The Rise of the South and South-South Integration
Evidence, Questions and UNCTAD’s Role

Piergiuseppe Fortunato, ECIDC

UNCTAD

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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

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The difference widened further during 2008-09 due to sharp declines in AEs
Contribution to World GDP 1980-2010

- High Income
- Low and middle Income
It’s not only South…but South-South!

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

![Graph showing the share of South-South exports as % of World and total exports from the South from 1995 to 2010.](image-url)
The role of Manufactures

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

- HT: High-tech
- MT: Medium-tech
- LT: Low-tech
- PP: Other products


% of Total Exports: 0.0, 5.0, 10.0, 15.0, 20.0, 25.0, 30.0, 35.0, 40.0, 45.0, 50.0

Rise of the South

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Asia and the Others: Trade
An Asian Story?

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- Intra-regional trade is less significant for Africa and Americas. The share of intra-Africa export fell from 63% (1995) to 29% (2010) of its total southbound export. For Americas, the share fell from 71% (1995) to 53% (2010).
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- Trade between Africa and Americas remained just over 1% of total South-South export.
Asia and the Others: FDI
Composition of Export

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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** [...]

Rise of the South
Asia and the Others IV: Sophistication

Evolution of the Sophistication index for BRICS: 1995-2008

EXPY

Year


Brazil China India Russia South Africa
Inequality through Time

- China (pre 2002)
- China (post 2002)
- Brazil

Data points for years 1985 to 2007.
Inequality and Human Development

Mortality, Inequality and Growth

Equal countries

Unequal countries

Rise of the South