to understand how and why countries engage with international cooperation. My point is that the Sustainable Development Goals (SDGs) Agenda reflects mainly—although not exclusively—the attempt to maintain the legitimacy of the UN system and the multilateral institutions that make up the traditional cooperation regime. This framework still responds to Western interests, despite China’s efforts to contest and contain US hegemony. South–South Cooperation (SSC), wrapped up in the rhetoric of horizontality and common challenges, is the privileged terrain of middle powers and

emerging countries, with a view to gaining regional influence. The third scheme, International Cooperation for Structural Transformation (ICST), is China's new development doctrine and the fulcrum of its struggle to promote itself as a successful new model for global development.

In the following section of this article, I will discuss countries' participation in international regimes and how the struggle for influence shapes their engagement with international cooperation. I will then analyse the three cooperation schemes, explaining why they appeal to developing countries. Finally, I will outline some conclusions, drawing a balance between the opportunities that the co-existence of different regimes offers for developing countries, and the obstacles that still jeopardize their search for autonomous development paths.

## 2. Hegemony, International Regimes, and International Cooperation

The process of thoroughly reordering the relative power among nations has taken place repeatedly in modern history, perpetuating a pattern of uneven development and a relation of dependency between the heart of the system—"the centre," as the dependency school would call it—and the subordinate regions of "the periphery" (Gosh, 2019). Hegemonic phases are historical processes, characterised by specific socially, politically, and culturally distinct traits (Cox, 2013): The *pax britannica* saw a flourishing of economic norms aimed at liberalising trade and capital movements, in the belief that these were the key for the pursuit of widespread prosperity; in contrast, post-war US hegemony was embodied into the liberal order, where international institutions proliferated and were placed at the heart of the international system (Acharya, 2017; Cox, 2013; Gosh, 2019). Referring to the post-war liberal order, Cox (1983, p. 172) argued that "international organization functions as the process through which the institution of hegemony and its ideology are developed."

International organisations play a "hegemonic role" as they provide "ideological legitimation," and promote the rules that support the consolidation of the world order; furthermore, "they co-opt the elites" from subordinated countries and contribute to absorbing and diluting counter-hegemonic ideas, thus permitting minimal adjustments to prevailing rules in response to peripheral countries' demands (Cox, 1983, p. 172).

As for international regimes, they are usefully defined by Krasner as:

Principles, norms, rules, and decision-making procedures around which actors' expectations converge in a given issue-area. Principles are a coherent set of theoretical statements about how the world works; norms specify general standards of behaviour; rules and decision making refer to specific prescriptions for behaviour. (Krasner, 1985, p. 4)

International regimes are useful to explain the elements of order in the international system, those that contribute to create predictable patterns (Barbé, 1989). Member states of international regimes who win a commanding influence within them achieve the ability to set the agenda of those regimes and to appropriate a greater share of the benefits deriving from its application (Mansfield, 1995); they can also establish political conditionality to gain support in specific international disputes, e.g., tie trade and investment agreements to becoming part of political alliances (Schweller & Priess, 1997). In sum, they have more possibilities to condition the rules of international governance.

But what about peripheral countries? How do they conceive their engagement with international regimes? Generally, states' behaviour is conditioned by the capabilities determined by their relative power (Krasner, 1985). Developing countries' national political regimes are characterised by internal and external weakness and their major concern is to reduce their inherent vulnerability. This broad objective is specified each time into distinct goals, which range from securing resources, to enhancing domestic economic growth, to defending territorial integrity, to pursuing international political equality or bargaining power in decision-making. From this perspective, the liberal order's regimes offered instances where developing countries' ideas and demands could be expressed and discussed, such as the UN General Assembly: Due to their structural weakness as individual states, developing countries value multilateral forums where they can forge broad alliances with other peripheral countries. A permanent objective of developing countries, when participating in international regimes, has been to limit the market power of Northern countries (Krasner, 1985). In fact, they can't effectively overcome their weakness "unless they challenge principles, norms and rules preferred by industrialized countries" (Krasner, 1985, p. 3): Given their subordinated role in the global economy and their economic challenges—low productivity and competitiveness, insufficient infrastructure, weak institutional settings, and poor technical and financial assets—a market-based allocation of resources is not a favourable option. One of developing countries' priorities is still to attract as much material resources as possible to their domestic economy; hence the preference of many of them for authoritative allocation, which can guarantee more favourable conditions before external shocks (Krasner, 1985). As a clear example, Chinese loans, although tied to the hiring of Chinese firms and to the payment of high interest rates, are seen favourably by many developing economies; payments in commodities and the absence of internal reforms and/or international tenders' requirements—the core of World Bank and International Monetary Fund conditionalities—reduce substantially transaction costs and default risks.

Since development became a prominent issue on the international agenda after the end of World War II, the international aid regime has helped to shape the

liberal order, by establishing goals and strategies, providing technical and financial resources, and prescribing roles and conduct for industrialised countries to engage in foreign aid.

The DAC, one of the first committees to be established within the OECD, has been responsible for setting Official Development Assistance (ODA) policy guidelines, priorities, targets, metrics, and reporting. From a geopolitical perspective, ODA—the transfer of public grants, technical assistance, and concessional loans from industrialised to developing countries—acted as a fundamental pillar of the liberal order, a “hegemonic vehicle” through which to exert influence, its main motivation being “to forge a (neo-)liberal consensus in a multilateral partnership” (Sogge, 2009, p. 13). It also functioned as a “mechanism of imperialist exploitation” that secured donors’ interests—through the delivery of tied aid—and generated economic and political dependence in developing countries, which ended up being an obstacle to, rather than a driver of, economic development (Petras & Veltmeyer, 2002). Foreign aid was considered the main instrument of international cooperation, to the point that, within the DAC regime, the two terms became synonymous and were basically identified with ODA. This understanding has long been challenged by developing countries, who have claimed that the range of practices and instruments that impact development is much broader and includes political dialogue, investments (including to and from private actors), trade and regional integration, export credit lines, and remittances, among others (Besharati & MacFeely, 2019). Hence, the preference for the term “international cooperation” in SSC schemes, as an effort to encompass the totality of economic and political relations that promote development.

The concept of development, which encompasses the belief that continued progress is possible and desirable, has itself played a major role in entrenching post-war US hegemony, promoting a global imaginary around a prosperous future, embodied in the experience of Western democracies. Sachs (1992, p. 97) argues that development was “invented as part of a geopolitical project aimed at rescuing newly independent countries from the temptation of communism, guiding them along a path laid out by the capitalist democracies of Western Europe and North America.” Tucker (1999) goes further, representing development as a form of cultural imperialism, which disguised the interests of the imperialist regimes behind the legitimate ideals and expectations of prosperity in developing countries.

The ability to propose a narrative in which the dominant power appears as the defender of the common interest on the basis of a shared world vision, is precisely the pillar of the consensus that is necessary for hegemony. To engage in hegemonic struggle, would-be hegemonic countries must present themselves as promoters of a shared prosperity and as a model to be followed (Arrighi & Silver, 1999); this imaginary dismisses the asymmetries and imbalances that are an inescapable

part of the structural change that development entails (Streeten, 1962), and promotes purported “win-win” strategies, in which it is claimed that it is always possible to reconcile different expectations. This rhetoric conceals the latent conflict deriving from the structural inequality between the power that exerts hegemony and those upon whom hegemony is exerted.

These criticisms notwithstanding, and despite its colonial and ideological connotations, development still represents an important goal for developing countries, and the improvement of their living conditions a legitimate aspiration for the people of the Global South. Therefore, it is important for developing countries to identify the opportunities that they can grasp from their participation in the different cooperation schemes at their disposal, as well as the risks that they may embody.

In what follows, the three cooperation regimes mentioned above will be analysed, in order to understand how they represent terrains of dispute for maintaining and gaining influence. Although they may not represent international regimes, strictly speaking, the regime framework is useful in order to understand how they shape relations among countries with different relative power. Following Krasner’s definition cited above, they establish a view of how the world works, define accepted standards of behaviour, prescribe specific codes of conduct, and provide decision-making procedures. The 2030 Agenda establishes what are the essential elements of a desirable life worldwide, affirming the necessity and possibility of pursuing all of them simultaneously, to achieve acceptable standards by the year 2030; it defines what specific sectoral policies are needed and how to measure advances in their achievement; finally, it assigns responsibilities and establishes a periodic reporting system. SSC provides an explanation for the backwardness of the developing world and a coherent set of policies, prescribes a framework for building interstate relations on an equal basis, indicates a set of methods and instruments to be applied, and provides a guide for partnership agreements. ICST draws a universal path to development through industrialization, prescribes the fundamental steps to achieve it, and recommends national policies within the boundaries of national sovereignty; similarly to SSC, it also establishes guidelines for mutually-beneficial agreements.

### 3. The Sustainable Development Goals: Agenda 2030

The 2030 Agenda was approved by the United Nations Assembly in 2015, based on a proposal developed at the United Nations Conference on Sustainable Development (Rio+20) in June 2012. It defines and addresses the main global challenges, through 17 “Sustainable Development Goals”—detailed in 169 targets—covering “a range of social needs including education, health, social protection, and job opportunities, while tackling climate change and environmental protection” (United Nations, n.d.). As an example of regimes’ inertia in the absence

of alternatives, it builds on a previous agenda and aims at “finishing what was started with the Millennium Development Goals (MDG)”

Approved by 193 member countries of the United Nations, it provides a general framework and a roadmap for global development, with a view to the year 2030; the United Nations Development Programme (UNDP) is entrusted with the leading role in its implementation.

Various criticisms have been levelled at the 17 goals. A first set of objections has to do with the way they are formulated (Vandemoortele, 2015): Many of them are not clearly defined, nor are they associated with measurable or realistic indicators. In some cases, no deadline is set. It has also been pointed out that the SDGs represent a mix of collective and national challenges, making it hard to identify on whom the responsibility for their implementation rests, who should take the lead in their implementation, and what might be the best strategy for fulfilling them. Also, the voluntary nature of this agenda is questioned, since the lack of consensus among the signatory countries made it impossible to give the SDGs the legally binding status that is granted to multilateral human rights agreements (Denk, 2016).

The SDGs basically reaffirm the expansion of GDP, international trade, and insertion in global value chains as the main drivers of development, thus promoting global macroeconomic models that scarcely take into account local specificities and the demands of marginalised groups, peasant organisations, and civil society (Giunta & Dávalos, 2019). From this perspective, they are the result of a neoliberal project that has been forged since the 1980s, in which redistribution and ecological issues are relegated to a marginal role (Weber, 2017).

The SDGs are a list of juxtaposed aspirations and demands, which do not stem from a coherent development vision, nor are they backed up by an assessment of the deep causes of poverty, discrimination, and inequality; as an additional element, they underestimate the real dimension of sustainability challenges. In synthesis, even if the SDGs have been analysed as a response to recurrent crises of development aid (Hout, 2019), their capacity to act as an effective roadmap for development is questionable. So, why is this agenda at the centre of the development debate worldwide? The SDGs represent the dominant framework establishing what issues must be discussed internationally, that is to say, they set the thematic agenda of international development, which is a key element of US hegemony.

The SDGs ratify the foundations of the liberal order, based on the market and framed in the post-Washington Consensus, and their implementation is entrusted to the United Nations: This circumstance guarantees that US overall hegemony over this agenda—and the international development debate—remains solid. But, since US hegemony was already being eroded at the moment of drafting the 17 goals, there were claims that could not be ignored; the People’s Republic of China explic-

itly called for—and was successful in this effort—keeping out peace and human rights issues, as they “divert from genuine development goals and violate national sovereignty” (Jiang & Fues, 2014, p. 2). Developing countries succeeded in their intent to include the principles of “Common but differentiated responsibilities” and of “Policy coherence for development” in the Agenda, although they could not negotiate an adequate operational framework, which would demand specific commitments from developed countries (Ye, 2016).

The adoption by DAC members of the Total Official Support to Sustainable Development (TOSSD) as a metric to quantify their contribution to the SDGs further dilutes Western responsibilities in terms of development-related issues (Besharati, 2017). The architecture of the SDGs relies greatly on the multilateral order forged after World War II, specifically on a “domesticated UN” (Amin, 2006) still under the influence of the US, despite recent efforts from China to dispute its hegemony (Feltman, 2020).

The SDGs act as a terrain of dispute where the US’s concern is to limit the erosion of its hegemony and hold control on international development, while containing the rise of China as potential global challenger; China struggles to obtain more power in decision-making by reason of its importance in the world economy; the majority of developing countries strive to include in the development debate issues related to the unequal distribution of gains and losses across the globe, e.g., climate change actions, to avoid carrying a disproportionate burden in decarbonising production to cut CO<sub>2</sub> emissions.

#### 4. South–South Cooperation

SSC is, technically, cooperation among developing countries. In contrast with the ODA regime, emblematic of a North–South, vertical, neo-colonial relationship, SSC emerged in the context of the strengthening of the Non-Aligned Movement and the Group of 77 within the United Nations General Assembly, appealing to solidarity and mutual respect among newly independent countries. As an attempt to forge a political alliance among countries—many of them just free from colonial rule—that shared a subordinate economic and political position in the superpower-dominated world, it represented an effort to alter liberal institutions and change principles and norms governing the world economy, by building a “collective self-reliance” for the pursuit of non-dependent development paths and autonomous economic growth (Saksena, 1985).

The US-dominated United Nations, however, subsequently institutionalised SSC through the United Nations Office for South–South Cooperation (UNOSSC), downgrading it to a mechanism for technical cooperation, technology transfer, knowledge sharing, and capacity building; based on the supposed similarity of the challenges faced by countries in the South, it came to be fundamentally subordinated to North–South cooperation

(Domínguez, 2018). This subordination, even more evident in triangular cooperation, was acknowledged in the Buenos Aires Plan of Action, the result of the First United Nations High-Level Conference on South–South and Triangular Cooperation, held in 1978 in Buenos Aires, Argentina; in March 2019, the Second High-level United Nations Conference on South–South Cooperation reaffirmed the complementary—and subordinated—role of SSC with respect to North–South cooperation (United Nations, 2019).

SSC has passed through various cycles, connected to the varying relative power of developing countries over the last decades: It has shifted between phases of intense political activity, when developing countries' power was increasing as during the 1970s, and periods of emphasis on technical and financial issues, as during the 1980s and the early 1990s. Globalisation has contributed to boosting economic growth of some emerging countries—China, but also Brazil and India, among others—which have increased their technical and financial capacity to offer support for economic growth to other developing countries, both through bilateral and multilateral assistance (Gosovic, 2016).

SSC has been an intentionally loosely-defined concept, whose boundaries have been blurry; in opposition to the narrow definition of ODA, Southern countries have argued that the range of instruments that can effectively contribute to development is wide and includes almost the totality of economic and political relations among countries (Besharati & MacFeely, 2019); for this reason, the broader concept of international cooperation is generally used, instead of development assistance or aid. This understanding of cooperation, based on the tight connection between international economic relations and development, has nurtured an intense debate about the actual amount of SSC and the metric that better applies for quantifying it. While DAC countries advocate for a more effective SSC measurement, developing countries have traditionally rejected efforts to classify or label SSC, affirming the guiding principles of solidarity, reciprocity, mutual benefit, non-interference with domestic issues, and the right of each country to set its own development agenda, over assessments based on expected results or conditionality.

For most countries engaging in SSC, conditionality does not imply pressures to implement specific domestic policies; it rather takes the form of partnerships with national companies in the implementation of projects and infrastructure. On the one hand, this characteristic challenges the traditional North–South accountability requirements; on the other hand, it allows emerging donors a greater discretion in assigning their resources.

Precisely regional emerging powers, such as Mexico, Turkey, South Africa, and India, have strengthened and institutionalised their cooperation activities, settling thematic and geographic priorities, where neighbour countries receive preferential attention and strategic interests prevail over development needs (see official websites:

<https://www.gob.mx/amexcid>, <https://www.tika.gov.tr>, <https://www.itecgoi.in/index>). In this perspective, SSC can be read as a disguised instrument that legitimates the struggle of emerging powers to gain support for their strategic projects, taking advantage of their relative power (Morvaridi & Hughes, 2018). Specifically, regional emerging economies play an ambiguous role in their respective geographical contexts: They are welcomed as virtuous leaders to provide guidance, cohesion, technical and financial support, and technology transfer, but they are also seen with suspicion by their partners, which raise doubts about their real intentions and their aspirations as regional hegemons (Vierira & Alden, 2011).

Armijo and Roberts (2014) have interpreted the growing economic weight of the BRICS and their coordination at the international level as an effort to consolidate their position in global governance, in addition to reaffirming their hegemony at the regional level, with a view to increasing their influence in multilateral bodies, e.g., multilateral development banks. Morvaridi and Hughes (2018) argue that the SSC narrative shares the same inclusive development rhetoric as the SDG Agenda: The structural inequalities of the parties are rendered invisible, and the possibility of choosing among different donors creates in recipient countries the illusion that they have freely chosen the type of collaboration they engage in, and are therefore co-responsible for the adverse conditions that SSC actions may have (Morvaridi & Hughes, 2018). In the same way as the promises of the Global North, the narrative of mutual benefit can conceal new forms of cultural colonialism, disguising particular interests as efforts to support the legitimate aspirations of the people of the Global South.

The tightening of South–South bonds is often seen as a valuable opportunity by developing countries. In Latin America, SSC has contributed to orienting regional integration towards the construction of an autonomous development agenda, although since 2015, with the fizzling-out of the commodity super-cycle, the primary concern returned to securing markets for raw materials exports (Pose & Bizzozero, 2019). In Africa, SSC is helping to reduce reliance and dependence on the former metropolis, while also promoting national and regional infrastructures, such as trans-continental road and railway networks, vital for the strengthening of countries' economies (Gosovic, 2016).

## 5. International Cooperation for Structural Transformation

ICST is China's own particular approach to cooperation with developing partners. As is well-known, China's international influence has expanded enormously in the last decades. Its increased importance in the global economy has been accompanied by an intensified engagement in international cooperation, through bilateral agreements as well as through participation in multilateral banks and political dialogue initiatives. Chinese grants

and concessional—sometimes interest-free—loans have also risen considerably (Zhang & Smith, 2017). The ambition of the BRI, launched in 2013, which is expected to promote Chinese investments and access to markets as fuel for economic growth, is a clear symptom of Chinese aspirations as a global player (Huang, 2016) and its willingness to engage in a hegemonic dispute. To struggle for hegemony, China is committed to develop its own cooperation regime, shaped around its political, economic, and geographical priorities.

Domínguez (2018) argues that the Chinese cooperation regime is built on three pillars, mirroring those governing the traditional DAC aid and cooperation regime: international financial organisations, concessional financing instruments, and a monitoring and evaluation system. The first pillar includes a network of development finance institutions, both bilateral (the China Development Bank and the Export–Import Bank of China being the most important ones) and multilateral (the Asian Infrastructure Investment Bank, New Development Bank, and the Silk Road Fund), that account for the largest source of global development finance (Ray et al., 2021). The second pillar refers to the mix of instruments used in partnership agreements, that is to say, investment, technological transfer, capacity building, credit lines, and grants. The third pillar, a monitoring and evaluation system, is still incipient (Domínguez, 2018). We can consider as a fourth pillar the recently-created China International Cooperation Agency, as an attempt to give coherence to, and coordinate, a complex institutional framework and the wide range of instruments and actors involved in Chinese foreign aid (Zhang & Smith, 2017).

In line with the SSC tradition, China refuses to adopt ODA's narrow definition and categorisation, and chooses a much wider framework to conceptualise its foreign aid. In this perspective, the ICST serves as the conceptual reference of this regime (Lin & Wang, 2017). ICST is based on the New Structural Economy, which identifies structural change as the fundamental challenge for low- and middle-income countries, while emphasizing the provision of infrastructure and industrialisation as the main drivers of economic growth, as well as the importance of building on existing comparative advantages (Lin, 2010). The New Structural Economy approach to economic development takes up some of the fundamental premises of neoclassical economic approaches and integrates them into a developmentalist framework in which the state plays a central role: Government can facilitate and promote productive up-grading by establishing Special Economic Zones or industrial parks with good infrastructure—physical and non-physical—and a good business environment (Lin, 2010).

The ICST is based on the assumption that China's successful track record provides the best credentials to help other countries push for structural transformation: It can share its experience in managing Special Economic Zones, equipped with adequate productive infrastructure—built at much lower cost than Northern

firms demand—and it can relocate its labour-intensive manufacturing, promoting industrialisation in partner countries (Lin & Wang, 2017).

As is the case for SSC, ICST acknowledges the principles of mutual respect, mutual benefit, and non-interference in the domestic affairs of partner countries, hence the absence of conditionalities: Chinese cooperation is generally demand-driven, regardless of a government's political orientation (although there is pressure for not recognising Taiwan as an independent country). China has also developed its own doctrine on human rights, which privileges the right to subsistence and development over the traditional “Western” emphasis on civil and political rights (Zhang & Buzan, 2020).

Again, power asymmetries and the risk of introducing new patterns of dependence are diluted into a horizontal win-win conception of partnership, which conceals China's attempt to legitimise its quest for a hegemonic position. China's efforts to present its strategic investments as the drivers of a widespread economic growth and prosperity respond to the need to develop a rhetoric to consolidate its international image as a benevolent power, an inspiring model, and a trustworthy global leader. Chinese loans are often aimed at securing the supply of raw materials and contracts for its companies, using the principle of mutual benefit to justify tied aid practices (Castro, 2014). When they are paid in commodities, they do not represent a burden for partner countries' balance of payments—undoubtedly a favourable condition for constrained developing economies, especially primary exporters—and they do not require policy conditionalities that ensure the availability of currency to pay for them. However, the mega-projects promoted by China, first and foremost connected to the BRI, have as main objective to ensure China's access to raw materials and to markets for its manufactured goods; this has created controversy about the risk of generating a debt trap in partner countries (Chatzky & McBride, 2020; Southerland, 2019), as well as popular protests in some key locations (Baldakova, 2019; Chaudhury, 2021).

The industrialisation model proposed by China, based on relocation of Chinese industries, is simply not viable; the current global excess of productive capacity in almost all sectors leaves little room for industrial development of the kind proposed by the New Structural Economy (Pérez, 2010). China can only reasonably relocate industries with obsolete technology, that are highly polluting, or that base their international competitiveness on the exploitation of labour, which becomes acceptable in the light of Chinese doctrine on the human right to “subsistence” and “development” that gives national development priority over workers' rights.

One of the pillars of China's foreign policy, the win-win strategy and cooperation, promotes the growth of an export model through the postulates of the Beijing Consensus (Turin, 2010), advocating a gradual and controlled economic opening that allows China to consolidate access to the raw materials necessary for its

industrial and technological progress (Rodriguez-Aranda & Leiva-Van de Maele, 2013). Svampa (2013) has explained the concept of consensus in terms of hegemony: Consensus is reached when one actor has the capacity to impose its interests on others. As was the case for the Washington Consensus, an epiphany of US hegemony, the Beijing Consensus reflects China's struggle to achieve hegemonic power over its partners.

## 6. Conclusions

In this article I have outlined the basic characteristics of three cooperation regimes and highlighted how they act as a means of struggle for gaining power and hegemony. I have argued that the SDG 2030 Agenda is aimed at maintaining the legitimacy of the UN system, under the control of the US and its allies, despite China's intentions to challenge US influence; SSC, appealing to horizontality and common challenges among developing countries, is the narrative that middle powers and emerging countries privilege to consolidate regional leadership. ICST embodies China's aspiration of globalising its development model, while striving for hegemony by virtue of its growing importance in the global economy.

Developing countries participate, to a variable extent, in the three regimes. As Krasner (1985) points out, developing countries engage in international regimes in search of wealth and control, that is to say, access to material resources to alleviate poverty and promote their domestic development and political influence, or alliances to increase their bargaining power on global relevant issues.

As mentioned, the multilateral order, an expression of post-war US hegemony, is facing a crisis in its legitimacy and effectiveness, as a result of the declining international influence of the US, which can no longer secure the cohesion of the system. Nevertheless, multilateralism offers unquestionably better opportunities for countries whose individual bargaining power is weak *vis-à-vis* the others (Chang, 2020). For this reason, it is worth deploying resources and energy to maintain multilateral institutions active and relevant. In this perspective, the SDG Agenda, through the institutions in charge of its implementation (UNDP and related agencies), offers the possibility to keep the debate and the negotiations on crucial issues, at multilateral level, as in the case of climate change, but also that of access to medicaments and vaccines. On the other hand, the possibilities of obtaining financial resources have been disappointing and did not meet the expectations that the approval of the 2030 Agenda had risen; ODA flows from traditional donors since 2015 have not increased and a growing share of SDG financing comes from private sources (Organisation for Economic Co-operation and Development, n.d.).

South–South economic cooperation implies reduced transaction costs and generally better possibilities to address national planned priorities, since it is more

demand-driven and less dependent on international agendas; it also avoids conditionalities and generally offers better conditions for technology transfer, although the technology deployed may not be the most advanced. Furthermore, usually economic cooperation and political alliances among developing countries tend to be mutually reinforcing. On the other hand, it takes mainly the form of loans and technical assistance, rather than grants and is often tied to the purchasing of donors' goods and services.

The net balance of increased relations with China is ambiguous. On the one hand, China has engaged with massive infrastructure projects that would not be possible to achieve with other donors; on the other hand, the renewed role of commodity exporters, and the emphasis on insertion into global value chains to increase competitiveness, ends up hindering developing countries' aspirations for industrial development. In this perspective, the dynamics of the relations between China, on the one hand, and Africa and Latin America on the other, seems to replicate the pattern of dependence on North American and European centres.

The objective of the present article was to make an assessment of the new opportunities and challenges that developing countries face through their engagement in international cooperation, given that the slow decline of US hegemony, together with the loosening of the traditional North–South aid regime, leaves room for dynamic emerging countries, China above all, to use international cooperation as an instrument for expanding their influence. There are indeed opportunities that a loosened and diversified international cooperation regime can offer and the overall balance seems to be favourable: Through the negotiations around the SDG Agenda, developing countries can participate in the debates on global issues, formulate their claims, and reduce the power imbalance with the industrialized North. At the same time, by enhancing cooperation and economic relations with other developing countries—emerging middle powers or China—they can increase access to productive investments, including longstanding demands that have mostly been neglected, such as national and regional infrastructure or technology transfer.

It is true that traditional donors (OECD-DAC) are adopting Southern partners' practices, more often than the other way round, and this accounts for a higher consideration of claims from the South, especially as far as growth strategies are concerned (Mawdsley et al., 2017). On the other hand, the risk of reinforcing patterns of dependence, with little or no improvement at all in their subordinated role in the global economy, represents a threat to the pursuit of autonomous development paths.

With respect to their engagement in international cooperation, developing countries face the challenge of establishing more assertive development policies and deploying greater efforts to settle a clear development path, according to specific contexts and their people's

aspirations. The more well-defined are national priorities, the smaller the risk of having to accept second-best options. Nevertheless, this task is anything but simple, since inequalities, institutional and fiscal fragility, and persistent dependence represent serious bottlenecks for social cohesion and the building of sustained national development policies. The pursuit of sovereign development and prosperity for a larger share of the global population will require new efforts to face old challenges, building on the lessons learnt in nearly 70 years of development cooperation.

### Conflict of Interests

The author declares no conflict of interests.

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#### About the Author



**Sara Caria** has been professor at the Department of Public Economics, Instituto de Altos Estudios Nacionales, Ecuador, and is currently researcher at the University of Modena and Reggio Emilia, Italy. She has also an extensive experience as development cooperation practitioner in Latin America. Her research interests focus on international cooperation and development, structural change and industrial development, and ecological and digital transition.