Meeting South-South Challenges in a Changing World

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GENERAL REMARKS
Stemming from internal dynamics of change within the hemisphere and from external pressures imposed from without, South-South challenges abound. Important strata of these challenges besetting the South are the diverse effects of globalization on the political and technological structures of heterogenous societies in the disparate geographical regions of the hemisphere in which the role of women, technology transfer, education, health, good governance and trade as a driver of development, deserve special attention. The South must try to cope with these challenges by making the necessary adjustments needed for managing globalization and protecting national sovereignty. Interdependencies and interconnections among people, driven by modern communication technologies, are creating a porous world in which traditional cultures, social values; ethical and moral principles, religious practices, economic activities, scientific and technological products, political ideologies, and ecological forces are spilling over across nations and territories far beyond the capability of many nations to cope with them. Globalization is creating a wireless world in which communication among individuals and groups is propagated to the extent of the internet’s becoming an important venue for social change, modernization and democratization. Access to knowledge, new ideas, political ideologies and information are putting pressure on governments worldwide to rethink their positions and introduce changes that meet the new challenges brought by the massive forces of change unleashed by the new global society. The aim of this paper is to highlight some of the important challenges facing countries in the South as well as to explain how cooperation among these countries could enhance socio-economic change.

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NATIONAL CONFLICTS
Unfortunately, the forces behind the changes currently taking place in our world are uneven, creating in the process a global disequilibrium characterized by economic inequalities, injustices, social intolerance, religious conflicts, terrorism, nationalism, political anarchy, poverty and rising ethnic identities. The disintegration of institutions in some societies and ethnic cleansing in others is adversely affecting neighboring countries and territories by engendering destabilization of social orders and political structures of modern states. Most countries in the South have been subjected to destabilizing forces that negatively affect democratization, political stability, economic development, social cohesion, ethnic relations and future prospects. Antagonistic forces stimulating internecine conflict among groups and nations are undermining the body-politic type of various southern states by impeding the ability of the state to formulate policies and implement programs for building capacity and improving civil liberties. Lack of cooperation among groups affects the state of socio-economic development by weakening governments’ abilities to make decisions, fight corruption, allocate resources efficiently and equitably, reduce poverty, and assuage injustices.

The challenges facing countries in the South are numerous comprising complex sets of social, political, cultural, ethnic, economic, environmental, moral, racial, religious and linguistic factors. Solving these diverse problems is virtually impossible without a radical socio-economic reform, particularly in the areas of development and education. Prosperity and education increase tolerance and enhance understanding among groups and nations. Recent experience in the South has proven that social intolerance, economic injustice and lack of democracy are largely responsible for the current state of political anarchy and state decomposition. Furthermore, relations with the North over the past several decades have proven to be inadequate to reengineer development and promote stability in the South. Western interest is driven by old colonial policies and great power geopolitics designed to control resources and markets of the South to preserve Western hegemony.

POVERTY AND EMPLOYMENT
Poverty and employment are the most pressing problems facing most countries in the South. During the last several decades substantial efforts have been directed at combating poverty by national governments, international institutions, non-governmental organizations, individuals and groups. Perhaps the most comprehensive program often credited with being launched to tackle global poverty is the Millennium Development Goals of the United Nations that sets a target of 2015 for reducing extreme poverty and for improving the living standards of millions of poor people,
mainly in countries of the South. Poverty is a multidimensional problem comprising a large set of economic, social, cultural, political, educational, environmental, technological, institutional, and global factors. Almost one third of humanity, mainly those in the category of low human development, is living under intolerable conditions defined as being below $2 a day. As Table 1 illustrates, a large percentage of populations in the South still suffers from extreme poverty measured not only by the size of the population living on less that $2 a day but also from high adult illiteracy, low life expectancy, inadequate income per capita and low human development. Similarly, lack of knowledge, poor health, corruption, and ineffective institutions perpetuate poverty by not allowing poor people to gain access to adequate services that would enable them to participate in the economy. Sustainable development requires building strong local capacities capable of creating more opportunities including greater access to knowledge, information, communication, government services, and markets. Among other things, the knowledge of the global economy, particularly the use of information technologies, has become necessary for promoting local development. Poor people need to be given access to recent knowledge on scientific and technological advancement in agriculture, the environment, family planning, water management, pollution control, health prevention, and market activities.

Furthermore, governments in the South should make sure that poor people and poor regions get their fair share of the activities of multinational corporations and foreign direct investment. Globalization is likely to encourage production for export with little attention paid to human development and poverty reduction. Thus, to avoid exclusion of poor people from the new global opportunities, national economic policies must incorporate measures to manage globalization.¹

**TABLE 1**
POVERTY IN THE SOUTH, SELECTED COUNTRIES, 2006

<table>
<thead>
<tr>
<th>Country</th>
<th>Life Expectancy</th>
<th>GDP Per capita US</th>
<th>Adult illiteracy (%)</th>
<th>Population below $2 a day (%)</th>
<th>Human Development Index (HDI)</th>
<th>Human Poverty Index (HPI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Niger</td>
<td>44.6</td>
<td>228</td>
<td>71.3</td>
<td>85.8</td>
<td>0.311</td>
<td>56.4</td>
</tr>
<tr>
<td>Mali</td>
<td>48.1</td>
<td>371</td>
<td>81.0</td>
<td>90.6</td>
<td>0.338</td>
<td>60.2</td>
</tr>
<tr>
<td>Zambia</td>
<td>37.7</td>
<td>471</td>
<td>32.0</td>
<td>94.1</td>
<td>0.407</td>
<td>45.6</td>
</tr>
<tr>
<td>Nigeria</td>
<td>43.4</td>
<td>560</td>
<td>88.0</td>
<td>92.4</td>
<td>0.448</td>
<td>40.6</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>63.3</td>
<td>406</td>
<td>72.0</td>
<td>82.8</td>
<td>0.530</td>
<td>44.2</td>
</tr>
<tr>
<td>Pakistan</td>
<td>63.4</td>
<td>632</td>
<td>51.0</td>
<td>73.6</td>
<td>0.539</td>
<td>36.3</td>
</tr>
<tr>
<td>Cambodia</td>
<td>56.5</td>
<td>354</td>
<td>26.4</td>
<td>77.7</td>
<td>0.583</td>
<td>39.3</td>
</tr>
<tr>
<td>Egypt</td>
<td>70.2</td>
<td>1,085</td>
<td>28.6</td>
<td>43.9</td>
<td>0.702</td>
<td>20.0</td>
</tr>
<tr>
<td>Mauritania</td>
<td>53.1</td>
<td>515</td>
<td>48.8</td>
<td>63.1</td>
<td>0.486</td>
<td>41.0</td>
</tr>
<tr>
<td>Tanzania</td>
<td>45.9</td>
<td>228</td>
<td>30.6</td>
<td>89.9</td>
<td>0.430</td>
<td>36.3</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>47.8</td>
<td>114</td>
<td>88.0</td>
<td>77.8</td>
<td>0.371</td>
<td>55.3</td>
</tr>
<tr>
<td>India</td>
<td>63.6</td>
<td>640</td>
<td>39.0</td>
<td>79.9</td>
<td>0.611</td>
<td>31.3</td>
</tr>
<tr>
<td>Indonesia</td>
<td>67.2</td>
<td>1,184</td>
<td>9.6</td>
<td>52.4</td>
<td>0.711</td>
<td>18.5</td>
</tr>
<tr>
<td>Malaysia</td>
<td>73.4</td>
<td>4,753</td>
<td>11.3</td>
<td>9.3</td>
<td>0.805</td>
<td>8.3</td>
</tr>
</tbody>
</table>


South-South cooperation should involve exchanges of information about successful policies in other countries in the South. In this respect, Malaysia could provide substantial assistance to other countries in the South. A recent study by the United Nations has shown that Malaysia has made significant contributions toward achieving the Millennium Development Goals. The Report states that "Malaysia's experience in poverty reduction is of particular interest because it has been achieved in a multi-ethnic and culturally diverse setting. Furthermore, its economic growth strategy has integrated commitments to poverty elimination and restructuring of society as central objectives in its development vision."

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other countries in the South. The success of Malaysia in combating poverty and reducing unemployment could enable other countries to initiate similar programs and construct sound macroeconomic policies to reduce the burden of poverty. In most countries, poverty is largely a product of locally driven forces; this in turn requires indigenous solutions. The poor are incapable of solving their problems due to extreme resource constraints and, therefore, state intervention becomes vital for combating poverty through the handling of various developmental issues. Building infrastructure, investing in rural areas and providing credit for the poor reduce poverty by allowing the poor to participate in the economy.3

ECONOMIC CHALLENGE
Economic globalization is making states more and more dependent on international institutions and global markets. Under such circumstances, the sovereignty of the state is undermined to the extent that the ability of national governments to make decisions and promote development is restricted. Nations in the South need to maximize the return on their development by constructing policies capable of enhancing the national economy and protecting the local industry. Global competitiveness through liberalization of trade and privatization of the domestic market may create imbalances within the economic structure and redistribute income in favor of exports and highly skilled workers. It is important that countries in the South learn how to manage globalization by trying to integrate global transactions into their national policies. Benefits from globalization need to be shared by all people of the world if a peaceful co-existence and common future is to be maintained. It is not income gap that is currently dividing nations into rich and poor; rather, it is the knowledge gap that is widening between the countries in the North and those in the South. Thus, global cooperation becomes a necessity for preserving international justice and promoting peace and security.

To cultivate the fruits of globalization, countries in the South need to make major internal reforms. Economic development requires setting up effective institutions, building infrastructure, encouraging public participation, mobilizing political support and inaugurating economic incentives. Economic institutions must be made efficient, accountable, and responsive to a country's social, economic, and environmental requirements. Similarly, the educational system needs to be restructured to meet the needs of a rapidly changing economy by providing the necessary skills and knowledge for development. An equitable redistribution of income and wealth could stimulate

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effective demand in the South by increasing consumer expenditures and enhancing investment. Undertaking such initiatives will promote sustainable change and create a sound business environment that would stimulate economic growth at home and increase competitiveness in the global market. The South needs to build bridges for promoting peace and security as well as for reducing social tensions. Political stability and social tolerance within and among nations is vital for economic development. The complex nature of the world renders cooperation vital to share resources and to establish a common vision based on hope and continuity.4

Table 2 shows the extent of income inequalities between the North and the South. For example, in 2004 high income countries, mainly located in the North, representing 15.4 per cent of the world’s population, earned 80 per cent of global income, whereas the rest of the world’s population, representing countries mainly in the South, earned 20 per cent of the world’s income. In the meantime, low income countries accounting for 37 per cent of world population received only 3 per cent of world income in 2004. No doubt, such a wide gap in global income inequalities could hamper efforts in countries of the South to eradicate poverty and foster growth. The influence of the countries in the North over the flow of FDI, technology transfer, export of manufactured goods and services, research and development and international institutions has weakened the countries in the South with regard to multilateral negotiations, global competitiveness, access to markets and international finance.

### TABLE 2
MACROECONOMIC INDICATORS, 2004

<table>
<thead>
<tr>
<th>Region/Country</th>
<th>Population (millions)</th>
<th>% of world’s total</th>
<th>GDP (US$ billions)</th>
<th>% of world’s total</th>
<th>Human Development Index (HDI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>High income</td>
<td>982.5</td>
<td>15.4</td>
<td>32,590.4</td>
<td>80.0</td>
<td>0.942</td>
</tr>
<tr>
<td>Middle income</td>
<td>3,043.0</td>
<td>47.6</td>
<td>7,155.3</td>
<td>17.0</td>
<td>0.768</td>
</tr>
<tr>
<td>Low income</td>
<td>2,361.3</td>
<td>37.0</td>
<td>1,236.6</td>
<td>3.0</td>
<td>0.556</td>
</tr>
<tr>
<td>Malaysia</td>
<td>24.9</td>
<td>0.4</td>
<td>118.3</td>
<td>0.3</td>
<td>0.805</td>
</tr>
<tr>
<td>World</td>
<td>6,389.2</td>
<td>------</td>
<td>40,850.4</td>
<td>------</td>
<td>0.741</td>
</tr>
</tbody>
</table>


THE GLOBAL CHALLENGE
Globalization has posed new challenges to most countries of the South. The pressure to compete globally has left countries of the South with little latitude to balance development by skewing production toward exports and away from domestic markets. Globalization not only subjects economies, particularly developing economies dependent on commodity exports with low value-added, to greater instability by increasing openness, but also weakens the ability of the state to protect its interests in the global markets. Globalization is driven by a small number of actors, mainly the industrialized countries, transnational corporations and special interest groups. In addition, the new economy is a knowledge-based economy which requires certain skills, investment and technology that most countries in the South cannot afford to have in the early stages of their development. In other words, the new global economy has weakened national sovereignty by making developing countries less able to act unilaterally to protect their interests. Globalization may have even decreased the prospects of development by allowing labour and capital to migrate from the South to the North to the extent that the countries in the South are losing to the North skilled labour creating, in the process, critical shortages of skills in the domestic economy. In this regard, globalization is a double-edged sword, creating both liabilities as well as opportunities for developing countries.5

Increasing economic activities is deepening mutual cooperation among nations. South-South development cooperation induces understanding as well as reduction of tensions through trade, investment, factor mobility and political security. However, countries in the South should keep in mind that foreign assistance, mainly from the North, primarily serves to enhance the commercial interests of the donor countries rather than being designed to promote the development of the South. The impetus to initiate cooperation among the countries of the South should be intra-hemispherical inasmuch as the immediate problems facing the South stem from rapid growth in population, corruption, mismanagement, human rights violations, illiteracy and environmental degradation—all of which require local remedies. In this respect, joint efforts to increase cooperation among countries in the South enhance efforts for collective action designed to construct policies and make decisions that help to solve some of the problems shared by these countries.

Table 3 shows trade transactions and external debt. As Table 3 indicates, the share

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of high income countries in global trade accounted for more than two-thirds of world exports and imports in 2004. Such a large share, however, reflects the control of high income countries over world markets, particularly trade in manufactured goods and services. On the other hand, the share of middle and low income countries in total world trade accounted for about one quarter in 2004. With respect to external debt, low and middle income countries had a total debt close to 3 trillion dollars in 2004.

**TABLE 3**

EXTERNAL TRADE TRANSACTIONS AND EXTERNAL DEBT, 2004

<table>
<thead>
<tr>
<th>Income Group</th>
<th>Exports ($millions)</th>
<th>Share in world’s total exports (%)</th>
<th>Imports ($millions)</th>
<th>Share in world’s total imports</th>
<th>External debt ($millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>9,145,027</td>
<td>------</td>
<td>9,376,651</td>
<td>------</td>
<td>----</td>
</tr>
<tr>
<td>High income</td>
<td>6,672,648</td>
<td>72.0</td>
<td>6,962,657</td>
<td>74.0</td>
<td>---</td>
</tr>
<tr>
<td>Middle income</td>
<td>2,259,406</td>
<td>25.7</td>
<td>2,161,147</td>
<td>23.0</td>
<td>2,328,780</td>
</tr>
<tr>
<td>Low income</td>
<td>212,988</td>
<td>2.3</td>
<td>252,827</td>
<td>3.0</td>
<td>426,945</td>
</tr>
</tbody>
</table>


**POLITICAL CHALLENGE**

Among the important challenges facing countries in the South are political systems which exhibit disagreement, ideological differences, external influence and domestic alliance. To increase cooperation, countries in the South need to set aside these differences and act in the national interest of their citizens without interfering in the sovereignty of other nations. Cooperation enhances political stability and increases economic prosperity through trade, investment and labour mobility. Furthermore, it decreases tension and improves social linkages by trying to solve conflicts through negotiation instead of via threats and counter threats on the part of different regimes. In the South, governments usually exercise substantial control over their nations which qualifies them to make compromises and establish channels for greater cooperation. Political tensions could lead to disastrous situations including the outbreak of wars, loss of human life, social intolerance and economic destruction. Our world is full of contradictions which are subject to many diverse influences at both local and global levels. We seem to lack the awareness of political conflicts by failing to control differences and manage individual and group acts.
The new global society is forcing countries to inaugurate radical changes pursuant to demands for freedom, justice, equality and democracy. Absent political cooperation, lack of communication, inadequate education and institutional constraints to promote global understanding, the world’s ability to preserve the ecological balance of the planet and reduce inequalities remain extremely limited. The chasm between the North and the South has grown so wide that the social and economic afflictions of the South cannot be solved without cooperation between the two hemispheres. It is unlikely that the developing countries will be able, given their limited financial, educational and scientific resources, to promote development to contain social conflicts. International help to developing countries should be directed towards reducing income and knowledge gaps between rich and poor countries as well as towards the aim of increasing democratization and enhancing social investments. It is important that a balance in the degree of development be achieved among all countries in order to spread equitably the potential rewards of globalization. The confrontation between superpowers during the Cold War characterized by a bipolar world has disappeared such that North-South relations can now occupy center-stage with the South gaining greater access to aid and investment.

The countries of the South should allocate a greater share of their expenditures towards improving the status of human development away from military buildups. A reduction of armaments among the countries in the South could yield a substantial peace dividend for development by diverting resources toward production of goods for peace and social security.

TECHNOLOGICAL CHALLENGE
Countries in the South are experiencing substantial technological and scientific gaps with countries in the North. Future development in these countries will depend on the ability of these countries to reduce the knowledge gap by making efforts to apply, absorb and create knowledge. Access to knowledge can be facilitated through investment in information technology and development of skills. Insofar as technology could have an adverse impact on development, particularly on employment, countries in the South should introduce technology on a step-by-step basis in order to avoid social conflicts generated by increasing levels of unemployment. In addition, most countries in the South are lacking skilled labour and trained managers who can understand the application of modern technologies. Without good management, technology could be costly in terms of its environmental, social and economic costs. Technology that serves development and the environment should be acquired.
Ecological problems are directly linked to economic growth and, therefore, technology should become complementary to the process of development rather than be treated in isolation. Not only are programs that embrace environmental protection important, but so too are collective policies to minimize cross-border pollution, to set up better water management projects and to put in place measures to preserve renewable resources.

Technology transfer is necessary for building indigenous capacities capable of reducing dependency and supporting local industries. Countries should introduce measures to cultivate the benefit of technology transfer through increasing investment in knowledge creation, training, skill development and scientific research. Governments should take the lead in creating a friendly business environment amenable to multinational business, foreign capital, knowledge acquisition and industrial development. Both credit and regulations are important for providing incentives for technology transfer. However, making use of technology should eventually contribute to the reduction of poverty, the improvement of the environment, the augmentation of productivity and the sustainability of development.6

ENVIRONMENTAL CHALLENGE
It is obvious that environmental degradation generally exacerbates poverty in the South. Environmental degradation impacts poverty both directly and indirectly: directly, where pollution of air and water cause health problems; and, indirectly, where environmental damage causes substantial productivity losses to the economy. Over-fishing, soil erosion, air pollution, deforestation and water mismanagement decrease the country's economic potential to alleviate poverty. In addition, environmental problems increase the risks of drought and famine. In recent decades, experience with environmental problems in Africa has proven to be destructive not only in terms of food shortages and loss of human lives, but also in terms of human dislocation and environmental refugees. Poverty means lack of productive resources and limited knowledge and information. This is true in a rapidly changing world where inadequate access to modern knowledge could jeopardize the employment of modern technologies and new production methods, especially in agricultural production and environmental management. In this regard, conducting research to identify “friendly” technology becomes important for minimizing the negative externalities associated with environmental degradation. The Brundtland Commission’s report Our Common

Future (1987) established strong linkages between the environment and economic development. In the South, development programs have generally been carried out without adequate environmental devices for ensuring safety and adequate management of resources.7

Poor nations are faced with complex challenges including rapid population growth, water scarcity, inequitable distribution of land, inadequate financial resources, counterproductive incentives, and negligible infrastructure inasmuch as the resources available to these countries are far below the minimum required for sustaining development and combating poverty. Reliance on a nation’s resources alone may prove insufficient. Accordingly, cooperation among countries in the South is essential for sharing financial and technical resources as well as for making collective decisions to increase support and share existing resources. Capacity-building in countries of the South requires knowledge-driven systems to increase economic linkages and enhance global competitiveness. Additionally, it is important that governments in the South establish a comprehensive framework that increases linkages to combat various challenges collectively facing them. Coordination among various levels of society must be enhanced in order to speed up the process of change and reduce environmental degradation.

In parallel, support from countries in the North, non-governmental organizations and international institutions is also required for providing managerial, organizational, financial, technical and scientific assistance. In recent years, energy has become an important issue in most countries in the South, both because of environmental impacts and its support for economic growth. Energy shortages could deepen poverty by reducing a country’s capacity to produce goods and services.

WOMEN AND THE SOUTH
Women represent half of the South’s population and, therefore, their participation could have considerable impact on combating poverty and promoting development. Unfortunately, most women in the South suffer from high illiteracy, inadequate skills, labour market discrimination, low income and social inequity. To reactivate the economy and promote equity, countries in the South need to reform their socio-economic systems in order to ensure women’s contribution to development. Several challenges facing countries in the South—rapid population growth, environmental degradation, weak health care and educational systems—are a consequence of women’s

activities in society. Many countries are still practicing old and traditional social and cultural values which are not suitable for modern development. Economic policies and government programs should be structured to take into account the impact of women on the allocation of resources. Knowledge, science and technology represent important tools for advancement in modern societies, and, therefore, women should be given a fair share of government initiatives to promote development.8 There are similarities in the problems shared by countries in the South. Women could establish contacts and conduct studies that allow sharing of information and increasing exchange programs to lessen the impact of social, economic and environmental forces on development in their respective countries. The recent success of the Grameen Bank in Bangladesh in the extension of micro-credit is a recognition of women’s contribution to development and bears testimonial to the fact that the vast majority of micro-credits distributed in the South are extended to women, whose default rates are extremely low. Similar programs can be created to increase women's participation not only in the economy, but also politically through their participation in government. Countries in the South need to build capacities for encouraging women to participate in development. Violence, inequality and discrimination against women should be eliminated through public education and government support programs in order to help women become partners in development. Women’s contribution could help in sustaining development, particularly in the areas of deforestation, water management, pollution control and soil degradation.9

In this age of globalization, people in both the South and the North share a common future involving mutual challenges that cannot be resolved without a collective vision. It is false to speak of isolation as a guarantor of economic security, social justice, political fairness and human rights. A single common future underscores the need for collective cooperation on the part of all countries to reduce tensions and to enhance tolerance among various groups and nations. We live in a pluralistic world made up of different groups with diverse cultures, religions, races, value systems, social traditions, languages and mores. Conflicting global regimes abound in the world where relations among individuals, groups and nations are subject to influences and tensions. Injustices, poverty, exploitation, inequality and discrimination are very much common to people everywhere. The potential to build a just and equitable global society is not possible without eliminating international disparities among nations, particularly those of knowledge and income.

Countries in the South should construct policies to allocate their resources to gain comparative advantages. In recent years, the United Nations has been endorsing programs of human development that direct investment towards health and education, and that promote good governance, equal opportunity, human rights, fair trade and justice. North-South relations have increased inequalities and injustices between rich and poor countries. Social strife, economic injustices are largely responsible for political instability, social disobedience, nationalism, religious intolerance and cultural fragmentation. Human development aims to enlarge human capabilities through enhancement of knowledge, understanding, gender equality, equal opportunity, information and communications. Human development implies development for, of and by the people. In other words, investment in human beings fulfils people's basic needs, and increases public participation in the democratic process and in decision-making. Such tendencies broaden the development base by engaging the whole nation, including women, in a process, the benefits of which span individuals, groups and nations.

MALAYSIA'S ROLE IN SOUTH-SOUTH COOPERATION

During the last few decades, very few countries in the South have been able to achieve satisfactory economic progress. However, Malaysia has been credited with high rates of economic growth surpassing the performance of many countries in the South. Malaysia's performance could provide an important lesson for other countries in their attempt to combat poverty and induce rapid development. With respect to the current drive to increase cooperation among countries in the South, Malaysia could have a substantial impact on development by sharing its experience with other countries. Given the existing socio-economic conditions in countries of the South, the Malaysian model provides solutions to promote social harmony, gender quality, ethnic understanding, religious tolerance and economic development. Malaysia has been able to build a strong capacity for promoting growth through the establishment of effective institutions, the construction of sound macroeconomic polices, the enhancement of equity in government services and the creation of a balance in development efforts between rural and urban resource allocations. Currently, these issues represent the main challenges facing many countries in the South and, therefore, increasing cooperation between Malaysia and these countries could help in transferring Malaysia's know-how and expertise to induce change in the South. Economically, Malaysia has also become a leading trading country, particularly in services and in the production and export of manufactured goods. Increasing cooperation between Malaysia and the other countries of the South provides an opportunity for the latter countries to learn from the Malaysian economic success in creating a knowledge-based economy and in establishing a just society.10

At the national and regional levels, Malaysia has achieved resounding success vis-à-vis enhancing national integration and reducing economic disparities, increasing regional stability and promoting cooperation, and restructuring strategies for global security. Locally, the New Economic Policy (NEP) introduced by the government in the early 1970s and reemphasized in the recent Ninth Malaysia Plan, has succeeded on the whole in enhancing social harmony and promoting growth with equity. Emphasis in the new policy was directed toward education and human resource development in order to meet the challenges of globalization and increase the country's ability to compete in the global markets. Another important objective of the government was to reduce poverty and create balance between urban and rural development through creation of more opportunities for employment as well as through economic diversification and industrialization. The success of these policies can inspire other countries in the South to adopt similar strategies and construct macroeconomic policies which allow for building a capacity capable of ensuring growth and reducing poverty. Malaysia also benefited from the use of information technology (IT) in development by providing incentives for production in the electronics industry and investing in skills. Inducing development in this age of globalization requires modern technologies in order to ensure access to global knowledge and enhance competitiveness. Information technology catalyzes cooperation among countries in the South by increasing communication and enhancing trade and financial transactions. The Malaysian experience could be shared with other countries to build their own respective capacities capable of utilizing global knowledge with a view toward eradicating poverty, promoting growth, increasing knowledge and sustaining development.

At the regional level, Malaysia is an active member of the Association of Southeast Asian nations (ASEAN), which was established in 1967 to help member countries to accelerate economic growth, promote political and economic stability and to resolve problems through negotiations and mutual understanding. ASEAN, which comprises Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam, represents a vast geographical region with a combined population of 550 million. With respect to trade and investment, Malaysia has always enjoyed surpluses with other members. To this end, Malaysia’s experience in ASEAN and its successful relations with other members of ASEAN could be extended to the countries in the South where economic development, export trade, education and social progress represent the most important challenges facing these countries. During the last two decades, several Malaysian companies, particularly PETRONAS, have grown to become international companies with operations in several countries in the South. This expertise in multinational business, which very few developing countries possess, can be shared with other countries of the South.
CONCLUSION
The North and the South as constituents of the new global society need to resolve the challenges facing humanity through innovative strategies capable of promoting peace and reducing tensions among groups and nations. Ethical values and justice provide a common ground for all groups to build strategies that increase understanding, alleviate poverty and enhance equity. Tolerance facilitates agreement on a shared multilateral vision in which creativity, courage, problem-solving, innovation, justice and freedom figure prominently. Ethics, principles and justice serve as an edifice undergirding a unified approach to a highly diverse world comprising pluralistic groups and nations.

Another important step towards resolving global and regional issues is leadership and good governance. Effective leaders contribute positively to the development of their societies and work closely with others to establish peace and security for all people. Good leaders are those who serve their people in a participatory way to ensure cooperation and unity and to extend assistance to others via knowledge creation, information dissemination, investment expenditure, resources sharing and peaceful coexistence.