

The Rise of the South and South-South Integration

Evidence, Questions and UNCTAD's Role

Piergiuseppe Fortunato, ECIDC

UNCTAD

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Now and Then

- ▶ World at the end of 1990s: East Asia struggling to recover from the 1997 crisis; renewed crises in emerging economies (EEs), Brazil and Russia in 1998, Turkey in 2000-01 and Argentina in 2001-02
- ▶ Growth difference between South and North was 1.5 percentage points during 1990-2002



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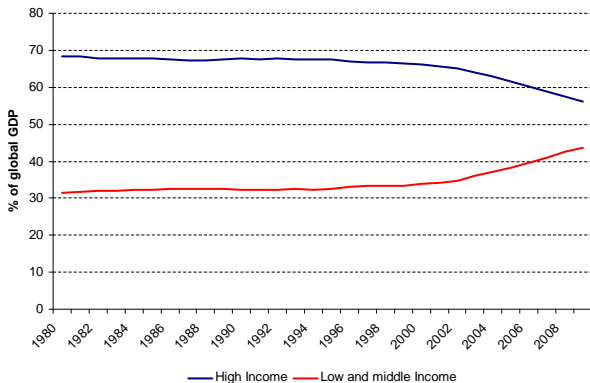
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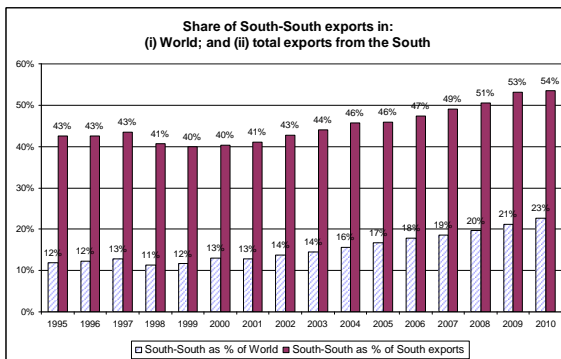
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- ▶ The difference widened further during 2008-09 due to sharp declines in AEs

Contribution to World GDP 1980-2010



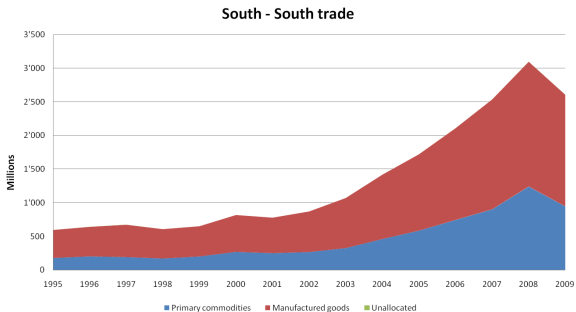
It's not only South...but **South-South!**

- ▶ From **2008**, developing countries as a whole exported more to the South than to the North.



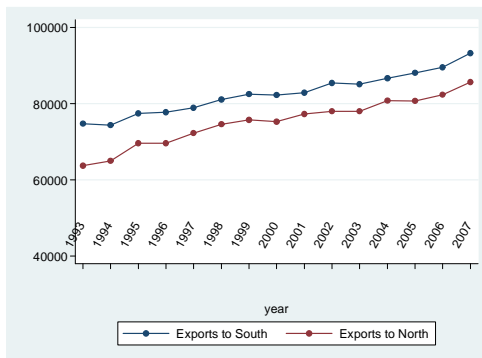
The role of Manufactures

- ▶ Over 60% of South-South export is in manufacture



Capital Intensity

- ▶ South-South exports show a higher capital-intensity than South-North

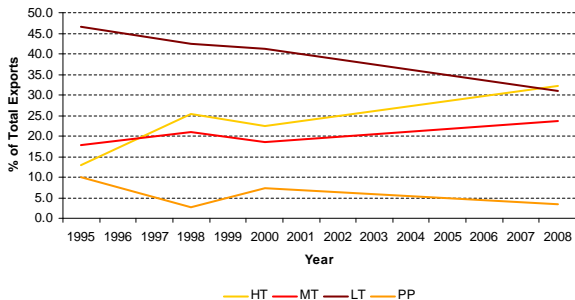




What you Export Matters

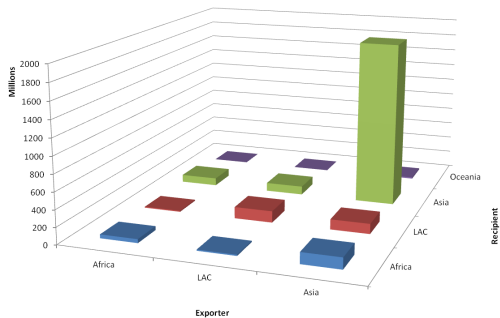
- ▶ Structural transformation is at the heart of economic development
- ▶ Successful DEEs substitute low valued-added goods with more *sophisticated* products
- ▶ From primary products to manufactures progressively more technological intensive
- ▶ From inside- to on-the frontier innovation

China Export's Structure: 1995-2008





Asia and the Others: Trade





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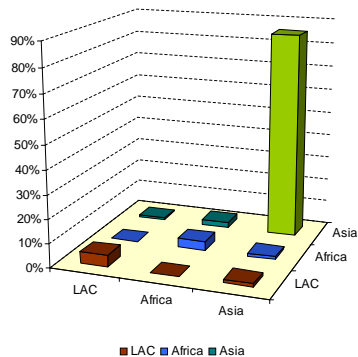
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- ▶ Trade between Africa and Americas remained just over 1% of total South-South export

Asia and the Others: FDI





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- ▶ Fuels dominate Africa's export to Americas, while basic food items are the main export from Americas to Africa
- ▶ In trade within a region, however, manufacture export claims the highest share both in Africa and Americas



What we do at the ECIDC

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- ▶ Beyond dependence from the North

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- ▶ Subprime expansion (surge in exports), low interest rates (surge in capital flows), financialization (boom in commodity prices)



The Accra Mandate

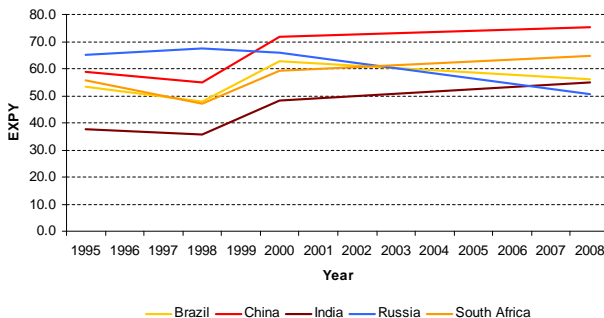
43: [UNCTAD] should strengthen its work by: (a) **deepening research on and analysis** of the synergies created by South-South trade, investment and finance; (b) **upgrading data and analytical tools** on South-South flows and cooperation; and (c) **promoting South-South and triangular cooperation** [...]

67. Enhancing the integration of developing countries, particularly LDCs, into international trade requires **building their productive capacities** and **bolstering their participation in value chains** [...]

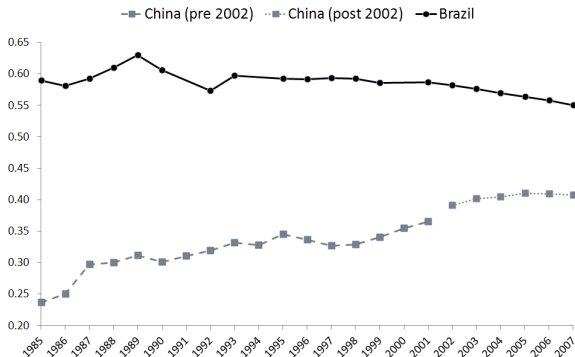
97. UNCTAD should promote [...] **exchange of experiences** and institution-building. It should [...] strengthen related **technical assistance programmes** [...]

Asia and the Others IV: Sophistication

Evolution of the Sophistication index for BRICS: 1995-2008



Inequality through Time



Inequality and Human Development

