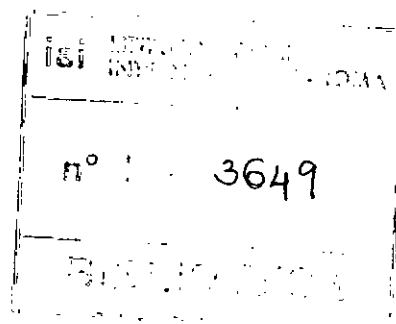


**"NORTH SOUTH ROUND TABLE"**  
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- (1) Galtung, Johan: "The New International Economic Order and the Basic Needs Approaches: compatibility, contradiction and/or conflict?"
- (2) Galtung, Johan/Wemegah, Monica: "Overdevelopment and alternative ways of life in high income countries"
- (3) "Purpose, key issues and organisation of work of the round table"
- (4) Ward, Barbara: "Historical perspectives on the International Economic Order"
- (5) Haq, Mahbub Ul: "North-South dialogue: the second phase"
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THE NEW INTERNATIONAL ECONOMIC ORDER AND  
THE BASIC NEED APPROACHES

Compatibility, Contradiction and/or Conflict ?

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1. Introduction

The purpose of these short notes is to explore in a very cursory and preliminary manner what seems to be a rather important political conflict shaping up: between the two new Grand Designs in development theory and practice, the New International Economic Order (NIEO) and the Basic Needs approaches (BN).

First, some very few words by way of definition. NIEO stands for a new way of organizing the international economic system - characterized by such measures as improved terms of trade between the present center and periphery countries (approximately First world and Third world countries), more control by the present periphery countries of any part of the world economic cycles that pass through their countries (incl. nationalization of natural resources, soil, processing facilities, distribution machinery, finance institutions, etc.) and increased and improved trade among the present periphery countries. Very crucial in the evaluation of NIEO at the international level, which is the level at which it is intended to work, would be the relative weight between the first of these three components and the other two. If the first predominates it might very well freeze the present structure but possibly at a higher level where income to the periphery countries is concerned. If the other two predominate the present structure might be changed, present center-periphery trade might decrease in relative terms, the industrial capacities of the Third world countries will increase as well as the trade among them. One might argue that the first scenario could be a transition on the way to the second.

BN is an entirely different approach. Whereas NIEO is very macro, essentially dealing with relations between regions of the world at the global level (among other reasons because it is articulated in the UN machinery between blocks and regions of

states) BN is a micro approach, going down to the level of the single individual human being. It sees development as a question of meeting basic needs at the individual level (some will, like the present author, argue that that is the only level at which they can be met as long as one is dealing with basic human needs, not with such abstractions as e.g. "urban needs" for sewage, "historical needs" for collectivization of means of production, "national needs" for military defence or for a national language - all of them, at most, indispensable necessary conditions in order to meet basic human needs). The BN approach is only interesting if it is accompanied by a relatively specific list of needs and with one rather important additional assumption: that the first priority should always be to those most in need. In other words, it sets priorities for production and distribution: first priority to the production of what is basic to meet human needs, and in such a way that it can meet the needs of the most needy. The BN approach would give much lower priority to the production for other than human needs, for non-basic human needs, and for the needs of those less in need (examples: a national airline, cars, food so expensive that it is out of reach for the masses). It should be emphasized that the words "lower priority" does not mean not at all, but it might mean "later", even "much later".

What is the relation between these two approaches, is it one of compatibility, contradiction or even conflict? The answer to this depends on how one tries to analyze the question, and here there are at least two approaches as in the analysis of any conflict formation. We then assume that there are two aspects to a conflict formation: the issue and the parties. At the level of the issue it becomes a question of compatibility: is it theoretically possible to implement both NIEO and BN at the same time, at the same place - or is there some way in which they will have to exclude each other, simply because one comes in the way of the other? At the level of the parties one would ask a different type of question: what kind of actors (individuals, groups and classes of individuals; states, groups and classes of states) will favour one or the other, how do these actors relate to each other on other issues, how will this carry over into the possible relationships between NIEO and BN?

## 2. A Critique of NIEO

We shall start with the former: a relatively abstract analysis detached from the political realities of today. It is hard to escape the conclusion that the two approaches are compatible but perhaps something could be said about the conditions for compatibility. Briefly said they are as follows: with NIEO there is a potential for more economic surplus to accumulate in Third world countries, the question is whether it is used to meet basic needs for those most in need. Economic surplus can be used in many ways, depending on who decide and what kind of decision they make - and more basically, depending on where in society the economic surplus is generated. To assume that economic surplus will necessarily be used to meet the basic needs of those most in need is optimistic. A more realistic assumption would bring into the picture the idea that most people in control of economic surplus will tend to use it for what they see as the pressing needs, be they "rational needs", non-basic needs, or the needs of those less in need.

In the most optimistic model one could imagine, given the inclination of human beings to take better care of themselves than others, a country would be so organized that much of the economic surplus remained down in society where it had been generated, e.g. because farmers are in control of the land, and workers of factories to the point that they can decide what they want to produce, how to distribute it, and how to dispose of the surplus. Under these conditions it seems reasonable to assume that today's hungry masses in the rural areas will prefer to produce food that can be eaten on the spot, by themselves and their families; and that workers might prefer to produce things that can be used for basic needs production, particularly in connection with farming, thus relating their activities to the farmers, guaranteeing them a minimum where food, clothing and shelter are concerned ("shelter" being a typical item for farmer-worker direct cooperation). It may be argued that this does not take care of medical services and schooling, so one would add to the model the idea that surplus either generated at the top or entering the top of society will "trickle down", e.g. in the form of free and easily accessible facilities in these two basic fields.

This should then be contrasted with the most pessimistic model : a society organized in such a way that the surplus generated at the bottom not only "trickles up" but is lifted upwards through the powerful mechanisms of elite ownership, private or state, usually with the centers of control in the country capital, or in the world economic centers. And as to economic surplus generated or entering at the top: the elites keep it for themselves, dividing its use into the three types of purposes different from the Basic Needs approaches. Evidently, whereas in the former approach one might possibly see a convergence



between the living conditions of the elites and masses, in the latter approach a divergence will take place.

If one now assumes that the pessimistic model gives a more realistic description of the majority of Third world countries today the NIEO and BN approaches may in fact be contradictory. It may be argued, however, that NIEO has nothing to do with this, that the situation was like that before, that NIEO is an international arrangement, and has to be complemented with corresponding intra-national measures, e.g. making the countries more similar to the "optimistic" model above. But, to proceed with the argument: NIEO and intra-national transformations are not independent of each other. For one thing NIEO will stimulate international trade, if carried into practice. This means that an increasing proportion of the economic factors of the country will be steered in the direction of producing exportable products. This, in turn, means that higher priority might be given to the use of, for instance, soil for the production of commodities for export than for food for direct consumption; coffee rather than black beans to use the often quoted Brazilian example. It also means that an increasing proportion of the economic cycle in the country will pass through a narrow and easily controlled gate: the major import-export facilities of the country (ports, airports, border crossing points), and the various banking facilities for both money and other financial instruments. Since these points can be controlled by a relatively low number of people themselves controlled by private and state leadership this is tantamount to increasingly centralized control of the entire economic machinery. As a contrast, imagine a country based on a high level of local self-reliance, production for consumption mainly on the spot, exchange between these units when there is surplus production, low level of external trade, even low level of monetarization in the economic cycle, obviously an economy much less easily controlled centrally. Which country would more easily satisfy basic needs for those most in need?

Again the answer might to a large extent depend on what type of decisions the elites make, but if past experience is a guide the outlook is not too bright. Thus, for one thing, the elites might decide to convert much of the net income earned into means of control of possible internal and external enemies, in other words police and military units. In this they may be correct: the gap between expectations generated through NIEO and the continuation of a sad reality where BN is concerned may be intolerable for segments of the population that might try all means at their disposal to change the regime.

This is as far as one might carry the argument of informed doubt about NIEO at the present point in time, perhaps to some extent inspired by empirical information about the first Third world countries to benefit from increased income due to increased prices for their commodities. In short, the conclusion would be something like this: No doubt there are great possibilities of compatibility

between NIEO and BN, but there are also possibilities of contradiction - it all depends on the intra-national structure, and to what extent NIEO will reinforce unfortunate structural elements rather than weaken them. Let us then proceed in the other direction and look at the possible conflict from the point of view of the parties to the conflict: there is a contradiction between the First world and the Third world, or the capitalist world center and periphery to talk in more direct terms; how is this contradiction brought about by historical circumstances, still being built into the world structure, related to the relationship between the two Grand Designs ?

The dialogue that is now shaping up seems by and large to have the following form. The Third world, or to be more precise the Third world elites, call for NIEO; the first world (and this means both elites and masses) are less than enthusiastic; they would tend to say with a former US secretary of state that "the present world system has served us well" (the word "us" may also be written US). They will look for arguments against a world income redistribution; one such argument would be BN: "what is the purpose of NIEO, it will only enrich the elites in the Third world countries, look at the way you treat your own people". It may well be that this type of argument would be most articulated in the protestant northern fringe of the First world, perhaps by upper-middle class intellectuals with an oversensitive conscience, seeing economic development much more in terms of human development for those most in need than would be the case for more hardened cores considerably less concerned with the plight of the masses, than with their own share of the world income. It is to be expected that they will pick up any argument against NIEO they can find, and this process has probably already started - maybe one reason why the World Bank has been among the first to articulate some kind of BN approach.

That the Third world will hit back against this type of argumentation is not only to be predicted, it should also be hoped for as it might make for a more honest, more searching debate about these fundamental issues. A policy always looks different in the eyes of the beholders and in the eyes of those who may feel negatively touched. To the Third world NIEO has an air of the obvious, not only conceptually, but also in terms of basic norms of social justice: a more fair redistribution of wealth. Similarly, in the eyes of the BN protagonists what could be more reasonable, more sound than the BN approach ? What could be more justified than the uplift of those most in need, admitting that one might discuss criteria and methods, but not the basic goal: the elimination of misery. To either party the questioning of something obvious and morally right may initially come as a surprise, then as a subterfuge for pure self-serving interests, and this is probably where the debate stands right now. The prediction would be that the

First world would increasingly see Third world argumentation in favour of NIEO as a way of arguing for privileges for Third world elites; the Third world will, correspondingly, see First world argumentation in favour of BN as an argument in favour of the Old International Economic Order, preserving First world privileges at the international level. If the First world has a right to question NIEO, the Third world certainly has a right to question BN approaches; but how? The following are six lines of probing, to some extent already heard in conferences where these Grand Designs are being discussed, singly or combined.

### 3. A Critique of the Basic Needs Approach

#### (1) The BN approach is an effort to sidetrack the NIEO issue

The argumentation is clear: the real issue is international economic justice; to throw in the BN approach is an effort to widen the agenda, possibly also to insert into the political discussion a "condition préalable": no NIEO concessions to be given before BN policies are enacted. Since the First world is sceptical of the Third world abilities to enact such policies this position is tantamount to a postponement of NIEO concessions or conventions for an indefinite period.

It is hardly relevant in this connection to argue, for instance, that the basic needs' approach at least dates from 1972, and that the NIEO in a sense can be said to date from the Sixth special session in 1974 - hence that BN precedes NIEO. In other words, the argument could be turned around: NIEO could be seen as a way of sidetracking the BN approaches. The reason why this is besides the point would be that neither approach can be said to have a definite birth date: rather, they are names that stand for trends that have been operating in the world for a long time. NIEO can at least be traced back to UNCTAD I (Geneva, 1964), and the BN approaches are closer to intranational social welfare policies as practiced in welfare states, which in turn have some roots in the compassion with the lowest and most underprivileged and unfortunate found in many religions. The question to be asked is not whether some key points on the socio-political trajectories of these two approaches can be neatly ordered in time; the point is how the two approaches are used politically. That the polarization is according to First world/Third world lines, with the Second (Socialist) world to some extent sitting on the fence, seems relatively clear - at least for the time being. And the Third world has one important argument on its side: NIEO is seen as a codification of a type of international social justice whereby the Third world has to gain, the BN has to do with intranational social justice, inside the Third world countries. If the BN approach from the very beginning had been launched as something valid for the whole world, and perhaps with a focus on non-material

needs as strong as the focus on material needs so that the shortcomings in the First world would show up more clearly, then NIEO and BN might be seen more clearly as two relatively independent issues. The way BN has been launched, as applying predominantly only to the Third world, the Third world has all reasons to regard it as a way of sidetracking the NIEO issue.

Thus, the Third world can justifiably ask: why is the BN approach brought in right now ? And the answer "to sidetrack the issue" is one perfectly reasonable answer, as are the following five.

(2) The BN approach is a new way of legitimizing internal intervention

Most of the Third world are former colonies, large parts of the Third world are neo-colonies; colonialism, possibly also neo-colonialism are coming to an end. It is not unreasonable if the Third world suspects the First world of trying to find new ways of legitimizing internal intervention when military/political formulas are gone and internal control by direct economic investment is threatened. Basic needs, like basic rights attach to individuals in western thinking; but if they are satisfied at the individual level and/or claimed at the individual level, then it is only at the individual level they can be monitored. Quite naturally the Third world will posit against this primary of basic national needs and basic national rights, as codified e.g., in the Charter of Economic Rights and Duties of States. National needs and rights are claimed, satisfied or left unsatisfied in the international context; individual needs and rights mainly in an intranational context. Third world insistence that NIEO constitutes a collective and basic national right and that it is up to the Third world itself, collectively or nationally or both, to decide how to make use of this right intranationally can be seen as a clearly anti-interventionist position. What is communicated is not "we shall continue to exploit our masses, and that is none of your business", but "whatever we do inside our countries is none of your business". The history of First world interventionism does not put those countries in a position to argue credibly that there are no interventionist intentions this time, or no possible unintended consequences in that direction. For it is relatively clear what a BN clause added to an NIEO agreement might mean : that a number of the NIEO components (eg., decrease in debt burdens, increase in ODA) would be made available only on the condition of an implementation of BN policies; for this to be meaningful the implementation would have to be monitored at the individual, i.e. intranational level. There is no difficulty imagining the international bureaucracy of inspectors that might be set up to supervise such agreements and however it is staffed the cycles of

reporting and decision-making would have to pass First world centers in order to make sense in this connection. Hence, the First world might be suspected of supporting the BN approaches precisely because other bases for pinpoint interventionism in the Third world are seen as slipping.

(3) The BN approach is an instrument to increase the Third world market

Whether correct or not, the First world has all reasons to assume that NIEO will increase, and even greatly, the Third world competitive position in the world market. More particularly, the Third world supply of goods may increasingly be sufficient to meet Third world demand, on a competitive basis, thereby closing Third world markets de facto to First world exports (this closure may of course also be brought about de jure before or after, or independently of, any such process). Leaving aside the question of Third world exports into First world markets this raises the problem of whether the growth of demand in the Third world might possibly be related to the growth of Third world supply to the Third world in such a way that a substantial margin is left unsatisfied, even when Third world industrial output grows from a 7% world share to the UNIDO goal of 25% by year 2000 - or any other such goal. The question is: how could this type of rising demand be brought about ?

There are several answers to this: the revolution of rising expectations is one, the population explosion is another, and the BN approach may be a third. And the BN approaches may in fact correct for what the population explosion failed to deliver: many people, in fact many more people, all of them with needs, but not with needs that are expressed as demands in the market because of low, negligible or totally absent acquisitive power in the monetary sense. Nevertheless, if one hears less about the population explosion today than some years ago it may be because the First world has discovered that that explosion may not be all bad: after all, they are all potential customers ! To make them customers, however, they have to be brought up to a certain level - and this is where the Basic Need approaches enter. Instead of aiming at the rising expectations of the middle class, why not rather aim for the vast Third world proletariat, most of it in the countryside or in the city slums, living on the margins of the monetary economy (as opposed to self-supporting farmers, nomads and other groups that live outside this economy), in numbers much more promising than the middle classes ever were !

Again, there is no difficulty imagining what could come out of this type of reasoning. On the one hand there is the BN approach that would tend to take what is needed for basic needs' satisfaction out of the market: schooling is provided free, medical services likewise, canteens would provide free or highly subsidized meals, and the same can easily be extended to basic clothing and basic housing. On an individual basis there is little or nothing the First world could gain from these kinds of practices, but the same does not apply to the level of the country as a whole. Thus, the First world might be contracted to build the infrastructure for all these services, presumably to be provided by the State in the Third world country. The payment might be in terms of increased assets resulting from the NIEO, thus recycling NIEO-dollars via the BN formula. But there are more direct methods.

No doubt, there is also the possibility of marketing what is needed to meet basic needs: international agro-business, construction-business, textile-business and the pharmaceuticals are already in the field (the field of school materials, however, does not seem - as yet - to be so effectively transnationalized; educational video-cassettes being a possible exception). For this to become a large-scale business at the level of those, if not most, at least more in need, two things have to happen: the prices have to be lowered, the buying power of those at the bottom has to be higher. As the former, at least potentially, can be a function of the latter one might try to start increasing the buying power. One way of doing that would be through higher guaranteed minimum wages, and full employment - in other words the kinds of approaches that ILO would be advocating. Where would the money come from? - From the assets accruing to Third world countries under a more just international economic order, and through large-scale transnational corporations catering to the people most in need, but knocking at the doors of the market with a language the market understands : with coins.

Needless to say, regardless of which approach is made use of (and they can also be combined, using the market approach for some of the basic needs and the non-market approach for others) there is room here for a "planetary bargain": We give you the NIEO, you give us the right to compete with you on your own markets for the satisfaction of Basic Needs. Needless to say, this would be a very limited perspective on basic needs, material, totally disregarding aspects of identity, the need to be the master of one's own situation, to be a subject, not only an object who is satisfied through activities generated by others. But as to freedom needs the proponents of the second strategy for First world penetration into the Third world via

the basic needs formula would claim that the monetized approach offers more freedom of choice than is possible when basic needs are delivered in kind. They would claim that a person should not only be given a choice of consumer goods, several brands of food, several shapes of clothes, but also be able to develop his/her own trade-off formula between food and clothes, given a minimum income. As a matter of fact, one could even imagine transnational corporations construct "basic needs' packages", containing food, textiles, drugs and some educational material in relative proportions to be decided by the customer, given the price-class of the package. And if that or similar formulas work there might also be room for a quickening pace of the population explosion.

(4) The BN approach is intended to slow down the growth of Third world economies

By and large there are two almost parallel approaches taken to most problems that concern the Third world countries today: one approach that aims at strengthening the nations/states/countries, and an other approach that aims at strengthening the weakest individuals inside that territory unit. This is very clearly seen in the choice of technologies : on the one hand the capital intensive, labour extensive, research intensive and administration intensive technologies that eventually might make it possible for Third world countries to play First world games in the First world way; on the other hand the capital extensive, labour intensive, research extensive and administration extensive type of technology by and large is much more relevant for the satisfaction of the basic needs for those most in need. The first approach will, for obvious reasons, usually be the approach of national elites, the second approach will, for equally obvious reasons, be the approach of smaller, less privileged groups, left to themselves - such as the groups building the Chinese people's communes in the beginning of that institution's life-cycle.

The first approach is highly capital-absorbing, the second approach much less so. On the other hand, the first approach may also be capital-generating whereas the second approach will generate other forms of value: human value; restoration, even strengthening of nature's ecological balances; values of autonomy, creativity and participation, and so on. No doubt the two approaches are to some extent competitive. There seems to be an upper limit to the extent to which local, self-reliant communities can be incorporated in a national, capital-intensive production structure for exchange rather than for use without being "perverted". And conversely : there must be an upper limit to the extent to which local communities can go their own, self-reliant way, basing themselves on capital-extensive technologies and production for use rather than for exchange

without weakening the "national purpose", in the sense of being able to participate on an equal footing in the international game as defined by the First world, through its historical praxis. This is not so much a question of allocation of capital : the self-reliant, basic needs-oriented approach is not costly. A basic needs-oriented policy from above, with free or subsidized food, clothing, housing, schooling and medical service may be very costly - for the sake of the argument it is not necessary to assume that this is the policy engaged in. The point is rather that the BN approach redefines the national purpose, allocating not only some capital, but human and social energies, creativity, mobilization, everything.

It is enough to point to the case of China : a China where the 70.000 people's communes with their production for use rather than for exchange dominate is not a China that constitutes much of a threat to the First world in terms of world market economic competition, although it may be a China that makes it difficult for the First world to penetrate economically into Chinese markets. A China that changes from this policy to one dominated by capital and research extensive technologies and eventually full world market participation (making use of a labour stock of 600 million people or so...) is a China which in the first run may cause some satisfaction in First world capitals because it constitutes less of a threat as an alternative model of development, but in the second run may cause considerable consternation because of its economic world strength. From a First world point of view this may be a question of balancing potential losses on external markets if the first approach is taken against potential losses on internal markets caused by the second approach. At any rate, there is no doubt that there are conditions under which a systematically pursued BN approach, whether based on local self-reliance or not as a major ingredient, may make the Third world countries less of a threat to First world economic hegemony.

Compare with the tactics pursued by the western "allied" powers relative to Germany and Japan : after some time it became important that they should be integrated into the military machineries of the West not only because of their military values and considerable experience but also in order to reduce their economic competitive strength in the world markets by forcing them to allocate much more from their production factors in the military direction - including buying military products from abroad ( it should here be noted that the military production system and marketing system is protectionist rather than liberal; it is not an open world market but a market where one is supposed to trade within an alliance or at least not far outside it - the protection mechanisms being legitimized through notions of security and secrecy ). It should be pointed out, however, that this policy certainly did not serve its purpose if the purpose was to put an efficient brake on Japanese and German economic growth in the 1950s : whereas local self-reliance will put a country on an other course of development



integration into a highly capital-intensive and research-intensive military machinery will tend to reinforce the further growth of the country along the first path of development indicated above, possibly after what might look like a set-back of some years. If the country chooses the second path of development, however, the matter is quite different and this also has security implications : in that case its security will probably be based on guerilla, possibly non-military defence, both of them of a highly localized nature, rather than on a highly capital-extensive, conventional army.

(5) The BN approach is an effort to decrease technical assistance

Could it be that the real purpose of the BN approach is to have a pretext to reduce aid, technical assistance ? As has been pointed out repeatedly above the capital component of the BN approach can be a relatively minor one. And this is particularly true by definition, if it is assumed that the best BN approach is also a self-reliant approach, mobilizing local forces, building on local traditions, etc.. If this is the case technical assistance is to a large extent ruled out as an antithesis to self-reliance. Just as the First world might like to push the BN expenses and reallocation in general onto the Third world leadership they might also like to rid themselves of technical assistance obligations, thereby possibly improving their own competitive position.

However this may be, it is clear that a systematic change in the BN direction at least would raise a number of questions in connection with any kind of project in a Third world country - and these questions have - to some extent, been raised by the World Bank in recent years. These questions, however, have been much less ideologically pure than the (admittedly too clear) dilemma between two roads to be pursued as they did in the preceding paragraph - it has more been a question of asking whether any kind of project would also have an impact on the basic needs situation, or, perhaps more concretely, the acquisitive power situation of the bottom part of the population. Probably much more experience has to be gained before anything more definite can be said about the relationship between the various BN approaches on the one hand and the amount of ODA on the other.

(6) The BN approach as a weapon of defence against the poor

The BN approach can also be seen as considerably less coming out of compassion with and for the poor as out of fear of the poor. The poor, one billion, two billions, are seen as a vast amorphous mass of people, increasingly

conscious and envious of what the First world has and they do not have, one day wanting to get it, one way or the other. It is the image of the hordes knocking on the doors of western affluence, and the more contemporary, political version of the same image : the world communist subversion.

Together with this image, then, comes the hypothesis that the danger is roughly proportionate to the poverty, meaning that a reduction in the number of poor means a reduction of the danger. One way to obtain this would be to do away with a number of poor through "nature's regulatory devices" (earthquakes, tidal waves, inundations, etc.), an other method would be to obtain the same through genocide, still an other method to attack the offspring of the poor through population control devices, and then the more "positive" approach, reducing the number of poor by making them less poor through the BN approaches.

In other words, the argument would be that the whole approach is a mystification of clear global power politics : a reduction of the political power of the Third world through elimination of a major power element used descriminately and indiscriminately during the last generation or so, the value of threatening with "communist subversion"; "if you do not give us more aid I cannot promise that we will be able to contain these forces".

Leaving aside for the moment that the proposition "agression is proportionate to poverty" is very dubious - very poor people will tend to be apathetic also because of lack of resources, it is when one manages one way or the other to move out of poverty that this may change - it would be hard to claim that this kind of allegation is out of touch with reality. To the contrary, all through the history of technical assistance from First world countries there has been a general line of basic argumentation : fundamentally this is being done in order to prevent conflict from escalating and eventually becoming a threat to us. Hesitant parliaments have used this argument as the basis on which action in favour of technical assistance has been engaged in, or at least as an idiom in which support can be expressed much more effectively, more convincingly than the humanitarian idiom, or even the developmental idiom for that matter. Technical assistance has certainly played a part in foreign commercial policy, as a way (through tied aid) of steering the flow of orders from periphery to center in the world economy, and as a way of creating a goodwill in the wake of which general trade treaties might more easily be agreed upon. What this argument points to is technical assistance as an instrument in foreign policy, or even in foreign power policy, as a way of shaping alliances,

of administering present and future conflicts. And what the BN approaches add to this is the following : it is more refined, more directed towards the precise point inside societies from which the conflict material is supposed to emanate - be that theoretical assumption right or wrong ( the only thing that matters here is actually that it is probably seen as a correct assumption in the eye of a sufficient number of decision-makers in the First world ).

Let us now try to have a more complete look at what has been said above. Six arguments have been raised against the BN approaches, all of them essentially converging to say the same : the BN approach is more than what meets the naked eye, it is not what it is dressed up to look like, there are other things behind and underneath. There is a difference here, however, between these arguments concerning the BN approaches and the arguments in the beginning of this paper in connection with the NIEO. The difference has been hinted at above : whereas they may be argued by different political actors, they essentially refer to the same actor, the Third world. Later on it will be pointed out how fallacious this assumption is, but in the heat of a political debate that may easily be forgotten.

But there is another difference which is in a sense more important. Returning to the distinction made between issue-related and party-generated aspects of conflict formations, from the introduction it may be said that the arguments raised about the basic needs relate to the possible motivations behind them. NIEO clearly relates to interests in the old international economic order and may serve to define parties and actors in a conflict of interest ; the arguments against NIEO are arguments referring directly to NIEO as it has been presented. The arguments against basic needs approaches seem to be generated by the arguments against NIEO, in other words to be third generation arguments. It may well be that if a consistent basic needs approach had been presented-first (e.g. with the World Employment Conference in 1976 before the Sixth Special Session), then the order and nature of argumentation would have been different; as has been hinted at above.

At any rate, this is a minor difference given the significance of the issues as such - and we shall proceed on the assumption that either set or arguments is essentially valid and ask questions about contradictions and compatibilities.

#### 4. Conclusion: NIEO and BN; contradiction or compatibility ?

The answer would have to be "that it all depends". It depends, to be more precise, on whether NIEO is interpreted in the shallow sense without intranational transformation or in a deeper sense which would include at least some measures of intranational transformations ; and it depends on whether BN is interpreted without non-material needs, shallowly, or in a deeper sense with non-material needs. Much finer distinctions could also be made, but these four cases at least make it possible to summarize the discussion in the preceding section:

	NIEO without intranational transformation	NIEO with intranational transformation
BN without non-material needs	A : Compatibility	C : Compatibility
BN with non-material needs	B : Contradiction	D : Compatibility

This should now be spelt out :

A : Compatibility, in the sense that managerial basic needs' satisfaction is possible - leaving aside whether it is probable or not. It becomes a question of a scale of ways of "recycling NIEO dollars for basic needs", from the top down, whether it is done with or without First world participation or even penetration.

B : Contradiction, the most important non-material needs in this connection having to do with autonomy, with being subject rather than object, with having a major participation in one's own situation as opposed to being a client/consumer. This case certainly also applies to much of what happens in rich countries that have been the beneficiaries of the Old International Economic Order.

C : Compatibility, in the sense that under this condition, by definition, surplus generated locally will to a larger extent remain at the bottom; surplus generated or entering at the top will trickle down. The combination called to attention here is a "soul-less" one : it is economic, not taking non-material concerns into consideration.

D : Compatibility, and this is the optimal combination. There is a transformation of the intranational order that permits a richer perspective of basic needs to come into play.

This raises the problem of where the total world system is heading.

As seen from the point of view of the way the United Nations' machinery is processing these two concepts, NIEO and BN, it seems to be heading towards combination A. The UN, being an intergovernmental machinery, will have a tendency to focus on inter rather than intranational transformations - although the situation is not that clearcut. As argued above it would be easy to obtain a majority for international transformation when the world is dominated by the Old International Economic Order, and the majority of the countries one way or the other can be said to be the victims of that order. This can then be combined with a majority against mandatory intranational transformations except for minor matters, under the general formula of non-intervention national sovereignty, provided there is sufficient solidarity among the victims of the Old International Economic Order. And the intranational transformation needed here is a major one : it has to do with the whole flow of surplus inside the society.

At the same time the UN machinery will probably continue to concentrate on basic needs in the shallow sense, without non-material needs. There is an important exception to this : the human rights' concerns of the United Nations can be said to broaden the concept, and could be brought in much closer contact with the basic needs' concerns of such organizations as ILO and UNICEF. One possible reason for this is the pervasive influence of the hierarchy concept : first material needs, then time will come for non-material needs. An other way of saying the same would be that it is easier to obtain consensus about material than about non-material needs, around this consensus various types of ideologies (both liberalism and marxism, for instance) can be brought together, bridges can be built between East and West, North and South, so the temptation to strip the basic needs' concept of some of its most essential richness for the purpose of consensus building must be great - just as the corresponding tendency in connection with NIEO.

Thus, the UN machinery will have a tendency to end up with the shallow versions of either concept, much to the shagrin of those to whom both NIEO and BN have much richer connotations. The rhetoric will be as if case D obtained, the reality will be more like case A. And that raises the question under what condition moves from case A towards case D might nevertheless be possible.

One approach is obvious. It consists in never giving in to the shallow interpretations of NIEO and BN, always insisting that NIEO is only meaningful with intranational transformations and BN is only meaningful with non-material needs included. One can discuss the nature of these transformations and these non-material needs, one would definitely agree that the interpretation will vary from place to place and through historic time, but nobody should be duped by

these obvious considerations into facile compromises accepting the shallow interpretation of either. For if this is done the most likely outcome is that even material needs will be left unsatisfied, the second most likely outcome that if they are satisfied then it will be done in a managerial, even corporate fashion.

What is being said here is that one should not give in, either, to the polarization that now seems to be crystallizing with Third world elites standing for a shallow NIEO interpretation and the First world for a shallow BN interpretation. One way of reorienting this debate would be to insist on symmetry : that both parties see the broad interpretations of NIEO and of BN as applying to all parts of the world. Thus, there are obvious intranational transformations that will have to take place in the First world if NIEO really is implemented : there would have to be more emphasis on agriculture again, probably much more on local energy production, more emphasis on local, national, sub-regional and regional self-reliance, even self-sufficiency in some fields. There will probably have to be an orientation in the direction of other lifestyles, more compatible with the objective situation brought about by NIEO. Correspondingly, both parties could use the full spectrum of basic human needs - such as, e.g., security needs, welfare needs, identity needs, freedom needs - to discuss the situation both inside their own countries and other countries. This would certainly mean widening the agenda, but not only to score points relative to the adversary in a conflict ("You have to undertake basic internal structural reform", "What about the mental illness rates in your countries ?"), but to make use of self-criticism and criticism from others in an effort to improve social orders everywhere.

Then there is an other, much more action-oriented approach. Thus, the basic formula that may transcend the present contradiction between the New International Economic Order and the Basic Needs' approaches is probably self-reliance. Self-reliance, then, is understood as a three-pronged approach : regional self-reliance, national self-reliance and local self-reliance. In either case self-reliance would mean a combination of increasing the level of self-sufficiency and for example cooperation with others. Thus, regional self-reliance - the region being the Third world as a whole, the continental sub-divisions, the sub-continental possibilities - would mean not only a much higher level of Third world production for its own consumption, but also a change in the exchange with the "developed" parts of the world towards more equitable trade patterns. Thus, the old pattern of exporting commodities return from manufactured goods and services even with the terms of trade not only stable

but also improved, would gradually recede into the background in favour of a trade pattern of commodities against commodities, manufactures against manufactures, services against services (intrasector trade). In other words, regional self-reliance at this level would pick up the aspects of NIEO that are more oriented towards South/South trade and increased South control of economic structures in general, de-emphasize the terms of trade approach relative to the North, and go more in for truly equitable North/South trade.

However, if this were enacted it would not serve us any guarantee against the stronger countries in the South exploiting the weaker ones, hence the idea of national self-reliance as a protective cocoon against such transgressions. And this reasoning can then be continued : national self-reliance does not serve us any guarantee against national elites exploiting their own masses ; hence local self-reliance as a similar protective device - admittedly less strong since there is much less of institutional protection of local units than national units (they do not have secure and/or defensible borders, they do not have armies, they often do not even have identities that should motivate for any kind of defence ). But the logical local self-reliance would be the same one : increased local self-sufficiency, combined with horizontal exchange with other units at the same level - in a future world not necessarily only other units in the same country.

If the local level is carrying the idea of self-reliance alone, it is dubious whether it would be able to provide a sufficient and sustainable material basis in most parts of the world. The national level as an equalizer, as a level that could even out the sharp differences in economic geography in space and throughout the annual cycles, and not only in agriculture, but also in the distribution of natural calamities, is crucial. That level alone, as experience has clearly shown, is not sufficient in order to get at a more just, a more equitable international economic order as envisaged in the NIEO designs. Hence the argument in favour of all three at the same time, with the assumption that the regional level can best carry the NIEO approach, and the local level best carry the BN approach, both in its material and non-material interpretation, and that the national level will have to be reorganized both upwards and downwards, both in the sense of integrating with other units at the same level for collective, solidary action, and in the sense of restructuring so that local levels are given more of a chance to unfold themselves.

Admittedly this is an abstract formula, and this is not the place to develop all these things in more details. The point is rather that it should be made quite clear how apparent contradictions can be resolved. In the present world, both short on strong regional machineries (with the exception of the

OPEC Cartell action ), and short on structural transformations that would give to the local levels more autonomy not only in political but also in economic and socio-cultural affairs, the NIEO and BN approaches may become more contradictory than they would in a world somewhat differently organized. Hence, the task is to understand these relations better, not to feel that one has to be against one or the other or both because of the very real issues involved and the equally real conflict polarizations.

For regardless of the strong arguments that can be raised against these approaches seen in isolation, outside broader political and historical context, there are extremely strong forces behind either. Seen in a UN perspective, it might perhaps be said that they both represent a third phase in United Nations development strategies. The first phase, then, was the import substitution phase : developing countries have to produce themselves rather than import from developed countries - a phase among other things motivated by what was seen as deteriorating terms of trade and with the United Nations Economic Commission for Latin America (CEPAL) as a major stronghold for the theoretical underpinnings. A second phase, partly growing out of frustration with the first one (manufactured goods produced in developing countries tended - perhaps - to become even more expensive) can be characterized as the commodity export phase, motivated by the "need" to earn foreign currency. This phase was of course more popular with the First world countries as it played into their interest in exactly this type of trade. But there were two basic problems : on the one hand it became increasingly clear that somehow the developing countries were cheated in the bargain, that world resources were distributed highly asymmetrically in favour of the developed countries by this kind of activity (a polite way of saying that there was exploitation at work). On the other hand it became equally clear that the masses in general also were the losers in this kind of activity : for the reasons mentioned in the introduction the internal gaps widened, misery increased, rather than diminished. The responses to these two problems, in a sense created by the same structure and the same process, were precisely - in our view - the New International Economic Order and the Basic Needs approaches.

Hence, they are both political movements, more or less crystallized, created by particular historical situations. One can be against them or in favour of them, but there is also a sense in which they simply are, exist, unfold themselves like the tidal waves referred to above. The political task is to crystallize and help steer these tremendous political energies in directions that serve true human and social development.



## OVERDEVELOPMENT AND ALTERNATIVE WAYS OF LIFE IN HIGH INCOME COUNTRIES\*

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1. Introduction : something has gone wrong, somewhere

Humankind is approaching the end of the twentieth century, of the second millennium, and the status-sheet for the countries held to be the most advanced, the "developed" countries, is mixed, to say the least. In fact, the high income industrialized countries exhibit patterns that should not be expected in countries that by large parts of the world, including themselves, are seen even as model countries, worth imitating. There is no denial that in general terms extreme material misery is now limited to a small portion of the population, nor that life is comfortable for many in these countries - e.g. that most are protected from the harshness of nature through adequate clothing and housing and preventive medicine, that the big trauma of earlier ages, birth, is now very safe for mother and child alike, that people live much longer, and that labor-saving devices can liberate people from unnecessarily heavy, dirty and degrading tasks. In short, there is no denial that an assessment of life in high income countries would bring in many elements indeed worth emulating. But there are also negative aspects, and some examples will be briefly mentioned below.

Take the level of security, for instance, defined as the probability of not becoming the victim of violence. In 1977 there were more than 3000 terrorist acts attributed to the Brigade Rosse in Italy alone; judging by the statistics for the first month of 1978 there may be an increase, so far epitomized by the tragic death of Aldo Moro. In the US violent crimes were three times higher in 1975 than in 1960 (about the same applies to crime against property), the homicide doubled 1960-74. In Great Britain there was four times as much violence in 1974 as in 1960, and so on. Even though traffic accidents may be stabilized or even be on the decline in many of these countries (but not accidents in general), the general picture seems to be one of increasing insecurity. With an annual growth rate of 9% in violent crimes 1960-70 (US) extrapolation would lead to societies where life would be highly insecure, possibly even leading to fortification of private homes and further retreat into privatism.

If one looks at the indicators of economic wellbeing or welfare the picture, as stated above, is by and large positive. However, there are also some disturbing signs. The transition from adequacy to overconsumption of food, overeating, seems to have followed very quickly after the transition from undernutrition towards adequacy. In the famous West German Ernährungsbericht 1976 (Deutsche Gesellschaft für Ernährung eV. Frankfurt am Main) it is estimated that diseases related to nutritional factors cost as much as DM 7 billion, or the equivalent of 2% of total GNP - about three times the UN goal for development aid by the end of the 1970s. The diseases related to overeating (ibid p.114) are many: diabetes, gout, heart attack, stroke, etc.. From Switzerland it is reported that 80% of the Swiss population are overfed by some criteria, the data for West Germany might even exceed this, for certain groups of the population. The waste in calories and proteins consumed is considerable.

Although the life expectancy, or the life span, have been increasing in all of these countries recently it is quite clear that the rate of increase is rapidly decreasing. Typically the increase during the last 10 years may be only half of the increase during the preceding 10 years, a clear case of diminishing returns. There are even cases where the returns are negative in the sense that life expectancy seems to be decreasing.

This may then be related to the new mortality picture, well known to most people : the predominance of cardio-vascular diseases and malignant tumors as the big killers (accounting for, as much as 43% and 20% of deaths in Switzerland). In Norway, for instance, the mortality in both these categories doubled for males in the period 1931-71, with the significant exception of the war years, where at least the cardio-vascular diseases decreased substantially. There is the argument that "we have to die from something", but that argument misses the point: first of all these may be extremely degrading, painful deaths, second the etiology of these diseases - often referred to as "civilization diseases" - points in the direction of the society itself, as opposed to microbes, etc., as carrying at least much of the causal burden.

In this connection unemployment should be mentioned : in the US it increased from 5,5% to 8,5% 1960-75. Similar figures are known for Western European countries. Thus, the total picture is one of longevity, but decreasingly so, and with strong indications that people are actually not more healthy, only kept alive through preventive and curative medicine, for longer periods than before. Moreover, whereas before diseases might have been located in the man-nature equation, they seem now to be transferred to the man-society equation. At the same time an increasing proportion of the population is deprived of the right to work through unemployment, although this does not necessarily mean misery : social security is operating. Incidentally: in the US income is no longer increasing.

Although it is difficult to say whether the somatic wellbeing is in fact lower now than before, averaging over the total life span, the mental wellbeing seems to be lower. This shows up in the use of tranquilizers: in the US it doubled from 1950-65, in Great Britain prescriptions for tranquilizers increased from 13,5 million in 1967 to 20 million in 1975. It shows up in the data about mental disease : in the US the patients in mental facilities increased from 1% to 2,5% of the population 1955-73 (2/3 of them being out-patients, though); the same tendency being found in many other countries, with shorter stays and more readmissions. Data for Norway are interesting here. Health surveys indicate a 25% increase in persons reporting "nervous conditions" 1968-75; 14% had at some point in their life been told by a doctor that they suffered from nervous or psychological problems (1975); 18% had used medicines or drugs "for the nerves"; 24% of all persons above the age of 16 had done so, or almost 1/4 of the adult population. A study of Oslo high school students classifies almost 20% of the Oslo youth as having "poor mental health"; (in typical rural communes the incidence is less than half of this); and the total picture for the population is that approximately 1% will develop schizophrenia, 6-7% suffer from psychosis,

10-20% from neurosis, 1/3 of the population will need psychiatric attention during the life time and about 36% of all patients in Norwegian hospitals are in psychiatric health institutions. From Western Germany it is reported in the Psychiatrie Enquête (fall 1975) that about 11 million or every 5th German citizen is in dire need of help because of psychosomatic ailments.

The suicide picture, however, is more stable; although increasing in a country like Poland, declining in a country like Britain. As is well known these are difficult data to work with; suffice it only to mention the tendency in Western Germany and Switzerland towards increasing suicide among adolescents, even children - possibly related to the pressure from the school environment and the inability of family and home to cope with defeat. A general identity crisis ?

Like everything social these phenomena do not hit all parts of the population equally. Thus, in Italy the industrial sector of the economy seems to be harder hit by cardio-vascular diseases, tumors and mental disease - the incidence of the latter being three times as high in industry as in agriculture, commerce being in between. But there are also signs in the direction of greater equality: whereas in 1900 seven times as many males as females committed suicide in Switzerland the ratio in 1976 was 2,5. This is access to the "bads"; that the access to the "goods" of these societies is still highly unequal, as between social classes, town and countryside, the two sexes, the three or four major age groups goes without saying.

A note about the ecological situation : from Switzerland it is reported that the number of cars per 1000 population went up from 40 in 1950 to 320 in 1976 and that the consumption of  $O_2$  and the production of  $CO_2$  also increased about 8 times in the same interval. That the societies of waste and pollution thereby change the "natural" environment of human beings is well known today.

## 2. From overconsumption to overdevelopment

In short, something went wrong somewhere - the question is what and how and why. Evidently, this is a rather important problem because the growth rate of the social pathologies mentioned above is typically in the range 4-9% per year, quite often around 6%. A growth rate of 7% means a doubling in 10 years, which again, in many cases would mean a qualitatively different society, not to mention the huge amount of very concrete human individuals directly affected by the maldevelopment. Hence, how to conceive of these phenomena is a matter of supreme urgency lest we fall into the habit of seeing them as normal and , natural, as something one cannot do anything about, or the equally dangerous

possibility of blind actionism, whether elite or basis generated, as efforts to do something guided by neither theory nor data, only by good values.

One approach, but by no means the only one, might take as a point of departure the concept of overconsumption. To use this concept a distinction between human needs on the one hand and need-satisfiers on the other is necessary. Underconsumption means that a person has too little access to satisfiers for a need to be satisfied - insufficient food for the need of nutrition; insufficient schooling for the need for education; insufficient contact with other people for the need for togetherness, love; insufficient challenge for the need to be creative, etc.. Overconsumption means that too much of the satisfiers are consumed so that additional consumption not only brings diminishing returns in the form of satisfaction but sometimes no returns at all, or even negative returns, the "disutilities". Consumption has become counterproductive : there is overeating, overschooling, gregariousness and "information overload". In short: when there is underconsumption there are too few means around for the goal - human satisfaction and further development -- to be reached; when there is overconsumption there is too much. This should not be confused with under- and overproduction, however : there may be overproduction in the country as a whole and yet underconsumption in large groups of the population; there may be underproduction in the country as a whole and yet overconsumption, but usually only in small groups of the people. This is partly a question of adjusting production to consumption, in absolute terms, partly a question of distribution; but these are not the problems considered here.

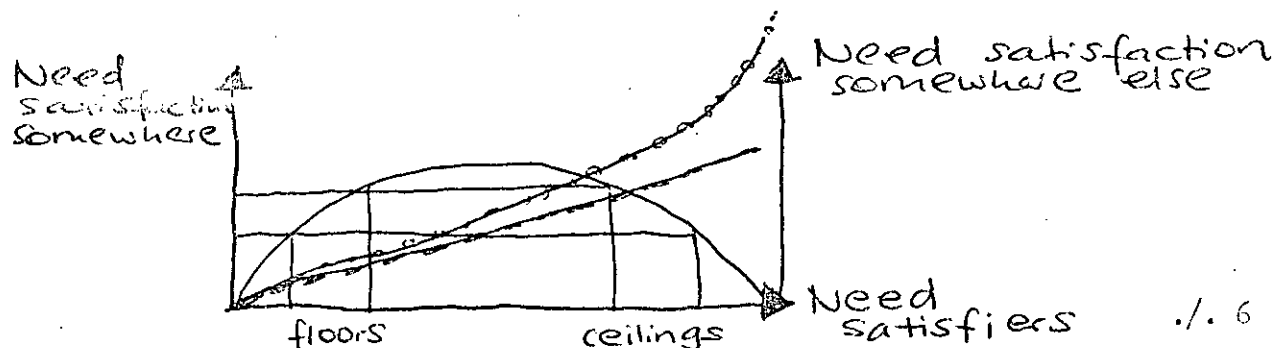
The problem is that in order to produce any kind of needs satisfier nature or people somehow enter into the "production equation" (capital, administration and research also enter, but they first have to be produced - so the basis is nature and people). But this means that the whole production-distribution-consumption cycle of material or non-material "goods" can go wrong in three ways. First, because human beings have a limited absorption capacity; one cannot fill into us an unlimited quantity material or non-material "things" (satisfiers) without having counterproductive effects. Second, because nature has its "outer limits"; there is a limitation to how far one can upset environmental balances (e.g. through depletion and pollution) without impairing the subsistence basis for future generations. And third, because social systems couple the needs satisfaction of one to the needs satisfaction of other: if I get more it may be because something is taken away from others who then get less. Behind all this, then, is a concept of maximum, of a ceiling, and the idea that the growing production of all kinds of things somehow bounces off against that ceiling and in

general terms starts becoming counterproductive.

What has been said above leads to one conclusion : overconsumption (beyond satisfaction) will tend to go hand in hand with underconsumption (under-satisfaction). In general it makes little sense to talk about underdeveloped and overdeveloped countries : to be precise the term should be applied to that need and for that person. And if one person is overconsuming relative to one particular need, then, according to what was said above, this will have a negative impact for the same person on that need dimension or on other needs; for other people today because of underconsumption; and for other people tomorrow because of the deterioration of nature; again for the same need or for different needs. Having put it this way it is also obvious, in moral terms, what is needed to reduce overconsumption : a sense of restraint in individual consumption, a sense of synchronic solidarity with other people today, all over the globe, and a sense of diachronic solidarity with future generations. Unfortunately, however, these are only verbal formulas - the problem is, why is there so little restraint? so little solidarity with others ? so little solidarity with future generations ? For, strictly speaking, we know that our absorption capacity is limited, we know that there is such a thing as exploitation and we know that nature is finite; through psychosomatic research, socio political analysis and ecological research.

This is where the step from overconsumption to overdevelopment enters the picture. If it were only a question of overconsumption the individual who indulges too much in something might pull himself or herself together and respect the maxima, the ceilings. But there is a pattern, a total social formation that drives people towards overconsumption in one way or the other so that only the very convinced, and among them the very ego-strong, can resist the pull and go in for a way of life that is an alternative to the dominant way of life in high income countries, characterized by many forms of overconsumption side by side with underconsumption. This pattern, or social formation, is what could be referred to as overdevelopment, just like underdevelopment is a pattern that enforces underconsumption upon people. It is obvious from what has been said that the two are two sides of the same coin, that they are dialectically related.

One way of illustrating this might be as in the diagram below



There is no limitation to needs satisfaction or, if one will, to true human growth. Thus, we know of no human limit to love or knowledge or feeling of physical wellbeing; these are not like a glass to be filled with water or even with wine - the glass does not have a constant size but can expand through use. But there is a limit to how much information one can absorb, to how deeply one can become a part of other people and vice versa, to how much food of any type one can absorb. And this is even more the case if the linkages to other people living today and in the future are taken into consideration. Thus, the true relation between increasing consumption of needs satisfiers and needs satisfaction may be productive in the beginning, then there is an interval (which in fact may be negative !), and then it is counterproductive. But in the figure we have also drawn two other curves pointing towards the heaven with different speeds : the curves of unbounded optimism, the curves of "the more the better".

And this leads to the question: what is the cause of overdevelopment ? How is it produced, by what kind of causes - it look so irrational, so anti-human, why should it happen at all ? There seem to be two types of answers to this question, both of them valid : one cultural, and one structural.

The cultural answer would take as point of departure the two curves just mentioned that seem to express a very basic and deep-lying assumption in western civilization, e.g. "the bigger the better", "growth is development", and so on. There is a general lack of restraint, a general lack of sense of quantum satis, of in media res. The assumption seems to be that if a certain quantity is good then twice as much would be at least twice as good, perhaps even three times as good. In addition to this general sense of expansion as "normal" comes an other element : the idea of competition, of man-over-man, and the idea of distance from nature, of man-over-nature. All together these ideas add up to an ethos according to which patterned overconsumption, in other words overdevelopment, is seen as normal, as something natural, not to bother about, the world is like that.

The structural answer would take as a point of departure the two major organizations that have been the carriers of the western historical process for the last five centuries or so : the state and the corporation, or the bureaucrats and the capitalists to refer in more direct personal terms to the dirigenti of the process. Both of them have been considered essential means for development, both of them seem to be subject to the same principle of overshooting, of not being subject to any stop signal. Separately, or in cooperation they transgress national borders and develop into intergovernmental machineries, and national corporations of colossal size. Much if not all of the stimulation to expand stems from the

competition between states and between corporations, in their search to increase their share of the total market of power and wealth of various kinds. They have to fortify for the struggle and if they win they tend to absorb the loser and thereby to grow even bigger.

In short, these particular structures derive their legitimation from a civilization according to which such phenomena are natural; that civilization in turn is reinforced by structures that behave in accordance with the ground rules. Since the overdevelopment of machineries that should serve the human beings and their personal growth, not counteracted, also spills over into other countries, continents, peoples in the form of military political colonialism and socio-economic imperialism the linkage between the problems of overdevelopment/underdevelopment and the First world/Third world relationship is clear.

From a Third world point of view (and much of the Third world is found inside the geographical First world) this becomes a question of extricating oneself from relationships that force one into underdevelopment. One answer here might be to push the overextended machineries of the First world back and inside the First world's own borders; or at least to control effectively the operation of such machineries so as to guarantee a more fair distribution of the production surplus. Such moves might solve a great part of the underdevelopment problems of the Third world by being a necessary condition for a higher level of regional, national and local self-reliance in that part of the world. But it may not necessarily solve the overdevelopment problems in the First world : it is easy to imagine a compressed First world machinery, contracted to its own region, working itself into ever higher levels of production and enforced overconsumption. Most of the solution will have to come from inside the First world itself and this is where the alternative ways of life enter the picture. They are efforts to right some of the wrongs in the First world by combining two approaches : develop further for the many needs, particularly the non-material ones that are far from being met; simplify, build down, "develop" where there is overconsumption. Thus, there should be no illusion that the problems of the high income countries can be reduced to a question of turning the clock back; by doing that some of the symptoms of overdevelopment might disappear (like in wartime, occupied Norway?), but the many forms of underdevelopment, and uneven development for various groups of the population would remain.

### 3. Alternative Ways of Life : 5 Theses For Discussion

- (1) Alternative Ways of Life do not arise out of the blue, but are the result of concrete historical situations.

At the close of the 20th century, the need to study and/or practice Alternative Ways of Life is determined largely by two factors which are the contrast throughout the world between waste and want, and the negative effects of economic growth beyond a certain threshold on man's physical and spiritual wellbeing. Throughout the world many trends can be discerned, all making for greater centralization and concentration and ultimately leading to the abdication of all personal independence in the Northern countries and to impotent dependence in the South. At the same time there is plentiful evidence of resistance to these trends - of search for alternatives - throughout the world.

Alternatives in the Third world express themselves in growing resistance to European and American civilization, taking a great variety of forms ranging from liberation movements, via civil rights movements to some attempts to break new grounds in political and social organization that are radically different from the Western example. Since the encroachments of the industrial culture on the areas of self-determination of individuals take similar forms in the South and in the North, resistance to them expresses itself in similar ways.

Thus, alternatives in the First world, include the European regionalist movements which are often inspired by a locally based resistance to exploitation by the metropolis. They also include protest movements organized by individuals against the establishments of industrial estates, the desecration of beauty spots, the obsession with growth and the dehumanisation of living conditions in the towns. All this is evidence that the tyranny of progress is no longer absolute and that sacrifices in the name of an alleged gain in modernization or of a supposed improvement in the quality of life are no longer automatically accepted. Rural community movements, technical experiments with self-sufficiency, an increasing concern over the dependency arising from consumption-oriented systems and many of the attempts to develop alternative ways of life derive their basic inspiration from the search for a society in which the industrial mode of production is being called into question.

In the high income countries, with which this paper is mainly concerned, personal growth, altruistic solidarity with the poor and ecological concern, often adding up to a fear of an impending crisis, appear as the four major motivations that account for the search for alternative ways of life. In fact, they constitute the underlying common themes of a wide range of alternative ways of life movements that have sprang up over the last ten years in virtually all the member countries of the Alternative Ways of Life (AWL) network. These movements comprise technology



groups which are attempting to create an alternative to what they see as over-developed technology; movements to change eating habits towards foods that are more personally healthy and ecologically sensible (ecological concern); simple living groups which follow such precepts as "live simply so that others may simply live" (altruistic solidarity), self-sufficiency movements which stress independence by building their own homes and growing their own food (fear of crisis) and finally personal growth movements which range from sensitivity training to efforts to focus on the world food problem.

It would be wrong, though, to infer from the above that new life styles are initiated or should be studied exclusively at the micro-level (citizen groups). The micro-level approach is, however, particularly relevant in affluent societies that are relatively undisturbed by either domestic or international problems on the other hand, historical examples (e.g. Switzerland during the Second world war, Europe immediately after the oil embargo in 1973), show that in situations of crisis new life styles can also to some extent be induced from "above", that is through macro-political choices concerning for example food or energy supply. Whereas the latter tend to be rather short-lived and are generally scrapped with the disappearance of threat, the former are of a more permanent nature as a general social phenomenon in the rich world.

- (2) AWL differ both from the dominant way of life and from marginal ways of life that can be coopted by the system.

The dominant way of life should not be confused with the statistical individual life-styles, neither is it the most frequent way of life, nor necessarily the way of life of a dominant class. It is the way of life the dominant pattern of a given society leads one into. Consequently, choosing a way of life that is different from - and alternative to - the one imposed on people by a given social structure, requires considerable efforts and resources. It is not surprising, therefore, to note that it is often the intellectually and financially most resourceful people - that is, those belonging to the dominant class - that are the first to succeed in breaking out of the dominant way of life in search for an alternative. What needs to be carefully underlined is that AWL are not individual adjustments but constitute a challenge to the existing structural arrangements and to the roles they create for individuals and groups. AWL are thus radically different from social justice movements that simply ask for a fair share of the dominant way of life, by merely carving out a position within the existing system. There is no question, however, of wanting to substitute one- possibly ideal - alternative way to the current dominant way of life, and thus create one new - be it an alternative dominant way of life. Quite to the contrary, AWL is essentially a pluralistic concept pointing to a multitude of possible and/or desirable alternative ways of life within a given society. AWL refers to movements operating at different levels of society, using

different means and acting in different areas of the social system. The notion of free choice among various alternative life patterns is a constitutive part of the AWL concept.

AWL are nevertheless bound together by at least four principles which are participation, decentralization, social justice and ecological behaviour. AWL seek to alter power relationships which stand in the way of responsible participation by the greatest possible number in as many decision-making processes, in as many areas of life as possible. Meaningful participation on the other hand presupposes decentralization of decision-making to local/regional levels where people can relate concretely to the problems that arise in the various areas of human existence. Decision-making at whatsoever level, however, is meaningless unless it leads to social justice at the personal, national and international level. Social justice here refers essentially to a just redistribution of wealth (e.g. between man and woman, between various social classes, between the South and the North at world level). The notion of justice though, refers not only to relations between men, but extends also to the relationship between man and nature. Whereas social justice and equity are meant to stop exploitation of man by man, ecological behaviour is intended to stop the exploitation of nature by man. Ecological behaviour means protecting landscape and animals against the onslaught of industry and urbanisation as well as a serious reconsideration of current habits of nutrition, work, leisure, etc..

- (3) AWL can be past - or future oriented, but they are definitely reactions against the present pattern of overdevelopment.

AWL can be tentatively classified into three categories : those that aim at rediscovering past patterns, reviving them, or innovate new ones.

The first category comprises AWL movements which question the assumption that inherited or traditional alternative ways of living are solely a nostalgic reminder of times past and actively seek to rediscover autonomously organized living patterns. The second alternative way of living consists of the construction of new living patterns linked to authentic ways of living in the past which have survived the destructive onslaughts of industrialization. Here belong for instance, the actions that attempt to bring about revival of movements of self-determination (e.g. regional movements in Europe). They are linked to earlier systems which struggled to maintain their autonomy in the face of centralism of the metropolis (e.g. Occitanie vis-à-vis Paris). The organization of resistance along these lines associates the older elements of autonomy with the new necessity of protest against the destruction of nature and of man. And then there is the third form of AWL based

on innovation, trying out new life-styles based on hitherto untried principles, derived from post-industrial models often with new, non-material needs substituted for excess quantity of the material ones. In experiments of this type consumer dependency is frequently highlighted and replaced by forms of dissociative participation, severing many of the links with centralized supply services. Models of this kind, in their experimental stages, are often suspected of being peculiar to one particular subculture only - and consequently of no possible significance for society as a whole. However, their potential relevance can easily be discerned when considering the total dependency of urban areas on "imported" food, where a crisis can swiftly transform a potential famine situation into a real one. In this perspective the often ridiculed rural community movements and experiments with technologies based on the objective of self-sufficiency - and similar experiments - soon acquire fundamentally different significance.

(4) AWL implies a movement away from the cult of things towards the search for experiences.

AWL make a radical break with the motto of our technological civilization which says that more, faster and bigger is better. Their aim is to improve life in terms of quality rather than quantity. Yet it would be wrong to equate AWL with an ideology of abstention or renunciation. Whereas it is true that qualitative improvements require a reduction in quantity (e.g. limitation of economic growth, curtailing of consumer habits etc.) "abstentions" of this kind are not values in themselves, but spring from the desire that men's genuine material and non-material needs should be satisfied.

As examples can serve Japan and Denmark which have come up with data pointing to the new trends that mark alternative ways of life in the rich world. As for Japan, the 1977 edition of the White Paper on National Life published by the Economic Planning Board emphasized that there has been a significant change in the ways of life of the Japanese people after 1975. The change, according to the White Paper, was termed a "detachment from things", meaning that people became less interested in the consumption of "things" e.g. tangible objects, especially durable commodities. According to historical statistics, the year 1971 marked the peak of consumption of consumer goods in Japan. After that, the ownership of automobiles, electrical appliances etc. could not continue to be a status symbol anymore since everybody had them. Hence, after twenty years of material affluence, "the Japanese finally found consumption boring". Today "non-ownership" rather than ownership is more conspicuous and prestigious, and the number as well as the proportion of "non-materialists" in Japan is constantly on the rise.

In Denmark, on the other hand, the most publicized example is probably the Free Town of Christiania, an alternative society near the center of Copenhagen comprising around a thousand people who occupied a disaffected site formerly used for military purposes. Christiania is now in its 6th year of fight for survival against continuous attacks from outside political forces and growing human problems inside. But despite heavy political and social pressures, the Christians have so far managed to come up with peaceful solutions for all their problems. Whatever the ultimate fate of Christiania, the experience itself as well as the intensive political discussions of Christiania in the Danish press, radio and TV, books and meetings constitute a breakthrough likely to favour other experiences of the same kind in the future.

Another point in case are Denmark's "Tvind Schools" which started in the late sixties as a Travelling High School. Their purpose is to send groups of young people on bus tours to the Third world. The aim is for the young people to relate their experiences to the Danish society and to pass them on. Within the framework set by the Tvind Schools, the young people are to plan the course themselves, to decide the route of the trip, repair and maintain their old bus on the way and determine which special problems they want to make a study of. The Tvind Schools have since the start wanted to influence and eventually replace the Danish educational system. So far, they seem to have succeeded beyond expectation. "Thousands of pupils have been trained at the schools, no one without being marked by them. They are already influencing the whole of the Danish society"

(5) AWL strive to reach their goals through peaceful means.

There is no doubt that AWL needs social imagination and courage at both the theoretical and the practical level since it means bidding farewell to a number of old habits, safe attitudes and dependable decisions and laying oneself open to the new, the unknown, the experimental. On the other hand, AWL can only succeed if there is sufficient room for both constructive ideas and criticism, and lived experiences. From this point of view, Western European and North American societies with their basic openness to trials and errors appear as better experimental places than the more closed Eastern European societies. The example of Poland, however, indicates that alternative ways of life also do exist in the socialist countries although obviously on a more modest scale.

The pertinent question that arises in all cases is : how much impact does AWL really have on the societal level ? "Success" of an AWL movement, it was felt, should not be limited to the actual gain of a particular cause (e.g. the abolition of old, or the setting up of new legislation) but extend to other than the

strictly political level. Thus, AWL can also be considered "successful" if they lead to the socialisation of the participants in the AWL movement by causing changes in attitudes, feelings of solidarity and the desire to cooperate (impact on the individual), or if they result in raising the level of awareness of the population with regard to a given problem (impact on public opinion). Conscientization and new need awareness can be seen as the first and indispensable steps on the individual and group level that will ultimately lead to AWL movements capable of challenging society on the political plane. While AWL may cluster around different symbols in different periods and at different times, and use a large variety of means to gain support from the population at large, one unifying trait remains, however; a strong determination to realize their objectives through peaceful means.

#### 4. Conclusion

To conclude, some reflections on the relevance of this type of research for the current North-South dialogues between high and low income countries, between the rich and the poor. At least four points might merit some attention.

First, the rapidly growing social pathologies - and we do not think this is too strong a word - in the high income countries should have some impact on the use of these countries as models of development. In this there is no proof that the track followed is necessarily wrong, but the problems should at least lead to the conclusion that national affluence, beyond a certain point, no longer leads to national wellbeing; that material abundance does not lead to happiness.

Second, the tragedy and folly of a world where under- and overdevelopment are found side by side; between regions, between countries, between districts, between groups, between individuals and even inside the same individuals should stimulate very critical reflections. Indian children below 4 years of age have a mortality as high as 40%, in the West it is well below 7%, in some places practically speaking zero - and at the same time babies are overfed and probably also overprotected to the point of endangering them !

Third, much of the overdevelopment of the rich countries has to do with the underdevelopment of the poor countries. The overextended bureaucracies and corporations, the easy access to raw materials and cheap energy, the vulnerable pattern of overproduction for "overseas" markets etc. all have their well known expressions in the poor countries. The measures taken to get rid of the overdevelopment may also make it easier for the poor countries to get out of patterns of underdevelopment. Less material production in the North may liberate the South from the pressure on their raw materials and the invasion of their markets ; increased self-reliance in the South may force the North into less pathological patterns of overdevelopment.

And finally : enlightened self-interest may come into play here.

The same policies - moving in the direction of building what today are alternative ways of life more firmly into the core of today's societies - that are good for the South may also be good for increasing numbers in the North, thus motivating for more positive action.

It is around such harmonies of interest North-South relations should be built, not by trying to show that either part can become richer, together but by showing that either part may develop happier human beings, with a much higher level of self-realization, together. And what else should be the purpose of this thing called "development" ?

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# **NORTH SOUTH ROUND TABLE**

First Session Rome 18-20 May 1978

# **TABLE RONDE NORD SUD**

Première Session Rome 18-20 Mai 1978

# **MESA REDONDA NORTE SUR**

Primera Sesión Roma 18-20 Mayo 1978

*Purpose, Key Issues  
and Organization of Work  
of the Round Table*

**1**

WORKING PAPER  
DOCUMENT DE BASE  
DOCUMENTO DE TRABAJO

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Annexe I : List of Participants

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PURPOSE, KEY ISSUES AND ORGANIZATION OF WORK OF

THE ROUND TABLE

1. In the last few years, a wide variety of efforts have been made, both officially and unofficially, to narrow the differences between the North and South and make some progress toward a more equitable and more efficient planetary economy. In term of specific results, they have had little success so far. The conflict of national or regional interests in this dialogue is understandable but the apparent inability of those involved in the dialogue to identify possible lines of convergence is not. The two sides of the dialogue are looking at the problem from different angles, with greater emphasis on "means". There is, as yet, no basic agreement on "ends" and on the longer term perspective in which short term or immediate problems can be addressed.
2. From one point of view, however, recent experience is not wholly negative. Seen as an introductory phase to constructive negotiation, the last few years did help to clarify basic positions, and the need for major changes was jointly and formally recognized. Indeed, compared with the early days in the trade union movement or the struggles for independence in colonial territories or even the women's liberation movement, the first phase of North South dialogue has been relatively restrained and remarkably free from accusations and rancour. If the first phase of exploration now leads on to a second phase of specific agreement on "ends" and to proposals and successful negotiation within the foreseeable future, history may judge this entire effort to build a new relationship between North and South as positive and enlightened.
3. A critical issue is whether the world now moves forward to this second specific and productive phase. As a contribution to this objective, the Society for International Development has invited one hundred leaders and concerned citizens from relevant areas of interest to join a continuing forum, the North South Round Table, where the full range of problems and possibilities can be examined with objectivity and good will to bring out the overwhelming urgency of the real issues and to generate greater trust, confidence and understanding among the groups involved. Those who have accepted the invitation to participate in the Round Table are listed in Annexe I.
4. The Round Table will hold its first session in Rome from 18 to 20 May. This working paper has been prepared to assist the participants of the Round Table to identify some of the main issues which the Round Table could usefully focus during the first session and to explore ways by which the Round Table could achieve its essential objectives.

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Purpose of the Round Table

5. The first objective of the Round Table is to initiate a dialogue among the participants through which to increase their awareness of the real issues between the North and South and their possible solutions.
6. If participants leave the Round Table with the feeling that the broad goals need to be met, that some of the changes which the South is seeking are reasonable and possible, and that each participant should be able to contribute something about it, then one of the essential aims of the Round Table will have been largely achieved.
7. At the same time, it is important that the participants from the South also return with a clear understanding of the problems facing countries of the North; of the need for changes in the policies of the South as an important prerequisite for dealing with a changing world; and of the potential for benefit in the evolution of a New International Order.
8. The Round Table will make a significant and long run impact if, following its own intensive discussions, its participants are stimulated to play a fuller and more effective role in bringing about the importance of these ideas to the wider public. Special sessions will take place in the Round Table as to how this second and longer term objective can best be accomplished. For the basic premise is that the changes, international or domestic, will only be possible if supported by the media, the key groups involved in decision making, and the public at large -- is a broader and deeper. This will require a considerable effort, given the inadequacies of the existing system of international communications.
9. In addition to its own meetings, the Round Table may commission studies on particular topics identified as critical to progress in the dialogue. Such studies may be prepared by Round Table members or outside experts in co-operation with other organizations and may be tabled for discussion at a full meeting of the Round Table before being made available for wider distribution.
10. It is difficult to anticipate the content of any statement or proposal which the Round Table may wish to put forward after its first or subsequent sessions. But, on the basis of the work of the Round Table in analyzing substantial issues, it is expected that it could contribute to the North South dialogue at least in three different ways:
  - a) By making an impact on the public mind about the central importance of North-South issues, the problems of the world, through the role of its members and through the publication of its studies and other material.
  - b) By organizing efforts to influence policy makers, perhaps by nominating some members of the Round Table to meet with selected leaders of the world government, to convey the results of the work undertaken by the Round Table.
  - c) By focusing on particular issues and addressing them at a major event or conference in the North South dialogue. Some

of the forthcoming events in this context are: the next Summit Conference of Western Leaders in July, UNCTAD V in Manila in August 1979, the U.N. Conference on Science and Technology in September 1979, and the Special Session of the General Assembly in 1980 to assess the progress made in the establishment of the new international economic order.

11. The success of the Round Table in pursuing its objectives, through any one of these mechanisms, will depend largely on the commitment and involvement of its participants. Differences of views are inevitable in any discussion, but as long as all the members of the Round Table are fully conscious of the need to rise above current domestic pre-occupations and to look for new ways to overcome barriers of national misunderstandings and prejudices in order to find workable solutions to the fundamental problems facing the South and the North, the outcome can only be positive.

#### Key Issues

12. One of the principal tasks of the Round Table will be to identify the basis for a constructive approach to the second phase of the dialogue and, within this, to identify certain key issues which deserve priority attention because of their potential for serious action. For this task the work of the first Round Table will be organized into three Working Groups to make it possible to draw more fully on the experience and thinking of each member, without allowing the Round Table as a whole to lose its coherence and unity of purpose. Each Working Group could split into smaller groups if considered necessary.

13. A considerable diversity of initial positions and basic views is likely to exist among the Round Table members - and indeed is to be welcomed since it reflects the current divide between the North and the South in the official dialogue.

14. Some members are likely to emphasize fundamental issues and the need for basic changes in North South relationship before specific issues like resource transfer or the debt problem can be discussed. Others may stress that even modest proposals on resource transfer or trade liberalization have proved too radical for meaningful agreements and would perhaps find it difficult to accept that there is something basically wrong with the world economy - or the existing economic order. Other members may take the view that this is not the time for further new ideas since the strategic options are already clear enough and what is needed now is concentration on "how" to implement the ideas already accepted in various UN Resolutions rather than determining "what" more the international community should do. In each group some members may wish to take at this stage a more analytical or evaluative, rather than prescriptive, approach to the work of the Round Table.

15. It is therefore important to provide all participants in the Round Table with the opportunity to discuss these various positions and yet evolve a mechanism that would permit meaningful conclusions to emerge from the Round Table as a whole, at least on some key ideas or proposals.

16. For this purpose the whole range of issues that enter the North South Dialogue could be divided into three broad but overlapping groups:

- a) Conceptual issues - the frame for a constructive approach.
- b) Major issues of policy and strategy for the medium run.
- c) Specific proposals or ideas that might be ready for action.

17. All groups will be asked to relate their issues under discussion to the needs and problems of both developed and developing countries - and, as appropriate, to different groups of countries within each. A drafting group or informal steering group may also be created to prepare, on the basis of the work of the three groups, any specific statements or proposals which the Round Table as a whole might wish to consider. Members of the Round Table will be free to choose the working group they prefer to join or to move from one group to the other.

18. The remaining part of this Working Paper summarizes the main issues that each of the Working Groups could usefully discuss or focus on, and explains some of the background documents that have been prepared to facilitate their work. Although background papers are listed in relation to particular groups, each paper has in fact a direct bearing on the work of all three groups.

Working Group I: Why a New International Order?

19. Working group I will be expected to examine certain selected but key conceptual issues that must be clarified if the real causes of the current stalemate in the North South Dialogue are to be identified and the prospects and limitations of different approaches toward the future course of action are to be brought to surface. These might include, inter alia, the following:

- 1) What is wrong with the existing order for both low income and high income countries, and to what extent are the current policies and institutions discriminating against the low income countries?
- 2) What is the current status of the dialogue and why is it not making much progress despite the overwhelming urgency of the underlying issues?
- 3) How best can the concept of a new international economic order (NIEO) be defined and explained? What is the range of views on the kind of new order required and particularly on the distinction between an approach based on concessions rather than structural changes and on possible conflicts between NIEO and a basic needs approach?
- 4) Can one identify specific longer run objectives which would offer the potential for serious support in the North as well as the South? What can be done to stimulate more serious political commitment to such medium and long-term objectives rather than only short-run concerns?
- 5) Are there important interactions between the economic and socio-cultural aspects of the North South Dialogue?
- 6) What are the positive and negative links between the economic aspects of the North South dialogue and the political processes within the international system, including the current political realities of East-West relations and large expenditures on arms?

20. To facilitate a more meaningful discussion of these issues the following working papers are presented to the Round Table:

- (i) Working Paper N°2 - Historical Perspectives on the New International Economic Order. A paper prepared by Barbara Ward, the Chairman of SID, which emphasizes the global nature of the current world economy and sets the demand for a new international order in a historical perspective.

(ii) Working Paper N°3 - North South Dialogue: The second Phase. A paper prepared by Mahbub ul Haq, of the Third World Forum, which brings out the weakness and inequities of the existing system and presents some ideas for the second phase of the North South dialogue. It suggests a framework of principles to provide a broad consensus on objectives and principles, identifies some areas of common interest and argues for fundamental institutional changes which are inevitable in the long run, i.e. a system of international taxation, an international central bank, and a global planning system.

(iii) Working Paper N°4 - Political Facets of the North South Dialogue. This brief paper prepared by Mahdi Elmandjra, President of the World Future Studies Federation, brings out the interrelationship between the economic, political and socio-cultural aspects of the North South dialogue and emphasizes that the political character of the dialogue cannot be set aside. It explores the possibility of a breakthrough by concentrating on the common turmoil that pervades the value systems of the world as a whole.

Working Group II: The Search for Common Ground.

21. A basic task of the Round Table is to bring out the common interests of all those engaged in building a new world economy, since in a realistic world only a recognition of common interests will provide us with the political will to achieve conciliatory approaches and practical compromises. The starting point in this task is to place on the table the needs of the two sides, and then identify in specific terms the common ground and nature of interdependence between North and South.

22. Some of the critical questions which this group might wish to examine are listed below:

1) The concept of interdependence, in meeting the world's energy and food needs, in preserving the earth's environment, in using the resources of the oceans, and in many other domains, is now widely accepted. What new measures are needed to ensure international cooperation and management to cope with interdependence? What are the political and practical constraints involved in this cooperation?

2) Can one identify priority areas for domestic concern within the developed countries, such as inflation and unemployment, which are inter-related with the need for economic growth in the developing countries to highlight the overlap of interests that exist?

3) Over the longer run, what are the critical areas - such as global resource management in energy and food - where changes of directions in present patterns are required to avoid extreme imbalances and inefficiencies in the global economy?

23. Working Paper N°2 referred to above identifies some areas of common interest. Another Working Paper prepared for the Round Table by John W. Sewell of the Overseas Development Council entitled "Can the Rich Prosper without the Progress of the Poor?" (Working Paper N°5) presents a great deal of concrete evidence to support the contention that continued growth and the attainment of other economic goals such as high rates of employment and control of inflation in the rich countries depend to a much larger degree than heretofore upon the growth and prosperity of the developing countries. After looking at the divergent views that are currently circulating about the prospects of future growth in the world's economies, the paper examines certain specific linkages

between the economies of the developed world and those of the developing world that will be important in the next few years (trade, commodities and debt) and analyses some of the issues (food, energy and population) that must be addressed by the year 2000, if global efficiency is to be achieved. The paper concludes by considering policies which the rich and poor countries might pursue to create a mutually beneficial world order.

24. In assessing the degree of interdependence between the North and the South, it is important to go beyond the existing framework of objectives and policies to a more dynamic framework and determine: a) the changes that are necessary in the South to facilitate the adoption of alternative and self-reliant development strategies than can satisfy everyone's basic needs yet promote a pattern of development that is socially positive and ecologically sound, and b) the changes that are needed in the North that will promote life styles which will be less wasteful in economic and ecological terms and more harmonious and positive in terms of the society's social objectives. This subject involves a wide range of complex questions and will be a continuing agenda item for subsequent sessions of the Round Table. SID is organizing a series of national conferences on Alternative Development Strategies and Life Styles in several developing and developed countries. The results of these conferences will be available to the Round Table at its second and subsequent Sessions.

#### Working Group III - Specific Ideas and Proposals.

25. The work of this Working Group will be of particular importance since it will have the responsibility to give concrete shape to any specific proposals which the Round Table may wish to sponsor. Since it will be for the Round Table itself to determine whether or not it wishes to issue a statement or a declaration or to sponsor any specific proposal, it is difficult to anticipate the work of Working Group III at this stage.

26. There are a number of proposals currently under discussion in the United Nations and elsewhere which taken together constitute the agenda for official discussion on the New International Economic Order. These include the long debated subject of access to markets, the more recent proposal for a common fund for commodities in UNCTAD, transfer of resources, the debt problem of developing countries, reform of the international monetary system, transfer of technology, measures to ensure greater food security for the world, disarmament, and, more recently, energy. At least four important subjects - disarmament, transfer of technology, technical cooperation among developing countries, and agrarian reform and rural development - will be taken up at special U.N. conferences scheduled during 1978 and 1979. On almost all these issues a number of specific proposals are under discussion and many new ideas and proposals have been identified in the past year or two by different groups and institutions as for example, in the RIO Report.<sup>1</sup> Another major effort is being made in the United Nations to identify specific goals and strategies for the Third Development Decade - 1980-90 (DD III) - and a large number of institutions and organizations are participating in this task.

27. It will be useful for the Round Table to consider whether or not it can make a useful contribution to the discussion of these specific issues and if so, how. Obviously the main possibility of making such a contribution will depend on its ability to come up with new ideas or approaches that will either help to narrow the differences of views or to present new arguments which will enhance the acceptability of ideas already under discussion.

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I/ Jan Tinbergen (coordinator), Reshaping The International Order, New York: E.P. Dutton & Co., 1976.

28. Another alternative would be for the Round Table to concentrate on one or two key proposals which, because of the emerging consensus on principles and goals, might be more readily acceptable and which in themselves would be significant enough to break the current impasse between the North and the South.

29. At present there seem to be at least four major concepts or themes which are gaining momentum in development parlance and could provide the basis for certain new ideas or proposals. These are:

- a) a basic needs approach to development.
- b) the need for a more automatic and dependable system of mobilizing international resources for development.
- c) the desirability of greater participation by developing countries in international decision making.
- d) the growing links between the economic well being of the North and economic and social progress of the South.

30. Despite the overwhelming appeal of the concept of basic needs as the most important objective of development, there is growing scepticism in many developing countries that the current debate on basic needs might be intended to divert attention from their demand for a new international economic order. By launching a questionable welfare programme for the poor, they feel, the developed countries not only wish to interfere in their internal policies but also intend to keep them backward and underdeveloped. There is thus a clear need for an agreed statement on the concept of basic needs which recognizes that basic needs is not a narrow material concept, that it requires a comprehensive development strategy and changes in institutions and policies; that it is a dynamic concept which does not ignore the needs of the society in a whole and changes over time.

31. Similarly the concepts mentioned in (b) and (c) above are essential elements of the demand for a new international order, and some progress, no matter how gradual, is necessary if the inevitable transition to a global economy is to take place smoothly. But as yet no acceptable proposals or mechanisms have been suggested as a basis for concrete discussion.

32. It might perhaps be possible to bring together all the four concepts mentioned above and thus achieve a marriage between the basic needs concept and some elements of the new international economic order, by launching a new "World Plan for Basic Needs".

33. Such a Plan would be based on a concept of Basic Needs that is acceptable to the South and would aim at mobilizing additional international resources for meeting basic human needs in all countries of the world before the end of this century. These resources will not however be sought only from the traditional tax funded sources but also from certain new and more automatic sources of funds in which all countries will be invited to participate. It could also provide for a new kind of governing mechanism which, while using existing institutions for operational activities, would provide a more balanced mechanism for allocating resources and monitoring progress toward meeting basic needs within an agreed timetable.

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34. A proposal on these lines is outlined in a Working Paper prepared for the Round Table which also addresses itself to the underlying concepts of Basic Needs (Working Paper N°6). The feasibility and acceptability of such a proposal could be discussed by Working Group III which may recommend to the Round Table what future course of action it might follow in pursuing these and other similar ideas, in an effort to contribute to the North South dialogue in a positive manner.

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#### Timetable

35. A detailed timetable will be circulated at the meeting - but its broad outlines are shown in Annexe II. Although all sessions will be informal and closed to non-members, arrangements will be made for the press and TV to be present for the Plenary Sessions.

#### Supporting Documentation

36. In addition to the five working papers mentioned above, the three Working Groups will have before them the following two background documents:

- a) The historical context of the North South relationship and a study of the role of the United Nations System in the evolution of this relationship; prepared for the Round Table by C.I.D. (Centre International pour le Développement). (NSRT -/INF.1).
- b) A document containing (i) The report of the Seventh Special Session of the General Assembly (U.N. Resolution 3362 (S.VII)). (ii) The report of the Paris Conference on International Economic Cooperation (U.N. document A/31/476). (iii) U.N. General Assembly Resolution 32/174 calling for a Special Session of the General Assembly in 1980 to discuss progress in the establishment of the new international economic order and setting up a Committee of the Whole to meet during the intervening interval and prepare for the special session. (NSRT -/INF.2).

#### Relations with Other Bodies

37. As already mentioned, a large number of intergovernmental and non-governmental bodies, institutions and groups are currently researching, studying and discussing various issues involved in the North South dialogue. SID is working closely with them and many of the papers presented to the Round Table have been prepared with the cooperation of other bodies and groups. The Round Table itself provides the opportunity for persons associated with some of these groups to meet and discuss these issues with their colleagues from other groups.

38. A special Commission has recently been convened by Mr. Willy Brandt with the following terms of reference:

To study the grave global issues arising from the economic and social disparities of the world community and to suggest ways of promoting adequate solutions to the problems involved in development and in attacking absolute poverty. To raise any aspects of the world situation which the Commission considers pertinent and to recommend any measures it finds in the interest of the world economy.

To pay careful attention to the UN resolutions on development problems and other issues explored in international fora in recent years. To

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identify desirable and realistic directions for international development policy in the next decade, giving attention to what both the developed and developing countries should do in their mutual interest.

39. The Brandt Commission is expected to complete its work and submit its report by the middle of 1979. The North South Round Table, however, is a continuing mechanism and its primary purpose is to initiate a dialogue among the participants of the Round Table to stimulate the search for common ground on which mutually beneficial solutions might be built. In this sense the work of the Brandt Commission and that of the Round Table are complementary and mutually reinforcing. The presence of several members of the Brandt Commission, who are also members of the Round Table, should greatly facilitate closer integration in the work of these two bodies.

#### Future Sessions

40. The Round Table is normally expected to meet once a year, but the timing of its meeting may depend on other important events or international Conferences. But it is important for each of the three Groups to determine the precise scope of their future work, paying particular attention to the studies that ought to be commissioned and to the key issues on which further discussion within the Round Table is required and on which special steps are necessary to stimulate public interest and support during the coming year.

41. It may therefore authorize its Steering Committee to determine, in consultation with the officers of the Round Table and its Working Groups, an appropriate time and place for the next session.

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SOCIETY FOR INTERNATIONAL DEVELOPMENT  
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HISTORICAL PERSPECTIVES ON THE NEW INTERNATIONAL  
ECONOMIC ORDER

HISTORICAL PERSPECTIVES ON THE NEW INTERNATIONAL

ECONOMIC ORDER

by

BARBARA WARD

There are a number of ways of thinking about a "new international economic order". For instance, it would be quite rational to decide that no issue is so new or so important in the world economy as our sudden perception, in the 1970's, that there may be limits to the world's supplies of raw materials, thresholds to the amount of pollution the world eco-systems can bear, and wholly unforeseen physical interdependence - of soil, of water, of winds and climate - which, unsuspected even a decade ago, could do permanent planetary damage affecting rich and poor nations alike. But in fact the phrase a "new international economic order" today means something much more political, specific, and precise. Its roots lie in the less developed nations' fundamental aspiration to follow the political ending of colonization by a comparable economic and social emancipation.

The idea is clear. But given the interweaving of world economic interests, the complexity of the thousands upon thousands of transactions in planetary commerce, and, above all, the degree of economic dependence that grew up during the colonial years, the task is proving more complicated than the political terminations of empire. With a few tragic exceptions, the whole process - celebrating the first formal Independence Day, running down the flag, signing up the new constitution, and taking one's seat in the United Nations - proved straightforward enough compared with trying to unweave and reweave the patterns created in several centuries of deepening trade relations in a world market.

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This paper was prepared by Barbara Ward, Chairman of the Society for International Development, for the Encyclopedia Britannica 1978 Book of the Year under the title, "Toward a New International Economic Order", and is reproduced with the permission of Encyclopedia Britannica International, Ltd.

In formal terms, the idea can be said to have come to birth in May 1974 at the sixth special session of the UN General Assembly. A long resolution, carried by consensus - but, significantly, with strong reservations on the part of the U.S., Britain, Japan, and West Germany - laid down a number of basic principles: (1) that nations should enjoy sovereignty over their own resources, including the right to nationalize them; (2) that these resources should be developed by processes of industrialization and adaption or invention of appropriate technologies under local control; (3) that the conduct of world trade should neither set special obstacles in the way of nations' access to other national markets nor work against a more equitable balance between the higher export earnings derived from manufactured goods on the one hand and the low prices for most raw material and semimanufactures on the other; (4) that more concessionary funds should be made available to the poorer nations by the already industrialized and hence wealthy states.

It is perhaps significant that nothing was said about the need for institutional change within less developed states in order to make them more able to benefit from changes at the international level. Clearly no amount of aid or trade will transform a feudal economy with 90% of the land owned by 10% of the people or achieve the modernization of a military dictatorship bent on spending every available cent on arms or prestige. But the General Assembly is an international forum, and to insist on internal reform is not its specific function.

Where the assembled nations did go into greater detail was in the reordering required in international trade. There was reference to the need for some kind of special fund to underpin the financing of buffer stocks in order to achieve greater price stability for a range of vulnerable commodities - coffee, sugar, tea, sisal, and a number of minerals. Compensatory finance to offset sudden falls in export incomes was also brought up. The issue was raised whether primary exports supplied by poor nations might not in some way be "indexed" so that their prices would automatically rise if the manufactures imported from industrialized countries continued to reflect an upward movement of inflation. Such, in broad outline, was the first statement of the new economic order. But naturally it has a very long history behind it and some very vivid consequences flowing from it. Both must be examined if its full meaning is to be understood.

The Historic Background. The starting point is the very end of the 15th century and the fleet of little cockleshell boats of the merchant adventurers going out from Western Europe to trade for all the goods and luxuries of the East. Between the 16th and 19th century, these men and their successors established a world market. They were not particularly interested in founding empires. They simply wanted to trade. They obeyed all the restrictive ground rules for commerce laid down by the great Mughal emperor Akbar and his successors in India until the dynasty collapsed into local rivalries and wars. As late as the 1820's, British trade with China was confined to Canton, and British merchants were not even allowed

to take boat trips on the river. The experience was clear. Wherever strong local rule prevailed, the Europeans had no choice - or even perhaps desire - but to remain traders. Some of their governments at home were not sure that they even wanted trade. It is ironic to remember that in the mid-18th-century Britain, when fears for the balance of payments were disturbing the government, a semiofficial outcry occurred against the new middle classes' habit of buying foreign textiles (damasks from Damascus, calico from Calicut, muslims from Muslim Benegal) and thus putting Britain into debt to foreign governments.

But wherever local authority was weak, disorganized, or tribal, the traders moved in. Their reasons were various enough to demonstrate how little the takeovers were acts of institutional imperialism. Some wanted to protect their trade against local disorder, some simply went in for loot. Sometimes the genuinely imperial ambitions of a local pro-consul, a Clive or a Wellesley, played a key role. But, above all, the British, the French, the Dutch, the Spaniards, and the Portuguese were usually conspiring, supporting local rivals and finally moving in largely to keep the others out. The outcome of four centuries of confused local resistances, collapses, revivals, and interventions was a world system controlled from Europe, either by settlement as in the Americas or by colonial rule almost everywhere else. All in all, the system was still broadly intact as late as 1945. And one of the fundamental purposes of its rulers was to trade and invest in a worldwide market with the least possible interference.

At this point it is necessary to look at one or two of the basic characteristics of a market, not simply a world market but any market. In spite of its vast advantage as a decentralized, objective, unregimented means of providing the infinite variety and number of goods and services people usually desire, it has certain characteristics that affect its usefulness and acceptability at both the local and the planetary level. Any market is determined to a considerable degree by power. The early theorists of the market - Adam Smith, David Ricardo - on the whole assume a rough equality in the bargain between buyers and sellers. In this case, the market is indeed an indispensable tool. But suppose the power is totally unequal? In the early 19th century the mass of the workers had nothing to offer but their labour. They could not bargain at all, and by what was called "the iron law of wages" their reward for factory work would fall to equal the bare basic cost of keeping them alive. This level of "reward", as Engels and Marx pointed out, would hardly provide purchasing power to match the increasing productivity and output of the new machines. So, they said, the system would collapse under crises of "overproduction" that were really ones of underconsumption.

However, by the end of the 19th century, the scarcity of workers in North America, the increase in worker's skills and education in Western Europe, the action of reformers, the beginnings of trade unionism with collective bargaining, and, above all, adult suffrage started a change in the power relationships of industrialized markets. Then, after World War II, the Keynesian idea that the maintenance of effective demand - in other words, consumption - would be the key to economic growth helped to produce a 25 year boom. True, in the 1970's the question whether this power of ever rising consumption, intensified by high corporate rewards

and by union strength, may not be surpassing the economy's capacity to satisfy it without inflation is a critical factor in the developed world's reaction to the workings of the market, at home or abroad. But the important point here is to underline the element of power in determining the general functioning of any market system.

A man who can corner or control the market in a certain essential resource has virtually absolute power, at least for a time. The Arab nations with vast oil reserves and small populations are in this position. North America's monopoly of surplus grain is as great. Australia, North America, and South Africa are not far short of a monopoly in uranium. Then again, nations with obviously superior military power can monopolize the market. It is often said, for instance, that the root of the weakness of less developed nations in trade is their enforced concentration on raw materials. But the Soviet Union can fix the prices for its exports of raw materials to Eastern Europe and buy back their industrial goods at an advantage. And, in the light of history, we have to realize that one of the most effective means of securing very great and even monopoly power is quite simply by colonial control. Throughout its four centuries of existence, the world market has been, broadly speaking, subject to the power and regulation of the peoples of Europe and latterly of their settler descendants in the United States.

Milch Cow Economy. This colonial control was, in part, both caused and reinforced by another factor--the Industrial Revolution. After about 1750, first Britain, then Western Europe and America's northeastern seaboard moved into wholly new types of mass production of goods for people's daily needs and of the production of machines to make those goods. Local handicraft producers were all but wiped out and moved into the factories along with the dispossessed, landless workers. But in places like Bengal, new Lancashire textiles wiped out the spinners and weavers and they had nowhere to go. The muslins came from Manchester now, not Dacca. As the 19th century developed, the old trading patterns were simply reversed. Europeans no longer sought Asian manufactures. They opened up mines and plantations to provide their own factories with basic materials. Africa, partly by direct investment, partly by way of the detestable export of slaves, had long been drawn into the system since slave labour helped to produce the cotton and sugar and tobacco in much of the New World. The small elites of feudal rulers in Latin America also joined in the trade, selling sugar, coffee, grain, and meat in return for Western industrial goods. Without anyone in particular planning it, a world market was set up in which the power of the newly industrialized nations was the determining factor - although it was called "comparative advantage". The colonial rulers, the developed industrial firms, the traditional local leaders were in control of a system whereby raw materials flowed out of the "South" - Latin America, black Africa, and Asia - to the North Atlantic core, there to be transformed into manufactured goods and sold in local markets and back to the primary producers.

In the process, all the services - shipping, banking, insurance, research for new products - remained with the Atlantic powers. All the "value added" which comes from, say, turning a cocoa bean into dessert chocolate was equally engrossed by the industrialized states. As late as the 1970's the export of the 12 major raw materials (if we exclude oil) from the poorer nations earned \$30 billion a year for the producers. But they cost purchasers \$200 billion before they reached the final consumer. The \$170 billion balance represents the whole "value added" of the industrial process, almost entirely absorbed by the industrialized nations.

The distinguished Dominican economist Père Lebret had a word for this basic world exchange. He called it l'économie de traite (the "milk cow economy"), in which everything is sucked out of the "South" and sent North with just enough returned to keep the system functioning. All the local services, all the means of communication, all the developed sectors of the "South" served this pattern. The roads and railways led to the coast. Virtually all the big cities - from Shanghai to Valparaiso - were ports and acted as entrepot centres for an essentially external system. Latin America's coastal cities gave the continent a higher degree of urbanization in the early 20th century - with not even 5% of the people in industry - than was the case in Western Europe with at least 20% in manufacturing jobs. Thus there grew up a subservient urbanism, attached not to the local hinterland but to the external Atlantic system. This, incidentally, is a basic root of the huge, unbalanced metropolises of the less developed world today.

Colonization's Aftermath. Such, broadly speaking, was the economic background, in part still hidden and misunderstood, of the world that emerged in 1945. The industrialized nations, made up of mixed and planned economies, contained about 35% of the world's peoples, enjoyed 75 to 80% of the world's wealth, 85% of its trade, 90% of its services, well over 90% of its industry, and nearly 100% of its research - percentages that have since remained virtually unchanged (save that the percentage of world population living in the rich nations has fallen still further). The 70% of the world's peoples living in the less developed world, or the "South", as it has come to be called, suffered - and still suffer - the corresponding opposite percentages and hence lack of power. A world market exists but is wholly biased toward the needs of the industrialized giants. The question after 1945 has been not so much whether such a system could endure as how soon its inequities and instabilities would begin to emerge into the political arena.

The 1950's and 60's marked a number of vital preliminary changes. The first was the ending of direct colonial control by Western market economies and the establishment, through the UN and its agencies, of at least the concept of a worldwide system of cooperation which transcended both power relations and purely economic interests. The second was a modest acceptance by the developed market societies (the socialist bloc states played only a very small part here) of the fact that ordinary commercial methods were not enough to secure world growth. Aid giving and concessionary lending - the equivalent of 19th century philanthropy - would be needed to give the new nations an extra shove toward evolving their own productive

base and then, by following traditional "stages of growth," reaching at last the felicity of the industrialized consumer society. The third change was the phenomenal growth of large multinational corporations, based in the main in North America (with a few in Europe). Their leaders felt quite able to conduct world trade without the backing of colonial control and indeed saw themselves - however inappropriate their highly capital-intensive technology in labour-rich economies - as main tools of modernization in "Southern" markets. They were often encouraged by every kind of concession to enter these markets, usually to hasten by all possible means local industrialization, the Cinderella of colonial times.

The fourth development was the uneasy sense, which began as early as the mid-1950's, that this combination of a formal ending of political colonization, together with the rapid expansion of Western-based (and usually Western-owned) local industrialization, might in fact be leaving the old relations of dependence intact. Nominally the world was free. Actually, the pattern of its economy was still colonial. This was the fundamental uneasiness which began to express itself in a series of third world conferences. The Afro-Asian conference at Bandung, Indon., in 1955 was the first. Then came the series of "nonaligned nations" conferences - Belgrade in 1961, Cairo in 1964, Lusaka, Zambia, in 1970, Algiers in 1973, and Colombo, Sri Lanka, in 1976. At the same time, the less developed nations began to wonder whether their fundamental inherited role as suppliers of raw materials would be much changed by such new international agencies as the General Agreement on Tariffs and Trade (GATT) or the International Monetary Fund (IMF). They noted that over 80% of their trade was still in primary produce. They had barely 7% of the world's industry, and although the 1950's and '60's were years of rapid and even unprecedented growth - the average annual growth rate was of the order of 5% - they seemed to remain on the lower steps of a moving staircase for, as they went up, the rich went up ahead. The old dependence remained. Indeed, it was becoming reinforced by the new debts incurred for modernization. With these preoccupations, they persuaded the "North" to join with them in establishing a new trade organization, the UN Conference on Trade and Development (UNCTAD), to give more weight to both their decisions and their difficulties. Then, at UNCTAD's 1964 session, they set up the third world Group of 77 (which by 1977 had grown to 114 members) to be an instrument of greater influence - in other words, of power - in world trade negotiations.

The Oil Weapon. Such was the position in 1973. The Northern states felt they had behaved with reasonable openness and generosity, abandoning colonial control, transferring about \$12 billion a year in aid, giving some openings to third world trade through a careful list of General Preferences, and joining in endless discussions with their Southern partners, all designed to disentangle difficulties and grievances. But these seemed relatively small advantages compared with the massively unchanged relationships of power and wealth. Only a few developing states - South Korea, Taiwan, Brazil - had lessened their dependence on primary exports. It was in this scene of deep felt disadvantage that the decision of the Organization of Petroleum Exporting Countries (OPEC) to raise oil prices as much as five-fold in 1973 had its revolutionary effect.



It was not a simple or uniform effect. Indeed, for non-oil producers such as the Indian subcontinent, the increased costs in fuel and fertilizers were catastrophic. Some others - highly populated oil-producing states like Nigeria or Indonesia, for instance - felt the increase mainly as a partial relief from insurmountable economic difficulties. The chief shock was in the North. France, West Germany, and Japan had become largely dependent on imported oil. America's reserves were declining. Above all, after a 25-year "binge" in growing use of oil at under \$2 a barrel (up to 15% a year in Japan, for instance), the developed market economies suddenly found themselves sharing something of the traditional position of the Southerners - to be no longer in control of one of their most crucial economic decisions. "The new economic order" came to be generally seen - as, in the eyes of the South, it always had been - as a question of change in the balance of power in the market, the power without which economic bargains are invariably biased toward the heavyweights.

The strength of OPEC was enough at least to open in very short order new and more serious negotiations between North and South on the best means of regulating their economic relations with each other. Once again, the planned economies played virtually no part. The two chief forums of negotiation have been UNCTAD and the Conference on International Economic Cooperation (the so-called North-South conference) in Paris, an ad hoc body of 27 nations - 8 from the North and 19 (including 8 OPEC members) from the South. On the agenda of both groups have been the main points of the UN General Assembly's sixth special session resolution.

It must be admitted at once that, after two years of discussion, there is not too much progress to report. The reason lies in the very disturbance and disarray of the world economy. The OPEC price rise coincided with an almost universal boom in the industrialized nations and with a harvest failure in the Soviet Union so great that the U.S.S.R. quietly bought up virtually the entire North American grain reserve in 1972-73. The result was a tripling of world food prices, and all three together - boom, fuel (with fertilizer), and food - set in motion an inflationary spiral that even tough recessionary measures did not check. The phenomenon of "stagflation", of falling jobs and rising prices, dragged on in the North, and there could hardly have been a less favourable background for consideration of the South's main demands.

To transfer more concessional aid to the South when internal unemployment was above 6-7% (and among young workers up to 25%) was felt in domestic terms to be politically impossible in the North. To give greater access to third world manufactures - say of shirts and shoes - would knock out yet more labour intensive industries in the unemployed sectors. To link raw material prices to the cost of manufactures by a form of indexing could be seen as a method of institutionalizing inflation. Even the concept of greater stability of prices achieved through a common fund purchasing a variety of buffer stocks in times of high supply or low demand and releasing them to offset incipient scarcities seemed too much like concessionary aid for easy acceptance. In any case, the North could not be sure that the one commodity whose price they would wish to see stabilized - oil - would ever figure in the program. The result of these direct and biting conflicts of interest has at least not been breakdown. But so far a constant postponement of decisions until the next meeting has proved the chief means of evading deadlock.

The Outlook. Yet there are four reasons for modest optimism. The first is simply based upon moral experience. The rich have learned, especially under pressure, to be more just and understanding toward the poor. The modern world economy has its reformers, just as had Victorian Britain. The pattern has not been lost.

The proof lies in the second reason. The wealthy industrialized powers have not, in fact, shown themselves entirely obdurate or lacking in all readiness to abandon their relative positions of power. For instance, in 1974 the IMF set up a "special facility" of \$3 billion to help the poorest nations meet new fuel costs and raised it to \$10 billion in 1977. In February 1975, at Lomé, Togo, the members of the European Economic Community met with a wide range of associated states from Africa, the Pacific, and the Caribbean. Some important - and possibly exemplary - agreements were reached on the issues most close to the less developed nations' concerns. Duty-free access to the EEC market without any reciprocity of concessions was arranged for most of the poor countries' industrial products and - with certain restrictions - for their agricultural exports. A fund of \$450 million was established to be used (over five years) to offset price fluctuations in important primary products - the so-called Stabex scheme. In addition, a general aid figure of \$3,550,000,000 was negotiated, also for the next five years.

This sense of rather greater responsiveness was apparent again at the seventh special session of the UN General Assembly later in 1975 where, although without specific agreements, there emerged a certain readiness to recognize the fact of the South's long-standing grievances of trade discrimination and to express some signs of a new understanding that there could be a genuine interdependence of interests between North and South.

And this is the third reason for moderate optimism. Although the negotiations since 1976 in UNCTAD have been adjourned and the Paris talks have virtually ended, there has been some progress. A new body, the Brandt Commission, will now take up the joint interests of both North and South, and there is greater readiness to look at world order together precisely because changed power relationships are bringing firmer Northern interests into play, and here it is possible to discern common ground. "Stagflation" in the North cannot be broken without an end to the pressure on prices. Equally, in the short run, as they build up their economies the Southern states need a reasonably prosperous North to provide capital and markets. The combination of pressure from the "underprivileged" and enlightened self-interest on the part of the fortunate may, as in Victorian Britain, be beginning to work.

The fourth reason for moderate optimism lies not in the present specific stage of the negotiations for the new economic order but in the wider experience of the world economy in the 20th century. It was the collapse, between 1927 and 1929, of purchasing power among primary producers, ending with the U.S. farmers, that started the crisis of 1929. Then the increased protectionism of the industrialized nations turned it into the universal crash of 1931. Nothing was done and the drift to war began. In 1947, once again purchasing power was totally enfeebled, this time in Europe and throughout its colonies by six years of battle. This time, however, the challenge met a remarkable response. The U.S., with half its

present standards of prosperity, gave away with the Marshall Plan some 2.5% of its gross national product - ten times the present percentage of its aid - for four or five years to restore Europe and revive the trade of the whole world. It is surely not Pollyanna optimism to hope that it will occur to the statesmen of the North that the place where purchasing power today is nonexistent but resources are waiting to be developed is in the quarter of the world that subsists on an average per capita income of little more than \$150 a year. A ten-year "Marshall Plan," financed by the North and OPEC, to build up the South's agriculture and industry, to enfranchise the mass of poor consumers, make them productive and give them steady work and just rewards, would create new resources and new markets for both North and South and allow the rhetoric of interdependence to be turned into a genuine alliance of productive interest.

In the 20th century, we have contrived both to fail and to succeed. It is hard to believe that, with such immediate historical experience of the way up and the way down, we shall choose the path of disaster. By the next meeting - in Paris or in UNCTAD - perhaps the genuine "global compact" of the 1980s will begin to take shape. Perhaps the world can move from the hope and the dream to the substance of reality. To use, not inappropriately, a Muslim metaphor, we can pass from "the Gates of Ivory to the Gates of Horn."

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**NORTH-SOUTH DIALOGUE: THE SECOND PHASE**

NORTH-SOUTH DIALOGUE: THE SECOND PHASE \*

by Mahbub ul Haq

I believe that the first phase of the North-South dialogue is coming to an end. This phase was focussed primarily on establishing the need for a major change in the existing world order. The poor nations have been arguing vehemently that they cannot get an equitable deal from the present international economic structures - much the same way as the poorest sections of the society within a country and for much the same reasons. Once there are major disparities in income distribution within a country, the market mechanism ceases to function either efficiently or equitably since it is weighted heavily in favor of the purchasing power in the hands of the rich. Those who have the money can make the market bend to their own will. This is even more true at the international level since there is no world government and none of the usual mechanisms exist within countries which create political pressures for redistribution of income and wealth.

Evidence of Inequities

While major controversies still surround this whole subject, the poor nations are pointing to an impressive and growing evidence showing that they are getting a raw deal from the existing market structures. To cite just a few examples:

- There is a tremendous imbalance today in the distribution of international reserves. The poor nations, with 70 percent of the world population, received less than 4 percent of the international reserves of \$131 billion during 1970-74, simply because the rich nations controlled the creation and distribution of international reserves through the expansion of their own national reserve currencies (mainly dollars and sterling) and through their decisive control over the International Monetary Fund.
- The distribution of value-added in the products traded between the developing and the developed countries is heavily weighted in favor of the latter. The developing countries, unlike the developed ones, receive back only a small fraction of the final price that the consumers in the international market are already paying for their

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\* This paper has been prepared by Dr. Mahbub ul Haq for the Roundtable in his personal capacity.

products, simply because many of them are too poor or too weak to exercise any meaningful control over the processing, shipping and marketing of their primary exports.

- The rich nations have raised a formidable protective wall around their life-styles, through tariffs and non-tariffs, barriers and restrictive immigration practices, while paying handsome tribute at the same time to the "free" working of the international marketing mechanism. The developing countries contend that most markets are already managed to a large extent: the only question is who manages them and for whose benefit.
- Most of the contracts, leases, and concessions that the multinational corporations have negotiated in the past with the developing countries reflect a fairly inequitable sharing of benefits. In many cases, the host government is getting only a fraction of the benefits from the exploitation of its own natural resources by the multinational corporations.
- The poor nations have only a pro forma participation in the economic decision making of the world. Their advice is hardly solicited when the big industrialized nations get together to take key decisions on the world economic future; their voting strength in the Bretton Woods institution (World Bank and International Monetary Fund) is less than one-third of the total; and their numerical majority in the General Assembly has meant no real influence so far on international economic decisions.
- There is an unequal relationship pervading the intellectual world and the mass media as a whole. The developing countries have often been subjected to concepts of development and value systems which were largely fashioned abroad.

### The Second Phase

A lot has been said about the inequities of the present world order - sometimes with a good deal of bitterness. This is not unusual in the first phase of any major movement - trade unionism, human rights, womens liberation. By those standards, the first phase of the North-South Dialogue has been conducted with the simple dignity of sophistication, with few smashed windows and no burnt bridges. I disagree with those who believe that nothing concrete has been achieved in this first phase. What has been achieved is a high degree of visibility for the concern for a new order and a reluctant acceptance by the rich nations that these issues must be faced after all.

We are now reaching the threshold of the second phase of the North-South dialogue when serious negotiations can, and must, begin. It is not necessary to settle all the arguments on which considerable emotion has been spent already in the first phase. It is not possible to establish complete unanimity before the process of hard bargaining begins. And it may even be counterproductive to keep rehearsing the partisan arguments of yesterday when the challenge of finding some agreed solutions is already upon us.

I believe that we must now prepare for the second phase of the dialogue. It is in that spirit that I am taking the liberty of making five specific proposals.

#### Statement of Principles

First, it is unfortunate that the North-South dialogue is still proceeding without an agreed framework of principles by both sides. Concrete negotiations are always facilitated if a broad consensus on objectives and principles is established first. Let me be rash enough to suggest some premises on which a consensus needs to be established before serious negotiations really begin:

- a new order is required by the entire international community, not only by the developing countries; in view of the growing interdependence between rich and poor nations;
- both sides must eventually gain from any new arrangement that is devised if it is not to degenerate into either exploitation or dependency;
- the new order must be based squarely on the concept of equality of opportunity both within and among nations;
- the main economic objective of the new order should be to restore orderly growth in an equitable global system;
- the attainment of these goals will require long-term structural changes, not short-term financial concessions;
- these changes can be negotiated only over time and in gradual stages by establishing an agreed framework for dialogue.

I offer these suggestions only illustratively. It is hard enough to negotiate fundamental changes. It can only become harder if there is not even a minimum of consensus on the overall objectives and direction of these changes. For instance, the demand for a new order is still regarded in many quarters in the developed countries as a vain effort by the Third

World to hijack the accumulated wealth of the rich nations. It is insufficiently recognized that the old order is not serving the interests of the developed countries as well - whether in the field of energy, inflationary pressures, recessionary cycles or an increasingly hostile environment for multinationals abroad - nor is it fully appreciated that the increasing interdependence of the rich and poor nations and the graduation of many Third World countries from a state of dependency to greater self-reliance requires the evolution of new international understandings and arrangements in any case. On the other hand, the developing countries, in the initial excitement of the battle, have sometimes confused short-term concessions with structural changes. It has not been clear at times whether their demand is for a little more foreign assistance, a few more trade preferences, a quick dose of debt relief or whether it is for the elimination of those biases within the international market system which prevent full and self-reliant development of their national economies. A clarification of objectives at both ends is vital for serious negotiations.

One of the key issues in this debate is the "biases" or "imperfections" of the international system. Developing countries contend that many market structures are biased against their interests. Otherwise, as noted earlier, why should they receive back only 10-15% of the final price paid by consumers for their internationally traded commodities? Why only 4% share in new international reserve creation over the last 25 years? Why so little participation in international economic decision making? The developed countries argue that they are not manipulating the market system but they conveniently fail to explain why anyone should expect the international market structures to work any better than national market structures which also bypass the interests of the poor. It is amazing that despite the central importance of this issue, there are so few objective studies available on it. I believe that one of the major tasks for the international intellectual community is to document objectively how the existing international market structures actually work in each field - commodities, manufactures, services, credit, technology, decision making, etc. - and are they really working either efficiently or equitably. There is nothing more convincing in the last analysis than the sheer logic of facts.

#### Ends or Means?

Secondly, I have an uneasy impression that the North-South dialogue is presently concerned far too much with means rather than with ends. There is a preoccupation at present with negotiations regarding commodity price stabilization, debt relief, increase in the official development assistance, and so on. It is not sufficiently clear in each case what objectives each one of these proposals will serve, what is the total cost of the package, who will really benefit, and how to choose priorities among various contending proposals on the international agenda.

Is it possible to reverse the order of the present dialogue and to derive means from ultimate ends rather than the other way around? Till recently, ends and means were hopelessly mixed up in the national development



debate as well. There was a fascination with GNP growth till it was recognized that growth was a necessary, but not a sufficient, condition for meeting the ultimate objectives of the society, particularly for alleviating poverty. In the national development dialogue, therefore, the focus has recently been shifting from intermediate means to the real objectives of development. A similar refocussing is needed in the international dialogue. The challenge before the international community is to prepare a coherent international development strategy for the next few decades, which ensures accelerated growth in the developing countries, meeting of basic human needs as a priority item, and orderly growth in the industrialized countries, uninterrupted by excessive inflation or unemployment. It would then be necessary to identify the means needed to achieve these objectives. The next step would then be to cost each one of the means, add up the total bill, determine priorities in the total package, consider how benefits are distributed among developing nations, and suggest a politically feasible agenda for international action.

This is a formidable task, but I also believe that it is an essential one. Without such an overall framework, it is impossible to pass summary judgements on the current items on the North-South agenda. The relative priority of each item can best be clarified, to both sides, if it is related to an indicative global plan, aimed at accelerated and equitable growth.

#### Areas of Common Interest

My third proposal is that the international community should focus its primary attention on exploring areas of common interest between developing and developed countries. I suggest this for two reasons. For one thing, we are now entering that second phase of negotiations where practical compromises can only be reached by identifying the middle ground that unites the two sides, rather than concentrating on the extreme edges that divide them. And the second reason is that the area of interdependence between developing and developed countries is increasing fast. It is insufficiently recognized today that the rich nations have become more and more dependent on the poor nations, for their supplies as well as for their markets, and that this trend is going to accelerate dramatically over the next few decades. As an aside, let me add that it would be a real service if relevant studies were undertaken to find out how the situation has changed over the last few decades, and how the "reverse dependency" of the rich nations on the poor nations is likely to emerge as a major development in the next few decades. An objective analysis of current trends regarding interdependence will bring home to the rich nations the plain truth, too lightly ignored so far, that the Third World is going to become increasingly important in their economic and political affairs.

In redrawing the rules of the international order, so that they reflect a fairer distribution of gains, some interests are bound to be hurt. But a system of rules generally accepted as fair is preferable, in the long run, to a system that leads to conflicts and confrontations. A world in

which every nation exercised its power to attain its short-term national interests is bound to end up as a world in which we are all worse off, possibly substantially worse off. A world order based on equitable principles, and world-wide solidarity, on the other hand, is one in which we all can prosper.

There are many areas of common interest where the long-term objectives of both developed and developing countries can be served by changes in the present structures. Let me mention just a few.

Major rethinking must be done today regarding the existing geographical distribution of industries. The comparative advantage of the developed countries in some industries is being eroded by the rising cost of labor, energy, transportation, environmental pollution, urban congestion, and other economic and social factors. Some of the developed countries are already beginning to take a far-sighted view about future industrial patterns and to plan a systematic change in the location of industry. On the other hand, the developing countries need to specialize in industries where their comparative advantage is the greatest, rather than establish costly and uneconomic capital-intensive industries, each time they are frustrated in expanding their labor-intensive industries. In fact, both sides suffer at present through a misallocation of resources and neither the objectives of world efficiency nor world equity are served by some of the present distribution of industries. We live in a strange Alice in Wonderland situation where each side plays by the wrong rules.

Take the related area of trade in manufactured goods. The developing countries could earn an additional \$24 billion a year if all present tariff and non-tariff barriers were dismantled by the industrialized countries. It is not much of a gain for the developed countries to frustrate the exports of textiles and footwear from the developing world, only to see them establish uneconomic steel mills instead, which could have been set up more efficiently by the developed countries in the first instance. And it is counterproductive to insist that debts must be repaid as contractual obligations and then to deny the developing world the means with which to repay them. We are back again to Alice's Wonderland. More liberal trade can benefit both sides. Liberalization of trade barriers, rather than trade preferences, is the real issue.

Again, the developed countries have shown a good deal of intolerance for even limited immigration of unskilled labor from the developing world, while readily accommodating the flow of highly skilled manpower ("brain drain"). It is remarkable indeed that, despite formidable obstacles, the limited immigration that has taken place has enabled the developing world to obtain about \$10 billion a year of remittances from their own nationals. Here again, if we go back to the fundamentals of economics that we learnt from Adam Smith, somewhat freer flow of labor across national frontiers is the best guarantee for increasing world efficiency as well as equalizing economic opportunities.

Access to knowledge and technology is restricted at present by the establishment of patents. Greater sharing of this knowledge and technology

can obviously accelerate world-wide development. Can we not think of international arrangements whereby these patents should become outmoded and invalid after the first few years in which the innovators can recover their investment costs and profits?

Let me take a final example: the current tension between multinationals and the developing world. Both sides have a lot to gain if they only extend their time horizon and search for a mutually beneficial "social contract". The multinationals should not seek to maximize profits over a short period of a few years which can only result in indiscriminate exploitation and their final ejection. They should take a fairly long-term view and subject their profit maximization to the longer-term development needs of the country they are dealing with. Profit maximization is not a sin. It is the time horizon over which it is done that is critical. On the other side, the developing countries can legitimately insist on a predominant share in the exploitation of their own natural resources, but they must also provide a legally stable framework within which multinationals can operate without undue uncertainty. Some degree of accommodation on both sides is badly needed if the flow of foreign private investment is to continue. Let me recall the famous dictum of the great socialist economist, Joan Robinson, who said that there is only one thing worse than being exploited by a capitalist, and that is not to be exploited at all.

Let me also state quite frankly that it is going to be extremely difficult to establish any international agreement even in these areas of common interest. In each of these proposals, while there are long-term benefits to both sides, there are always short-term costs to some sections of the global community and a necessity for a painful adjustment to change. Normally, those who are hurt are concentrated and well-organized: for instance, industries seeking protection in the developed countries. Those who are to gain are sometimes unconscious of their own gains and are generally dispersed and disorganized: for instance, consumers in the developed countries and producers in the developing world. Since the ruling administrations are often worried about the next election rather than the next generation, it becomes very difficult for politicians to resist pressure groups and lobbyists who press their sectional interests at the cost of national and global interests.

All acts of great leadership - like the Marshall Plan for the reconstruction of Europe, or the New Deal in the U.S. - involved a certain cost to some sections of society though they led to tremendous long-term, mutual benefits. We have moved into an era where the need for long-term structural changes has greatly increased but where it has become increasingly difficult - particularly in the Western world - to find the necessary agents and allies for long-term change. One of the major challenges for the international community today is to devise new mechanisms to influence public opinion and to create a climate of ideas which facilitates long-term changes by preparing for them systematically in advance to ease the pains of transition.

### Institutional Changes

This brings me to my fourth suggestion. I believe that the future relations between North and South must be viewed in a long-term historical perspective. Fundamental changes are inevitable. In fact, the evolution of international institutions and structures closely parallels that of national institutions, though with considerable time interval. As such, I am personally convinced that the evolution of three international institutions is inevitable in the long run: a system of international taxation, an international central bank, and a global planning system. This may take several decades, but I cannot conceive of a future world order where these three institutions will not take shape, in one form or another, in a global community which is becoming so very interdependent, and where the allocation of world resources and distribution of benefits of growth is going to continue to be a central issue.

These developments will not come simultaneously or without preparation. In fact, the three institutions that I just mentioned were already implicit in the proposals for restructuring the world order that Lord Keynes advanced in the 1940s in connection with the Bretton Woods Conference. It would be a major advance if we accept by now that such an institutional framework is bound to emerge over the long-run and start identifying some of the intermediate steps which can smooth the transitional period. One lesson we all have learnt from history is that change is inevitable. A few decades from now, the only tribute we might be able to pay to human ingenuity and international maturity would be that such change was orderly and deliberate rather than chaotic and forced. And let us not forget that those who resist change normally perish at the hands of change. We cannot interpret the lessons of past history in any other fashion.

### Concrete Action Plans

Finally, let me advance two specific action programs which deserve high priority:

(a) I believe that one of the foremost challenges for the international community today is how to meet the basic human needs of over a billion people living in absolute poverty in the developing world. As Mr. McNamara has already proposed, a specific plan of action should be prepared to meet these basic human needs substantially by the year 2000. This plan should identify the respective responsibilities of developing and developed countries in achieving such a goal, and it should cover not only financial transfers of resources from the rich to the poor nations, but all other forms in which the restructuring of world order would enable the developing countries to meet these needs in a self-reliant manner by increasing the productivity of their poorest people, by adequate provision of relevant public services to them and through an all-round social and economic transformation of their systems. Such a plan is not a technocratic

proposition; it is basically a political proposition. It would perhaps require a summit at the highest level to agree on the objectives and dimensions of such a global enterprise.

(b) We need to graduate from discussion forums to decision-making forums at some stage of the North-South dialogue. As you will recall, the Bretton Woods Conference was convened in the 1940s to consider the reconstruction of Europe and to provide an institutional framework for an orderly development of the world. Today, the issues have become more complex and span a wide field, from food to energy to technology to multinationals and to the entire gamut of human development. I believe that when a suitable climate of ideas has been prepared for restructuring the world order, when areas of common interest have been identified, and when specific plans of action have been prepared in a number of fields, it would be necessary to have another kind of Bretton Woods Conference to re-examine and establish the basic premises for a new world order. It is true that the agenda may have to be made fairly selective and manageable, the entire international community must participate on the basis of some form of representation, the issues may have to be elevated to the highest political level, and it may take a series of action-oriented decision-making conferences, rather than just one. But these are all matters for serious consideration.

As I said in the beginning, it is in the interest of all sides that we should by now graduate into the second phase of the North-South dialogue when reasoned analysis replaces initial heated arguments. This is not going to be an easy transition. Nor can we always separate passion from reason. But if there is one contribution that this Roundtable can make, I believe it lies in making the international community conscious that it is possible to combine the legitimate aspirations of the developing countries with the enlightened self-interests of the developed countries and that a new international economic order can work to the long-term benefit of all nations.

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POLITICAL FACETS OF THE NORTH-SOUTH DIALOGUE

## POLITICAL FACETS OF THE NORTH-SOUTH DIALOGUE

by

Prof. Mahdi Elmandjra

1. The essence of the North-South dialogue has centered on a specific set of basic international economic issues which condition the future development of the Third World as well as the survival of hundreds of millions of its inhabitants. Important as these economic questions may be, however, they must not hide the fact that this dialogue is first and foremost a political process. What is involved is no more and no less than a political demand for a restructuring of the whole international system, including its objectives; its mechanisms for allocating incomes, and the balance by which the different interests and parties involved are represented.

2. In these respects, the economic aspects of the North-South dialogue and the political process within the international system are inseparably linked. To insist on setting aside the political character of the dialogue can only be seen as an attempt at "politicization" in the most calculating sense of the term. The international system as a whole is made up of three main overlapping sub-systems -- the political, which controls the attainment of its objectives; the economic, which provides the resources for the achievement of these objectives; and the socio-cultural, which determines the value systems implicit in the objectives.

### Two Major Turning Points in the International System

3. The legal decolonization of the "South" is now a fact but its impact has not yet been generally incorporated within the economic and political operations of the international system. The "aid" programmes of the late 50's and early 60's were conceived as stabilizers to prevent serious functional and structural mutations in the patterns of international relations. The failure of this approach became evident in 1964 during the first UNCTAD Conference. As Richard Gardner - then Deputy Assistant Secretary of State of the U.S. - noted:

"It was the first major conference in which the lines were drawn sharply on a North-South rather than an East-West basis." (1)

4. Ten years after the first UNCTAD Conference, the Sixth Special Session of the U.N. General Assembly in 1974 held a debate which was a second turning

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(1) In The Global Partnership, p. 99

point in North-South relations. This time, however, the South was no longer ready to content itself with piecemeal adaptation of the international system. The plea for a New International Economic Order (NIEO) was an appeal for a comprehensive re-examination of the existing order. This is why the debate was basically a political one. The detailed remedies proposed were of secondary importance - when taken individually - as compared with the global reshuffle envisaged. The importance of the North-South dialogue resides in the reconsideration of concepts not in concessions within an unaltered framework.

5. All systems - physical, biological and social - have only three ways to survive when confronted with counter-currents: adaptation, redistribution or transformation. In the 60's the effort of adaptation by the North was not sufficient; now, since the mid-seventies, adaptation will no longer suffice to sustain the present international system and only the minimum amount of redistribution which underlie the NIEO can create a true dialogue. Should this fail, the last choice will be in due course a radical transformation (not just structural changes) of the system. The question is only one of time. Whereas adaptation is a relatively smooth process which leads slowly through cooperation to a needed transformation, radical transformation is often the result of confrontation which leads either to a new integration of the system or to its disintegration. In the prenuclear age this disintegration always took the form of war.

#### Two Levels of Dichotomy: Power and Values

6. What is striking in this dialogue is the enormous differences between the two groups, primarily that of power and that of value systems. On the first level the North has the power. One-third of the world population accounts for more than 80% of the world GNP, of world military expenditures (with a quasi-monopoly of the nuclear arsenal), of world trade, of gold production and reserves, of world expenditures in education; and more than 90% of the world production of armaments, computers and books, of world industrial production, of world scientific and technological expenditures and of world health expenditures.

7. When one looks at the South it becomes extremely difficult to make a comparative power analysis since the disparity is so great. All that one can speak of is the potential power which is to be found in its human and natural resources, its cultural heritage, its value systems and the potential will of its leaders and populations to change the existing order - the same will which brought about the decolonizations of the twentieth century.

8. The imbalance in power distribution between North-South is further aggravated by the geo-political fragmentation of the South which includes varied political systems. This handicap absorbs the greater portion of the time and energy of the group of "77." Furthermore, even when the South manages to reach a basic agreement on a vital principle, the North can easily break the unanimity of the South, not in the course of voting on an important text in an international conference but in practical terms through bilateral pressures and rewards.



9. What has been called the "radicalization" of the claims of the Third World countries on the international scene has in fact been accompanied by a weakening of the political unity of the same group. There are several reasons for this phenomenon: The increase of the number of countries, the fading away of the post-independence enthusiasm, the inability of the regional political organizations to formulate common unambiguous stands on major issues, the deep political divisions among neighbouring countries leading at times to open warfare. More than 120 armed conflicts have taken place since the end of the Second World War, all within the Third World.

#### The Basic Importance of Value Systems in the Dialogue

10. When one moves to the level of the value systems, the relative strength of the North over the South disappears. The North is facing a crisis of doubt in its present values - a crisis of civilization. As Alfred Sauvy has said,

"En cherchant à vivre mieux, l'Européen et l'Américain ont oublié de vivre." (1)

The younger generations are finding it more and more difficult to identify themselves with the existing values of efficiency, productivity and material gains as ends in themselves. The concern with the survival of the human race has shaken the self-assurance of Western civilization. History is gradually bringing to light the exploitation and suffering which the colonial period has represented for millions of people and the benefits which it has secured for the colonizers. This is no longer mere nationalistic propaganda of former colonies.

11. It is at this level that one can expect a breakthrough in due course in the North South dialogue. One of the major obstacles to this dialogue is the problem of communication. The North has so far made very little effort to understand and much less to speak the language of the South. It is true that the spokesmen of the South are so conversant with the value systems of the North - if not sometimes products of such systems - that the latter may not have felt the need to do so.

12. A dialogue at the level of value-systems is probably politically more important and more urgent than any other issue because it is the value systems which determine the finalities and the purpose of the international system. They give the answer to the question "What for?". The populations of the South are not only concerned about food, health, shelter, education and employment; they are also keen about their cultural identity and do not wish to be absorbed into a melting-pot with a recipe dictated by others.

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(1) "Seeking a better life, Europeans and Americans have forgotten how to live."

13. The emphasis on value systems is needed to bring out the fact that the present North-South crisis is not merely one which will be overcome with partial adjustments here and there. It is a crisis of the present system as a whole. Any solution must envisage a redefinition of objectives, functions, and structures, and a redistribution of power and resources according to value systems other than those which are the cause of the crisis and the breakdown of the existing system.

14. How can one accept the values of an international system which generates military expenditures of over \$350 billion, an amount which exceeds the total annual income of the poorest half of the world population? How can one rest content with the operations of a system which has produced a nuclear capacity which can more than wipe out the total population of the globe? The problem of disarmament is not simply one of reallocation of resources. Before thinking of reallocating these badly needed resources, one should first attempt to understand why so much money is being spent on armaments while social needs are being neglected not only in the South but also in the North. This is probably the most delicate political aspect of the North-South dialogue because it is a problem of "power."

15. Without a fresh look at the question of military expenditures, it is useless to begin to talk about a new order because this new order implies a new re-distribution of power and resources. The delay on such a re-distribution is the greatest threat to world peace and to the survival of mankind.

16. The Special Session of the U.N. General Assembly on disarmament which opens on 23 May is going to be even more revealing than the Paris North South Conference on International Economic Cooperation. It will equally clarify the place and role of the Soviet Union in the attempts to restructure the international system. This will also be an excellent occasion to demonstrate how determined the developing countries are to put into practice the principles of self-reliance and of collective self-reliance.

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CAN THE RICH PROSPER WITHOUT THE PROGRESS OF THE POOR?

The Developed Country Interest in Growth and Progress in the  
Developing Countries

Paper prepared by the Overseas Development Council,  
Washington. The author, John W. Sewell, drew on the  
work of James P. Grant and James W. Howe, and was  
assisted by Stephen Taran, Rosemarie Philips, and  
Dorothy Seavey.

CAN THE RICH PROSPER WITHOUT THE PROGRESS OF THE POOR?

by John W. Sewell

There are essentially four separate but interrelated economic problems facing policymakers today as they consider how to establish a mutually beneficial world economy.

The first is how to restore growth and progress in the industrial countries which now seem unable to regain the high employment and low inflation of the last decade. Indeed, growth rates in the industrial countries currently are forecast to be no higher than 3-4 percent, and unemployment and inflation remain at levels unprecedented in the post-war period.

The second problem is how to accommodate to the surpluses of the oil-exporting countries. OPEC's surplus capital, which largely is deposited in the industrial countries on a short-term basis must be utilized for productive long-term investment if world economic growth is to be resumed.

The third problem is how to assist the middle-income developing countries to resume the remarkable growth patterns they achieved during the 1960s and early 1970s so that they have some hope of meeting the needs of their population over the next several decades.

The fourth and last problem is posed by the dismal prospects of the poorest countries which face continued stagnation unless special measures are taken to support their development.

The table below indicates the alternative economic prospects for developed and developing countries to the year 2000. The higher figures are based on World Bank projections made in 1976 extended out to the end of the century by projecting the 1975-85 growth rates assumed by the Bank. The annual per capita growth rates are 1.6 percent for the poorest countries, 3.9 percent for the middle-income countries, and 4 percent for the developed countries. The lower figures project a growth rate only half as high.

Global Economic Prospects

	Per Capita Income (in constant 1975 U.S. \$)			
	1965	1975	1985	2000
Poorest Countries (under \$200 per capita GNP)	130	150	160- 180	180- 230
Middle-Income Developing Countries (over \$200 per capita GNP)	630	950	1,130- 1,350	1,510- 2,400
Developed Countries	4,200	5,500	6,700- 8,100	9,000- 14,600

It is these lower projections that are seen by many as increasingly likely in the absence of major changes in global economic policies. If the lower estimates are anywhere near accurate, the stake of both developed and developing countries in improved cooperation are very high. They could mean the difference for the balance of this century between global progress and prosperity and an uncertain and uncomfortable future for the rich countries and an increasingly dismal prospect for the developing world.

Most observers agree that the patterns and rates of growth in the industrial economies are important for the developing countries, since these have an impact on their abilities to carry out their development plans. <sup>1/</sup> Without growth in the developed countries, the prospects for improved market access, higher aid levels, and increased development financing are not good. Yet most commentaries completely neglect the possibility that continued economic growth in the industrialized world itself may be strongly affected by the economic progress (or lack thereof) in the developing world.

In other words, not only do the developing countries depend on growth in the industrial countries, but it now may be true that the progress of the poor countries may not only have an impact on economic growth and employment levels through stimulating demand for the products of the industrial countries but also through significantly alleviating inflationary pressures which increasingly are the principal constraint on measures designed to stimulate resumed growth in the North. Thus it is worth considering whether policies that are mutually beneficial to industrial and developing countries will be of growing importance to both groups and whether or not the existing economic order can be redesigned to work more beneficially for both the industrial countries of the North and the developing countries of the South.

This paper starts from the premise that the economies of the North and the South are more closely linked now than at any time in the past. The shorthand term for these linkages--global interdependence--has become almost a cliché. Yet the implication of these linkages--that the achievement of domestic economic goals in the developed countries will depend to a much larger degree than heretofore upon the growth and prosperity of the developing countries--barely has permeated the awareness or decision making of policymakers and planners in either developed-country governments or private organizations.

#### Two Views of the Prospects for Industrial-Country Growth

There is considerable difference of opinion concerning the prospects for future growth in the industrial countries over the next decade. Some analysts hold the view that the events that shook the global economy in the period after 1974 are an aberration and that with the proper mix of standard economic policies, the industrial countries again will attain high growth, stable prices, and low unemployment.

Other observers are not as sanguine. They maintain that the global economy went through a period of structural change in the late 1960s and early 1970s and that previous rates of economic growth will not be attained unless a range of new policies, institutions, and approaches is developed. The earliest and perhaps best-known example of this school of thought was the Limits to Growth study.<sup>2/</sup> The specific projections of that study are now generally discounted; yet there is growing agreement that the events of the past several years are not aberrations that will disappear but rather that they mark a series of fundamental shifts in the global economy. Such were the conclusions of Mankind at the Turning Point <sup>3/</sup> by Mihajlo Mesarovic and Eduard Pestel and the more recent Club of Rome report, Reshaping the International Order.<sup>4/</sup> A recent GATT report concludes that the period after the late 1960s was:

...a historical turning point at which long established growth trends began to change and a general difficulty of adjustment began to be felt in the advanced industrial economies.<sup>5/</sup>

Other observers from the commercial and banking worlds have come to similar conclusions. Walter Hoadley, the Executive Vice President and Chief Economist of the Bank of America, America's largest bank, has identified as among the major structural changes now under way in the international economy: 1) slower real growth, returning to historically lower rates; 2) persistent inflation (and more indexing to soften its impact), plus mounting fears of further losses in purchasing power; 3) rising expectations of a much better life with less effort; 4) massive pressures for more equity--in fact, for egalitarianism, causing North-South as well as urban-rural tensions. He concludes that:

...most of the old post World War II norms--economic--political--social--and psychological--are now gone, not to return and wishful thinking won't bring them back.

The weight of evidence increasingly is with those analysts who feel that there have been a series of structural changes in the international economy. In the absence of new policies, therefore, both rich and poor countries now face the possibility of slower growth (with resulting tensions and uncertainty both between and within nations), increasing constraints to badly needed investment (in both production of raw materials and manufactured goods), and rising prices (which will have serious consequences for all countries but particularly for the poorest groups within countries). Those who claim that far-reaching adjustments will be needed to meet the changed conditions point to the recent OECD staff report which forecasts that growth rates will not achieve the goal of 5 percent growth set by the OECD heads of government only last June. The report predicts that unless certain expansionary measures are adopted, growth rates in the OECD countries are likely to be no higher than 3 to 4 percent.<sup>6/</sup> The question now is whether developed and developing countries can create a new set of mutually beneficial international economic relationships that will enable both sides to achieve their economic and social goals.

The assertion that developing-country growth will affect developed-country well-being is supported by a report prepared for the United Nations Conference on Trade and Development (UNCTAD) by economists at the University of Pennsylvania.<sup>7/</sup> This report concludes that an increase of 3 percentage points in the growth rates of the non-oil-producing developing countries could result in an increase of 1 percentage point in the growth rates of the OECD countries. An improvement of 1 percent in the growth rates of the OECD countries would increase GNP in those countries annually by some \$45 billion and would result in a large increase in the number of jobs. Over a five-year period this increase could mean a gain of at least \$225 billion in GNP and a correspondingly large increase in employment. And the secondary gains would be even higher.

These findings are based on econometric modeling and are not definitive. However, the general conclusion that the developing countries now are important to the economic well-being of the developed countries was borne out by a study of the effect of the actions of the developing countries on the industrial economies during the 1974 and 1975 recessions. The willingness of the developing countries to continue financing a high level of imports from the industrial countries by borrowing funds from private and official sources and drawing down on reserves had "...a perceptible impact on business trends in the developed countries. Their balance of payments deficit has sustained demand as much as, say, a vigorous German demand expansion."<sup>8/</sup>

The issues of trade, commodities, debt, food, energy, and population discussed below are among the reasons for developed-country interest in the development, growth, and prosperity of the developing countries. Most of the discussions in the sections that follow are cast in terms of the U.S. relationship with the Third World. The arguments however apply to broader developed-country concerns. Particular issues may have greater or lesser importance to individual countries, but the principle that the continued economic and political well-being of the developed world will depend in large measure upon progress by the developing countries toward their own development goals holds for all.

#### Short-Term Gains from Mutually Beneficial Global Systems

Trade. There is no doubt that trade liberalization will benefit the developing countries (although the benefits may be rather unevenly distributed among countries). Indeed, if the rich countries do not lower trade barriers, the development prospects of the developing countries will be considerably diminished. The developing countries have compiled a remarkable record in increasing their exports of manufactured products over the past two decades. Their exports of manufactured goods grew at a rate of about 16 percent a year from 1960 to 1974. U.S. imports of manufactured goods from developing countries exhibited a similar pattern, increasing tenfold from 1960 to 1974, from \$844 million to \$9.9 billion (current U.S.\$). Their annual rate of growth was nearly

18 percent. These gains took place despite the fact that trade barriers to the manufactured goods of the developing countries were not significantly lowered during the trade liberalization of the 1960s.

While low trade barriers clearly improve the economic situation of the developing countries, there is growing opposition among many adversely affected groups in industrial countries to the costs to them already of the increased developing-country trade (that will result from trade liberalization). This opposition in turn has led to growing pressures for a variety of protectionist measures. Yet the table below shows that developing countries have not been the cause of the current trade deficits or of the loss of jobs within the developed countries on an overall basis, even though individual industries may have been particularly hard hit by import competition.

The Rich World's Trade in Manufactures with the Poor, \$bn

	America's			EEC's			Japan's		
	Exp.	Imp.+	Bal.	Exp.	Imp.	Bal.	Exp.	Imp.	Bal.
1972									
Oil LDCs	1.96	0.05	1.91	5.03	0.32	4.71	1.78	0.02	1.76
Non-oil LDCs	7.61	6.13	1.48	12.79	4.23	8.56	7.14	1.19	5.95
Total LDCs	9.57	6.18	3.39	17.82	4.55	13.27	8.92	1.21	7.71
1976									
Oil LDCs	9.95	0.14	9.81	22.28	0.62	22.66	9.01	0.08	8.93
Non-oil LDCs	18.47	14.82	3.65	25.70	11.05	14.65	16.38	3.52	12.86
Total LDCs	28.42	14.96	13.46	48.98	11.67	37.31	25.39	3.60	21.79

+ America's trade is recorded fob-fob. Its imports have been increased here by 6% to put them, roughly, on the fob-cif basis used by the EEC and Japan.

Source: GATT from UN figures. (The Economist, December 31, 1977)

More American goods and services are purchased by the developing countries than by many countries and areas traditionally among the major markets for American goods. In fact, for most of the recent past American exports to developing countries grew at a faster rate than its exports to developed countries. In the period 1970 to 1975, U.S. exports to non-OPEC developing countries grew at an average annual rate of over 19 percent, compared with an average annual rate of growth to other developed countries of 15.5 percent over the same period. (For some of the rapidly industrializing countries the average rate of annual increase was over 50 percent.) These exports not only benefited firms in the export sector, but also provided jobs for many Americans; there is much potential for continued growth in U.S. exports, since demand in the developing countries is far from saturated and indeed could expand rapidly as these countries advance economically. As long as the purchasing power of the developing countries is at least maintained (and preferably expanded),



trade between the North and the South is likely to increase at a much more rapid rate than trade among the industrial countries.

But trade with the developing countries is a two-way street. Unless the developing countries can export to the United States and the other industrial countries, they will not be able to earn the foreign exchange that in turn will allow them to purchase the manufactured goods produced in the industrialized countries. The direct interrelationship between the development progress of the developing countries, their ability to purchase goods produced in the developed countries and ultimately the impact on jobs and economic growth in the industrial world is rather dramatically evidenced by trends since 1975. The high rate of growth of U.S. exports to developing countries tailed off sharply during 1976 and the first 10 months of 1977. In fact, while U.S. exports to developed countries grew by 9 percent, U.S. exports to non-OPEC developing countries decreased by nearly 3 percent (in dollar terms) between 1975 and 1976.

This slowdown in purchases from the United States coincides with a period in which the developing countries have undergone a series of shocks to their economies stemming from the recession in the industrial countries and the worldwide inflation that drastically increased the prices they have to pay for imported energy, food, and manufactured goods. As a result of higher-cost imports and diminished exports (with a resulting increase in debt burden) these countries have cut back their imports from the industrial countries. In fact, the decrease in the imports of American goods by non-OPEC developing countries has added to the trade deficit of the United States. The OECD estimates that some \$15 billion of the \$40 billion negative swing in the U.S. trade balance between 1975 and 1977 has been in trade with the non-OPEC developing countries.<sup>9/</sup>

Clearly the ability of the developing countries to purchase the goods produced by the industrial countries will have an important impact on the economic progress of both groups of countries. Cutting off the access of the developing countries to developed-country markets is ultimately going to be self-defeating, therefore, because it ignores the benefits that developed countries will derive from liberalized trade. The benefits of increased trade are three-fold: trade provides jobs, it reduces inflation, and it improves the long-run competitiveness of the economy.

A simple calculation indicates that if developed countries were to grow in the next decade at roughly the same rate as in the 1960s--and if the U.S. share of the developing-country imports were to remain the same as in the last decade--the developing countries might be expected to import an additional \$27 billion of goods from the United States per year by 1985. Using standard projections, this increase might mean as many as two million additional jobs in American export industries.

The total of a possible two million additional jobs stands in contrast to the number of jobs that might be lost from trade liberalization. A forthcoming Overseas Development Council study estimates that if trade in textiles is excluded from the liberalization, tariff cuts of 60 percent on goods exported by developing countries will require only small labor adjustments.<sup>10/</sup> The study estimates that perhaps 31,500 jobs would be lost as a result of increased U.S. imports from the developing countries. However, this country could be expected to gain over 20,000 jobs as a direct result of expanded exports due to responding by the developing countries of their export earnings. The net result would be a loss of some 11,000 jobs. The total is equal to about one-tenth of one percent of the total labor force in this country in 1976.

The fact that the loss in jobs directly attributable to increased imports from the developing countries is far outweighed by the overall gains to the economy should not obscure the importance of programs of adjustment assistance and particularly for hard-hit industries such as footwear and leather. A forthcoming Brookings Institution study estimates that the costs of an adjustment assistance program would be only \$600 million for workers and firms affected by imports from all countries.<sup>11/</sup> For both political and moral reasons, trade liberalization should not be an area where the overall gains for the many are paid for by the few. Therefore an increase in benefits and liberalization of existing assistance programs must be a prime order of business for developed-country governments, as well as advance planning to ease transition out of some types of industries and into others.

While exports to developing countries stimulate both growth and employment in this country, imports from these same countries have a beneficial impact on inflation. The Brookings study indicates that a worldwide reduction of 60 percent in existing tariffs would reduce import prices sufficiently to lower the Consumer Price Index in the United States by approximately one quarter of one percent--not a negligible amount given the current high level for concern in this country about any increase in prices. Moreover, lower priced imports also serve to reduce inflation by providing direct competition for domestic producers and thus increasing domestic efficiency.

But the secondary effects may be much larger. The same study concludes that the welfare gains to the United States in the form of foregone unemployment from the anti-inflationary impact of such a tariff cut could be as high as \$14 billion a year, raising the total welfare benefits from more conventional effects of free trade--such as economies of scale, stimulus to competition, and efficiency gains--by as much as one third.

Stimulating demand in the developing world for industrial-country exports also may be a non-inflationary way of restoring growth within OECD economies. If it is true that inflationary pressures increasingly will serve as the

principal barrier to policies that accelerate growth and lower unemployment in the industrial countries, then a macro-economic policy that stimulates developing-country imports of industrial country goods has much to recommend it. Such a policy would increase demand for industrial-country goods without the same direct inflationary effect of added domestic consumption or of added governmental expenditures due to expansionary fiscal policies.

Commissioner Claude Cheysson of the European Communities and a report of the U.S. Senate Budget Committee have suggested independently that the best and least inflationary method of recovery in the OECD countries would be to stimulate demand for imports by the developing countries. As the Senate report put it, "More demand abroad means that less will be required at home; larger imports by the developing economies and other debtor countries also lowers the requirements for fiscal stimulus and budget deficits in the United States."<sup>12/</sup> A similar theme was picked up by an executive of the Singer Company who wrote that increased economic growth in the developing countries would "...add to the exports of the industrialized nations. And these larger exports would, in turn, have a multiplier effect on business investment, growth and even American exports."

Finally, those who want to restrict the growth in trade between the industrial and developing countries ignore the fact that the basic factors of international production may be in the process of changing. As a recent World Bank report concluded:

The international pattern of comparative advantage is changing rapidly, and developing countries are becoming suppliers of a growing range of manufactures. Simultaneously, output is stagnating and employment is declining in corresponding sectors in the industrialized countries. This is the process which economic history and theory would lead one to expect. But it is occurring at an unprecedented speed; not surprisingly this vast restructuring of the world economy is leading to frictions and defensive responses. The potential for a considerable expansion of international specialization is evident, although the rate at which opportunities are taken will largely be determined by the economic policies both of the industrialized countries and of the newly industrialized ones.<sup>13/</sup>

If this conclusion is correct, the industrial countries will have to make the shifts necessary to accommodate to growing developing-country exports not only to maintain demand for their own exports and to decrease inflation but also to maintain the long-run comparative advantage of their economic positions.

Commodities. The prices of various commodities and raw materials have been of great concern to the rich countries since the price shocks of the early 1970s and to the poor countries for a considerably longer period.

Both sides have come to understand that effective commodity agreements could be of substantial benefit to industrial as well as developing countries. If properly designed, price stabilization agreements could both prevent excessive fluctuations in prices and provide the certainty that would stimulate increased investment and exploration for new sources of raw materials (as well as expanded exploitation of existing sources). Developed-country officials now acknowledge that while increases in commodity prices tend to produce an overall increase in prices, subsequent declines in commodity prices are not fully reflected (for a host of reasons) in the final price of finished products. This is the so-called "ratchet effect", which means that while prices usually rise they rarely decline. As a result, inflation becomes institutionalized. Also, developed countries are concerned over commodity prices because 1) substantial losses in output and employment can result from rapidly rising commodity prices, and 2) a lack of investment in new capacity at both the primary and production stages often results from wide fluctuations in commodity prices. Without such investment, supplies become inadequate to meet the demand from resumed growth in subsequent years, again pushing prices higher.

A recent analysis simulates what would have happened if a group of eight "core" commodities (coffee, cocoa, tea, rubber, jute, sisal, copper, and tin) and five other products (wheat, rice, wool, bauxite, and iron ore) had been covered by price stabilization agreements during the period 1963-1972.<sup>14/</sup> The study concludes that developing-country revenues would have risen by \$5 billion in present discounted value for the entire decade. Economic gains to the United States alone in the form of prevented unemployment and GNP loss that would have resulted from the reduction of inflationary pressures would have amounted to \$15 billion over the decade. In addition, both the developing and developed countries would benefit from reduced planning uncertainties, higher rates of investment for producers because of the reduction of risk, and greater supplies for consumers attributable to increased investment.

Another ODC-sponsored study shows that the net welfare gain over a 20-year period from a 15-million-ton wheat buffer stock, including both foreign trade and domestic effects, would amount to \$2.5 billion.<sup>15/</sup> This modest figure does not take into account any macro-economic output gains that might be achieved because of reduced difficulties in managing inflation and the resulting increase in employment. For instance, a global food reserve would avoid a repetition of the experience of 1973-1974, when a 3 percent shortfall in grain production led to a more than 300 percent increase in grain prices--an increase that contributed importantly to worldwide inflation.

Finally, the lead time required to increase production of many raw materials is steadily increasing; unless steps are taken in the near future to increase investment in these industries, there are likely to be sharp price rises in the 1980s. This places a premium not only on buffer-stock arrangements but

also on arrangements that provide insurance against political risks. The U.S. proposal for an International Resources Bank that is multilaterally funded could provide the financial and political security to ensure continued investment in new exploration and production.

Development Financing and Debt. The greatly increased debt of the developing countries--and these countries' resultant need to continue to grow and to expand their exports in order to handle the repayment of that debt--is another example of why the relationship between growth and progress in the developing countries and the developed countries has become so important in the last five years.

The aggregate public debt (including undisbursed) owed by the non-oil-exporting developing countries grew by 84 percent between 1972 and 1976, reaching an estimated level of nearly \$171 billion by the end of 1976. Private debt not guaranteed by developing-country governments could add as much as another \$25-\$30 billion to this amount, bringing the total debt owed by the non-oil-producing developing countries to around \$200 billion. This debt burden falls unevenly on various countries; much of it, particularly that owed to private banks, is held by the middle-income developing countries. For some countries, service payments already amount to more than 20 percent of their export earnings.

Analysts differ in their views of the seriousness of the world debt problem. Those who are pessimistic hold that because of higher prices for both oil and manufactured goods, the indebtedness of the developing countries will grow to a point where the developing countries eventually will be unable to service their debt. Private financial institutions in developed countries, particularly in the United States, will be faced with the choice of either lending more to already bad risks or risking defaults in the major debtor countries. 16/ The more optimistic view holds that the debt of the developing countries is not overly large when inflation and export growth are taken into account and that major borrowers probably will be able to manage their debt at least in the next few years. The latter is the view held by both the World Bank and the International Monetary Fund and is borne out by a recent ODC study of the debt problem.17/

The evidence seems at the moment to be with the optimistic view, but a danger point is likely to be reached after the turn of the decade, when the short-term loans borrowed by developing countries at the time of the oil crisis start to come due in large amounts. The ODC study points out that the longer-term potential dangers include: 1) the rising debt service ratio projected to the year 1982; 2) the possibility that commercial banks may not be able to sustain new lending at previous rates or may even find it prudent to reduce their exposure in at least some developing countries; and 3) the growing possibility that the industrialized countries may be able to resume only sluggish

growth or may even fall back into recession--an eventuality that would considerably magnify the debt problem.

The costs to the industrialized economies of a series of defaults by major developing countries cannot be accurately calculated. Indeed, estimates vary widely. But however one estimates the particular prospects, it is clear that the continued financial well-being of the developing countries will be an important factor in the stability of the international financial system and thus of prime importance to the United States and other industrial economies. The private banking sector has a particular stake in the financial well-being of developing countries. Although the extent of commercial banks' exposure in the developing world has been exaggerated, the shock that would result from default by a major developing country due to an inability to service past loans or to qualify for additional credits would be considerable--even if only in a psychological sense. Therefore, all parties have an interest in maintaining the ability of the developing countries to service past loans and to continue to borrow additional credits in order to regain and/or maintain their development momentum.

#### The Long-Run Benefits of Mutually Beneficial Global Systems

The preceding section analyzed some of the benefits from a series of more mutually beneficial and efficient global systems that could accrue to the developed countries over the next decade. Over the longer run--that is, between now and the end of the century--collaborative address by rich and poor countries of a series of systemic global problems will be required as well. The potential for mutual gains from global efficiency is marked in three crucial areas: food, energy, and population. The rich countries will face rising costs--both direct and indirect--if they do not support the efforts of the developing countries to increase food production, develop new sources of energy, and create the kinds of development programs that are indispensable to achieving population stabilization. In each case, joint action on these important problems will also bring gains to the developing countries and help support their efforts to meet the needs of their own populations.

Food. The "world food crisis" assumed reality for the rich countries in 1973 when, for a variety of reasons, harvests failed around the world. The resulting increase in demand for food in the U.S. marketplace drove up prices for both consumers and producers. For many people in the developing world, however, the "world food crisis" is a permanent part of their reality. The skyrocketing costs after 1974 for their imports of food, fuel, fertilizers, and industrial goods only exacerbated--but did not create--the developing countries' problem. In both rich and poor countries, the events of 1974 served as a catalyst for major reassessments of how the food needs of the

developed and the developing countries can be met by the end of the century. 18/ Most of the analyses concluded that food production in the developing countries must be increased drastically if these countries are to meet the nutritional needs of their growing populations and if the developed-country producers (and particularly the United States) are to hold down the soaring cost of food that has been such an important factor in the current inflation. In the period 1973-1974, for instance, rising food prices added as much to U.S. and global inflation as did rising oil costs.

The case for increasing production in the developing countries for the benefit of both the industrial countries of the Northern Hemisphere and the developing countries to their South rests on the following facts. Over the past quarter century, a growing world imbalance has emerged in food production and consumption. The developing countries, which were virtually self-sufficient in food production in 1950, were importing between 15 and 20 million tons of grain by 1970, half of which was in form of food aid. By 1975, the grain imports of these countries had reached 45 million tons. Projections of the food situation for 1990 by the Washington-based International Food Policy Research Institute show that developing countries will need to triple their grain imports unless there is a fundamental improvement in their capacity to produce more food. 19/ These projections have many adverse implications for the developing countries: their rising imports will require increasing amounts of scarce foreign exchange; food imports (rather than increased domestic production) mean more unemployment and under-employment in the rural areas at a time when both already are very serious and when joblessness all too often means hunger; and those already suffering from hunger and malnutrition will suffer even more.

Current projections indicate that tremendous increases in grain production will be required to meet increased demand in the developed countries as well. By 1990, demand for grains in the developed countries will have increased from 617 million tons in 1970 to 846 million tons; this increase of over 200 million tons is nearly equivalent to current production of grain in the United States. During this same period, demand in the developing market-economy countries will increase by 350 million tons--nearly one and one half times current U.S. production. Under current patterns of production, well over 100 million tons of this increase in food demand will need to be met by increased exports from North America by 1990, with larger amounts thereafter. North America has increasingly become the bread basket for the world, with exports increasing from 34 million tons in 1960 to 100 million tons in the mid-1970s.

All these projections have important implications. A National Academy of Sciences study noted that it will be increasingly difficult for the United States--the world's largest grain exporter--and other developed countries to meet the world's food needs without causing sharp rises in grain prices.

While no specific figures were cited, cost increases in production and distribution could be as high as 50-100 percent within a decade, and double again in the next. The inflationary impact of such increases would be substantial.

The increased cost of inputs--resulting from the need to use increasingly marginal land and scarcer water supplies and the prospect of decreasing yield increments from increased applications of fertilizer and other energy-intensive inputs--is the reason that production costs will rise in the developed countries. Until there is another generation of basic research to draw on--and that is at least a decade off--rising per hectare yields will only be possible through increasing inputs. The National Academy's study indicated that the costs of fertilizer will increase sharply in the years ahead due to at least three factors: the rising cost of raw materials from which to make fertilizer; sharp rises in the cost of nitrogen and phosphate fertilizer production facilities; and rapidly rising costs for transportation and distribution. The cost of producing urea fertilizer in the industrial countries, for example, has been projected to rise from \$176 in 1977 to \$331 in 1990 (in constant 1977 dollars). The conclusion is obvious. Considerably higher prices will result if North America, the world's major grain supplier, greatly increases its production over the next two decades.

For this reason, it is now generally agreed that the response to world food problems must lie primarily in increasing production within the developing countries. South Asian countries probably could double or even treble their food production at current international price levels if only the financial, technological, and organizational obstacles to greater use of their grossly underutilized water, labor, and other resources could be overcome. So, too, the Sahelian region of West Africa has the potential to meet the food needs of its growing population and even export food to neighboring countries. Moreover, the evidence is strong that in countries that have little land but large populations, small, labor-intensive farms can produce more per hectare than large farms as long as they are effectively supported with a variety of rural services.

Thus increasing food production within the developing countries in a manner which ensures that those who most need increased food supplies actually have access to them (which in turn requires increased income and jobs) is in the interests of the people of not only the developing countries but also the United States and other developed countries. Yet few Americans now understand that what the governments and leaders of those countries decide to do about rural development and the production of food within their own countries will have a measurable impact in the years ahead on the prices that Americans pay for food in the supermarket. The North American granary cannot provide another 100 million tons of exports for the developing countries while simultaneously meeting growing demand both in North America and in other developed



countries without sharply increasing prices during the 1980s and 1990s in order to balance supply and demand.

Energy. The global energy situation is another area where developments between now and the end of the century in the developing world can have a direct and important impact on the growth and continued progress of the industrial countries and where alternative policies can benefit both developed and developing countries.

The drastic rise in the price of petroleum which took place after late 1973 made obsolete all existing estimates of future energy demand in both the rich and the poor countries. Yet few of the projections that have been made since 1973 adequately take into account the needs of the developing countries for energy. Nor do they consider how alternative patterns of development within the developing countries could affect these countries' use of energy, particularly their use of petroleum, which in turn can have very different impacts on the world oil economy. In fact, nearly all of these projections assume that the developing countries will not increase their use of energy significantly as a result of increasing the pace of modernization of their rural areas within the period considered by the estimates! Or, to put it another way, all of the studies have assumed that people living in the rural areas of developing countries will not switch from traditional energy sources to petroleum at rates faster than those that have occurred historically within those countries.

Two facts lead one to ask whether these estimates are based on faulty assumptions. First, the vast majority of people in the developing countries are still using noncommercial sources of energy for most of their activities; that is, they rely on wood, dung, crop residues, and human and animal power for almost all the energy they consume. But any satisfactory degree of development requires a sharp increase in their use of non-human energy. Second, there is now a growing international consensus that development programs should be aimed at meeting the minimum human needs of most of the world's people within some identifiable time frame--say by the end of the century. Meeting this goal, however, will require large increases in the use of energy, and current estimates already indicate that the developing countries will be consuming--and importing--as much oil by the year 2000 as does the United States today.

Of course, such an expansion is likely to be prevented by competing demands. A much more likely outcome if nothing is done to initiate a global cooperative effort to meet the world's energy needs is that the greater purchasing power of the developed countries will enable them to bid up the price of the remaining petroleum supplies and that the developing countries therefore will either cut back purchases or use greater amounts of scarce foreign exchange

to try to maintain existing development programs. This is likely to result in accelerated exhaustion of the world's finite supply of oil, increased inflation, and reduced growth and development, particularly in the poorest developing countries. Thus there appears to be a collision course between a reliance on petroleum-based energy to achieve the world's development goals and the decline in the world oil production that most experts maintain will take place before the end of the century.

An alternative approach, however, may prove to be of long-run benefit to both developed and developing countries. This approach would entail conserving energy use in the developed countries and assisting the developing countries in adopting energy strategies that do not rely exclusively on petroleum and, indeed, that help them to move directly to the post-petroleum energy technologies of the future. A global, cooperative approach to energy would aim at increasing local production of energy in the developing countries from a variety of sources, including new petroleum discoveries, hydro-electric power, coal, and--for those that choose such a course--nuclear energy. Over the long run, however, this approach would call for the developing countries to rely increasingly on renewable sources of energy, mainly solar. By so doing, many developing countries could begin to utilize in the late 1980s and the 1990s what for most industrial countries will be twenty-first century technologies.

The developing countries have several natural advantages which would enable them (with sufficient support from the rich countries) to rely increasingly on renewable sources of energy. For the most part, they do not have the massive investments in petroleum-oriented energy infrastructures that mark the industrial countries; many of them have more sunlight than the industrialized countries and that form of solar energy is therefore more reliable for them; and their climatic conditions permit faster growth of vegetation for firewood and biogasification. Finally, the decentralized nature of renewable energy makes it an ideal energy source for programs of small-scale rural development.

A cooperative approach to world energy needs has a variety of benefits for both developed and developing countries. It would provide the developing countries the opportunity to avoid costly (and ultimately futile) investments in petroleum energy technology and infrastructure and to move more quickly to increasing reliance on the energy sources of the future. Both groups of countries have an interest in ensuring that the research and development needed to lower the costs of these new technologies takes place as rapidly as possible. In this case, the developed countries have the capital and a preponderance of the technical skills; the developing countries have a large supply of primary solar energy, unlimited needs for energy, and lower costs of carrying out research. Finally, to the degree that any countries lessen their dependence on petroleum as an energy source, all countries will have more time and leeway to make the very difficult changes that will be necessary to move

to an energy economy not based on petroleum. However, if the benefits of such an approach are to be mutual, the industrial countries--and particularly the United States--must institute the measures necessary to curb the current wasteful and inefficient patterns of domestic energy use in order to more equitably share the world's remaining supply of petroleum.

Population. The world's population currently is growing at an annual rate of just under two percent and the current population of over four billion people is expected to be at the six billion mark in the year 2000 and then to be as high as 11 billion by the second decade of the twenty-first century if no measures to slow population growth are undertaken. That number of people--nearly three times more than now inhabiting the earth--would stretch the outer limits of the planet's carrying capacity. This rapid population growth already is causing, and certainly will pose in the future, a number of very serious problems. It is exacerbating pressure on world food and energy supplies. It is making increasing claims on the earth's non-renewable resources; and it is likely to increase the number and perhaps even worsen the situation of the world's poorest people. Managing the coexistence of anything like 11 billion people, especially if levels of consumption go up, would require far-reaching changes in the world's existing political, economic, and social institutions. Stabilization of the world's population at the lowest possible total is in the interest of both rich and poor countries.

Most observers now agree that the key to limiting population growth lies in meeting the economic and social needs of the majority of poor people within the developing countries. The need is to increase the motivation for smaller families, which is a prerequisite for a reduction in birthrates. Of particular importance in bringing about this needed motivation are programs that reduce infant mortality rates, increase levels of education, expand the opportunities and incomes of low-income groups, and raise the status of women. Fortunately, policies designed to maximize increased food production in the developing countries through labor-intensive means and to increase rural energy supply from renewable sources can be those that will benefit the physical well-being of the majority of poor people in most developing countries. Combining large-scale, well-designed family planning programs with programs that give special attention to improving the well-being of the majority of poor people within the developing countries can greatly accelerate the slowing of world birthrates and the time when population stabilization can be achieved in individual countries.

Both poor and rich countries have an interest in cooperatively addressing the world's population problem. Many developing countries already are hard put to meet the basic human needs of their existing populations let alone the considerably larger numbers of people that will be inevitable if this problem is not addressed directly. The industrial countries have a direct

stake in a more manageable global population for reasons of both global justice and equality; and because the resulting stresses and strains on the globe's political, economic, social, and physical environment are likely to pose a number of almost insurmountable difficulties before the end of the century and beyond.

The issue which currently is gaining increasing attention in the United States is that of migration policy, primarily from Mexico and the Caribbean. But it also affects Western Europe and is a growing phenomenon in the Middle East where the oil-producing states are importing workers from the Asian subcontinent and as far away as South Korea. Immigrants, whether legal or illegal, provide a variety of economic benefits because they bring skills and talents and fill low-wage, less attractive jobs that are not considered desirable by indigenous workers. But they also bring with them social and economic costs, including the tensions that arise from large numbers of aliens in the midst of another country. The current policy emphasis in the United States seems to be on closing the borders and on providing increasing regularization of the status of aliens--both legal and illegal--already in this country.

Some analysts, however, feel that the only way to deal with illegal immigration, at least in the United States, is to attack the problem at its roots. In other words, the pressures to emigrate from poor to rich countries will not diminish until Mexicans and others have the prospect of achieving a decent life within their own countries. Wayne Cornelius of the Massachusetts Institute of Technology estimates that the least costly way over the longer run to reduce the flow of immigration into the United States would be to expand the existing programs of integrated rural development being carried out in Mexico by the World Bank, the Inter-American Development Bank, and the Mexican government. Such programs concentrate on increasing employment opportunities in Mexico through small-scale, labor-intensive rural industries. A major expansion of programs targeted on those areas of Mexico that are the principal source of illegal immigrants, if combined with a full-scale commitment to rural development by the Mexican government, would have, according to Cornelius, an "important impact on the flow--probably within five years and most certainly over a five- to ten-year period."<sup>20</sup> A commitment by the United States to further liberalize trade with Mexico would permit a rapid expansion of employment in Mexican export industries and also would increase the ability of many more Mexicans to lead a decent life in their own country. An investment in support of this kind of effort by the Mexican government should be weighed against the current U.S. proposals to halt the flow of immigrants through restrictive measures.

Can the South Become the "Engine of Growth" for the North?

The foregoing analysis is still highly tentative. A great deal more analytical work needs to be done before the full ramifications of the dependence of the industrial countries on the growth and progress of the developing countries can be understood and translated into concrete policy recommendations. Nevertheless, the implications are clear: the future growth and well-being of the industrial world will be dependent on what happens in the developing world; therefore working cooperatively with each other provides the only real promise of progress for either.

If the analysis presented in this paper is correct, a continuation of present policies aimed at marginal changes in existing institutions and policies no longer will be possible if the world's economic and political systems are to work efficiently and equitably for the rich countries, let alone for the poor. Serious attention needs to be given, therefore, to the idea that the development of the developing countries can become the "engine" for future world economic growth just as the planned recovery of the European countries and the establishment after World War II of the Bretton Woods system of financial institutions became the "engine" of the unprecedented global economic progress that took place in the 1950s and 1960s. By putting the progress of the developing countries at the center of their economic policies, the industrial countries could also ensure the future progress of both North and South.

Indeed, on the basis of the evidence presented in this paper, it seems probable that the choice between continuation of present policies and a more far-reaching effort to make policies and institutions congruent with the needs of the world for the next 25 years could mean a difference in rates of economic growth in some of the developed countries of as much as 1 or 2 percent annually. (In the case of the developed countries, a difference between an annual growth rate of 2 percent and 4 percent over the remaining years of this century would result in a per capita income by the year 2000 which was \$5600 higher and an increase in GNP which was equivalent to the OECD GNP in 1975). Such an effort could mean a development pattern in the United States and the other industrial countries that more clearly resembled the relatively low inflation and high employment of the 1960s in contrast to constantly recurring periods of high inflation and high unemployment of the mid-1970s.

What is needed is a series of global policies which have as their central focus the progress of the developing countries both because that is an important goal in its own right and because of its impact on the future progress of the developing countries. This approach would 1) give priority to broad reforms of existing international structures and policies in order to increase both efficiency and equity of the existing international economic order, and 2) attempt to meet the most essential needs of the world's poorest countries and people by the end of the century.<sup>21/</sup>

This effort requires changes to be negotiated in existing policies in order to give developing countries greater access to markets in the industrial countries; to stabilize the prices of raw materials and commodities; to create a series of new global systems to govern the production and distribution of food and energy; and to increase developing-country access to a variety of existing and new sources of finance. It should involve both rich and poor countries in a cooperative effort to meet the most basic human needs of the world's poorest billion people by the end of this century. Such an attempt would aim at internationally-agreed-upon specific standards of nutrition, health services, and basic education; it would require a commitment to its success from the developing countries themselves. The oil-producing countries should play a major cooperative role in supporting these policies.

The "package" of reforms that would both alter the international system and address human needs problems would serve the interests of the middle-income developing countries (which will receive many of the benefits from the international reforms) as well as of the low-income developing countries (which still face problems of massive poverty and which will need concessional transfers to meet the basic needs of large portions of their populations). It would also meet the needs of the industrial countries for a more efficient and growing international economy that contributes to their growth by creating both demand and supply in the developing world. Finally, linking the two aspects of reform is important because it meets the primary demands of the developing countries for more equitable economic and political relationships between states, and the concern among many in the industrial countries about the impact of those changes on people within developed and developing countries.

One should not underestimate, however, the possible costs in the short run within and among the developed countries, including the United States, that might arise from this set of policies. Increasing developing-country access to markets in the developed countries will affect jobs and firms in certain industries. The economic costs of equitable adjustment assistance programs are not likely to be great, but the political costs may at times be high because of opposition from effectively organized groups. Also the financing needed by the developing countries to service their debts and to maintain development progress implies budgetary costs. There also may be some risks, reschedulings, and perhaps defaults if lenders continue to supply financing to the developing countries. And among OECD countries the costs may vary. The United States and Canada, which are continental storehouses of raw materials and which have large internal markets, are in a different position than Japan and the European countries which rely on the developing world for both markets and supplies of a variety of materials. Finally, such policies will take vision and statesmanship that have been notably lacking in the industrial world, both among policymakers and the general public.

But the costs of not pursuing a mutually beneficial world order will be high and its benefits will be great. An expanded cooperative effort that gave priority to making the world's economic systems work more efficiently and to addressing essential human needs will make the world more efficient as well as more equitable and just. There is no doubt that the world's greatest reservoir of marginal productivity is the still underdeveloped and underutilized human and physical resources of the developing countries. By raising purchasing power among the people of these countries, releasing new resources, and developing new markets for both poor and rich, higher levels of trade can be created within and between all countries. In effect, the developing countries of the South could become one of the engines of growth of resumed progress in the industrial world.

We return, therefore, to our original assertion. The achievement of the domestic economic goals of the developed countries--resumed growth, more jobs, more stable prices--will depend to a much larger degree than heretofore on the growth and prosperity of the developing countries. This factor needs to be recognized and taken into consideration by policymakers and the informed public in this country, in other industrial countries, and in the developing countries.

### Footnotes

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SOCIETY FOR INTERNATIONAL DEVELOPMENT  
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SOCIEDAD INTERNACIONAL PARA EL DESARROLLO

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HOW TO MEET BASIC NEEDS - A NEW APPROACH

HOW TO MEET BASIC NEEDS - A NEW APPROACH<sup>I/</sup>

In recent years the idea of eradicating poverty, inequality and injustice from the global scene through the rigorous application of a new development strategy based on basic human needs has fired the imagination of many in the global community. It is increasingly acknowledged that to equate development with growth is insufficient unless that growth is accompanied by a decrease in inequality, unemployment and poverty. The impressive 5% increase in GNP which, in the 1960's, characterized the developing countries as a group, has done little to alleviate the problem of poverty in the Third World. It has been partly absorbed by their high population growth rates, and a large part has gone to the already affluent élites of these countries. Economic, social and political inequalities persist, and wealth and power tend to remain highly concentrated in the hands of the few who have benefitted from growth and who in many cases are using their power and influence to preserve these benefits for themselves.

By the early 1970's a number of social scientists, institutions and international agencies had begun to question the prevailing development strategies. In the continuing search for alternative development strategies it is now increasingly accepted that the concept of development must be re-defined to put man and his needs at its centre, and basic needs should serve as the central concept from which the whole range of developmental issues derive.

There is a great deal of discussion at present on clarifying the under-lying concepts of a basic needs approach to development. Should "basic needs" become an all embracing development strategy which brings together all the components such as rural development, rural industrialization, urban improvement and policies geared to employment and income distribution objectives, or should it be taken as a supplementary concept which complements the existing strategies but treats basic needs as an end of all economic activity? Then there is the obvious conflict between the concept of needs and the well-known concept of "effective demand" which is the cornerstone of all economic activity in classical economic thought. Finally there is the whole range of problems created by the relative nature

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<sup>I/</sup> This paper has been prepared for the North South Round Table by the President of SID, Mr. Sartaj Aziz. It draws on a paper entitled "Reflections on Basic Human Needs and World Development" by Mr. Albert Tévoédjrè and a paper on "Basic Needs and a New International Order" by Dr. Mahbub ul Haq.

of needs. Apart from cultural diversity which influences the definition of basic needs, people talk of needs when they lack something. Once these needs are satisfied, how does one slow their pursuit of supplementary needs, while the 'basic' needs of a large segment are still not satisfied?

At the national level many developing countries continue to regard fulfilment of basic needs as the central objective of their development plans, but they are questioning the relevance of this concern for the current international dialogue. Their apprehensions are based on several suspicions. They suspect, for example, that the developed countries are adopting the basic needs approach as a "cheaper option" involving less assistance and that in the process they will be denied assistance for infrastructure, modernization or industrialization and relegated to an "anthropological garden" in which, like animals, they will be provided with food, shelter and hygiene but very little else. Some countries are fearful that emphasis on basic needs will divert official development assistance from the middle income countries to the poorest countries. Most developing countries are also apprehensive that this approach will give developed countries even larger opportunities to interfere in their domestic policies. This is not a welcome prospect at a time when the developing countries are seeking greater equality, self-reliance and participation in decision making.

There is also a growing belief within the developing world that the current debate on basic needs may be used by the developed countries to divert attention from their demand for a new international order. There is concern that advocacy of basic needs will be used to tell the developing countries to reform their national orders before they start questioning the workings of the international order. Moreover, the basic needs debate is exclusively focussed on resource transfers while the NIEO dialogue includes discussion of trade, credit markets, technology and multinationals. Parallel is drawn here to the national orders: when the poor are to be placed on their feet, they need not only resource transfers but also restructuring of various institutions and markets.

In theory there should be no conflict between the concept of basic needs and new international economic order, if both are properly interpreted. The former requires equality of opportunity within nations, the latter requires equality of opportunity among nations. Reforms of national and international orders must proceed simultaneously and in step, if the vast majority of the poor people are to benefit.

It is of utmost importance to remove these misconceptions and apprehensions and to re-define the concept of basic needs as a centrepiece in the search for new areas of international cooperation for development. At the same time it is important to combine the concept of basic needs with certain other elements of the new international economic order, through a new and more imaginative approach in initiating concrete international action in this area.

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### Basic Principles

The task of re-defining the concept of basic needs and exploring ways and means to intensify international cooperation for a basic needs approach to development will require the acceptance of certain basic principles and objectives:

1. To acknowledge that there is an organic link between basic needs and structural changes in a society, and that the satisfaction of basic needs will require a comprehensive national development strategy which through appropriate policy and institutional changes will give the underprivileged segments of the society a growing share of economic opportunities and rewards.
2. To recognize that the concept of basic needs is not a narrow, material concept, but includes national identity, self-reliance and the cultural value system of the nation concerned, and is a relative, dynamic concept which changes over time. Basic needs is an 'end' and not a 'means' and does not rule out modernization or industrialization.
3. To accept the satisfaction of basic needs as the most important objective of development and the first charge on world resources.
4. To reorient and strengthen existing programmes of development assistance to support a basic needs strategy of development and to explore the feasibility of complementary international action in the area of trade, food, environment and ocean management.
5. To recognize the need for larger international assistance in support of basic need strategies but to combine this objective with two other elements of the new international order, namely, more automatic transfer of resources and institutional changes that will provide for greater participation in decision-making by the developing countries.

It has been estimated that with an increased mobilization of internal resources and with increased development assistance of \$12-15 billion a year the basic human needs of the poorest quarter of mankind can be met within 20 years so as to overcome the worst aspects of world poverty before the end of this century. The actual estimate of requirements or the establishment of specific goals is of less importance at this stage than the need for a strong commitment to these principles and certain minimum actions necessary to break the current stalemate.

### A New Plan for Basic Needs

Once these principles are accepted as a basis for further action, it should be possible to launch a major new initiative that will put into effect

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certain proposals and mechanisms for concerted international action. The main elements of such an initiative or "World Plan for Basic Needs" are outlined below to provide a basis for further discussion in the Round Table.

1. The main purpose of the proposed Plan would be to overcome the worst aspects of poverty in all developing countries by the year 2000. This objective would be supported by certain specific targets which might include:
  - (i) doubling of food production in developing countries;
  - (ii) doubling of per capita income in each developing country;
  - (iii) life expectancy of 65 years or more (against 48 at present);
  - (iv) literacy rate of 75 percent, compared with 33 now;
  - (v) infant mortality of 50 or less (compared to 125 at present) and birth rate of 25 or less per 1000 population (against 40 at present).
2. The focal point of the proposed Plan would be a new special Fund for Basic Needs. All countries, developed and developing, would be invited to contribute on a voluntary basis a certain percentage of their GNP (perhaps 0.1%) to provide the initial resources for this Fund. At least for those countries which have not yet met the aid target of 0.7% of GNP, the proposed contribution should be additional to their existing foreign assistance programme. The OPEC countries would also be requested to contribute, either directly or through the OPEC Special Fund, a similar percentage of their GNP to this Fund, on the understanding that the governing mechanism for the Fund will give them and other developing countries an equal share in the management of the Fund.
3. These initial resources would be supplemented by periodical replenishment of the Fund, depending on its success in achieving its basic objectives, and by channelling a part of new sources of finance, such as international revenue taxes imposed on selected items of international trade or on polluters of international commons. A part of the resources generated by reform of the world monetary system and from reduction in expenditure on arms could be diverted to this Fund. In this way, while the initial resources for the Fund would be secured from voluntary national contributions, a growing proportion in the future would be derived from more international sources as a modest beginning towards a system of international taxation.
4. The Plan would be managed by a high level coordinating body, consisting of ministerial representatives of developed, OPEC and developing countries, probably in equal number, which would become a kind of world finance ministry or world development council, receiving a certain percentage of GNP from each country for certain well defined objectives. The programme itself will, however, be implemented by existing institutions and agencies. The "basic

needs package" would be split into sub-sectors like food, clothing, shelter, education, health, drinking water and employment, and the responsibility for each sub-sector would be entrusted to one or more international or regional institutions depending on their capacity and future plans. These would include the World Bank, the three regional development banks and the specialized agencies of the U.N. system. Each would be expected to present its programme for financing, with specific targets, to the proposed ministerial council which would allocate these resources periodically and monitor progress but not undertake any operational functions. The council could be linked to the UN General Assembly through special arrangements.

5. The developing countries, on their part, would not only contribute to the proposed Plan but would also agree to pay priority attention to the poorest segments of their population and to undertake the institutional and policy changes necessary to channel these resources to them. In practice only countries which could make these changes could expect to receive substantial assistance from the proposed Fund.

The need for a new Fund, managed by a high level body, arises mainly because none of the existing institutions with their own peculiar governing mechanisms and spheres of activity can manage all the segments of a basic needs package, nor can they undertake individually a meaningful dialogue with the recipient countries on the changes in policies and institutions which are in many cases more important than financial resources for attaining the basic needs objectives.

The proposed Plan is not simply a plea for more aid in the traditional sense, but reflects a new cooperative approach to pooling international resources for certain common objectives. A major distinction between the old type of foreign aid, in which most of the benefits have gone mainly to the rich in developing countries, and the new approach is that in the latter the transfer of resources is geared to the basic needs of the poorest population. The transfer would also take place under international auspices in which OPEC countries and developing recipient countries would make their contributions and share decision-making powers. It would not thus impose an unequal relationship on the developing countries. The Plan also provides for certain minimum structural changes in international institutions but these are gradual and geared to shared priorities and agreed objectives.

The scale at which the Plan is launched and implemented is of particular importance. A Fund with modest resources which can finance no more than one or two "basic needs" projects cannot have the desired impact on the level of poverty or on policies and institutions. But the desired impact on policy and institutions cannot be secured only with a larger flow of resources. It will require a restructuring of the mechanisms through which external assistance is provided at present. The three main elements of the proposed Plan — a larger flow of resources for basic needs; supplementing existing sources of external assistance with additional but more dependable and automatic sources of international finance for development; and governing mechanisms that give the developing countries an equitable share in the management of these resources — are thus essential for the success of the Plan.

The longer run objective of this Plan would be to pull out the bottom 30 percent, or about one billion underprivileged people of the Third World, from their abject poverty and gradually integrate them into a growing world market. These growing trade opportunities are necessary if countries of the North are to solve their inflation problems without aggravating their chronic employment problem. But these opportunities would emerge only gradually. At present only a small privileged minority in the developing countries is a faltering participant in world trade. When the bulk of additional financial resources are devoted to the basic needs of the population in developing countries, they will generate additional demand for different kinds of goods, requiring a gradual process of adjustment in production capacity in the North. This in turn will provide for additional employment opportunities in the North, without stirring up additional inflationary pressures. This in itself might be a key element in reviving the essential idealism of the trade union movement.

The Plan would not by itself remove all the inequities of the existing economic system but would at least prepare the ground for tackling some of the more fundamental issues that underlie the relationship between North and South.

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## RESOLUTION ADOPTED ON THE REPORT OF THE AD HOC COMMITTEE OF THE SEVENTH SPECIAL SESSION

### 3362 (S-VII). Development and international economic co-operation

#### *The General Assembly,*

*Determined* to eliminate injustice and inequality which afflict vast sections of humanity and to accelerate the development of developing countries,

*Recalling* the Declaration and the Programme of Action on the Establishment of a New International Economic Order,<sup>10</sup> as well as the Charter of Economic Rights and Duties of States,<sup>11</sup> which lay down the foundations of the new international economic order.

*Reaffirming* the fundamental purposes of the above-mentioned documents and the rights and duties of all States to seek and participate in the solutions of the problems afflicting the world, in particular the imperative need of redressing the economic imbalance between developed and developing countries,

*Recalling further* the International Development Strategy for the Second United Nations Development Decade,<sup>12</sup> which should be reviewed in the light of the Programme of Action on the Establishment of a New International Economic Order, and determined to implement the targets and policy measures contained in the International Development Strategy,

*Conscious* that the accelerated development of developing countries would be a decisive element for the promotion of world peace and security,

*Recognizing* that greater co-operation among States in the fields of trade, industry, science and technology as well as in other fields of economic activities, based on the principles of the Declaration and the Programme of Action on the Establishment of a New International Economic Order and of the Charter of Economic Rights and Duties of States, would also contribute to strengthening peace and security in the world,

*Believing* that the over-all objective of the new international economic order is to increase the capacity of developing countries, individually and collectively, to pursue their development,

*Decides*, to this end and in the context of the foregoing, to set in motion the following measures as the basis and framework for the work of the competent bodies and organizations of the United Nations system:

#### I. INTERNATIONAL TRADE

1. Concerted efforts should be made in favour of the developing countries towards expanding and diversifying their trade, improving and diversifying their productive capacity, improving their productivity and increasing their export earnings, with a view

to counteracting the adverse effects of inflation—thereby sustaining real incomes—and with a view to improving the terms of trade of the developing countries and in order to eliminate the economic imbalance between developed and developing countries.

2. Concerted action should be taken to accelerate the growth and diversification of the export trade of developing countries in manufactures and semi-manufactures and in processed and semi-processed products in order to increase their share in world industrial output and world trade within the framework of an expanding world economy.

3. An important aim of the fourth session of the United Nations Conference on Trade and Development, in addition to work in progress elsewhere, should be to reach decisions on the improvement of market structures in the field of raw materials and commodities of export interest to the developing countries, including decisions with respect to an integrated programme and the applicability of elements thereof. In this connexion, taking into account the distinctive features of individual raw materials and commodities, the decisions should bear on the following:

(a) Appropriate international stocking and other forms of market arrangements for securing stable, remunerative and equitable prices for commodities of export interest to developing countries and promoting equilibrium between supply and demand, including, where possible, long-term multilateral commitments;

(b) Adequate international financing facilities for such stocking and market arrangements;

(c) Where possible, promotion of long-term and medium-term contracts;

(d) Substantial improvement of facilities for compensatory financing of export revenue fluctuations through the widening and enlarging of the existing facilities. Note has been taken of the various proposals regarding a comprehensive scheme for the stabilization of export earnings of developing countries and for a development security facility as well as specific measures for the benefit of the developing countries most in need;

(e) Promotion of processing of raw materials in producing developing countries and expansion and diversification of their exports, particularly to developed countries;

(f) Effective opportunities to improve the share of developing countries in transport, marketing and distribution of their primary commodities and to encourage measures of world significance for the evolution of the infrastructure and secondary capacity of developing countries from the production of

<sup>10</sup> Resolutions 3201 (S-VI) and 3202 (S-VI).

<sup>11</sup> Resolution 3281 (XXIX).

<sup>12</sup> Resolution 2626 (XXV).

primary commodities to processing, transport and marketing, and to the production of finished manufactured goods, their transport, distribution and exchange, including advanced financial and exchange institutions for the remunerative management of trade transactions.

4. The Secretary-General of the United Nations Conference on Trade and Development should present a report to the Conference at its fourth session on the impact of an integrated programme on the imports of developing countries which are net importers of raw materials and commodities, including those lacking in natural resources, and recommend any remedial measures that may be necessary.

5. A number of options are open to the international community to preserve the purchasing power of developing countries. These need to be further studied on a priority basis. The Secretary-General of the United Nations Conference on Trade and Development should continue to study direct and indirect indexation schemes and other options with a view to making concrete proposals before the Conference at its fourth session.

6. The Secretary-General of the United Nations Conference on Trade and Development should prepare a preliminary study on the proportion between prices of raw materials and commodities exported by developing countries and the final consumer price, particularly in developed countries, and submit it, if possible, to the Conference at its fourth session.

7. Developed countries should fully implement agreed provisions on the principle of standstill as regards imports from developing countries, and any departure should be subjected to such measures as consultations and multilateral surveillance and compensation, in accordance with internationally agreed criteria and procedures.

8. Developed countries should take effective steps within the framework of multilateral trade negotiations for the reduction or removal, where feasible and appropriate, of non-tariff barriers affecting the products of export interest to developing countries on a differential and more favourable basis for developing countries. The generalized scheme of preferences should not terminate at the end of the period of ten years originally envisaged and should be continuously improved through wider coverage, deeper cuts and other measures, bearing in mind the interests of those developing countries which enjoy special advantages and the need for finding ways and means for protecting their interests.

9. Countervailing duties should be applied only in conformity with internationally agreed obligations. Developed countries should exercise maximum restraint within the framework of international obligations in the imposition of countervailing duties on the imports of products from developing countries. The multilateral trade negotiations under way should take fully into account the particular interests of developing countries with a view to providing them differential and more favourable treatment in appropriate cases.

10. Restrictive business practices adversely affecting international trade, particularly that of developing countries, should be eliminated and efforts should be made at the national and international levels with the objective of negotiating a set of equitable principles and rules.

11. Special measures should be undertaken by developed countries and by developing countries in a position to do so to assist in the structural transformation of the economy of the least developed, land-locked and island developing countries.

12. Emergency measures as spelled out in section X of General Assembly resolution 3202 (S-VI) should be undertaken on a temporary basis to meet the specific problems of the most seriously affected countries as defined in Assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974, without any detriment to the interests of the developing countries as a whole.

13. Further expansion of trade between the socialist countries of Eastern Europe and the developing countries should be intensified as is provided for in resolutions 15 (II) of 25 March 1968<sup>13</sup> and 53 (III) of 19 May 1972<sup>14</sup> of the United Nations Conference on Trade and Development. Additional measures and appropriate orientation to achieve this end are necessary.

## II. TRANSFER OF REAL RESOURCES FOR FINANCING THE DEVELOPMENT OF DEVELOPING COUNTRIES AND INTERNATIONAL MONETARY REFORMS

1. Concessional financial resources to developing countries need to be increased substantially, their terms and conditions ameliorated and their flow made predictable, continuous and increasingly assured so as to facilitate the implementation by developing countries of long-term programmes for economic and social development. Financial assistance should, as a general rule, be untied.

2. Developed countries confirm their continued commitment in respect of the targets relating to the transfer of resources, in particular the official development assistance target of 0.7 per cent of gross national product, as agreed in the International Development Strategy for the Second United Nations Development Decade, and adopt as their common aim an effective increase in official development assistance with a view to achieving these targets by the end of the decade. Developed countries which have not yet made a commitment in respect of these targets undertake to make their best efforts to reach these targets in the remaining part of this decade.

3. The establishment of a link between the special drawing rights and development assistance should form part of the consideration by the International Monetary Fund of the creation of new special drawing rights as and when they are created according to the needs of international liquidity. Agreement should be reached at an early date on the establishment of a trust fund, to be financed partly through the International Monetary Fund gold sales and partly through voluntary contributions and to be governed by an appropriate body, for the benefit of developing countries. Consideration of other means of transfer of real resources which are predictable, assured and continuous should be expedited in appropriate bodies.

<sup>13</sup> *Proceedings of the United Nations Conference on Trade and Development, Second Session*, vol. I and Corr.1 and 3 and Add.1 and 2, *Report and Annexes* (United Nations publication, Sales No. E.68.II.D.14), p. 32.

<sup>14</sup> *See Proceedings of the United Nations Conference on Trade and Development, Third Session*, vol. I, *Report and Annexes* (United Nations publication, Sales No. E.73.II.D.4), annex I.A.

4. Developed countries and international organizations should enhance the real value and volume of assistance to developing countries and ensure that the developing countries obtain the largest possible share in the procurement of equipment, consultants and consultancy services. Such assistance should be on softer terms and, as a general rule, untied.

5. In order to enlarge the pool of resources available for financing development, there is an urgent need to increase substantially the capital of the World Bank Group, in particular the resources of the International Development Association, to enable it to make additional capital available to the poorest countries on highly concessional terms.

6. The resources of the development institutions of the United Nations system, in particular the United Nations Development Programme, should also be increased. The funds at the disposal of the regional development banks should be augmented. These increases should be without prejudice to bilateral development assistance flows.

7. To the extent desirable, the World Bank Group is invited to consider new ways of supplementing its financing with private management, skills, technology and capital and also new approaches to increase financing of development in developing countries, in accordance with their national plans and priorities.

8. The burden of debt on developing countries is increasing to a point where the import capacity as well as reserves have come under serious strain. At its fourth session the United Nations Conference on Trade and Development shall consider the need for, and the possibility of, convening as soon as possible a conference of major donor, creditor and debtor countries to devise ways and means to mitigate this burden, taking into account the development needs of developing countries, with special attention to the plight of the most seriously affected countries as defined in General Assembly resolutions 3201 (S-VI) and 3202 (S-VI).

9. Developing countries should be granted increased access on favourable terms to the capital markets of developed countries. To this end, the joint Development Committee of the International Monetary Fund and the International Bank for Reconstruction and Development should progress as rapidly as possible in its work. Appropriate United Nations bodies and other related intergovernmental agencies should be invited to examine ways and means of increasing the flow of public and private resources to developing countries, including proposals made at the current session to provide investment in private and public enterprises in the developing countries. Consideration should be given to the examination of an international investment trust and to the expansion of the International Finance Corporation capital without prejudice to the increase in resources of other intergovernmental financial and development institutions and bilateral assistance flows.

10. Developed and developing countries should further co-operate through investment of financial resources and supply of technology and equipment to developing countries by developed countries and by developing countries in a position to do so.

11. Developed countries, and developing countries in a position to do so, are urged to make ade-

quate contributions to the United Nations Special Fund with a view to an early implementation of a programme of lending, preferably in 1976.

12. Developed countries should improve terms and conditions of their assistance so as to include a preponderant grant element for the least developed, land-locked and island developing countries.

13. In providing additional resources for assisting the most seriously affected countries in helping them to meet their serious balance-of-payments deficits; all developed countries, and developing countries in a position to do so, and international organizations such as the International Bank for Reconstruction and Development and the International Monetary Fund, should undertake specific measures in their favour, including those provided in General Assembly resolutions 3201 (S-VI) and 3202 (S-VI).

14. Special attention should be given by the international community to the phenomena of natural disasters which frequently afflict many parts of the world, with far-reaching devastating economic, social and structural consequences, particularly in the least developed countries. To this end, the General Assembly at its thirtieth session, in considering this problem, should examine and adopt appropriate measures.

15. The role of national reserve currencies should be reduced and the special drawing rights should become the central reserve asset of the international monetary system in order to provide for greater international control over the creation and equitable distribution of liquidity and in order to limit potential losses as a consequence of exchange rate fluctuations. Arrangements for gold should be consistent with the agreed objective of reducing the role of gold in the system and with equitable distribution of new international liquidity and should in particular take into consideration the needs of developing countries for increased liquidity.

16. The process of decision-making should be fair and responsive to change and should be most specially responsive to the emergence of a new economic influence on the part of developing countries. The participation of developing countries in the decision-making process in the competent organs of international finance and development institutions should be adequately increased and made more effective without adversely affecting the broad geographic representation of developing countries and in accordance with the existing and evolving rules.

17. The compensatory financing facility now available through the International Monetary Fund should be expanded and liberalized. In this connexion, early consideration should be given by the Fund and other appropriate United Nations bodies to various proposals made at the current session—including the examination of a new development security facility—which would mitigate export earnings shortfalls of developing countries, with special regard to the poorest countries, and thus provide greater assistance to their continued economic development. Early consideration should also be given by the International Monetary Fund to proposals to expand and liberalize its coverage of current transactions to include manufactures and services, to ensure that, whenever possible, compensation for export shortfalls takes place at the same time they

occur, to take into account, in determining the quantum of compensation, movements in import prices and to lengthen the repayment period.

18. Drawing under the buffer stock financing facility of the International Monetary Fund should be accorded treatment with respect to floating alongside the gold tranche, similar to that under the compensatory financing facility, and the Fund should expedite its study of the possibility of an amendment of the Articles of Agreement, to be presented to the Interim Committee, if possible at its next meeting, that would permit the Fund to provide assistance directly to international buffer stocks of primary products.

### III. SCIENCE AND TECHNOLOGY

1. Developed and developing countries should co-operate in the establishment, strengthening and development of the scientific and technological infrastructure of developing countries. Developed countries should also take appropriate measures, such as contribution to the establishment of an industrial technological information bank and consideration of the possibility of regional and sectoral banks, in order to make available a greater flow to developing countries of information permitting the selection of technologies, in particular advanced technologies. Consideration should also be given to the establishment of an international centre for the exchange of technological information for the sharing of research findings relevant to developing countries. For the above purposes institutional arrangements within the United Nations system should be examined by the General Assembly at its thirtieth session.

2. Developed countries should significantly expand their assistance to developing countries for direct support to their science and technology programmes, as well as increase substantially the proportion of their research and development devoted to specific problems of primary interest to developing countries, and in the creation of suitable indigenous technology, in accordance with feasible targets to be agreed upon. The Secretary-General invites the Assembly to carry out a preliminary study and to report to the Assembly at its thirty-first session on the possibility of establishing, within the framework of the United Nations system, an international energy institute to assist all developing countries in energy resources research and development.

3. All States should co-operate in evolving an international code of conduct for the transfer of technology, corresponding, in particular, to the special needs of the developing countries. Work on such a code should therefore be continued within the United Nations Conference on Trade and Development and concluded in time for decisions to be reached at the fourth session of the Conference, including a decision on the legal character of such a code with the objective of the adoption of a code of conduct prior to the end of 1977. International conventions on patents and trade marks should be reviewed and revised to meet, in particular, the special needs of the developing countries, in order that these conventions may become more satisfactory instruments for aiding developing countries in the transfer and development of technology. National patents systems should, without delay, be brought into line with the international patent system in its revised form.

4. Developed countries should facilitate the access of developing countries on favourable terms and conditions, and on an urgent basis, to *information*, to relevant information on advanced and other technologies suited to their specific needs as well as on new uses of existing technology, new developments and possibilities of adapting them to local needs. Inasmuch as in market economies advanced technologies with respect to industrial production are most frequently developed by private institutions, developed countries should facilitate and encourage these institutions in providing effective technologies in support of the priorities of developing countries.

5. Developed countries should give developing countries the freest and fullest possible access to technologies whose transfer is not subject to private decision.

6. Developed countries should improve the transparency of the industrial property market in order to facilitate the technological choices of developing countries. In this respect, relevant organizations of the United Nations system, with the collaboration of developed countries, should undertake projects in the fields of information, consultancy and training for the benefit of developing countries.

7. A United Nations Conference on Science and Technology for Development should be held in 1978 or 1979 with the main objectives of strengthening the technological capacity of developing countries to enable them to apply science and technology to their own development; adopting effective means for the utilization of scientific and technological potentials in the solution of development problems of regional and global significance, especially for the benefit of developing countries; and providing instruments of co-operation to developing countries in the utilization of science and technology for solving socioeconomic problems that cannot be solved by individual action, in accordance with national priorities, taking into account the recommendations made by the Intergovernmental Working Group of the Committee on Science and Technology for Development.

8. The United Nations system should play a major role, with appropriate financing, in achieving the above-stated objectives and in developing scientific and technological co-operation between all States in order to ensure the application of science and technology to development. The work of the relevant United Nations bodies, in particular that of the United Nations Conference on Trade and Development, the United Nations Industrial Development Organization, the International Labour Organisation, the United Nations Educational, Scientific and Cultural Organization, the Food and Agriculture Organization of the United Nations, the World Intellectual Property Organization and the United Nations Development Programme, to facilitate the transfer and diffusion of technology should be given urgent priority. The Secretary-General of the United Nations should take steps to ensure that the technology and experience available within the United Nations system is widely disseminated and readily available to the developing countries in need of it.

9. The World Health Organization and the competent organs of the United Nations system, in particular the United Nations Children's Fund, should intensify the international effort aimed at improving health conditions in developing countries by giving

priority to prevention of disease and malnutrition and by providing primary health services to the communities, including maternal and child health and family welfare.

10. Since the outflow of qualified personnel from developing to developed countries seriously hampers the development of the former, there is an urgent need to formulate national and international policies to avoid the "brain drain" and to obviate its adverse effects.

#### IV. INDUSTRIALIZATION

1. The General Assembly endorses the Lima Declaration and Plan of Action on Industrial Development Co-operation<sup>15</sup> and requests all Governments to take individually and/or collectively the necessary measures and decisions required to implement effectively their undertakings in terms of the Lima Declaration and Plan of Action.

2. Developed countries should facilitate the development of new policies and strengthen existing policies, including labour market policies, which would encourage the redeployment of their industries which are less competitive internationally to developing countries, thus leading to structural adjustments in the former and a higher degree of utilization of natural and human resources in the latter. Such policies may take into account the economic structure and the economic, social and security objectives of the developed countries concerned and the need for such industries to move into more viable lines of production or into other sectors of the economy.

3. A system of consultations as provided for by the Lima Plan of Action should be established at the global, regional, interregional and sectoral levels within the United Nations Industrial Development Organization and within other appropriate international bodies, between developed and developing countries and among developing countries themselves, in order to facilitate the achievement of the goals set forth in the field of industrialization, including the redeployment of certain productive capacities existing in developed countries and the creation of new industrial facilities in developing countries. In this context, the United Nations Industrial Development Organization should serve as a forum for negotiation of agreements in the field of industry between developed and developing countries and among developing countries themselves, at the request of the countries concerned.

4. The Executive Director of the United Nations Industrial Development Organization should take immediate action to ensure the readiness of that organization to serve as a forum for consultations and negotiation of agreements in the field of industry. In reporting to the next session of the Industrial Development Board on actions taken in this respect, the Executive Director should also include proposals for the establishment of a system of consultations. The Industrial Development Board is invited to draw up, at an early date, the rules of procedure according to which this system would operate.

5. To promote co-operation between developed and developing countries, both should endeavour to disseminate appropriate information about their priority areas for industrial co-operation and the form

they would like such co-operation to take. The efforts undertaken by the United Nations Conference on Trade and Development on tripartite co-operation between countries having different economic and social systems could lead to constructive proposals for the industrialization of developing countries.

6. Developed countries should, whenever possible, encourage their enterprises to participate in investment projects within the framework of the development plans and programmes of the developing countries which so desire; such participation should be carried out in accordance with the laws and regulations of the developing countries concerned.

7. A joint study should be undertaken by all Governments under the auspices of the United Nations Industrial Development Organization, in consultation with the Secretary-General of the United Nations Conference on Trade and Development, making full use of the knowledge, experience and capacity existing in the United Nations system of methods and mechanisms for diversified financial and technical co-operation which are geared to the special and changing requirements of international industrial co-operation, as well as of a general set of guidelines for bilateral industrial co-operation. A progress report on this study should be submitted to the General Assembly at its thirty-first session.

8. Special attention should be given to the particular problems in the industrialization of the least developed, land-locked and island developing countries—in order to put at their disposal those technical and financial resources as well as critical goods which need to be provided to them to enable them to overcome their specific problems and to play their due role in the world economy, warranted by their human and material resources.

9. The General Assembly endorses the recommendation of the Second General Conference of the United Nations Industrial Development Organization to convert that organization into a specialized agency and decides to establish a Committee on the Drafting of a Constitution for the United Nations Industrial Development Organization, which shall be an inter-governmental committee of the whole, including States which participated in the Second General Conference, to meet in Vienna to draw up a constitution for the United Nations Industrial Development Organization as a specialized agency, to be submitted to a conference of plenipotentiaries to be convened by the Secretary-General in the last quarter of 1976.

10. In view of the importance of the forthcoming Tripartite World Conference on Employment, Income Distribution, Social Progress and the International Division of Labour, Governments should undertake adequate preparations and consultations.

#### V. FOOD AND AGRICULTURE

1. The solution to world food problems lies primarily in rapidly increasing food production in the developing countries. To this end, urgent and necessary changes in the pattern of world food production should be introduced and trade policy measures should be implemented, in order to obtain a notable increase in agricultural production and the export earnings of developing countries.

2. To achieve these objectives, it is essential that developed countries, and developing countries in a

<sup>15</sup> See A/10112, chap. IV.



position to do so, should substantially increase the volume of assistance to developing countries for agriculture and food production, and that developed countries should effectively facilitate access to their markets for food and agricultural products of export interest to developing countries, both in raw and processed form, and adopt adjustment measures, where necessary.

3. Developing countries should accord high priority to agricultural and fisheries development, increase investment accordingly and adopt policies which give adequate incentives to agricultural producers. It is a responsibility of each State concerned, in accordance with its sovereign judgement and development plans and policies, to promote interaction between expansion of food production and socio-economic reforms, with a view to achieving an integrated rural development. The further reduction of post-harvest food losses in developing countries should be undertaken as a matter of priority, with a view to reaching at least a 50 per cent reduction by 1985. All countries and competent international organizations should co-operate financially and technically in the effort to achieve this objective. Particular attention should be given to improvement in the systems of distribution of food-stuffs.

4. The Consultative Group on Food Production and Investment in Developing Countries should quickly identify developing countries having the potential for most rapid and efficient increase of food production, as well as the potential for rapid agricultural expansion in other developing countries, especially the countries with food deficits. Such an assessment would assist developed countries and the competent international organizations to concentrate resources for the rapid increase of agricultural production in the developing countries.

5. Developed countries should adopt policies aimed at ensuring a stable supply and sufficient quantity of fertilizers and other production inputs to developing countries at reasonable prices. They should also provide assistance to, and promote investments in, developing countries to improve the efficiency of their fertilizer and other agricultural input industries. Advantage should be taken of the mechanism provided by the International Fertilizer Supply Scheme.

6. In order to make additional resources available on concessional terms for agricultural development in developing countries, developed countries and developing countries in a position to do so should pledge, on a voluntary basis, substantial contributions to the proposed International Fund for Agricultural Development so as to enable it to come into being by the end of 1975, with initial resources of SDR 1,000 million. Thereafter, additional resources should be provided to the Fund on a continuing basis.

7. In view of the significant impact of basic and applied agricultural research on increasing the quantity and quality of food production, developed countries should support the expansion of the work of the existing international agricultural research centres. Through their bilateral programmes they should strengthen their links with these international research centres and with the national agricultural research centres in developing countries. With respect to the improvement of the productivity and

competitiveness with synthetics of non-food agricultural and forestry products, research and technological assistance should be co-ordinated and financed through an appropriate mechanism.

8. In view of the importance of food aid as a transitional measure, all countries should accept both the principle of a minimum food aid target and the concept of forward planning of food aid. The target for the 1975-1976 season should be 10 million tons of food grains. They should also accept the principle that food aid should be channelled on the basis of objective assessment of requirements in the recipient countries. In this respect all countries are urged to participate in the Global Information and Early Warning System on Food and Agriculture.

9. Developed countries should increase the grant component of food aid, where food is not at present provided as grants, and should accept multilateral channelling of these resources at an expanding rate. In providing food grains and financing on soft terms to developing countries in need of such assistance, developed countries and the World Food Programme should take due account of the interests of the food-exporting developing countries and should ensure that such assistance includes, wherever possible, purchases of food from the food-exporting developing countries.

10. Developed countries, and developing countries in a position to do so, should provide food grains and financial assistance on most favourable terms to the most seriously affected countries, to enable them to meet their food and agricultural development requirements within the constraints of their balance-of-payments position. Donor countries should also provide aid on soft terms, in cash and in kind, through bilateral and multilateral channels, to enable the most seriously affected countries to obtain their estimated requirements of about 1 million tons of plant nutrients during 1975-1976.

11. Developed countries should carry out both their bilateral and multilateral food aid channelling in accordance with the procedures of the Principles of Surplus Disposal of the Food and Agriculture Organization of the United Nations so as to avoid causing undue fluctuations in market prices or the disruption of commercial markets for exports of interest to exporting developing countries.

12. All countries should subscribe to the International Undertaking on World Food Security. They should build up and maintain world food-grain reserves, to be held nationally or regionally and strategically located in developed and developing, importing and exporting countries, large enough to cover foreseeable major production shortfalls. Intensive work should be continued on a priority basis in the World Food Council and other appropriate forums in order to determine, *inter alia*, the size of the required reserve, taking into account among other things the proposal made at the current session that the components of wheat and rice in the total reserve should be 30 million tons. The World Food Council should report to the General Assembly on this matter at its thirty-first session. Developed countries should assist developing countries in their efforts to build up and maintain their agreed shares of such reserves. Pending the establishment of the world food-grain reserve, developed countries and developing countries in a position to do so

should earmark stocks and/or funds to be placed at the disposal of the World Food Programme as an emergency reserve to strengthen the capacity of the Programme to deal with crisis situations in developing countries. The aim should be a target of not less than 500,000 tons.

13. Members of the General Assembly reaffirm their full support for the resolutions of the World Food Conference and call upon the World Food Council to monitor the implementation of the provisions under section V of the present resolution and to report to the General Assembly at its thirty-first session.

#### VI. CO-OPERATION AMONG DEVELOPING COUNTRIES

1. Developed countries and the United Nations system are urged to provide, as and when requested, support and assistance to developing countries in strengthening and enlarging their mutual co-operation at subregional, regional and interregional levels. In this regard, suitable institutional arrangements within the United Nations development system should be made and, when appropriate, strengthened, such as those within the United Nations Conference on Trade and Development, the United Nations Industrial Development Organization and the United Nations Development Programme.

2. The Secretary-General, together with the relevant organizations of the United Nations system, is requested to continue to provide support to ongoing projects and activities, and to commission further studies through institutions in developing countries, which would take into account the material already available within the United Nations system, including in particular the regional commissions and the United Nations Conference on Trade and Development, and in accordance with existing subregional and regional arrangements. These further studies, which should be submitted to the General Assembly at its thirty-first session, should, as a first step, cover:

(a) Utilization of know-how, skills, natural resources, technology and funds available within developing countries for promotion of investments in industry, agriculture, transport and communications;

(b) Trade liberalization measures including payments and clearing arrangements, covering primary commodities, manufactured goods and services, such as banking, shipping, insurance and reinsurance;

(c) Transfer of technology.

3. These studies on co-operation among developing countries, together with other initiatives, would contribute to the evolution towards a system for the economic development of developing countries.

#### VII. RESTRUCTURING OF THE ECONOMIC AND SOCIAL SECTORS OF THE UNITED NATIONS SYSTEM

1. With a view to initiating the process of restructuring the United Nations system so as to make it more fully capable of dealing with problems of inter-

national economic co-operation and development in a comprehensive and effective manner, in pursuance of General Assembly resolutions 3172 (XXVIII) of 17 December 1973 and 3343 (XXIX) of 17 December 1974, and to make it more responsive to the requirements of the provisions of the Declaration and the Programme of Action on the Establishment of a New International Economic Order as well as those of the Charter of Economic Rights and Duties of States, an *Ad Hoc* Committee on the Restructuring of the Economic and Social Sectors of the United Nations System, which shall be a committee of the whole of the General Assembly open to the participation of all States,<sup>16</sup> is hereby established to prepare detailed action proposals. The *Ad Hoc* Committee should start its work immediately and inform the General Assembly at its thirtieth session on the progress made, and submit its report to the Assembly at its thirty-first session, through the Economic and Social Council at its resumed session. The *Ad Hoc* Committee should take into account in its work, *inter alia*, the relevant proposals and documentation submitted in preparation for the seventh special session of the General Assembly pursuant to Assembly resolution 3343 (XXIX) and other relevant decisions, including the report of the Group of Experts on the Structure of the United Nations System entitled *A New United Nations Structure for Global Economic Co-operation*,<sup>17</sup> the records of the relevant deliberations of the Economic and Social Council, the Trade and Development Board, the Governing Council of the United Nations Development Programme and the seventh special session of the General Assembly, as well as the results of the forthcoming deliberations on institutional arrangements of the United Nations Conference on Trade and Development at its fourth session and of the Governing Council of the United Nations Environment Programme at its fourth session. All United Nations organs, including the regional commissions, as well as the specialized agencies and the International Atomic Energy Agency, are invited to participate at the executive level in the work of the *Ad Hoc* Committee and to respond to requests that the Committee may make to them for information, data or views.

2. The Economic and Social Council should meanwhile continue the process of rationalization and reform which it has undertaken in accordance with Council resolution 1768 (LIV) of 18 May 1973 and General Assembly resolution 3341 (XXIX) of 17 December 1974, and should take into full consideration those recommendations of the *Ad Hoc* Committee that fall within the scope of these resolutions, at the latest at its resumed sixty-first session.

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16 September 1975

<sup>16</sup> It is the understanding of the General Assembly that the "all States" formula will be applied in accordance with the established practice of the General Assembly.

<sup>17</sup> E/AC.62/9 (United Nations publication, Sales No. E.75.II.A.7).

## ANNEX

Report of the Conference on International Economic Co-operation

1. The Conference on International Economic Co-operation held its final meeting in Paris, at the ministerial level, from 30 May to 2 June 1977. Representatives of the following 27 members of the Conference took part: Algeria, Argentina, Australia, Brazil, Canada, Egypt, European Economic Community, India, Indonesia, Iran, Iraq, Jamaica, Japan, Mexico, Nigeria, Pakistan, Peru, Saudi Arabia, Spain, Sweden, Switzerland, United Republic of Cameroon, United States of America, Venezuela, Yugoslavia, Zaire and Zambia. The participants welcomed the presence of the Secretary-General of the United Nations. The following observers also attended the Conference: OPEC, IEA, UNCTAD, OECD, FAO, GATT, UNDP, UNIDO, IMF, IBRD and SELA.

2. The Honourable Allan J. MacEachen, P.C., M.P., President of the Privy Council of Canada, and His Excellency Dr. Manuel Pérez-Guerrero, Minister of State for International Economic Affairs of Venezuela, co-Chairmen of the Conference, presided over the Ministerial Meeting. Mr. Bernard Guitton served in his capacity of Executive Secretary of the Conference.

3. The Ministerial representatives at the meeting recognized that, in the course of its work and within the framework established at the Ministerial Meeting with which the Conference was initiated in December 1975, the Conference had examined a wide variety of economic issues in the areas of energy, raw materials, development and finance. There was recognition that the issues in each of these areas are closely interrelated and that particular attention should be given to the problems of the developing countries, especially the most seriously affected among them.

4. The co-Chairmen of the Commissions on Energy, Mr. Stephen Bosworth and Mr. Abdul-Hadi Taher; on Raw Materials, Mr. Alfonso Arias Schreiber and Mr. Hiromichi Miyazaki; on Development, Mr. Messaoud Ait-Chaalal and Mr. Edmund Wellenstein; and on Financial Affairs, Mr. Stanley Payton and Mr. Mohammed Yeganeh presented, on 14 May, the final reports of the work of the four Commissions, which were considered at a meeting of senior officials of the Conference on 26-28 May, and subsequently submitted to the Ministerial Meeting.

5. The participants recalled their agreement that the Conference should lead to concrete proposals for an equitable and comprehensive programme for international economic co-operation, including agreements, decisions, commitments and recommendations. They also recalled their agreement that action by the Conference should constitute a significant advance in international economic co-operation and make a substantial contribution to the economic development of the developing countries.

6. The participants were able to agree on a number of issues and measures relating to:

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### Energy

- (1) Conclusion and recommendation on availability and supply in a commercial sense, except for purchasing power constraint. a/
- (2) Recognition of depletable nature of oil and gas. Transition from oil based energy mix to more permanent and renewable sources of energy.
- (3) Conservation and increased efficiency of energy utilization.
- (4) Need to develop all forms of energy.
- (5) General conclusions and recommendations for national action and international co-operation in the energy field.

### Raw materials and trade

- (1) Establishment of a common fund with purposes, objectives and other constituent elements to be further negotiated in UNCTAD.
- (2) Research and development and some other measures for natural products competing with synthetics.
- (3) Measures for international co-operation in the field of marketing and distribution of raw materials.
- (4) Measures to assist importing developing countries to develop and diversify their indigenous natural resources.
- (5) Agreement for improving generalized system of preferences schemes; identification of areas for special and more favourable treatment for developing countries in the multilateral trade negotiations, and certain other trade questions.

### Development

- (1) Volume and quality of official development assistance.
- (2) Provision by developed countries of \$1 billion in a special action programme for individual low-income countries facing general problems of transfer of resources.

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a/ The Group of 19 consider that this item should be viewed in the context of the report of the co-Chairmen of the Energy Commission to the Ministerial Meeting and the proposal presented to the Energy Commission by the delegates of Egypt, Iran, Iraq and Venezuela.

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- (3) Food and agriculture.
- (4) Assistance to infrastructure development in developing countries with particular reference to Africa.
- (5) Several aspects of the industrialization of developing countries.
- (6) Industrial property, implementation of relevant UNCTAD resolutions on transfer of technology and on the United Nations Conference on Science and Technology.

#### Finance

- (1) Private foreign direct investment, except criteria for compensation, transferability of income and capital and jurisdiction and standards for settlement of disputes.
- (2) Developing country access to capital markets.
- (3) Other financial flows (monetary issues).
- (4) Co-operation among developing countries.

The texts agreed appear in the annex which is an integral part of the present document.

7. The participants were not able to agree on other issues and measures relating to:

#### Energy

- (1) Price of energy and purchasing power of energy export earnings.
- (2) Accumulated revenues from oil exports.
- (3) Financial assistance to bridge external payments problems of oil importing countries or oil importing developing countries.
- (4) Recommendations on resources within the United Nations Conference on the Law of the Sea.
- (5) Continuing consultations on energy.

#### Raw Materials and Trade

- (1) Purchasing power of developing countries.

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- (2) Measures related to compensatory financing.
- (3) Aspects of local processing and diversification.
- (4) Measures relating to interests of developing countries in: world shipping tonnage and trade; representation on commodity exchanges; a Code of Conduct for Liner Conferences; and other matters.
- (5) Production control and other measures concerning synthetics.
- (6) Investment in the field of raw materials.
- (7) Means for protecting the interests of developing countries which might be adversely affected by the implementation of the Integrated Program.
- (8) Relationship of the Integrated Program to the new international economic order.
- (9) Measures related to trade policies, to the institutional framework of trade, to aspects of the generalized system of preferences, to the multilateral trade negotiations, and to conditions of supply.

#### Development

- (1) Indebtedness of developing countries.
- (2) Adjustment assistance measures.
- (3) Access to markets for manufactured and semi-manufactured products.
- (4) Transnational corporations.

#### Finance

- (1) Criteria for compensation, transferability of income and capital and jurisdiction and standards for settlement of disputes.
- (2) Measures against inflation.
- (3) Financial assets of oil exporting developing countries.

The proposals made by participants or groups of participants on these matters also appear in the annex.

8. The participants from developing countries in CIEC, while recognizing that progress has been made in CIEC to meet certain proposals of developing countries,

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noted with regret that most of the proposals for structural changes in the international economic system and certain of the proposals for urgent actions on pressing problems have not been agreed upon. Therefore, the Group of 19 feels that the conclusions of CIEC fall short of the objectives envisaged for a comprehensive and equitable programme of action designed to establish the new international economic order.

9. The participants from developed countries in CIEC welcomed the spirit of co-operation in which, on the whole, the Conference took place and expressed their determination to maintain that spirit as the dialogue between developing and developed countries continues in other places. They regretted that it had not proved possible to reach agreement on some important areas of the dialogue such as certain aspects of energy co-operation.

10. The participants in the Conference think that it has contributed to a broader understanding of the international economic situation and that its intensive discussions have been useful to all participants. They agreed that CIEC was only one phase in the ongoing dialogue between developed and developing countries which should continue to be pursued actively in the United Nations system and other existing, appropriate bodies.

11. The members of the Conference agreed to transmit the results of the Conference to the General Assembly at its resumed thirty-first session and to all other relevant international bodies for their consideration and appropriate action. They further agreed to recommend that intensive consideration of outstanding problems should be continued within the United Nations system and other existing, appropriate bodies.

12. The participants in the Conference pledged themselves to carry out in a timely and effective manner the measures for international co-operation agreed to herein. They invite the countries which did not participate in the Conference to join in this co-operative effort.

13. Finally, the ministerial representatives at the Conference reiterated their appreciation to the President of the French Republic and to the Government of France for their hospitality and for their co-operation in facilitating the work of the Conference on International Economic Co-operation.

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**32/173. Resources of the United Nations Habitat and Human Settlements Foundation**

Date: 19 December 1977 Meeting: 107  
 Adopted without vote Report: A/32/463 and Corr.1

The General Assembly.

Recalling its resolution 3327 (XXIX) of 16 December 1974 regarding the establishment of the United Nations Habitat and Human Settlements Foundation,

Believing that the current level of resources available to the Foundation is clearly inadequate,

Recognizing that the international community, at both the global and regional levels, should encourage and support Governments determined to take effective action to ameliorate conditions, especially for the least advantaged, in urban and rural settlements,

Bearing in mind the invitation of the Governing Council of the United Nations Environment Programme, in its decision 92 (V) of 25 May 1977, to the General Assembly regarding the setting of a target for total voluntary contributions by Governments to the Foundation,

1. Appeals to all Governments to contribute generously to the United Nations Habitat and Human Settlements Foundation as soon as possible in order to expedite action programmes in the field of human settlements;
2. Notes the proposal of the Executive Director of the United Nations Environment Programme regarding the target of \$50 million as a minimum for the total voluntary contributions by Governments for the years 1978-1981; 104/
3. Requests the Secretary-General to convene, during the thirty-third session of the General Assembly, a pledging conference on voluntary contributions by Governments to the Foundation if pledges to meet the minimum target referred to in paragraph 2 above are not forthcoming.

**32/174. Assessment of progress in the establishment of the new international economic order\***

Date: 19 December 1977 Meeting: 107  
 Adopted without vote Report: A/32/480

The General Assembly.

Recalling its resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974, containing the Declaration and the Programme of Action on the Establishment of a New International Economic Order, 3281 (XXIX) of 12 December 1974, containing the Charter of Economic Rights and Duties of States, and 3362 (S-VII) of 16 September 1975 on development and international economic co-operation, as well as its resolution 2626 (XXV) of 24 October 1970 containing the International Development Strategy for the Second United Nations Development Decade,

Recalling the resolutions adopted by the United Nations Conference on Trade and Development at its fourth session, 105/

104/ UNEP/OC/95.

105/ See Proceedings of the United Nations Conference on Trade and Development, Fourth Session, vol. I, Report and Annexes (United Nations publication, Sales No.: E.76.II.D.10), part one, sect. A.

\* Unofficial title; definitive title had not been established as of early January.

Recalling the results of various United Nations conferences held during recent years on major topics relating to economic and social development, which pertain to the establishment of the new international economic order,

Recalling further its resolution 31/178 of 21 December 1976,

Taking note of Economic and Social Council resolution 2125 (LXIII) of 4 August 1977,

Noting the report of the Conference on International Economic Co-operation, <sup>106/</sup>

Noting the report of the Committee on Review and Appraisal on its fourth session<sup>107/</sup> and the preliminary proposal of the developing countries contained in the annex to that report,

Recalling the role of the Economic and Social Council and of other organs, organizations and other bodies and conferences of the United Nations system in the establishment of the new international economic order,

Emphasizing the need to oversee and monitor the implementation of the decisions and agreements reached in the negotiations in various appropriate forums of the United Nations system in their respective fields, and to determine further lines of action and provide impetus for further negotiations for the solution of issues remaining unresolved,

Deeply concerned at the deteriorating economic situation of developing countries and at negative trends in international economic developments,

Deeply concerned also that parts of the developing world are still subjected to colonialism, neo-colonialism, racial discrimination, apartheid, foreign aggression and occupation and alien domination, which constitute major obstacles to the economic emancipation and development of the developing countries and peoples,

Recognizing the concern that the negotiations conducted so far on the establishment of the new international economic order have produced only limited results while the gap between developed and developing countries is growing, and emphasizing that further resolute efforts have to be made, particularly by the developed countries, to reduce the existing imbalance,

1. Affirms that all negotiations of a global nature relating to the establishment of the new international economic order should take place within the framework of the United Nations system;

2. Decides to convene a special session of the General Assembly in 1980 at a high level in order to assess the progress made in the various forums of the United Nations system in the establishment of the new international economic order and, on the basis of that assessment, to take appropriate action for the promotion of the development of developing countries and international economic co-operation, including the adoption of the new international development strategy for the 1980s;

3. Decides to establish a committee of the whole, <sup>108/</sup> which shall meet, as and when required, during the intersessional periods until the special session of the General Assembly in 1980;

4. Decides further that this committee shall assist the General Assembly by acting as the focal point in:

<sup>106/</sup> See A/31/478, annex, and A/31/478/Add.1 and Corr.1.

<sup>107/</sup> Official Records of the Economic and Social Council, Sixty-third Session, Supplement No. 6 (E/5994).

<sup>108/</sup> It is understood that the committee of the whole will be open to all States, this term being interpreted in accordance with established practice of the General Assembly.

- (a) Overseeing and monitoring the implementation of decisions and agreements reached in the negotiations on the establishment of the new international economic order in the appropriate bodies of the United Nations system;
  - (b) Providing impetus for resolving difficulties in negotiations and for encouraging the continuing work in these bodies;
  - (c) Serving, where appropriate, as a forum for facilitating and expediting agreement on the resolution of outstanding issues;
  - (d) Exploring and exchanging views on global economic problems and priorities;
5. Requests the committee to submit reports on its work and recommendations to the General Assembly at its thirty-third and thirty-fourth sessions and at the special session to be held in 1980;
  6. Recommends that representation on the committee should be at a high level;
  7. Decides that the committee may establish appropriate working arrangements to accomplish its task;
  8. Decides also that the election of officers of the committee should take place annually;
  9. Requests the Secretary-General to ensure that the committee receives the necessary documentation to enable it to accomplish its tasks, as specified in operative paragraph 4 above, and authorizes the committee to request the Secretary-General to provide specific reports in this regard in co-operation with the appropriate organs, organizations, other bodies and conferences of the United Nations system;
  10. Requests in this context the Economic and Social Council, in discharging its functions under the Charter of the United Nations, to contribute effectively to the work of the committee, bearing in mind the relationship between the overseeing and monitoring functions of the committee and the role of the Council in the preparations of a new international development strategy;
  11. Affirms that in the negotiations undertaken on the various issues in the appropriate bodies of the United Nations system the international community should, with a sense of urgency, make new and resolute efforts to secure positive and concrete results within agreed and specific time-frames.

32/175. Effects of the world inflationary phenomenon on the development process

Date: 19 December 1977      Meeting: 107  
Vote: 125-0-14      Report: A/32/480

The General Assembly,

Recalling its resolutions 2626 (XXV) of 24 October 1970, containing the International Development Strategy for the Second United Nations Development Decade, 3201 (S-VI) and 3202 (S-VI) of 1 May 1974, containing the Declaration and the Programme of Action on the Establishment of a New International Economic Order, 3281 (XXIX) of 12 December 1974, containing the Charter of Economic Rights and Duties of States, and 3362 (S-VII) of 16 September 1975 on development and international economic co-operation,

Recalling also its resolution 3515 (XXX) of 15 December 1975 on the Conference on International Economic Co-operation,

Bearing in mind that the States participating in the Conference on International Economic Co-operation recognized that inflation disturbs the functioning of the international economic and monetary order and is damaging to the economic progress of both developed and developing countries, <sup>109/</sup>

<sup>109/</sup> See A/31/478/Add.1, p. 138.

(9)

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SOCIETY FOR INTERNATIONAL DEVELOPMENT  
SOCIETE INTERNATIONALE POUR LE DEVELOPPEMENT  
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Background Document

(NSRT -/ INF.1)

THE HISTORICAL CONTEXT OF THE NORTH SOUTH RELATIONSHIP

AND THE ROLE OF THE UNITED NATIONS SYSTEM IN THE EVOLUTION OF THIS

RELATIONSHIP



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DEVELOPMENT ,

THE UNITED NATIONS SYSTEM

AND THE NORTH-SOUTH RELATIONSHIP

This document has been prepared by the Centre International pour le Développement at the request of the Society for International Development. It has been written by the President of the C.I.D. and one of the members of the staff Messrs. Hernan Santa Cruz and Juan Carlos Valdovinos, and by an independent consultant specially engaged for this purpose, Mr. Juan C. Sanchez Arnau. Mr. German Rojas, a former staff member of the Centre, contributed to the elaboration of an early version of the document, and Mrs. Elba Hermida co-operated in the drafting of some chapters.

STUDY SUBMITTED TO THE SOCIETY  
FOR INTERNATIONAL DEVELOPMENT.

MARCH, 1978.

## I N T R O D U C T I O N

The aim of this study is to give future North-South discussions a more realistic foundation than in the past.

International negotiations on development issues under the auspices of the United Nations have involved two parallel, virtually isolated efforts: one centred on the economic aspects of development, particularly on those problems it was felt could be solved through international co-operation, and the other on a set of issues which have come to be known as the "social" aspects of development, i.e. education, health, employment, etc.

While the Specialized Agencies of the system (F.A.O., UNESCO, W.H.O., etc.) have carried out studies and promoted discussions on the specific problems relating to their respective areas of activity, the U.N. General Assembly, the Economic and Social Council, UNCTAD and UNIDO have concentrated their efforts essentially on economic problems, in an attempt to draw up international strategies to overcome them.

This parallel effort led to a fragmented consideration of the major aspects of development, thus preventing the emergence of an integrated notion of development as the central objective of the United Nations.

Only at the outset of the present international economic crisis and the current generalized paralysis of international development co-operation, has the usefulness of the immense effort undertaken by the United Nations system in recent years been called into question; and only recently has it become possible to consider revising postulates previously considered sacrosanct.

The first part of this study analyses the main activities of the United Nations and its Specialized Agencies on major social issues. Special emphasis has been placed on the outcome of

the specialized conferences convened in the 1970's (the U.N. conference on the Human Environment, the World Population Conference, the World Food Congress, etc.).

Each of these social issues has been considered in the same sequence as the convening of these specialized conferences. In this way, the process of evolution of the international community's efforts to deal with what have been seen as the major social problems of our time, is referred to in the analysis.

While education and health issues received a great deal of attention throughout this period, they were not treated in special ad hoc conferences. This is explained and justified by several reasons, especially their regular and extensive consideration in UNESCO and the WHO. For this reason they are discussed at the end of this first part.

The efforts carried out by the U.N. system, particularly in recent years, have brought to light the existence of an intricate series of links between various social problems and between these and economic questions. Bearing in mind that one of the factors that has so far prevented the problems of development from being tackled successfully through the traditional mechanisms of so-called "international co-operation for development", has been precisely a strong tendency to disregard those links, special efforts have been made to point out what progress has been made in this respect.

The second objective of this study is to present the process followed in the evolution of the elaboration, within the U.N., of what has been called the New International Economic Order, basically as a result of the efforts made by developing countries to perfect the mechanisms of international co-operation. This analysis will highlight the inadequate results of such efforts from the point of view of the integration of economic postulates with the social aspects of development.

The logical corollary of the results of this analysis is

the third and principal aim of this study: to postulate the need to develop an integrated notion of development and to present its key elements.

The second part of this study develops these latter two objectives, with one section presenting a number of suggestions to guide future action towards the establishment of a new International Development Strategy based on an integrated notion of development.

The reader will be confronted in this study by a new approach to the immense effort that humanity must perform to understand and eventually find solutions to its major problems. This approach is one of constructive appraisal of real issues and of main priorities.

It is quite natural that all of us, and especially those who are less familiar with international conferences and confrontations, should get confused by the number of issues, by the intricacies of debates, and by the ambiguity of some of the texts. We hope that this study will help to bring about a structured understanding of these issues and of their particular logic in the dynamics of world affairs. What often seems chaotic and scarcely rational because its too complex to grasp, may for the reader become a solid framework of references from which to proceed in evaluating, choosing and planning for action.

Through the U.N. system, humanity, to whom the U.N. belongs, has acquired an extraordinary amount of knowledge and experience which is there, at its disposal. Now comes the time to choose guidelines to integrate this dispersed knowledge into a coherent dynamic system which leads to balanced integrated solutions.

In the following pages we hope to demonstrate, through logical analysis, that the three essential energy systems are convergent: the basic energy for survival, that man extracts from soil and sea in the form of food; the mineral energy needed to move his machines and build his infrastructures; and the cultural and mental energy activated by education, communication, art, science and technology.

It becomes obvious that these global forces can only be integrated by one, essential motivation: the concern of humanity as a whole for all its members and particularly for those whose basic needs have not yet been met, and whose voices have not been heard by those who ride the crest of civilization's waves.

28 September 1977

Neuilly-Sur-Seine

P A R T I

T H E S O C I A L A S P E C T S

O F D E V E L O P M E N T W I T H I N

T H E U N I T E D N A T I O N S

## C H A P T E R    I

### ENVIRONMENT :    FROM ACCELERATED GROWTH TO ENVIRONMENTAL DETERIORATION

#### 1.    INTRODUCTION

The spectacular economic growth of industrialized countries in the post-war period soon gave rise to concern in the scientific community about the permanent damage this process could inflict - and was in fact inflicting - on the environment. But it was only during the second half of the 1960's, that this concern came to be shared by a growing number of people in the industrialized countries.

A series of publications, including the works of Rachel Carson, the MIT report to the Club of Rome entitled "Limits to Growth", and others, as well as the media, had a major influence on the emergence of widespread environmental awareness.

Environmental deterioration moreover, in many cases was becoming readily visible to all, particularly in large cities.

The industrialized countries came to realise that if humanity persisted in removing from nature everything considered a nuisance, the human race could one day find itself excluded from a place in the ecological cycles. They found that DDT destroys with equal ease both harmful and useful insects, together with the birds that feed on them; that oil spills do not merely ruin beaches and resort areas, but also destroy marine life. They discovered that the vast oil slicks floating on the Atlantic, upset the absorption of heat and light, preventing the normal evaporation of water, thereby changing the weather. The disastrous drought of recent years, it was found, could well be a function of such changes, and could thus no longer be -so conveniently - attributed to local "irresponsibility" or "irrationality".

Several organs of the U.N. system of course, had taken an early interest in various environmental questions: UNESCO, the FAO and the U.N. Population Commission, had carried out studies on the possible environmental effects of population growth and



proposed measures in connexion therewith. Moreover, the FAO had dealt with problems like desertification and generally with soil deterioration. Various aspects of the human environment had been dealt with by the Housing Committee. The Law of the Sea conferences had dealt with the protection of the marine environment. And in its disarmament and nuclear non-proliferation activities the U.N. had considered questions such as bacteriological warfare and the ecological effects of nuclear tests.

But these were uncoordinated and often totally separate efforts. A coherent focus, based on an overall vision in accordance with the indivisible character of different ecological phenomena only began to emerge late in the 1960's.

The "Man in the Biosphere" Programme, a highly innovatory initiative in international co-operation launched in 1970 by the UNESCO is perhaps the first serious effort to overcome the fragmentation of previous activities in this field. This was the first really coherent effort in research on the environment.

Based on the recognition that environmental degradation goes beyond national boundaries, the programme set out the need to take measures which could overcome the global and regional nature of this deterioration. At the same time, the programme aims at overcoming the traditional lack of contact between social and natural scientists and decision-makers, resulting from the existence of a series of artificial barriers between different fields of knowledge. For this reason -

and this is perhaps its most notable contribution - the programme's activities are based on an integrated, interdisciplinary and problem-oriented approach. 1/

Finally, the programme aims at overcoming the traditional framework of this type of inter-governmental programme in terms of participation. In order to develop close links with the scientific community (in a broad sense in accordance with its interdisciplinary approach) in the largest possible number of countries the programme has set up a vast network of national committees.

When it became clear that the effects of tampering with the environment could not be dealt with on a national basis, however great a country's technological and economic resources, the problem was placed before the United Nations in an attempt to work out universally applicable measures to ward against or remedy those evils.

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1/ Basically, the programme consists in research and training activities in the following programme fields: 1) Ecological effects of increasing human activities on tropical and sub-tropical forests; 2) ecological effects of different land uses and management practices on temperate and mediterranean forest landscapes; 3) Impact of human activities and land use practices on grazing lands: savanna and grassland; 4) Impact of human activities on the dynamics of arid and semi-arid zones' ecosystems, with special emphasis on the consequences of irrigation; 5) ecological effects of human activities on the value and resources of lakes, marshes, rivers, deltas, estuaries and coastal zones; 6) impact of human activities on mountain and tundra ecosystems; 7) ecology and rational use of island ecosystems; 8) Conservation of natural areas as well as of the genetic material they contain; 9) Ecological assessment of pest management and fertilizer use on terrestrial and aquatic ecosystems; 10) Effects of major engineering works on man and his environment; 11) Ecological aspects of urban systems with particular emphasis on energy utilisation; 12) Interactions between environmental transformations and the adaptive, demographic and genetic structure of human populations; 13) perception of environmental quality; 14) Research on environmental pollution and its effect on the biosphere (this last project area was added to the programme in 1974).

Under U.N. General Assembly resolution 2398 (XXIII), adopted in 1968, at the instigation of the major industrialised nations, in particular the United States, it was decided to convene a U.N. conference on the human environment in 1972. A 27 member Preparatory Committee was set up in order to determine the precise aims of the Conference and to develop possible guidelines for future action.

In a few years, not only had U.N. involvement in environmental matters increased substantially, but in fact became one of its major areas of concern.

This growing involvement was not devoid of difficulties. The great deal of learned debate held within and outside the United Nations during the three and a half years of preparation for the Stockholm Conference, was often coupled with heated polemics. The countries of the periphery on the other hand at first resisted the idea of U.N. involvement in this field. On the whole though, the existing international machinery moved into action quickly and smoothly.

This is perhaps the best illustration of how much can be accomplished in a short time when the political will to act exists. 2/

## 2. THE EVOLUTION OF THE DEVELOPING COUNTRIES ATTITUDE TOWARDS ENVIRONMENTAL MATTERS

The major industrial countries knew more or less what kind of measures they needed in order to complement their national efforts in the field of environmental remedies. In contrast, the developing countries first reacted by stressing that environmental deterioration was exclusively a "rich country's disease"

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2/ The experience in question is also very revealing if contrasted with the time-consuming policies, the tendency to procrastinate and the overall sluggishness of industrialised countries in the U.N. whenever it is a question of dealing with matters that do not have a direct and immediate bearing on their national interests. Their reticence to set up an industrial development agency within the U.N., as well as their lack of support for UNIDO after its creation, are notable examples.

caused by negligence on the part of producers and wasteful behaviour by consumers. After all, it was stated, developing countries produced little themselves, and consumed even less, why then, should they and the U.N. go to a lot of trouble over a matter circumscribed to the industrialised nations?

At the same time the developing countries posed a series of more concrete concerns. To begin with they feared that growing concern for the environment would divert attention and, more important, resources, from meeting the pressing needs arising from their situation of underdevelopment. It was also thought that newly imposed environmental restrictions and regulations in the industrialised countries would have a negative impact in terms of financial flows for development, access to markets, cost of capital equipment, etc.

Concern for natural resources in the developed world, plus calls for a halt to growth based upon environmental considerations, were seen in many developing countries as a disguised form of demand to perpetuate the division of the planet into developed and underdeveloped countries.

This of course, was the beginning of the discussion on a topic not originally covered by industrialised country proposals, that of development and environment, later to become a crucial area of debate.

The Report of the expert group meeting held at Founex in June 1971, one of the encounters convened as part of the preparatory work for the Stockholm Conference, was of special importance in this respect. 3/

The report singled out two series of environmental problems in developing countries i.e. those originating in poverty and lack of development, and those resulting directly or indirectly from changes occurring in industrialisation, urbanisation, transport, infrastructure, etc.

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3/ "Development and Environment", Report of a Panel of Experts convened by the Secretary General of the United Nations Conference on the Human Environment, Founex, Switzerland, June 4-12, 1971.

Amongst the latter, the report identified the following major categories:

- i) resource deterioration, i.e. mineral, soil or forest resources;
- ii) biological pollution, represented by agents of human disease, and by animal and plant pests;
- iii) chemical pollution, arising out of air pollutants, industrial effluents, pesticides, metal, and detergent components and similar agents;
- iv) physical disruption, i.e. thermal pollution, silting and noise; and
- v) social disruption, of which congestion and loss of a sense of community are examples.

These side effects stated the report, manifested themselves in varying degrees, depending on the sectors concerned, the particular geographical regions involved, and the stages of development attained by different countries. The first two categories were commonly experienced by most developing countries as was also the case with silting and perhaps social disruption, whilst urban air pollution was becoming a problem of increasing importance in the larger cities of certain developing countries.

Together with pinpointing the importance of immediate action both to prevent a worsening of such problems and to achieve their eventual solution, the report went on to say that

"it is obvious that to a great extent, the major environmental problems of developing countries are those which can be overcome by development itself. In more advanced countries, development can be considered as one of the causes of environmental problems. Spontaneous and uncontrolled development can also produce a similar effect on developing countries.

But these countries must consider the relationship between development and the environment from a different perspective. Within this context, development fundamentally becomes a way to solving the most important environmental problems".

Moreover, the report pointed out that the significance of the environment to the developing countries made their

undertaking to achieve development all the more binding, and that it should also serve to give new dimensions to the concept of development itself.

In this way, General Assembly Resolution 2849 (XXVI), which contained the final instructions for the Conference, affirmed that development plans should be compatible with a sound ecological system, and that proper environmental conditions should be better guaranteed by the promotion of development, both nationally and internationally. The General Assembly also emphasised, amongst other things, that the environmental policies envisaged in the Plan of Action to be presented to the Conference should not have adverse effects on the development possibilities of the underdeveloped countries.

### 3. THE STOCKHOLM CONFERENCE

#### 3.1 Preparatory Work

The Stockholm Conference on the Human Environment was convened by General Assembly Resolution 2398 (XXIII).

It was prepared by a 27-member Preparatory Committee which held four sessions. The Committee's activities were complemented by a series of ad-hoc meetings and encounters, notably the EEC sponsored seminar on European Environmental Problems, held in Prague in May 1971, and the above-mentioned encounter at Founex, Switzerland.

In addition, a series of seminars on environment and development were organised by the Regional Economic Commissions. These were held in Addis Ababa (August 1971), Mexico City (September 1971), and Bangkok (August 1971). The United Nations Office for Economic and Social Affairs in Beirut also organised a meeting on the same subject, which was held in September-October, 1971.

#### 3.2 Main issues before the Conference

The most outstanding feature of the preparatory work for the Stockholm Conference, was the notable enrichment of the environmental debate - which had been originally launched in very narrow terms by the industrialised countries.

To begin with, it soon became necessary to acknowledge that ecological upheavals such as erosion, pollution, soil destruction, etc., take place within an ecological system, i.e. an integrated whole whose component parts are operationally inseparable. Such upheavals therefore, could not be considered in isolation, but rather in terms of their chain-reaction effects resulting in multiplied environmental degradation.

The first question before the Conference then, was that of improving knowledge in the field of ecology, with a view to better understanding the interconnexions between the component elements of different ecosystems.

But the mere study of the laws of nature was clearly insufficient, especially in the light of the growing emphasis placed on the question of ensuring the preservation of the environment's capacity for self-regulation (in the sense of dynamic equilibrium) in the long-term.

In this way, the concerns which had originally motivated the environmental debate, acquired an essentially ethical and political dimension and the question of radically changing the existing economic and social order at both national and international levels, became a central issue for the Conference.

The discussion on environment, development and related issues was crucial in this respect.

Discussion in the industrialised countries, rather unilaterally emphasised the deterioration of the environment by pollution, i.e. an accumulation of waste. This led to the search for methods to control pollution generated by production and consumption processes. However, the latter, and in particular hyper-consumption were not called into question.

This resulted in the environmental debate tending to be characterised by a short-term view, and by not addressing the major root-causes of environmental deterioration, as reflected in the fact that possible solutions revolved mostly around the major or minor advantages of relatively marginal adjustment measures, such as the application of subsidies, fines, the adoption of regulations, etc.



Finally, the solution of the problem almost always tended to be perceived as the responsibility of existing institutional frameworks, whose capacity for so doing was never doubted. 4/

This focus, for reasons set out below, proved to be totally insufficient when applied to the third world, and gave rise to a search for an alternative focus.

A first factor in this sense was the rapid realisation by developing countries that the "other limits" were in fact far closer to being reached in their own countries than in the industrialised world. 5/

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4/ See for example A.C. Fischer and F. Paterson, "The Environment in Economics, A Survey", Journal of Economic Literature, March 1976, vol. XIV, No. 1; A.V. Knees (Ed), "Environmental Quality Analysis", John Hopkins Press, 1972, and by the same author, "Pollution Prices and Public Office", the Brookings Institution, Washington D.C., 1975.

5/ "... in developing countries, there is a closer link between the satisfaction of basic needs, the development effort and the environment than is usually acknowledged. If in developed countries local breakdowns of the environment, and hence difficulties in development and production can be relatively easily compensated by imports of food and other necessities from surrounding regions or even from other countries, in developing countries such possibilities are much more limited. Hence a smaller amount or degree of pollution or degradation of the environment can have tangibly greater development and economic consequences. In developing the pollution of a river and the killing of its fish may often lead to famine of coastal tribes, whereas the extreme pollution of the Rhine or the Great Lakes would not have a similar consequence for the neighbouring population".

V.M. Kollontai, "Overview of Environment and Development", paper submitted to the meeting of experts convened by UNCTAD (Geneva, 13-18 May 1974) to study the "Impact of Resource Management Problems and Policies in Developing Countries on International Trade and Development Strategies".

Secondly - another point of departure with the industrialised countries - in the third world, environmental deterioration is determined more by the exploitation of nature, than by pollution. In turn, the predominant forms of exploitation of nature originate in structural phenomena. Thus, in the third world, the environmental "problématique" was inevitably and promptly inserted into efforts to develop a global explanation to backwardness and underdevelopment and thus intensified questioning of the structural elements which in the central countries were considered as given, i.e. the structure of production, consumption and the institutional framework.

A few examples will suffice to illustrate the close links between socio-economic structures and environmental deterioration in the periphery.

To begin with, peripheral countries still suffer the ecological consequences of having been inserted into the international economy as producers of raw materials. This in effect led to varying degrees of productive specialisation - sometimes extreme specialisation or monoculture. In this manner, no allowance was made for genetic diversity, a factor which is essential for a sound environment, particularly in certain ecosystems.

The industrial or "modern" sector which has recently come into being in peripheral countries as a result of import substitution or export-oriented policies also involves a consistent disregard for the laws of nature. The industrial sector in effect - particularly, though not exclusively, when the presence of foreign corporations is predominant - operates on the basis of a rationale based on the search for maximum profits in the short-term, which historically has

led to an essentially wasteful use of natural resources. The use of an extremely limited time-horizon in decision-making is particularly accentuated in the third world countries due to the high element of risk involved in such activities, in turn resulting from factors such as the danger of competition from synthetic substitutes, the possibility of nationalisation by the host country, or the instability inherent in the present structure of international commodity trade.

The widespread incorporation of foreign technology with little or no adaptation characteristic of peripheral countries, has had particularly disruptive environmental consequences. In effect, most of this technology is developed in temperate ecosystems which are rare in the third world. 6/

Planned obsolescence of goods - also synonymous with waste and therefore, of growing pressures on natural resources, particularly non-renewables ones - is inherent to the life-style of the wealthy élites in the third world.

Extreme poverty, another notable feature of peripheral countries is perhaps the most significant source of environmental deterioration. The peasantry, particularly where land-tenure is based on large and small-scale holdings, is a case in point.

What happens is that the peasants:

"cultivate the slopes that should be left under tree cover or allow their sheep and goats to overgraze pastures. In this they have no choice as long as the fertile valley belongs to the big landowner." 1/

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6/ Imported technology has brought about particularly devastating ecological effects in tropical areas given the extreme fragility of tropical ecosystems.

1/ Ignacy Sachs, Annex 8, to "Reshaping the International Order, a report by Jan Timbergen to the Club of Rome, p.285."

Similarly, the destruction of valuable forest resources is often due to the peasant's inability to get access to sources of energy other than firewood.

Finally, the middle strata in rural areas are sometimes responsible for similar unsound environmental practices. In the case of industrial crops for example, there is usually a small number of large companies which market and/or process the raw materials on the one hand, and on the other, an endless number of unorganised and atomized small-scale producers. These of course are the ideal conditions for unequal exchange. In this manner producers, are permanently faced with the possibility of pauperisation, and usually fall back on ecologically destructive practices such as intensive cultivation, the incorporation of marginal land into production, etc.

Without disregarding the problems which had originally motivated the environmental debate, the Conference could not avoid considering problems of this nature. It had become evident that the solution of the planet's major environmental problems could not be envisaged through ad-hoc corrective measures such as marginal changes in technology, and additional capital inputs, as had originally been suggested by the industrialised countries.

### 3.3 Decisions Adopted by the Conference <sup>8/</sup>

The results of the Stockholm Conference are embodied in the "Declaration on the Human Environment", which lays down a series of principles of behaviour to be observed by the

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<sup>8/</sup> The Stockholm Conference was held from 5 to 16 June 1972. The declaration and resolutions adopted by the Conference are included in U.N. General Assembly document A/CONF. 48/14/Rev. 1.

international community, and in an "Action Plan" containing 109 recommendations concerning specific action to be taken by both national and international bodies.

The Declaration recognises that, whereas in the industrialised countries environmental problems are related to industrialisation and technological development, in the developing countries these problems are a direct consequence of underdevelopment (paragraph 4).

Principles 8) and 9) of the Declaration read as follows:

"Principle 8"

Economic and social development is essential for ensuring a favourable living and working environment for man and for creating conditions on earth that are necessary for the improvement of the quality of life.

"Principle 9"

Environmental deficiencies generated by the conditions of under-development and natural disasters pose grave problems and can best be remedied by accelerated development through the transfer of substantial quantities of financial and technological assistance as a supplement to the domestic effort of the developing countries and such timely assistance as may be required.

Principles 10) and 19) emphasise, respectively, the links between the environment and international trade, and the environment and the mass media. Principle 23) deals with the environment and disarmament.

A similar breach of criteria is to be found in the Plan of Action adopted by the Conference. For example, the section on human settlements (6, Recommendation 1) states that:

"The planning, improvement and management of rural and urban settlements demand an approach, at all levels, which embraces all aspects of the human environment, both natural and man-made."

The section on the educational, information, social and cultural aspects of environmental issues recommends, inter-alia,

"...the Secretary General, the organisations of the United Nations System, especially the United Nations Educational, Scientific and Cultural Organization, and other international agencies concerned should, after consultation and agreement, take the necessary steps to establish an international programme in environmental education, interdisciplinary in approach, in school and out of school, encompassing all levels of education and directed towards the general public in particular the ordinary citizen with a view to educating him as to the simple steps he might take, within his means, to manage and control his environment", (emphasis added)

Principle 13) of the Declaration adopted by the Conference moves towards the idea of an integrated approach to development planning which later became an important concern not only of UNEP but also of other United Nations agencies. This principle states that:

"In order to achieve a more rational management of resources and thus to improve the environment, States should adopt an integrated and co-ordinated approach to their development planning so as to ensure that development is compatible with the need to protect and improve the environment for the benefit of their population."

These points are re-affirmed in recommendation 102 (section on development and environment, in the Plan of Action) which suggests to the various organs for regional co-operation that they give their full consideration, among other things, to:

"Evaluating the administrative, technical and legal solutions to various environmental problems in terms of both preventive and remedial measures, taking into account possible alternative and/or multidisciplinary approaches to development."

Nevertheless, in the last analysis, neither the Declaration nor the Plan of Action actually formulate any coherent and properly structured proposals for integrated development, nor a scheme for development based on an alternative approach. In this sense, the section of the Plan of Action dealing with environment and development is particularly weak. While it does, at some points, contain significant innovations (such as recommendation 102, mentioned above), the wording used is always very ambiguous. As for the rest of this section, the Plan confines itself to proposing measures of a traditional nature (increase in technical cooperation, greater interchange of information, etc.) and measures to ensure that action to protect the environment does not lead to a reduction of the contribution which international trade can make to development.

To sum up, then, both documents are limited to the formulation of certain principles, particularly on the basis of the notion that the problems of both the environment and development cannot be solved unless the inter-relations of a vast range of variables are taken into account. In this sense it is important in that it helps transcend traditional attempts to solve these problems at the local level and implies, instead, a quest for global and regional solutions.

Yet the Conference did not lead to any statement, for example, on a methodology for dealing with the relationships between the assorted individualised variables, nor did it formulate a genuine strategy for action.

This could hardly have been otherwise, however, as the Conference was held at a moment on the one hand of transition in the re-formulation of development theory, and on the other when knowledge of ecology was still limited. It is worth recalling, in this respect, that in many developing countries the first studies and environmental appraisals were, in fact, prepared precisely for the Stockholm Conference.

Thanks to its broad approach the Conference confirmed the fallacy of the supposed clash between environment and development and brought out the ideological nature of the apocalyptical thinking peculiar to the early years of international debate on the environment (particularly the idea that the exhaustion of natural resources due to the "population explosion" would take mankind beyond the outer limits) and, on the whole, led to the adoption of decisions that steered subsequent thought and action on these topics along a path which has, generally, proved fruitful.

#### The Stockholm Conference:

"... focused not on pollution - a by-product of a certain growth - but on environment. Seeing the latter as a dimension of development, the Conference thus played a part in the re-definition of development itself, a process qualitatively different from economic growth and therefore not reducible to it and, in particular, to the kind of growth that had been worshipped for decades." 2/

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2/ Marc Nerfin (Ed.) "Another Development, Approaches and Strategies", the Dag Hammarskjöld Foundation, Uppsala, 1977, p. 9.



In addition to the one mentioned by Merfin, emphasis on environment had a number of other far-reaching consequences. To begin with, it led to a significant broadening of the concept of "outer limits", which came to include social as well as physical limitations. In the words of Maurice Strong, Secretary General of the Conference:

"Another vision of potential disaster is less dramatically cataclysmic than either nuclear destruction or physical breakdown, but not less dangerous for that. It is the prospect of a slow but probably accelerating slide into chaos due to social limits on our ability to cope with the complexity inherent in a high-technology society. Political, psychological and institutional limitations could condemn the world to a vicious cycle of interlocking crises, with the institutional structure of society breaking down or becoming paralyzing by the sheer weight and complexity of problems it cannot handle. And this could happen well before resource limitations put physical restraints of man's activities". 10/

It also meant acknowledging that the outer limits are a function not only of the laws of nature and of the quantity of resources available, but also of the way in which men - society in other words - is associated with nature.

This in turn brought to light the fact that contemporary history has been characterised by an increasingly predatory, i.e. enormously destructive, man-nature relationship, which far from being random, could not be disassociated from modern economic growth. In sum, the Conference was faced with the need to entirely re-examine the type of development which had hitherto been considered virtually as a universal model.

In fact, as Maurice Strong was later to point out, such a solution,

"required a new view of man's relationship not only with the natural world, but with his fellow man. Involved was not only pollution, but a whole series of threatening imbalances in which the fate of rich and poor alike is joined."11/

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10/ Maurice Strong, "One Year After Stockholm". Foreign Affairs, July 1973, vol. 51, No. 4 page 697.

11/ Maurice Strong, op. cit. p. 692, emphasis added.

## C H A P T E R   I I

### POPULATION : FROM THE "POPULATION EXPLOSION" TO THE BUCHAREST CONFERENCE

#### 1. INTRODUCTION

##### 1.1 The postwar approach to population issues

Population matters have occupied the attention of the United Nations from the very beginning. The preparatory Commission responsible for organizing the first meeting of the Organization had before it a British proposal to set up an information centre on the factors that influence population growth.

Later, Economic and Social Council resolution 3 (III) provided for the establishment of a Population Commission.

During the early stages of their consideration in the United Nations however population issues were relegated to a secondary place in the concerns of the international community and the Organization itself due to the rudimentary knowledge of population questions, the general lack of clarity concerning the relations between demographic and other social phenomena and to the absence of solid bases for decision-making, which then prevailed.

The groups who voiced their disquiet about the growth of the world population, especially in the under-developed areas, were very much in the minority and powerless to achieve a broad consensus on their proposals for birth control. Moreover, their proposals encountered insuperable problems with regard to their implementation on a large scale for lack of technical means.

Moreover, the great majority of the State Members of the United Nations were more or less firmly opposed to considering the question in international fora, and the remainder were indifferent. In the circumstances, the opposing school of thought of which the main proponents were the Holy See, the Soviet Union and the French demographers was bound to prevail.

In the United States, for example, though private foundations had been financing birth control centres since the thirties,

government officials hesitated to use public funds for these purposes. As late as 1958, President Eisenhower stated in connection with birth control:

" I cannot imagine anything more emphatically a subject that is not a proper political or governmental activity or function or responsibility". 1/

In most of Western Europe, birth control was illegal. The United Kingdom was an exception, but there it was generally felt that it was not the business of Her Majesty's Government to concern itself with birth control.

In countries like France, where Sauvy's influence was particularly strong, advocacy of birth control was regarded as a form of neo-Malthusianism and in the main severely criticized.

The Socialist countries also regarded birth control as a form of neo-Malthusianism. Denouncing the class interests that lay behind it and, consequently, their reactionary nature they claimed that the basic problem of the underdeveloped countries lay not in the rate of growth of their population, but in the inequalities inherent to their economic and social systems.

For philosophical and moral reasons, and in particular the dogma that procreation is the chief end of matrimony, the Vatican was also opposed to birth control by any means other than abstinence. Its spokesmen furthermore, doubted that world population was growing at an abnormally high rate, and pointed out that if problems did arise as a result of population growth, they could be solved by encouraging international migration.

In the developing countries, attitudes varied widely during this period, ranging from stubborn opposition to any measures of birth

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1/ Richard Symonds and Michael Garder, "The United Nations and the Population Question", Sussex University Press, 1973, p. 95.

control in Latin America, to the special interest early displayed in that respect by India and Ceylon. All in all, however, population issues were not a primary concern for the majority of developing countries. 2/

In the circumstances, until the beginning of the sixties, besides preparing some studies on population trends, the Population Commission did little more than issue recommendations for better demographic statistics.

Of the United Nations Specialized Agencies, the ILO took up the question from time to time, although at the 1950 regional conference in Asia, the problem of excess population was mentioned as one of the main obstacles to the reconstruction of the region.

WHO played a marginal role, with the exception of a few technical assistance activities in the field of birth control. These though, practically came to an end after the fifth general conference as a result of pressure exercised by the Holy See.

UNESCO was perhaps the only exception. Under the leadership of Huxley, a number of attempts were made to spread the idea that unless a balance could be achieved between population and resources, the consequences would be catastrophic for mankind as a whole. Huxley also played a leading part in convening the World Population Conference, held at Rome in 1954.

The Conference was held in a climate of government suspicion and even hostility. 3/ The Conference concerned itself with a wide range of topics, although the greatest emphasis was placed on questions relating to population research, the identification of gaps in

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2/ It is useful to recall in this respect that when the general rules for the provision of technical assistance to the developing countries by the United Nations, were laid down in ECOSOC resolution 222 (IX) of 1949, actual requests for assistance on population questions, apart from advice on census-taking and on vital statistics programmes, were few and far between.

3/ This is clearly reflected in the fact that the initiative of convening it could not originate directly in the United Nations but had to come through the IUSSP. Moreover, the resources allocated to it were very limited, and the participants had to attend in a purely personal capacity, i.e. without the power to pass resolutions or to make recommendations to Governments.

demographic knowledge, etc. Though it did create some impact by drawing the world's attention to the fact that population was growing at much higher rates than ever before, the Conference failed to bring about any substantial change of governmental attitudes towards population issues.

## 1.2 Population issues since the early 1960's

A major turning point in attitudes towards population issues resulted from the 1960-1961 censuses. The censuses:

"confirmed... beyond any doubt that world population was increasing at an unprecedented rate. The census results were particularly dramatic in the less developed countries. The figures exceeded by far all previous estimates, in one case, Ghana, by as much as 26 per cent." 4/

These wholly unprecedented trends brought about a notable increase in the popularity of the school of thought that favoured birth control. A number of institutions (notably the Protestant churches) became firm advocates of birth control, as did business associations. Before long, governments began reconsidering their policies of non-involvement, with many of them actually commencing to assign a very high priority to population matters in general, and to birth control in particular.

In a few years there was sufficient international consensus not only for an international debate on population issues, but also for the execution of population policies, including massive birth control efforts, something which by then was technically possible thanks to the invention of the pill and the IUD and to progress in the field of mass communications.

During the Kennedy Administration for example, the Government not only changed its attitude but decided to throw all the weight of its power and influence behind birth control policies in the Third World. The extent of the change may be best appreciated by the words of President Eisenhower in 1968:

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4/ R. Demonds and M. Garder op. cit., p. 122

"Once as President of the United States I thought and said that birth control was not the business of the Federal Government. The facts have changed my mind... I have come to believe that the population explosion is the world's most critical problem". 5/

Greater receptivity towards the demographic concerns of the industrial countries began to spread throughout the Third World, from its initial focus in Asia.

In a few years the issue of population growth as an obstacle to development became a central preoccupation of the United Nations.

In 1962, the General Assembly adopted resolution 1838 (XVII), which explores the possibility that the United Nations might, for the first time, give technical assistance in the field of population on a major scale to the countries of the Third World.

This resolution, is the first of a series 6/ culminating with the incorporation of the following statements in the International Development Strategy adopted for the first United Nations Development Decade:

"The target for growth in average income per head is calculated on the basis of an average annual increase of 2.5 per cent in the population of developing countries, which is less than the average rate at present forecast for the 1970s. In this context, each developing countries should formulate its own demographic objectives within the framework of its national development plan."

"Those developing countries which consider that their rate of population growth hampers their development will adopt measures which they deem necessary in accordance with their concept of development. Developed countries, consistent with their national policies will upon request provide support through the supply of means for family planning and further research".

The United Nations Population Commission entered a much more active phase of its work, emphasizing in particular the need to prepare a long-term population programme with special stress on the relation between population growth and socio-economic development. The same happened with the Specialized Agencies, in particular WHO and the World Bank.

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5/ Ibid. p. 133

6/ See for example ECOSOC resolutions 1048 (XXVIII), 1965 and 1084 (XIX) 1966, and General Assembly resolutions 2211 (XXI), 1966 and 2542 (XX).

In the meantime, a second World Population Conference was convened by ECOSOC. On the occasion of adoption of the resolution convening the Conference the strong reluctance displayed by many governments towards the resolution convening the first Conference, was notably absent.

The 1965 Belgrade Conference, was attended by more than 800 experts and observers from 88 countries. Though still a meeting of individuals acting in their own capacities, its impact was undoubtedly much greater than at the 1954 Conference.

On the whole though, the extent to which attitudes towards population issues changed, in the 1960s, can best be illustrated through the United Nations Fund for Population Activities (UNFPA), established in 1967 to supplement the regular budget resources of the Organization and those of UNDP. Its purpose was to facilitate the systematic and constant provision of technical assistance to countries requesting it, in order to identify and tackle population problems.

In 1968 and 1969, nine Governments gave or pledged a total of US \$ five million to the Fund. By 1976, it was operating with US \$ 250 million through 1,400 projects in more than 100 countries.

## 2. THE BUCHAREST CONFERENCE

### 2.1 Preparatory Work.

The 1974 World Population Conference was convened by Economic and Social Council resolution 1484 (XLVIII). Unlike preceding Conferences this was not a scientific gathering, but a Conference of government representatives.

The aim of the Conference was to encourage governments to consider the demographic factor in their general economic and social policies, and to strengthen international co-operation with countries requiring assistance in order to implement their population policies.

Overall preparatory work was entrusted to the United Nations Population Commission. In addition, four exclusively scientific gatherings were convened, to study: population and development (Cairo 4-14 June, 1973); population and the family (Honolulu, 6-15 August

1973); population, resources and the environment (Stockholm, 26 September-5 October 1973); and, population and human rights (Amsterdam, 21-29 January, 1973).

The Secretary-General of the Conference, Mr. Antonio Carillo Flores, also convened five regional meetings of governmental representatives. These were held in San José, Bangkok, Addis Ababa, Damascus and Geneva, between April and May of 1974.

Finally, four regional population conferences were held: in Mexico City (1970), Accra (1971); Tokyo (1972) and Beirut (1974)

## 2.2 The context

The 1974 Conference took place within a demographic context characterized by rapid population growth geographically concentrated in the Third World. Tables 1) and 2) illustrate these features.

Table 1) shows that between 1750 and 1900, i.e. in only 150 years 7/ world population doubled and that from the 1950's onwards, the rate of overall population growth by far exceeded the already high rate of growth recorded in the first half of the present century, reaching the record level of nearly two per cent per annum. It also shows that while in the more developed areas the rates of population growth between 1900 and 1970 remained fairly stable, oscillating around one per cent without ever exceeding 1.5 per cent, in the Third World they jumped spectacularly in the 1950's. Consequently, by 1960, two-thirds of the world's population were concentrated in Asia, Africa and Latin America.

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7/ Prior to the industrial revolution, it took approximately a millenium for the planet's population to double.



T A B L E I

WORLD POPULATION GROWTH BY REGIONS, 1750-1970

<u>PERIOD</u>	<u>ANNUAL INCREASE</u> (millions)			<u>ANNUAL GROWTH RATE</u> (percentage)		
	<u>World</u>	<u>Developed Countries</u>	<u>Third World</u>	<u>World</u>	<u>Developed Countries</u>	<u>Third World</u>
1750-1800	3.7	0.9	2.8	0.4	0.4	0.4
1800-1850	5.7	2.0	3.7	0.5	0.7	0.5
1850-1900	7.8	2.0	3.7	0.5	1.0	0.3
1900-1950	17.1	5.7	11.4	0.8	0.8	0.9
1950-1960	48.9	11.9	37.0	1.8	1.3	2.0
1960-1970	62.6	10.8	51.8	1.9	1.0	2.3

Source: Recent Population Trends and Future Prospects, Report by the Secretary-General, in The Population Debate: Dimensions and Perspectives, Papers on the World Population Conference, Bucharest, 1974, vol. 1.

Table 2 shows the population trends in the different regions and subregions of the Third World from 1950 onwards. It will be noted that there are only a few areas where the rates of population growth are fairly moderate (the temperate areas of Latin America and Eastern Asia) while in several areas (Central America, Southern Africa, South-East Asia, Micronesia and Polynesia), rates close to or even exceeding 3 per cent per annum have been recorded. It must be remembered that an average population growth rate of 3 per cent annually means that the population will double in less than 25 years.

T A B L E 2

POPULATION OF DEVELOPING REGIONS, 1950, 1960, 1970 AND  
AVERAGE ANNUAL POPULATION GROWTH RATES PER DECADE

<u>Region or Area</u>	<u>Population (Millions)</u>			<u>Growth Rate (Percent)</u>	
	<u>1950</u>	<u>1960</u>	<u>1970</u>	<u>1950-60</u>	<u>1960-70</u>
AFRICA	219.2	272.0	351.7	2.16	2.58
East	62.7	77.0	99.8	2.05	2.60
Central	26.1	31.6	40.2	1.91	2.41
North	51.2	65.2	86.0	2.41	2.77
Southern	14.4	18.2	24.2	2.35	2.87
West	64.9	80.1	101.5	2.11	2.36

Region or Area	Population (Millions)			Growth Rate (Percent)	
	1950	1960	1970	1950-60	1960-70
LATIN AMERICA	164.1	216.1	284.2	2.75	2.74
Caribbean	16.9	20.7	25.6	2.01	2.12
Central America	35.8	48.7	67.0	3.07	3.19
Temperate America	25.5	30.9	36.4	1.92	1.64
EASTERN ASIA	673.5	787.4	926.2	1.56	1.62
ID.EXCL.JAPAN	589.8	693.3	821.8	1.62	1.70
SOUTHERN ASIA	698.4	865.4	1.111.3	2.14	2.50
South-East Asia	173.1	218.5	284.9	2.33	2.65
Central-South Asia	480.8	588.4	749.1	2.02	2.41
South-Western Asia	44.5	58.5	77.3	2.74	2.79
MELANESIA	1.8	2.2	2.8	2.07	2.44
MICRONESIA and POLYNESIA	0.7	0.9	1.3	2.77	3.42

Source: Demographic Trends in the World and its major regions, 1950-1970, United Nations Secretariat, in the Population Debate, op. cit., vol. 1.

The behaviour of mortality, fertility and international migrations, the variables that most directly affect the growth rate and the spatial distribution of population, explain these trends.

(a) Mortality -

Since the industrial revolution, world mortality rates have progressively dropped. The world death rate in 1935-39, was of 35 per thousand; by 1965-70, it had dropped to 16 per thousand.

However, although the reduction of mortality has been widespread, it has not been homogeneous. Differences between developed and developing countries are particularly marked as to infant mortality, as is shown in Table 3).

T A B L E 3

TRENDS IN INFANT MORTALITY RATES  
IN SELECTED COUNTRIES, 1950-1970

<u>Country</u>	<u>Rate per 1,000 births</u>			<u>Percentage variation</u>	
	<u>1950</u>	<u>1960</u>	<u>1970</u>	<u>1950-60</u>	<u>1960-70</u>
<u>Developed countries</u>					
Soviet Union	84.0	35.0	24.0	-65	-33
United States	29.2	26.0	19.8	-11	-24
Canada	40.7	27.3	18.8	-33	-31
Japan	60.1	30.7	13.1	-49	-43
<u>Developing countries</u>					
Guatemala	113.4	91.9	88.4	-19	-4
Jamaica	78.3	51.5	32.2	-34	-37
Chile	153.2	125.1	87.5	-18	-33
Singapore	82.2	34.8	20.5	-58	-41
Sri Lanka	81.6	56.8	50.3	-30	-14
West Malaysia	101.6	68.9	40.8	-32	-41

Source: "Recent Population Trends and Future Prospects".  
Report of the Secretary-General, in "The Population  
Debate, Dimensions and Perspectives", vol 1, p. 26.

Two hundred years ago, average world life expectancy was 23-35 years. By the beginning of this decade it had risen to 55 years. But while in the more developed countries life expectancy at birth is now in the order of 70 or more years, in the Third World, despite notable advances in controlling and preventing communicable, parasitic and respiratory diseases "many millions of deaths occur every year which could be prevented by fuller application of known techniques and by improvements of nutrition and other conditions of healthy life". 8/

Another important difference between developed and developing countries in matters of mortality is the fact that in today's developed countries, the reduction of mortality rates came about slowly, so that the effects were gradual, while as in developing countries, this reduction came about abruptly.

8/ "Recent Population Trends and Future Prospects". Report of the Secretary-General, in The Population Debate, op. cit, vol. 1.

(b) Fertility

Differences between developed and developing countries are still more acute with respect to the long-term trends of fertility rates. In the former group of countries, fertility rates have generally declined and stabilized at low levels. 2/ In the latter though, they have remained more or less constant, as can be seen in Table 4).

T A B L E 4

CRUDE BIRTH RATES: WORLD, REGIONAL AND  
SUBREGIONAL ESTIMATES, 1950-1970

	<u>1950-55</u>	<u>1955-60</u>	<u>1960-65</u>	<u>1965-70</u>
World total	36	35	34	33
More developed areas	22.7	21.9	20.3	18.0
Less developed areas	43	42	40	39
<u>Africa</u>	47	47	47	46
East Africa	47	47	47	47
Central Africa	45	45	45	45
North Africa	46	46	46	45
Southern Africa	42	42	42	42
West Africa	48	48	48	48
<u>Latin America</u>	41	40	39	37
Caribbean area	38	38	37	35
Central America	46	45	44	43
South America (temperate)	26.9	27.0	26.5	24.4
South America (tropical)	45	43	40	39
<u>North America</u>	25.1	24.9	22.3	18.1
<u>East Asia</u>	36	31	29	27
China	37	32	30	28
Japan	23.0	18.2	17.5	17.9
Other countries	37	42	39	36

2/ Although fertility did not decline simultaneously in all the industrial countries, or in the same circumstances and socio-economic conditions, on the whole, by the end of the first quarter of this century, it had dropped sufficiently in all of them to put a definite end to rapid population growth.

	<u>1950-55</u>	<u>1955-60</u>	<u>1960-65</u>	<u>1965-70</u>
<u>Southern Asia</u>	46	46	45	44
South-East Asia	46	46	45	44
Southern-Central Asia	46	46	44	43
South-West Asia	46	46	45	44
<u>Europe</u>	19.7	19.2	18.6	17.6
Eastern Europe	23.5	21.0	17.2	16.9
Northern Europe	16.6	16.8	18.0	17.1
Southern Europe	21.1	20.8	20.6	19.3
Western Europe	17.5	17.7	18.2	16.8
<u>Oceania</u>	28	28	27	24
Australia and New Zealand	23.5	23.3	22.3	20.4
Melanesia	43	43	43	43
Micronesia and Polynesia	44	44	44	43
<u>Soviet Union</u>	26.2	25.3	22.0	17.7

Source: "Fertility Trends in the World", United Nations Secretariat in "The Population Debate, Dimensions and Perspectives". op. cit. Vol. 1, p. 207.

The table shows that over the period 1950-1970 as a whole, the crude birth rate in the less developed areas was more than twice as high as in the more developed areas, and that the difference became more pronounced towards the second half of the sixties.

It is in Africa and Southern Asia that the highest and also the most stable rates are to be found. It should also be noted that in the Third World, there are only a few regions and countries where the birth rates are fairly low, that is, below 25 per 1,000 inhabitants/year, but a large number of regions with high rates - over 35 per 1,000 inhabitants/year - and a fairly appreciable number of regions midway between them, with rates of 25 to 35 per 1,000 inhabitants/year.

Except in the temperate areas of South America, fertility rates in the Third World have seldom dropped significantly. The countries where there has been a downward trend, such as Costa Rica, Guadalupe, Reunion Island, Jamaica, Martinique and Fiji, have a marginal influence on global or even regional population trends.

(c) International migrations

Unlike the trend of events in the 19th century and early years of this century, when the vast population movements between Europe and America, Western Russia and Asia, and India and Asia, were at their height, international migrations now play a minor part in the spatial distribution of the world population.

It need only be realised that since 1950, which heralded the beginning of the fastest period of population growth in the Third World,

"it is doubtful whether a dozen countries have gained or lost as many as a million people in the balance of migration across borders. Even for the largest gainers and losers, the annual balance of immigration and emigration has been in most cases no more than a fraction of 1 per cent of the population".<sup>10/</sup>

2.3 Main Issues before the Conference

Obviously no one assumes that the restoration of demographic stability in the Third World will take place by way of a return to high mortality and fertility rates. At the same time it is certain that if the population trends now prevailing in the Third World should continue indefinitely, the effects for the whole of humanity would be catastrophic.

During much of the 1960's, the belief prevailed that the main, if not the only way to restore demographic stability in the Third World, was through the adoption of measures aimed at directly

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<sup>10/</sup> Ibidem, p. 30.

influencing fertility. This was largely due to the optimism with which the development prospects of the periphery were viewed at the time (hence for example, the expression "developing" countries). On the basis of essentially geo-centric attitudes in the industrialized world, and of imitative ones in the periphery, development was seen as a virtually automatic process which, mainly through the spread of modern technology, would take the periphery through the stages of growth already crossed by Western Europe and the United States; leading ultimately, to an almost universal reproduction of the socio-economic conditions prevailing in the industrialized areas of the West.

This was seemingly borne out by the significant economic advances made by many of the Third World countries in the 1950's and 1960's. The relationship between this point of view and the emphasis laid on population policies is obvious: growth coupled with the maintenance of high fertility rates were seen as negating the theory of demographic transition. 10 bis/ In effect the transition did not seem to be occurring spontaneously as the theory indicated, hence the conviction that measures had to be taken in order to force it.

Towards the second half of the 1960's, however, it became increasingly evident that living conditions for the bulk of the population in the Third World had changed very little despite the economic growth that had taken place in the majority of Third World

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10 bis/ Based on the premise of a close interdependence between population and socio-economic structures, the theory of demographic transition states that population groups pass through three stages: an initial stage of demographic stability with high rates of mortality and fertility; a second stage of more or less rapid population growth in which mortality falls and fertility remains constant or falls less sharply; and, finally a third stage in which stability is restored on the basis of low mortality and fertility rates. Each stage in turn corresponds to the different stages of what is generally known as the process of modernization.

countries. The result was a thorough reconsideration of development thinking. In a word, the facts had not discredited the theory of demographic transition, but the theories of development that had been sacrosanct until the middle of the 1960's. Similarly, there was a re-examination of what up to then had been generally accepted truths in connection with the determining factors of population growth and with the effects of this latter on development.

One immediate result was the attempt to better understand the root causes of high fertility rates and, more specifically, the linkages between these and underdevelopment, in turn, leading to the conclusion that:

"There is much conflict of opinion about the exact details of the process responsible for fertility decline, and different experts emphasize different combinations of influences. Despite these disagreements, historical experience and observable current trends provide an overall generalization that can hardly be denied: Every population that has experienced the impact of economic and social development has undergone a demographic evolution in the course of which fertility, as well as mortality, has declined drastically" 11/

In effect, economic development, implies a marked fall in mortality, above all in infant mortality, one of the most important factors affecting fertility. Fertility decline is also associated by other changes associated with development, such as the general rise in living standards and the spread of social security systems (which make children far less important as a security for one's old age), industrialization and the switch from rural to urban society (which substantially reduces the role of the family in production and the importance of children as a source of income), the general rise of education demanded by society (which makes a large number of children a burden to the family). Industrialization

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11/ "Population Change and Economic and Social Development". Report of the Secretary-General, in "The Population Debate", vol. 1, p. 47. (emphasis added).



also provides greater opportunities for women to take part in activities other than those of the family circle and, in general, to raise their degree of social participation; these changes have historically been accompanied by sharp fertility declines.

There is doubtless no agreement as to the relative importance of the various factors just mentioned, but - as many of the documents submitted to the Conference pointed out - it is difficult to question that taken together, they create the conditions for a decline of fertility. These conditions have been summed up as follows:

- "(a) the regulation of fertility, after weighing the advantages and disadvantages of additional births, must be an accepted mode of behaviour;
- (b) lower fertility must be perceived by individual coupled as advantageous to both parents and children; and
- (c) there must be adequate knowledge and acceptance of means of reducing fertility, sufficient communication between spouses and the will to use the available means". 12/

While not excluding the possibility that a significant fall in fertility rates may occur in one or more specific developing countries in the absence of substantial socio-economic change, the documents submitted to the Conference, in general, emphasized that the above listed conditions are unlikely to come about, if situations of broadspread poverty continue to prevail in the Third World.

As to the socio-economic consequences of population growth despite considerable progress in the field of demography since the war, and despite progress made on understanding the inter-relationships between population growth and development, they are by far less clearly understood than the ways in which population growth is affected by economic change.

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12/ Report of the Symposium on Population and Development, held at Cairo, June 4-14, 1973, in "The Population Debate..." op.cit. vol. 11, Annex 1.

This has therefore traditionally been the most controversial of all questions relating to population. Rival schools of thought in this sphere range from those claiming that current population growth rates in the Third World constitute an insurmountable obstacle to development to those underlining that rapid population growth is an important factor in promoting development.

The second school points out that, historically, economic development has been accompanied by rapid population growth, specifically in the case of many of the countries now industrialized. Another, more recent example frequently put forward in this respect, is the very considerable economic development of the South of the United States, which has gone hand in hand, with high rates of population growth.

At the same time, it is pointed out that, during the "sixties, population growth did not prevent the developing countries' growth from increasing their GNP at an average of over 5 per cent per year. It is also pointed out that, from the standpoint of economic growth, there has been no great difference between the developing countries with a high population growth rate and those with lower rates, and even that economic growth has tended to be slightly higher in the former countries.

However, it is stated in response, there can be no comparison between the population growth rates prevailing today in the developing countries and the rates prevailing in today's developed countries, when they were undergoing rapid population growth. Furthermore, it is said that the lack of correlation between growth of population and growth of the GNP is not a conclusive argument. Finally it is added population growth means that any increase in the GNP has to be divided up among a larger number of people, so that the product per capita remains the same.

However, this controversy appears to be now somewhat superseded. Basically, the question can be expressed in terms of a vicious circle. In the conditions of extreme poverty prevailing

in the Third World, fertility rates are almost invariably very high. In view of the trend of mortality, the result is a high population growth rate which in turn means a steadily growing demand for goods (housing, food, etc.) and services (health, education, etc.), creating more or less intense pressure on the environment and, in general, on the resources available to meet the demand, thus making it difficult to improve living conditions and so forth.

As a consequence of the tendency to overestimate the importance of population growth during the 'fifties and part of the sixties, emphasis was firmly placed on the need to break out of the vicious circle by bringing about a decisive change in the behaviour of the fertility variable.

From the second half of the 1960's, however, a much broader approach began to prevail.

This approach, while not neglecting the significance of the population variable (size, rate of growth, spatial distribution, etc.) especially in terms of pressure on resources and in terms of processes such as those of environmental degradation, rural-urban migration, unemployment, etc., began assessing this significance more realistically by referring it to other equally important variables, such as technology, land tenure systems, external economic constraints, the conditions under which countries experiencing rapid population growth are inserted into the international economic system, and others.

In short, this approach stresses the need to break the vicious circle by a concerted and simultaneous action on the population variable and on the "poverty" variable, by means of policies which take account of the indissoluble connections between them as well as of the tendency of the different factors and elements composing the "poverty" variable to reinforce one another.

Basically then, the main task before the Bucharest Conference was to identify ways and means to make operational the approach just described, a question that led it inevitably to the broader issue of overcoming underdevelopment.

### 2.3 Upshot of the Conference

The Bucharest Conference was held in August 1974. It adopted an extremely broad approach to the issues before it, thus reinforcing the trend already apparent in the two previous world population conferences in the sense of going well beyond strictly demographic matters. This is evident in its principal decision, the adoption of a World Plan of Action on Population matters. 13/ (See United Nations document E/CONF.60/19).

After setting out the main characteristics of the world population situation and its prospects for the future 14/ the Plan

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13/ The Conference adopted resolutions, inter alia, on the following questions: "Rural Development", "Socio-economic factors in demographic change", "Charter of Economic Rights and Duties of States", "Status of Women", "For a more just World", "Food Production", "Towards a more equitable distribution of World Resources", "Interrelationships between population, development, resources and environment", "Food and Fertilizer Shortages", "Regional Co-operation", "The Rural Family", "Rural Populations", "Population and Research", "Population Policies", "The Family and Development", "Decolonization", "Policies of Apartheid in South Africa, Namibia and Southern Rhodesia".

14/ The Plan of Action refers inter alia, to the existence of a high rate of growth of world population, but with sharp disparities between and within countries; to the significance of the age structure of population, in particular certain structures which give rise to a considerable degree of demographic inertia; to the absence of development, especially in rural areas; to the unlikelihood of any change in present demographic trends before the end of the century, and certainly not before 1985; etc. It is interesting to note, in this regard, that these facts are presented against the background of an optimistic assessment of the future, which sharply contrasts with the apocalyptic thinking frequently associated with population issues.

lays down a set of principles. In this sense it reiterates that the formulation of demographic policies as well as their implementation are the sovereign right of each State and, that States bear prime responsibility for population matters, without prejudice to the possibility that international co-operation may play an important role in connection with population issues.

The following principles are also included: the purpose of development is the human being; each couple has the inalienable right to decide, freely and responsibly, the number and spacing of their children; demographic policies must avoid anything resembling compulsion, and must respect human rights; population growth poses problems which go beyond national boundaries, etc.

In respect of priorities for action to accelerate the restoration of demographic stability in the developing countries in other words the Plan of Action unmistakably emphasizes the struggle against underdevelopment itself. In effect, the Plan states that:

"The basis for an effective solution of population problems is, above all, socio-economic transformation. A population policy may have a certain success if it constitutes an integral part of socio-economic development; its contribution to the solution of world development problems is hence only partial, as is the case with other sectoral strategies.

....Policies whose aim is to affect population trends must not be considered as substitutes for socio-economic development policies but as being integrated with those policies in order to facilitate the solution of certain problems facing both developing and developed countries and to promote a more balanced and rational development...."

This point is made in different ways in connection with virtually all the specific issues dealt with throughout the text, including: section B) paragraph 14, sections c) and d) (population and development are interrelated: population policies are never substitutes for socio-economic development policies), section C) paragraph 25 (....programmes designed to reduce morbidity and mortality must be integrated within a comprehensive development

strategy and supplemented by a wide range of mutually supporting social policy measures), section C) paragraph 31 (it is recommended that governments wishing to affect fertility levels give a high priority to implementing development programmes) and 32 (factors such as the reduction of infant mortality, the integration of women in the development process and the promotion of social justice generally influence fertility levels).

Conversely, with respect to the question of the impact of population growth on development, the Plan is far less categorical. In effect, it merely states (paragraph 37), that:

"...countries which consider their birth rates as detrimental to their national purposes are invited to consider setting adequate quantitative goals and implementing policies that may lead to the attainment of such goals by 1985".

The Plan of Action itself, however, avoids setting quantitative goals for the reduction of population growth. In fact, the only quantitative goals laid down by the Plan deal with the reduction of infantile mortality and the expansion of life expectancy. In this respect the Plan states that:

"...the countries with the highest mortality levels should aim by 1985 to have expectation of life at birth of at least 50 years and an infantile mortality of less than 120 per thousand live births".

At the conceptual level, it should be emphasized that the Plan endorses the notion according to which the end-purpose of development is the human being. It also states that development implies a process of liberation which should lead to full independence. Self-reliance, the question of meeting basic human needs and other similar issues, however, are notably absent.

The Plan of Action strongly emphasizes the need to cope with underdevelopment through a vast range of complementary measures. Such measures though, are enounced in the most general of terms,

such as "structural transformations", "socio-economic change", etc.

Such indications, moreover, are scattered throughout the text, and there is no attempt to assemble them systematically or to suggest even the broad guidelines of a clear and coherent development strategy.

## C H A P T E R   I I I

### FOOD : FROM HOT SPRINGS TO THE WORLD FOOD

#### CRISIS IN THE SEVENTIES

##### 1. THE FIRST EFFORTS TO ESTABLISH INTERNATIONAL CO-OPERATION TO DEAL WITH WORLD FOOD PROBLEMS

International awareness of the problems of malnutrition, food shortage and trade in foodstuffs only emerged in the 1930's. The League of Nations drew attention to the food shortage by publishing a report, in 1937, on "The Relationship between Nutrition, Health, Agriculture and Economic Policy", which had wide repercussions. It lead to the establishment of nutrition committees in 30 countries and to the holding of three Conferences: two in Geneva, (1937 and 1938) and another in Latin America (1939).

The war intervened, and cut short these first efforts until the early forties, when thanks to the writings of, amongst others, F.L. MacDougall <sup>1/</sup> (in particular a document which came to be known as the "MacDougall Memorandum"), the international community became aware of the need to give a high priority to the production and distribution of foodstuffs within the overall reconstruction effort.

In May 1945, President Roosevelt, after having met MacDougall, invited the Allied Governments to a Conference on Food and Agriculture, in Hot Springs, Virginia.

The 45 countries which attended the Conference made certain recommendations, including the establishment of a permanent international organization, with broad technical powers. In order to implement this recommendation an Interim Commission, under the chairmanship of Lester B. Pearson was set up.

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<sup>1/</sup> MacDougall was a former League of Nations Officer and an adviser to the Australian Delegation to the League.



A heated discussion took place about the basic nature of the Organization. One group wanted it to be a strong institution, capable of taking concrete and positive steps to promote economic expansion and help avert disastrous crises. The other group thought that it should have more of a fact-finding, advisory role, without the ability to act.

At the Conference held in Quebec in October 1945, which formally established the FAO, <sup>2/</sup> the former school of thought prevailed and its terms of reference were drafted in very broad terms.

John Boyd Orr, one of the highest world authorities in this field, was appointed the first Director-General of the FAO. Despite the expectations raised by the establishment of the Organization as early as 1946, the first frustrations were encountered. The war had caused a grave food shortage. Boyd Orr prepared a study of the situation and presented it to a Special Meeting on Urgent Food Problems, together with proposals for the creation of a World Food Emergency Board, authorized to buy, stock and sell certain agricultural products, thereby controlling prices and stimulating production. The idea was to closely link this Organization to the IBRD, Economic and Social Council and the projected International Trade Organization, in order to ensure that production, credit and trade were all associated.

The preparatory Commission on World Food Proposals supported these ideas. However the idea was ultimately rejected, and, with it, the FAO lost the opportunity to become a vigorous instrument for increasing production and regulating trade, and for the provision of technical assistance to the developing countries.

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<sup>2/</sup> For detailed history of the origins of the FAO, see Hambidge Gove, "The Story of FAO", D. Van Nostrand C.I., New York, 1954.

Not surprisingly, Boyd Orr soon resigned as Director-General, in 1948.

Lord Boyd Orr's functions as Director-General of the FAO were taken over by Morris Dodd, United States Under-Secretary for Agriculture. Dodd honestly wanted to follow in his predecessor's footsteps. He was convinced that the International Food Council was failing to intervene in critical market situations, when disturbing systems begun to appear. He therefore proposed, that the creation of an International Commodity Clearing House. Instead of this, the Conference set up a Committee on Commodity Problems still in existence. Its influence however has been very limited. In 1951, the Committee on Commodity Problems proposed the establishment of an Emergency Food Reserve, to prevent famine. The 1953 Conference turned this proposal down. In the meantime the world food situation continued to deteriorate.

## 2. PROBLEMS OF HUNGER AND MALNUTRITION TAKE ON A PLANETARY DIMENSION

In 1957, Dr. B.R. Sen was appointed Director-General of the FAO. Coming from an underdeveloped country, in a region which had suffered from acute hunger, Sen put quite a different imprint on the Organization. Dr. Sen was convinced that the FAO had to be reinforced and its scope of action be enlarged. He realised, that the slow rate of growth of agriculture in the Third World, combined with rapid population growth was a dangerous mixture. For this reason one of his first initiatives was to launch the "Freedom from Hunger" campaign. Although it did arouse public opinion to some extent, the campaign did not affect the conviction then in vogue at the United Nations, to the effect that industrialization was the only way to promote development. Rural development thus remained a secondary priority.

As part of its efforts to improve rural living conditions, and to promote rural development through a profound transformation of antiquated structures, FAO lent great impetus to agrarian reforms

especially in Latin America. The Organization played an important role in the preparation of technical aspects of agrarian reforms, and in some countries, it also helped draft agrarian legislation.

## 2.1 The World Food Congress

In 1959, the Director-General of FAO proposed that a World Food Congress be held in 1963, within the framework of the "Freedom from Hunger Campaign".

The Congress which took place in Washington D.C. adopted an important Declaration which states that,

"... in spite of twenty years of effort since the Hot Springs Conference which led to the foundation of FAO, the curse of hunger, malnutrition and poverty still afflicts more than half of mankind".

Moreover, the Declaration, went on to urge that action be taken

- "1. by all governments of the developing countries
  - (a) for a planned and integrated use of resources which at present are largely underutilized;
  - (b) for the adaptation of their institutions to requirements of economic and social progress; and, more specifically, to secure the most effective administrative machinery, to give incentives to increased production through ensuring just and stable prices, and to reform, where required, unjust and obsolete structures and systems of land tenure and land use so that the land might become, for the man who works it, the basis of his economic betterment, the foundation of his increasing welfare, and the guarantee of his freedom and dignity;
2. for the maximum utilization of the stock of scientific and technical knowledge and the promotion of both short and long term adaptive research suited to the conditions and requirements of the developing countries;

3. for the massive and purposive education of the rural populations, so that they will be capable of applying modern techniques and systems, and for universal education to expand the opportunities for all."

Furthermore, the Congress stressed,

"THAT to assist national efforts, and allow speedier implementation of development programmes within a world-wide framework, international co-operation be strengthened, in particular so that:

1. present adverse and disturbing tendencies in the trade of the developing countries be reversed and that for that purpose adequate and comprehensive commodity agreements be devised, development plans be co-ordinated and other appropriate measures taken, and
2. the volume and effectiveness of financial, material and technical assistance be increased, and
3. there be a more equitable and rational sharing of world abundance"

2.2. "Freedom from Hunger" as a Fundamental Right

In 1966, when preparations for the Covenant of Human Rights were in the final phase of a 15 year discussion, Dr. Sen proposed that an article be inserted into the Covenant on Economic, Social and Cultural Rights establishing the fundamental right of everyone to be free from hunger and stipulating that the States Parties to the Covenant:

"shall take, individually and through international co-operation, the measures, including specific programmes, which are needed to improve methods of production, conservation and distribution of food by making full use of technical and scientific knowledge, by disseminating knowledge of the principles of nutrition and by developing or reforming agrarian systems in such a way as to achieve the most efficient development and utilization of natural resources".

The General Assembly unanimously approved the proposal.

### 2.3 The World Food Programme

Following decisions taken by the General Assembly and the FAO Conference, and also within the context of the Freedom from Hunger Campaign, the World Food Programme came into operation in January 1963.

The programme was set up to provide food aid to countries or regions threatened by hunger, to contribute to financing development projects, and to provide emergency food aid. The programme started with limited resources but it has grown rapidly, as shown in the following table:

<u>pledging period</u>	<u>total values of pledges</u> (US \$ millions)
1963/1965	84
1966/1968	187
1969/1970	320
1971/1972	250
1973/1974	361
1975/1976	650
1977/1978	750

From its inception the WFP has completed some four hundred projects all over the world. The majority of them are directly productive projects.

### 2.4 The Food Aid Convention of the International Grains Arrangement.

Under the International Grains Arrangement of 1967, negotiated as part of the "Kennedy Round" held under GATT auspices, producing and importing countries agreed on the need to take into account the interests of developing countries, both as producers and consumers of grains. They agreed to establish as part of the Arrangement, a Food Aid Convention under which importers and exporters committed themselves to grant food aid to deficit developing countries in quantities specified in the Convention.

The contributions of developed importing countries would be in cash, a part of which would be used for the purchase of cereals in developing exporting countries. By virtue of this clause, various importing countries made cereals purchases in Argentina (the only developing country member of the arrangement which then had a cereal surplus) and Argentina in turn also made various grants of cereals to other developing countries as part of its obligations under the Convention.

When the International Grains Arrangement was negotiated in 1971, the Convention was extended for a three years period (1971-1974).

The Convention has helped meet a good part of the needs of food deficit developing countries, but failed to put order in the chaotic system of food aid. It also failed to place the productive capacity of exporter developing countries at the service of other developing countries with food deficits

## 2.5 The World Food Problem and the United Nations Conference on Trade and Development

On the initiative of the United States and Chile, UNCTAD II included on the Agenda for its 1968 New Delhi meeting an item entitled the "world food problem - its relationship to international trade, export earning and economic development of developing countries; measures to assist them to increase their food production and to improve the conditions for its distribution and marketing".

A working group studied this problem in detail and adopted a declaration unanimously endorsed by the Conference, which pointed out that:

"1. Half of mankind is undernourished or badly fed, because the world production of energy-giving and protective foods is insufficient to satisfy nutritional requirements. The millions of people suffering from hunger and malnutrition live in developing countries".

Moreover, UNCTAD II recognized that,

"3. Effective action to overcome the world food problem and to modernize rural life in developing countries should consequently be conceived in the framework of a universal endeavour dedicated to the fullest and most effective use of all human, scientific and natural resources to ensure a faster rate of economic growth and parallel social progress;

4. The ultimate solution of the world food problem requires a series of convergent measures some of which would have immediate effects and others long-term results. Overall measures should be directed to increasing food production through actions of institutional, technical, social and economic character; to the improvement of marketing at both national and international levels; to the development of agro-industries and to the consideration of the dynamics of population. The adoption of measures to increase supplies, including food aid, to meet shortages and the application of improved techniques will continue to be required to alleviate the situation in the short-term. Action should be taken urgently on measures having both immediate and long-term effects".

To this end the Declaration also urge developing countries to give particular attention:

"to remove such impediments to increased agricultural production as arise from agrarian and credit structure inherited from the past, to carry out, wherever appropriate, the reforms in the systems of land tenure, land and water use and credit and to modernize administrative institutions;

.....  
3. To lay emphasis on the development of human resources and to this effect, among other measures, to adopt programmes of mass education in the rural areas, technical training and community development, to ensure an active participation by the farmers in the common tasks to increase their income and their standard of living and to ensure the enjoyment of their political, social, economic and cultural rights".

Finally the Declaration urged developed countries to increase their technical and financial assistance for production and modernization of developing countries' agriculture, for the establishment of argo-industries to manufacture fertilisers, pesticides, agricultural machinery and irrigation works as well as for the development of human resources.

This Declaration can be seen as the culmination of a decade of intensive activity to alert world opinion to the serious world food situation and to stimulate developed and developing countries to increase food production through measures proportionate to the magnitude of the problem.

### 3. THE FOOD CRISIS IN THE EARLY SEVENTIES

In the years that followed, the action of the past decade was considerably weakened. In the 1970's, when much grave crisis arose, solutions which emerged were far less generous, more limited and less in line with a true international conscience than those arrived in the previous decade.

#### 3.1 The Second Food Congress

The First World Food Congress had called for the holding of similar congresses at periodic intervals "to review a world survey, presented by the Director-General of FAO, on the world situation in relation to population and overall development, together with a proposed programme for future action".

Acting on this recommendation, the Director-General of FAO, Mr. A.H. Boerma, accepted the invitation of the Government of the Netherlands to hold a Second World Food Congress which was held at The Hague in 1970.

The results of The Hague Congress were disappointing if one compares them with the magnitude of the problems the world was facing and those which would emerge later. In contrast to what happened at the First World Food Congress the Final Declaration neither analysed the world food situation in depth nor formulated any precise directives. Indeed it limited itself to generalities, not to say platitudes.



### 3.2 The International Strategy for the Second United Nations Development Decade

That same year, the General Assembly of the United Nations, on the occasion of the 25th anniversary of the setting up of the Organization, approved an International Strategy for the Second United Nations Development Decade.

The FAO contributed very little to the formation of the Strategy. At a time when food had become a problem of crucial importance, the Declaration of UNCTAD II, adopted in 1968 "on the World Food Problem" and even the Declaration of the First World Food Congress of 1963 were much more comprehensive, and precise blueprints that the following paragraph on agricultural development and rural well-being, the only reference to the subject made in the Strategy:

"Developing countries will formulate, early in the Decade, appropriate strategies for agriculture (including animal husbandry, fisheries and forestry) designed to secure a more adequate food supply from both the quantitative and qualitative viewpoints, to meet their nutritional and industrial requirements, to expand rural employment and to increase export earnings. They will undertake, as appropriate reform of land tenure systems for promoting both social justice and farm efficiency. They will adopt the necessary measures for providing adequate irrigation, fertilizers, improved varieties of seeds and suitable agricultural implements. They will also take steps to expand the infrastructure of marketing and storage facilities and the network of agricultural extension services. They will make increasing provision for the supply of rural credit to farmers. They will encourage co-operatives for the organization of many of these activities. They will adopt appropriate agricultural pricing policies as a complementary instrument for implementing their agricultural strategies. Developed countries will support this endeavour by providing resources to developing countries for obtaining the essential inputs, through assistance in research and for the building of infrastructure and by taking into account in their trade policies the particular needs of developing countries. International organizations will also provide appropriate support".

### 3.3 The degradation of the world food situation

The monetary catastrophe following the devaluation of the dollar, spelt the beginning of a number of increasingly severe extensive economic crises. The impact of these events on the world food situation, was considerable. As stated in the Foreword to the FAO's "State of Food and Agriculture, 1972":

"The past year has seen a number of international developments which have not been very encouraging. The world monetary crisis had repercussions on both trade and aid. The climate for international development assistance has been less favourable than for many years.... Many of these donor countries are looking more and more critically at their foreign assistance expenditure, especially in the light of the need for greater expenditure on economic and social programmes (including environmental measures) within their own countries. Like the developing countries that depend on international assistance for their development needs, the international organizations have been affected by this turn of events as well as by the inflation that is now plaguing so many of the developed countries".

This analysis of the situation in the second year of this decade, concludes with the following premonitory statement:

"All in all, then, 1971 was not a very encouraging year. It will need the best efforts of all concerned to bring a more hopeful outlook for the agriculture of the developing countries, taking full account of such new priorities as those in research and education that are stressed here. Let us be under no illusion. As far as agriculture in the developing world is concerned, the Second Development Decade seems to have got off to a poor start. If urgent measures are not taken to redress the situation, the whole international strategy for the decade could well be in jeopardy".

One year after, the situation was even worse and the Director-General of FAO stated, again in the foreword of the FAO "The State of Food and Agriculture. 1973":

"The world food situation in 1973 is more difficult than at any time since the years immediately following the devastation of the second world war. As a result of droughts and other unfavourable weather conditions, poor harvests were usually widespread in 1972. Cereal stocks have dropped to the lowest level for 20 years. In the new situation of worldwide shortage, changes are occurring with extraordinary rapidity. Prices are rocketing, and the world's biggest agricultural exporter has had to introduce export allocations for certain products.

World food production in 1972 was slightly smaller than in 1971, when there were about 75 million fewer people to feed. This is the first time since the second world war that world production has actually declined.

There have now been two successive years of poor harvests in the developing countries. After a series of encouragingly large harvests (especially in the heavily populated Far East) in each of the four years 1967-1970, 1971 brought only a small increase in food production in the developing countries as a whole. In 1972 the Near East was the only developing region to record a large increase, and with a substantial drop in the Far East (3 per cent) no increase occurred in the total food production of the developing countries.

The main difference between 1971 and 1972 - and which makes the disappointing production results in the developing countries in 1972 all the more serious - lies in what happened in the developed parts of the world. In 1971 the small increase in the developing countries was accompanied by a large increase in the developed countries, so that at the world level there was a fairly comfortable rise. But in 1972, largely (although by no means entirely) because of disastrous weather in the U.S.S.R., stagnant production in the developing countries was accompanied by a fall in the developed ones.

In the face of a constantly growing population, these events are extremely disquieting. Per caput food production in the developing countries as a whole is now below the level of 1971-1965. In the far East it is 8 per cent below the peak level of 1970. The threat of food shortages has already become a harsh fact in the Sahelian zone of West Africa, where because of prolonged drought more than 6 million people are close to famine. Even where the situation is less dramatic, many millions must have been added to the large number of people already inadequately fed. Food prices have risen almost universally, bringing additional hardship to the poorer consumers who have to spend most of their income on food. Imports of the staple cereals have become very difficult to obtain, even for those countries that can afford to purchase them out of their own foreign exchange.

Mainly because of massive purchases contracted by the U.S.S.R. in 1972, world stocks of wheat have been drawn down to the lowest level for 20 years. Rice is also in very short supply. There is thus little if any margin against the possibility of another widespread harvest failure in 1973, and the world has become dangerously dependent on current production and hence on weather conditions. The real measure of our anxiety is that while a marginal shortfall in expected production in a major area in 1973 could lead to a serious deficit at the world level, a marginal improvement would not much relieve what is already a dangerous situation."

The same document contains a chapter on employment in rural areas which underlines the dramatic increase of unemployment and above all underemployment. The extent of the crisis was described as follows by the Director-General of the FAO:

"It is intolerable that, on the threshold of the last quarter of the twentieth century, the world should find itself almost entirely dependent on a single season's weather for its basic food supplies".

Such a situation, and particularly famine in the Sahel and Bangladesh had an important impact on world public opinion. The FAO none the less, was unable to agree on the establishment of food reserve mechanisms providing security for serious food shortages in the future. Nor were proposals for setting up international basic foodstocks or for co-ordinating national stocks, - aimed at ensuring stable prices for developing countries' commodities - accepted either.

#### 4. THE WORLD FOOD CONFERENCE

##### 4.1 Antecedents

The situation just described led the Fourth Conference of Heads of State and Government of the Non-aligned Countries held in Algiers (September 1973) to adopt the following decision:

"...in the context of the serious food crisis confronting vast areas and populations of the world, an emergency joint conference of FAO and UNCTAD should be convened at Ministerial level in order to formulate a programme of international co-operation to overcome the increasing shortage of food and other commodities and maintain stable prices".

Two weeks after the adoption of the above mentioned decision, on 24 September 1973, the Secretary of State of the United States of America, in a statement to the General Assembly at its twenty-eighth session, proposed that a world food conference be convened under United Nations auspices in 1974 to discuss ways to maintain adequate food supplies and to harness the efforts of all nations to meet the hunger and malnutrition resulting from natural disasters.

On 4 October 1973, the United States of America proposed the inclusion in the agenda of the twenty-eighth session of the General Assembly, of an item entitled "Convocation of a world food conference under the auspices of the United Nations". The General Assembly decided at its 2152nd meeting to include this item in the agenda and to allocate it to the Second Committee. An item entitled "World Food Conference" was also included in the agenda of the resumed fifty-fifth session of the Economic and Social Council.

The United States Government and in particular its Secretary of State, Mr. Henry Kissinger, exerted considerable influence in bringing about an important change in the organization of the Conference as proposed by the non-aligned countries. They had wanted it to be organized by FAO and UNCTAD jointly. FAO because of the responsibilities assigned to the Organization by its Constitution, and its experience it was not only fitted to host the Conference, but in fact was the most suitable forum in which governments could seek answers to food problems. Since these were so closely interconnected with international trade (in food products as well as their distribution and financing) the non-aligned countries felt that UNCTAD should also play a major role in the organization of the Conference.

On the contrary, the US position was to convene the conference under the auspices of United Nations, and to give a secondary role to FAO and UNCTAD. The latter criterion prevailed.

Thus following a recommendation of the Economic and Social Council, the General Assembly, at its twenty-eighth session, adopted resolution 3180 (XXCIII) in which it decided to convene a World Food Conference under the auspices of the United Nations for about two weeks, in November 1974, in Rome.

#### 4.2 The Conference and its decisions

The Conference took place between 5th and 16th November 1974, in Rome. It dealt with a very broad range of questions, and formulated recommendations and declarations on the production of food; rural development; nutrition; the role of women; the balance between population and food supplies; food aid; the creation of a world information and early warning system of food and agriculture; world food security; international food-stuffs trade, etc.

Amongst these decisions the following are worthy of mention:

(a) Resolution XXII, which recommended that the United Nations General Assembly establish a World Food Council (WFC) to function at Ministerial or Plenipotentiary level, as an organ of the United Nations.

The WFC should report to the United Nations General Assembly through the Economic and Social Council and,

"serve as a co-ordinating mechanism to provide overall integrated and continuing attention for the successful co-ordination and follow-up of policies concerning food production, nutrition, food security, food trade and food aid, as well as other related matters, by all the agencies of the United Nations system".

A new mechanism was thus superimposed on the FAO whose constitutional responsibilities already covered those given to the WFC.

(b) Resolution XII which decided that:

- "1. An International Fund for Agricultural Development should be established immediately to finance agricultural development projects primarily for food production in the developing countries;
2. All developed countries and all those developing countries that are in a position to contribute to this Fund should do so on a voluntary basis;
3. The Fund should be administered by a Governing Board consisting of representatives of contributing developed countries, contributing developing countries, and potential recipient countries, taking into consideration the need for ensuring equitable distribution of representation amongst these three categories and regional balance amongst the potential recipient representations;
4. The disbursements from the Fund should be carried out through existing international and/or regional institutions in accordance with the regulations and criteria to be established by the Governing Board;
5. The Secretary-General of the United Nations should be requested to convene urgently a meeting of all interested countries, mentioned in paragraph 3 above, and institutions to work out the details, including the size of, and commitments to, the Fund;
6. The Fund should become operative as soon as the Secretary-General of the United Nations determines, in consultation with representatives of the countries having pledged contributions to the Fund, that it holds promise of generating substantial additional resources for assistance to developing countries and that its operations have a reasonable prospect of continuity."

(c) Resolution XVIII, on an improved food aid policy. In this respect the Conference,

- "1. Affirms the need for continuity of a minimum level of food aid in physical terms, in order to insulate food aid programmes from the effects of excessive fluctuations in production and prices;
2. Recommends that all donor countries accept and implement the concept of forward planning of "food aid", make all efforts to provide commodities and/or financial assistance

that will ensure in physical terms at least 10 million tons of grains as food aid a year, starting from 1975, and also to provide adequate quantities of other food commodities".

(d) Resolution XIX, on International trade, price stabilization and agricultural adjustment, which states:

"Recognizing the interrelationship between the world food problem and international trade, and the role which international trade based on mutual and equitable benefits can play in solving the world food problem, including its development aspects, and  
Bearing in mind that the instability in the world agricultural markets as reflected in excessive fluctuations of prices and the uncertainty about availability of agricultural products in world markets benefits neither the producer nor the consumer countries and has negative impacts on their economies, particularly those of the developing countries"

considers the need to stabilize world food markets, and reiterates the well known positions of developing countries on international trade, and refers to the need to adopt a global integrated programme on commodities.

(e) Resolution I calls upon Governments to:

"adopt measures of agricultural reform and for the progressive transformation of structures and socio-economic relations in rural areas".

This resolution needs to be especially recalled. Since 1966, the date of the First World Conference on Agrarian Reform, the preferential attention which had been given to this question in previous years had weakened.

(f) Resolution VIII, which

"1. Calls on all Governments to involve women fully in the decision-making machinery for food production and nutrition policies as part of a total development strategy;



2. Calls on all Governments to provide to women in law and in fact the right to full access to all medical and social services, particularly special nutritious food for mothers and the means to space their children to allow maximum lactation, as well as education and information essential to the nurture and growth of mentally and physically healthy children;
3. Calls on all Governments to include in their plan provision for education and training for women on an equal basis with men in food production and agricultural technology, marketing and distribution techniques, as well as to put at their disposal, consumer, credit and nutrition information;
4. Calls on all Governments to promote equal rights and responsibilities for men and women in order that the energy, talent and ability of women can be fully utilized in partnership with men in the battle against world hunger".

Few conferences give as much opportunity for bringing to light the interdependence between the problems it covered and those included in the agendas of the other conferences discussed in this study. Thus for example, various resolutions show the interconnection between food policies and industrialization. Resolution III on fertilisers, recommends a programme of aid to developing countries to expand their fertiliser industries and improve their fields. Resolution IV, calls for the organization of agro-industrial research programmes while the development of seed industries is recommended in resolution XII.

A series of resolutions refer to the need to strengthen scientific and technological institutions in both the agricultural and agro-industrial field. Resolution XIX is intimately related to the entire field of activities of UNCTAD and other organs and bodies of the United Nations dealing with trade and development. Resolution IX refers especially to the achievement of a desirable balance between population and food supply. Resolution VI recommends a series of measures to combat desertification, including the establishment of a "World Soil Charter" and the evaluation of the productive potential of soils.

Resolution II asks Governments,

"to prepare a project proposal for assisting Governments to develop intersectoral food and nutrition plans..."

Resolution V formulates recommendations for broader collaboration between FAO, WHO, UNICEF, WFP, the World Bank, UNDP and UNESCO in the field of nutrition. In particular, the Conference:

"5. Calls on the United Nations Development Programme, the International Bank for Reconstruction and Development, the Food and Agricultural Organization of the United Nations and other international and bilateral agencies to receive their criteria for financial, technical and other assistance for integrated rural development, to give greater importance to social criteria so as to implement broader and longer-range programmes of rural development, and if necessary to improve their technical and administrative capacity for implementing these programmes".

Finally, it is necessary to refer to the Universal Declaration on the Erradication of Hunger adopted by the Conference. In effect the Declaration contained interesting conceptual innovation and contained guidelines which, had they been translated into concrete measures could have done a great deal to improve the world food situation.

However, once the immediate crisis had passed, the Declaration and its proposals were quickly forgotten and this problem, unparalleled in gravity and explosive potential, has been allowed to drift once more into the background.

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Undoubtedly, the most important Resolution approved by the World Food Conference was Resolution XIII which established the International Fund for Agricultural Development. Contributions to the Fund already total US\$ one billion and the Fund is already in operation.

5. FOOD SECURITY AND FAO<sup>1/</sup>

The UN World Food Conference looked deeper beyond the immediate developments examining also the long-term trends in food production and needs which had not been given their due. A three-pronged strategy for improving the world food situation was proposed by the Conference. It included strengthening food security, increasing food production and improving nutrition. The two last have already been analyzed in Section 4.2.

Regarding food security, the Conference endorsed the objectives, policies and guidelines as set out in the text of a draft International Undertaking on World Food Security, earlier accepted by the FAO Conference at its Seventeenth Session. Days after the World Food Conference, FAO adopted the Undertaking in its final form as Council Resolution 1/64. Thus, after 30 years of effort for an acceptable system of world food security an accord had finally been reached.

The designers of the Undertaking avoided many features which had impeded acceptance of past proposals. They eschewed internationally controlled supply schemes, costly financing, or internationally held stocks. Rather, they outlined the elements of food security that many nations could agree to, and recommended actions that nations could initiate. Instead of global solutions, they aimed for modest but immediate actions on food security at the national level within an internationally coordinated system which would add up to a meaningful improvement in food security at the world level.

At the centre of the Undertaking is the recognition that world food security is a common responsibility of all nations, and a pledge by each country to adopt national stock policies to help ensure a minimum safe level

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<sup>1/</sup> This section has been prepared with the collaboration of the FAO Commodities and Trade Division of the Economic and Social Policy Department.

of basic food stocks for the world as a whole in time of crop failures and natural disasters. The Undertaking stresses the importance of the basic goal of strengthening the production base in developing countries. It also recognizes the need for special assistance to developing countries for their stock programmes.

After its adoption in November 1974, the Undertaking was submitted to all UN Members for adherence. As of now, 72 nations and the European Economic Community had subscribed to the Undertaking and pledged their adherence to its principles and programmes of action. Endorsement of the document remains open to all other nations with no cutoff date.

The Undertaking provides a voluntary agenda for national and international actions. The role of FAO in regard to these actions is also noted. FAO monitors the implementation of the Undertaking through the Committee on World Food Security, established for the purpose in 1975. It responds to individual country requests for technical help for the adoption of national stock policies to improve their food security and mobilizes financial assistance for their implementation. It has established an information system to keep all governments informed of developments in the international food security situation.

To coordinate food security work in the light of the Undertaking, intergovernmental consultations are held by the Committee on World Food Security established by the FAO Conference in 1975 as a standing committee of the FAO Council. Ninety-five countries are members. The International Wheat Council, the European Economic Community and a number of other international organizations also participate. The Committee conducts intensive analyses of the world food security situation and prospects, monitors the implementation of the Undertaking, and recommends short-term and longer-term policy action to ensure minimum world food security.

The Undertaking recognizes that assurance of world food security is an international responsibility and calls on adhering nations to

"ensure the availability at all times of adequate world supplies of basic foodstuffs, primarily cereals, so as to avoid acute food shortages in the event of widespread crop failures or natural disasters, sustain a steady expansion of production and reduce fluctuations in production and prices".

Specifically, each nation is called on to develop an explicit stock policy. This policy should include targets or objectives that ensure minimum safe levels regarded as necessary for ensuring continuity of supplies including provision for emergency needs. Second, provisions for replenishment of depleted stocks are necessary. Third, countries holding stocks in excess of minimum safe levels for meeting domestic needs agree to make them available at reasonable prices in times of international shortage.

Fourteen guidelines are also provided for setting or reviewing national stock policies and desirable minimum stock levels by governments. These include such considerations as the time required for replenishment of stocks and the location where they are most likely to be required. Guidelines also call for a stock level that provides for continuity of food exports to regular customers and for bilateral and multilateral food aid programmes.

The Undertaking urges special assistance to developing countries to ensure the adequate availability of cereals as well as the acceleration of the rate of growth of their agricultural production. It provides for developed countries and other potential contributors as well as the concerned international financial and technical organizations to give additional assistance in identifying and mobilizing the resources required by developing countries to strengthen their food security.

Because of the need for this special assistance to developing countries, the Director-General of FAO in April 1976 formally established the Food Security Assistance Scheme which had been operating on an experimental basis for the previous two years to assist developing countries in the formulation of their national food security policies and programmes within the framework of the International Undertaking. The Scheme helps to ensure international coordination in the preparation and execution of national food security programmes and projects of developing countries.

Since 1975 a number of developed nations have come forward with contributions either bilaterally or through FAO Trust Funds, for food security projects in some of the countries with the gravest food problems. FAO missions have visited several developing countries identified for priority consideration in food security assistance. Much of the work has been concentrated on western Africa particularly in the Sahel where food security projects are now in operation. Follow-up activities on food security missions are in progress in a number of countries.

Until now, FAO had received contributions and pledges totalling US\$ 17.5 million and had undertaken or planned missions in more than 20 countries.

Even so, most developing nations have yet to receive special assistance called for by the Undertaking in the planning and building of food reserve programmes. The task before these nations is enormous.

The Undertaking also calls for the sharing of information among governments to promote the effective functioning of the world food security system.

So far 86 governments have joined the System, including one country (Singapore) which is not an FAO member. The European Economic Community (EEC) and the Permanent Secretariat of the General Treaty of Central American Economic Integration (SIECA) also participate. Membership gives governments privileged access to the information gathered and the analytical findings of the System. It also implies the contribution of information to the System.

One important gap in the System as well as in the entire Undertaking effort is the absence of several major food-producing countries, notably the Union of Soviet Socialist Republics, China and Brazil. Their participation in the Undertaking and in the Global Information and Early Warning System would add greatly to the sum of world food security efforts.

6. THE 1979 WORLD CONFERENCE ON AGRARIAN REFORM AND RURAL DEVELOPMENT  
ORGANIZED BY FAO WITH THE COOPERATION OF THE ORGANIZATIONS OF THE UN SYSTEM

The persistence in recent years of conditions of extreme poverty in the rural areas of most of the developing world has aroused universal concern. Some dramatic situations, such as that of the Sahelian Zone, have awakened consciences hitherto indifferent to such happenings. Figures and situations like those cited at the Nineteenth Session of the FAO Conference are of a kind which are shameful for the world that has made enormous progress in science and technology and has enabled some countries to consume far beyond what is necessary for comfortable living. Moreover, rapid growth has occurred in the thinking of the intellectual and scientific centres which deal with development problems and the grave socio-economic crisis that is having an increasingly profound effect on the whole world today. This process has brought to light a basic fact which, fortunately, is already penetrating to Governments: the backwardness of the rural areas in the developing countries,



the physical deterioration of their land, air and water, and the deterioration of the human environment, in other words, the dramatic conditions of life of the rural population, and the acute unemployment and underemployment in more than two-thirds of the world's countries, constitute the tightest bottleneck to authentic development. The lack of dynamism of the economy in this sector, and the fact that the inhabitants of rural areas are excluded from active and conscious participation in the political, economic and social life of their countries, give rise to a number of grave problems which affect the countries as a whole and certainly the urban areas. In their mass migrations from the countryside to the city, the peasants take their poverty with them and, far from remedying it, sometimes aggravate it. They create serious problems of employment, pollution, crowding, lack of public services, and other kinds of environmental damage in the urban areas.

During the past five years major world conferences -- already analyzed in this study -- have been held on, or related to, Population, Environment, Employment, Food, Industrial Development, Raw Materials, Habitat and Desertification. All of them have shown the complete interdependence of the problems dealt with in each of them, problems which can be said to form an unbroken line which starts in the rural areas of the developing world and can only be ended through national decentralization policies aimed at modernizing rural areas by industrialization, academic and technical education, raising the status of the rural populations and getting them to participate fully in national life.

In this vast activity of the United Nations family through conferences which have cost hundreds of millions of dollars and have brought together the luminaries of each discipline, precisely what has been lacking is -- and this seems paradoxical -- an in-depth analysis of the basic problem: the causes, extent and possible progression of rural backwardness, that could

retrogress even more, unless a policy of far-reaching change is not embarked on with determination. What also has to be investigated are the means of correcting this situation and of ensuring that the millions of inhabitants of the areas now excluded are fully incorporated in the life of the country and in national decisions.

This degree of rural development can only be attained through wholesale efforts on the part of each nation, which must introduce into its agricultural institutions and policies reforms which correspond to the real situation of the country and to its own cultural values within the framework of a national policy of true and balanced economic and social development in all sectors. All this must be supplemented by concerned, cooperative action on the part of the world community to stimulate integrated development and the reforms necessary to achieve it.

The need for a conference to focus national and international attention on such planetary problems was recognized by FAO in the early 1970s and the initial proposals for the convening of such a conference were approved by the FAO Council in November 1974. At its Fifty-Ninth Session in August 1975, the Economic and Social Council of the United Nations strongly endorsed this initiative and called upon the concerned organizations of the UN system to cooperate with FAO in the preparatory work.

By Resolution 13/77 adopted at its Nineteenth Session in November 1977, the FAO Conference decided that the World Conference should be held in Rome from 12 through 21 July 1979, and it authorized the Director-General to implement the specific proposals he had presented.

These proposals include, inter alia, the fullest possible participation of governments in substantive preparations, arrangements for the involvement of non-governmental organizations and rural groups, close collaboration with

interested UN organizations and other bodies, the extension of invitations to non-FAO but UN Member States, submission of relevant and concise documents, and the convening of a Preparatory Committee of the Conference in March 1979.

The FAO Conference produced very eloquent reasons for convening the World Conference on Agrarian Reform and Rural Development and the philosophy which should guide its work. Thus, Resolution 13/77 in its Preamble, states that "the experience of the last few decades has shown that the purposes of development cannot be attained only by Governments or solely by increasing national incomes, and that structural changes constitute essential prerequisites for development". The Resolution also lays great emphasis on the fact that the overall economic progress achieved by the developing countries has not resulted in eliminating the destitution of the rural masses, who continue to "suffer from unemployment, underemployment, hunger and malnutrition, because of the inadequate social and economic structures prevailing in most countries"; the necessity of identifying the basic requirements of the rural masses and seeking measures which will enable them to participate effectively in the development process in order to obtain equal rights to education, health and work; the need for the Conference to focus mainly on key issues, in particular the question of what institutional changes are needed for rural development in order to get the people involved and to go forward in ways that will enable the countries to meet the food and other basic needs of the majority of their people. There is in these phrases a clear mandate to strive to eliminate the growing inequality between the urban and the rural sector and also to take measures to integrate the rural masses into the development process. There is also a very clear mandate to give particular emphasis to work intended to promote structural changes, particularly in institutions, in order to attain these objectives and satisfy basic needs.

In Resolution 14/77, the Conference requested that among the main themes for discussion by the Conference should be the growing role of women in all aspects of rural development, including policies and means required to ensure their full participation, on an equal footing, in the taking of policy decisions, and in the planning and implementation of agrarian reform and rural development.

The preparations for the Conference are progressing very rapidly. An interesting feature of these preparations is the generous cooperation proffered by the United Nations and the other Organizations of the system working on development. They are participating very effectively in the preparation of the documentation, including the items of the Draft Agenda of the Conference related to their particular activities. It is evident that if this kind of cooperation between the Organizations of the UN system on one of the most vital problems facing humanity continues as up to now, the Conference on Agrarian Reform and Rural Development will certainly become a powerful catalyzing agent of the efforts and resources of the international community to help the governments and people of the Third World bring about the necessary changes in the economic, social and cultural situation prevailing in the rural areas.

## C H A P T E R I V

### THE STATUS OF WOMEN : FROM THE UNIVERSAL DECLARATION ON HUMAN RIGHTS TO INTERNATIONAL WOMEN'S YEAR

In his speech to the World Conference of the International Women's Year, in Mexico City, on June 23, 1975, Mr. Olof Palme, then Prime Minister of Sweden, pointed out that in order to liberate women it would be necessary to eliminate conditions of poverty, exploitation and hunger, and that efforts to achieve equality between men and women should be made an integral part of the struggle for economic and social equality within each country and among countries.

However, one should remember that, although the social and economic discrimination affecting a large proportion of the female population of the world is closely linked to the problems of underdevelopment, changes in the economic and social structure of societies cannot, of themselves, bring about a short-term improvement in the status of a social group which has long been disadvantaged.

Accordingly, the study of the problems pertaining to inequality of treatment and economic and social discrimination against women within the General context of development problems, must be considered as a necessary, though still insufficient condition for their solution.

#### 1. THE MAIN ASPECTS OF THE PROBLEM

The United Nations and various of its Specialized Agencies have been studying and considering problems related to the status of women for a long time. An analysis of major studies and debates shows that the following topics have recieved particular attention from international bodies:

##### 1.1 Human and Civil Rights

The de facto discrimination against women which prevails in many societies has been accompanied, in most cases, by de jure discrimination.

And, although legislative measures alone do not suffice to eliminate such discrimination, it is obvious that the elimination of de facto discrimination would be much easier if the discriminatory legal norms were removed first. In 1948 the Universal Declaration of Human Rights proclaimed equality of rights for men and women and called for the adoption of measures to make those rights a reality, in particular through the abolition of discriminatory laws, customs, regulations and practices, and the adoption of measures to educate public opinion and to steer national aspirations towards the removal of prejudices and the abolition of customary and other practices based on the notion of the inferiority of women. Since then, a number of specific aspects of the legal status of women has been a principal topic for discussion and analysis by the United Nations.

For example, the Convention on the Political Rights of Women was adopted in 1952. The Convention calls for the adoption of appropriate measures to ensure that women under the same conditions than men and without any discrimination, should have, the right to vote in all elections and to be eligible for membership of any organ formed by means of public elections, the right to vote in all public referendums and the right to occupy posts and hold public office in any capacity.<sup>1/</sup>

Another related subject which has recieved much attention in the United Nations is the question of acquisition, change or preservation of nationality of married women. A Convention dealing with this subject was adopted in 1957.

## 1.2 The Institution of Marriage

The sex-based division of labour, supported by tradition and custom, and in many cases, by the idea of biological determinism, assigns the

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<sup>1/</sup> Judging by the great progress which has been made in this sphere, it seems that this Convention has contributed greatly to the evolution of legislation in many countries. In response to a request made in 1966 by the Economic and Social Council, the Secretary-General has presented biennnial reports on the application of the Convention. The 1970 report listed 123 countries in which women could vote and be elected on equal terms with men. In only one country listed in the report could women vote but not be elected, while in seven of the reporting countries women could neither vote nor be elected.

role of mainstay of the family to men and tends, in many societies, to relegate women to the home, with marriage and procreating as their principal social functions.

For these reasons, considerable attention has been given by the United Nations to issues such as the elimination of child marriages and the betrothal of children before the age of puberty, the adoption of effective measures to ensure that a minimum age for marriage is observed, (for example through compulsory public registration of marriage), the adoption of measures to guarantee the right of men and women to freely choose their spouses and to enter into marriage freely and with their full consent. Certain degrading social practices, such as widows' inheritances or the various forms of social discrimination against unmarried mothers, have also been a source of concern.

In 1962, the Convention and Recommendation on Consent to Marriage were adopted, while the Convention and Recommendation on the Minimum Age for Marriage and the Registration of Marriages were adopted in 1965.

### 1.3 Labour

The basic problem here has been discrimination in the pay, hiring and dismissal of female labour, and the improvement of working conditions for female workers. Other subjects which have also been analysed include the right to vocational training, paid leave, pension benefits, compensation or insurance in case of unemployment, illness, old age or any other type of incapacity to work, and the right to receive family allowances, all on conditions of equality with men.

The same could be said of discrimination against women on grounds of maternity, nursing or marriage, or the care of children of pre-school age.

In this field the ILO has adopted, since its foundation in 1919, a series of conventions, including the following:

Convention concerning the protection of maternity (1919, revised in 1952), and Recommendation No. 95 (1952);

Convention concerning the employment of women on underground work in mines of all kinds (No. 45, 1935);

Convention concerning night work of women employed in industry (revised), (No. 89, 1948);

Convention concerning equal remuneration for men and women workers for work of equal value (No. 100, 1951); and Recommendation No. 90, 1951;

Convention concerning minimum standard of social security (No. 102, 1952);

Convention concerning discrimination in respect of employment and occupation (No. 111, 1958); and Recommendation No. 111, 1958;

Convention concerning employment policy (No. 122, 1964); and Recommendation No. 122, 1964;

Recommendation concerning vocational training (No. 117, 1962); and

Recommendation concerning the employment of women with family responsibilities (No. 123, 1965).

#### 1.4 Education

In most countries, enrolment at all levels of education is lower for women than for men. Women tend to be taken out of school earlier than men. Where education is not free and parents have to make a choice, males usually receive priority for the continuation of their studies. Discrimination also occurs in the content and nature of the curricula available to women, as well as in options suggested or actually offered to them. This limits the role of women and explains why most of them go into the traditional sectors of the economy, such as domestic service, commerce, cottage industries and agriculture. For this reason, much attention has been given to the adoption of appropriate measures to ensure that girls and women, whether single or married, shall have the same rights as men to education at all levels, and in particular: equal conditions of access to all kinds of institutes of learning, including universities and technical and vocational schools, and equal conditions of study at such institutions; the same choice of courses, the same examinations, teaching staff of the same professional level and premises and equipment of the same quality, whether the establishment is co-educational or not; equal opportunities for receiving scholarships and other study grants; equal opportunities for access to complementary education and adult literacy programmes; and access to information material for the protection of the health and well-being of the family.



The growing concern with the status of women in rural areas, where they often serve as a cheap and sometimes even unpaid, labour force must also be noted. It has consequently been suggested that more intensive research be carried out into the more effective formulation of non-academic educational systems for the rural areas, so as to equip the women of those areas with the additional knowledge they need about their economic and social role.

In connection with educational matters UNESCO has made important contributions to the efforts of the United Nations to improve the legal and social status of women.

The following legal instruments and decisions adopted by UNESCO are particularly noteworthy:

Convention against discrimination in education (1960);

Protocol instituting a Conciliation and Good Offices Commission to be responsible for the settlement of any disputes that may arise between States-parties to the Convention against discrimination in education (1962);

International recommendations on the status of teaching personnel (1966);

Moreover, the question of equality of access to education for girls and women was one of the objectives of the International Year for Education (1970), sponsored by UNESCO;

### 1.5 Hygiene and food

The majority of the population of the developing countries lives in insanitary conditions, suffers from under-nourishment and ignore elementary principles of hygiene. Women and children are the most severely affected by this situation.

In under-nourished populations women tend to suffer more than men, either because they voluntarily forgo food in order to give their families, or because such is the de facto result of their lower worth in the eyes of society.

These problems have also been considered by the standing organs of the United Nations, as well as by various specialized bodies and ad hoc conferences dealing with the problems of health, education and food.

#### 1.6 Prostitution and other social questions

Prostitution has a variety of causes, including the exploitation of the weak by the strong, the notion of women as a social object, and above all sheer necessity and lack of opportunities. But, whatever the cause, it certainly continues to be widespread in many developing countries. Accordingly it has been a subject of special concern among the organs of the United Nations. A number of international instruments to combat all forms of trafficking in women and the exploitation of female prostitution have been adopted. Amongst such instruments is the suppression of traffic in persons and of the exploitation of the prostitution of others (1949).

More recently problems connected with physical aggression, ill-treatment, violent attacks, incest and all other form of sexual and violent offences against women and children have also been receiving a great deal of attention.

#### 1.7 The information media

Mass media usually reinforce the acceptance of traditional criteria and attitudes which affect the social status of women, often projecting degrading images of women seen as mere objects or as the subject of indiscriminate consumption. Thus, the media impede the positive changes which could be brought about in the roles of the sexes; moreover, they often have harmful effects because they tend to impose alien criteria for consumption or conduct on societies with cultural characteristics quite different from those of the country where such criteria

originate. Nevertheless, the media, if used for the purpose of social education, can play a major role in promoting equality between men and women. For this reason, the role of the mass media in efforts to improve the social status of women is receiving increasing attention at the United Nations.

2. RESOLUTIONS, RECOMMENDATIONS AND INTERNATIONAL INSTRUMENTS ADOPTED  
WITHIN THE UNITED NATIONS SYSTEM

Until the late 60s, problems relating to the social and legal condition of women were considered by the United Nations in an isolated manner, on a problem by problem basis, and not as part of an integral social "problématique". Practically no efforts at all were made to consider them as part of the general questions of underdevelopment, dependence and exploitation of the weakest.

1965 marked the beginning of the consideration by the General Assembly of the question of establishing a unified, long-term United Nations Programme for the Advancement of Women. In 1966, a report of the Secretary-General to the Commission on the Status of Women, which was adopted by that Commission, suggested that the programme's basic objectives should be: (a) to promote the universal recognition of the dignity and worth of the human person and equality of rights between men and women, in keeping with the United Nations Charter and the Universal Declaration of Human Rights; (b) to enable women to participate fully in the development of society, so that they may be able to benefit from the contribution of all members of society; and (c) to stimulate among men and women an awareness of the full potential of women and the importance of their contribution to the development of society.

The Declaration on the Elimination of Discrimination against Women was adopted by the General Assembly in 1967; it marks a major step forward in the struggle for the full and real participation of women in development.

The International Conference on Human Rights, held in Teheran in 1968, stated its support for measures designed to promote the rights of women in the modern world, including a unified and long-term United Nations programme for the advancement of women.

The programme of concerted international action for the advancement of women was adopted at long last, in 1970.<sup>2/</sup> It set general objectives and minimum targets to be achieved during the Second United Nations Development Decade.

The general objectives formulated by the General Assembly were the following:

- (i) The ratifications of, or accession by members states to, the relevant international conventions relating to the status of women;
- (ii) The enactment of legislation to bring national laws into conformity with international instruments relating to the status of women, including in particular the Declaration on the Elimination of Discrimination against women;
- (iii) The taking of effective legal and other measures to ensure the full implementation of these instruments;
- (iv) The development of effective large-scale educational and information programmes using all mass media and other available means to make all sectors of the population in rural as well as urban areas fully aware of the norms established by the United Nations and the Specialized Agencies in the conventions, recommendations, declarations and resolutions adopted under their auspices, and to educate public opinion and enlist its support for all measures aimed at achieving the realization of the standards set forth;
- (v) The assessment and evaluation of the contribution of women to the various economic and social sectors in relation to the country's over-all development plans and programmes, with a view to establishing specific objectives and minimum targets which might realistically be achieved by 1980 to increase the effective contribution of women to the various sectors;

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<sup>2/</sup> Resolution 2716 (XXV) adopted by the General Assembly on 15 December 1970.

- (vi) The study of the positive and negative effects of scientific and technological change on the status of women with a view to ensuring continuous progress, especially as regard the education and training as well as the living conditions and employment of women;
- (vii) The elaboration of short-term and long-term programmes to achieve these specific objectives and minimum targets where possible within the framework of over-all national development plans or programmes, and the provision of adequate funds for programmes which advance the status of women;
- (viii) The establishment of machinery and procedures to make possible the continuous review and evaluation of women's integration into all sectors of economic and social life and their contribution to development;
- (ix) The full utilization of the desire and readiness of women to devote their energies, talents and abilities to the benefit of society.

The "minimum targets" adopted by the Programme are given below. The General Assembly recommended that they should be achieved to the greatest possible extent during the Second United Nations Development Decade.

#### Education

- (i) The progressive elimination of illiteracy, ensuring equality in literacy between the sexes, especially among the younger generation;
- (ii) Equal access of boys and girls to education at the primary and secondary levels and at educational institutions of all types, including universities and vocational, technical and professional schools;
- (iii) Decisive progress in achieving free and compulsory education at the primary level and in achieving free education at all levels;
- (iv) The establishment of the same choice of curricula for boys and girls, the same examinations, equally qualified teaching staff, and the same quality of school premises and equipment, whether the institutions are co-educational or not, and equal opportunities to receive scholarship and grants.
- (v) The achieving of equality in the percentage of boys and girls receiving primary education and of a substantial increase in the number of girls at all educational levels, in particular in the field of technical and professional education;
- (vi) The establishment of educational policies that take account of employment needs and opportunities and of scientific and technological change.

### Training and Employment

- (i) Provision of the same vocational advice and guidance to members of both sexes;
- (ii) Equal access of girls and women to vocational training and retraining at all levels with a view to achieving their full participation in the economic and social life of their countries;
- (iii) Universal acceptance of the principle of equal pay for equal work and the adoption of effective measures to implement it;
- (iv) Full acceptance of the policy of non-discrimination in relation to the employment and treatment of women, and measures to give effect to that policy on a progressive basis;
- (v) A substantial increase in the number of qualified women employed in skilled and technical work, and at all high levels of economic life and in posts of responsibility;
- (vi) A substantial increase in the opportunities for involvement of women in all facets of agricultural development and agricultural services.

### Health and Maternity protection

- (i) The progressive extension of measures to ensure maternity protection, with a view to ensuring paid maternity leave with the guarantee of returning to former or equivalent employment;
- (ii) The development and extension of adequate child care and other facilities to assist parents with family responsibilities;
- (iii) The adoption of measures for the creation and development of a wide network of special medical establishment for the protection of the health of the mother and child;
- (iv) Making available to all persons who so desire the necessary information and advice to enable them to decide freely and responsibly of the number and spacing of their children and to prepare them for responsible parenthood, including information on the ways in which women can benefit from family planning. Such information and advice should be based on valid and proven scientific expertise, with due regard to the risk that may be involved.

### Administration and Public Life

- (i) A substantial increase in the number of women participating in public and government life at the local, national and international levels. Special attention might be paid to training women for such participation, especially in middle-level and higher posts.

The analysis of this document shows that the United Nations General Assembly was unable to go beyond the adoption of a series of well-meaning general objectives and rather modest minimum targets, which governments were asked to attain "to the greatest possible extent" within the 1970s. In other words, the international community acquired a new internationally accepted document but in exchange, it failed to open up new initiatives to radically alter a situation, which in many developing countries, (and in more than one developed country) requires urgent change.

### 3. THE WORLD CONFERENCE FOR INTERNATIONAL WOMENS YEAR

At its 27th. session the General Assembly proclaimed 1975 as International Women's Year (Resolution 3010 (XXVII)) and decided to dedicate the year to an intensification of measures designed to:

- (i) Promote equality between men and women;
- (ii) Guarantee the full integration of women in the overall development effort, due emphasis being placed on the responsibility and the important role of women in economic, social and cultural progress, at the national, regional and international levels, particularly during the Second United Nations Development Decade;
- (iii) Recognize the importance of the growing contribution of women to the development of relations of friendship and co-operation between the States and the strengthening of world peace;

A number of regional and interregional meetings held in 1974 played an essential part in the preparations for the Conference. The following are particularly noteworthy:

- (i) International Forum on the function of women in relation to population and development (February-March 1974);
- (ii) Regional consultations for Asia and the Far East on the integration of women into development (June 1974);
- (iii) Interregional United Nations seminar on national machinery to accelerate the integration of women in development and to eliminate discrimination on grounds of sex (September 1974);
- (iv) Regional consultation for Latin America on the integration of women in development (April-May 1975);
- (v) and the Conference of African Ministers of the Economic Commission for Africa (Nairobi, February 1975).

The World Conference for International Women's Year was held in Mexico city from 19 June to 2 July 1975. It broadened and reaffirmed the basic principles for the achievement of a fuller and better integration of women in society. In the World Plan of Action adopted by the Conference 3/ a number of minimum targets and objectives for the five-year period 1975-1980 are laid down. They are the following: an increase in literacy and civil education; expansion of technical and vocational training in the industrial and agricultural sectors; compulsory education, at least at the primary level and without discrimination; non-discriminatory opportunities for employment and reduction of unemployment; establishment of infrastructure services; freedom from discrimination before the law and in respect of civil rights; implementation of broader measures of health policy and education, and in family planning; recognition of the economic value of the work done by women in the home, in the production and marketing of food and in voluntary activities which have traditionally been unpaid; the promotion of women's organizations as a provisional measure within worker's organizations and in educational, economic and professional institutions;4/ creation of an interdisciplinary and multi-sectoral mechanism, within governments, to accelerate the attainment of equality of opportunities for women and their full integration in national life.

According to the Plan of Action proposed by the Mexico City World Conference, all the organizations of the United Nations system should adopt separate and concrete measures to apply its recommendations,

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3/ Declaration of Mexico on the Equality of Women and their Contribution to Development and Peace (United Nations Document E/CONF.66/34).

4/ One wonders whether this initiative, even though it was formulated by the Conference as a provisional measure, and in the best spirit of co-operation with a view to resolving the problem of the isolation inflicted on women in many professional and economic spheres, as well as their inability to make themselves heard, will really do much for the cause of integration, or whether it might not serve solely to ensure the existence of parallel organizations which are not always very effective.



"including the relevant organs and bodies of the United Nations, especially the regional commissions, the United Nations Children's Fund, the United Nations Development Programme, the United Nations Fund for Population Activities, the United Nations Industrial Development Organization, the United Nations Conference on Trade and Development, the United Nations Institute for Training and Research and the Specialized Agencies. Their activities should be duly co-ordinated through existing machinery, in particular through the Economic and Social Council and the Administrative Committee on Co-ordination."

In summarizing its results, and not ignoring the positive effects this Conference had especially as a consciousness-raising factor for women, it can perhaps be said with Gilbert Rist, that:

"In many respects the Mexico Declaration...looks like most United Nations declarations, but with a feminine plural subject... Although this... remark might be considered as a male chauvinistic statement."<sup>5/</sup>

As result of the Mexico City Conference, the United Nations General Assembly adopted in its XXX session a number of important resolutions.

Resolution 3520 (XXX) takes note of the Report of the Mexico City Conference and includes a number of decisions, among them the following should be mentioned: the General Assembly calls upon Governments, as a matter of urgency, to examine the recommendations contained in the World Plan of Action, and the regional commissions to develop and implement effective strategies to further the objectives of the Plan; urges all financial institutions, in accordance with request of Governments, to accord high priority to projects that would promote the integration of women in the development process; decides, in principle, to establish, under the auspices of the United Nations, an International Research and Training Institute for the Advancement of Women; establishes a system of review and appraisal on the implementation of the World Plan of Action, to be undertaken biennially; and decides to convene in 1980 a World Conference to review and evaluate the progress made in implementing the objectives of the International Women's Year and, where necessary, to readjust existing programmes.

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<sup>5/</sup> Gilbert Rist, "Towards a new United Nations Development Strategy: some major United Nations resolutions in Perspective". International Foundation for Development Alternatives (Nyon, Switzerland 1977).

Resolution 3521 (XXX) calls upon all States that have not done so to ratify the international conventions and other instruments concerning the protection of women's rights and the elimination of discrimination against women and requests the Commission on the Status of Women to complete the elaboration of the draft Convention on the Elimination of Discrimination against Women.

Resolution 3522 (XXX) deals with the extension to women of facilities now being offered only to men by financial and lending institutions.

Resolution 3523 (XXX) deals with programmes and projects aimed at the full integration of women to development in rural areas.

Finally, Resolution 3524 (XXX) recommends that all organs of the United Nations system give sustained attention to the integration of women in the formulation and implementation of development projects and programmes.

Since then, the issue of the women's status has continued to be studied in the organs of the United Nations system. For example, from 13 to 17 July 1977, the Regional Conference on the Integration of Women in the Economic and Social Development of Latin America, convened by the Secretariat of ECLA, was held in La Havana, Cuba. The Conference adopted a resolution instructing the Secretary-General of ECLA to convene an extraordinary session of the Plenary Committee of the Commission, in order to give its definitive approval to a Regional Plan of Action.

## C H A P T E R V

### INDUSTRIALIZATION : FROM UNCTAD I TO THE LIMA CONFERENCE

#### 1. INTRODUCTION

Although industrialization became a subject of study early in the history of the United Nations, and attracted particular attention at the beginning of the 1950's when many of the developing countries began applying import substitution policies to promote industrialization, no specific institutional machinery was set up to deal with industrial development.

Jan Tinbergen has explained this fact in the following terms:

"Co-operation within United Nations on matters on industrial co-operation is still relatively underdeveloped since initially industrialization was seen as a concern for the private sector and hardly for governments. This view is outmoded"<sup>1/</sup>

However, it was not until UNCTAD I held in 1964 that the need to establish this kind of machinery was formally considered. But the developed countries were so strongly opposed to the developing countries' proposal for the creation of a new specialized agency, that no agreement was possible and the subject had to be postponed to the following Session of the General Assembly

After the adoption in 1965 of a recommendation by the Economic and Social Council establishing a specialized industrial development agency <sup>2/</sup>, UNIDO was established by the General Assembly in 1967 as a transactional solution <sup>3/</sup>, as an organ of the Assembly, not as an independent organization. It had its own secretariat but it had to operate without a great deal of autonomy.

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<sup>1/</sup> Jan Tinbergen, "Development, Income Distribution and Industrialization", UNIDO Document ID/CONF. 3/B.12.

<sup>2/</sup> ECOSOC Resolution 1081 (XXXIX)

<sup>3/</sup> General Assembly Resolution 2152 (XXI)

Incidentally, it should be mentioned that this institutional problem has dragged on until now, and for almost a decade severely limiting the United Nations' efforts to promote the industrial development of the developing countries.

In establishing UNIDO, the General Assembly envisaged its functions as confined to the field of industrial development with special reference to technical aspects and the policy of industrial development. No one then foresaw that UNIDO would have to concern itself with such aspects as employment, the environment, industrial hygiene and the role of women in industry. However, it is natural that this should not have been thought of since UNIDO came into being at a time when an economically biased concept of development held sway, i.e. in the middle of an era of sustained economic growth when few people were issuing warnings about new problems being created by the policy of indiscriminate growth in the developed countries, and by the unplanned industrialization taking place in most of the developing countries.

The lack of interest in what has been defined in this paper as the "social" aspects of development was obvious. This can be seen not only in UNIDO's basic documents but also in its early work programmes. None of those aspects were considered at its first General Conference in 1971. Nor were they taken up in the intervening period before the second General Conference (1971-1975). It was not until the preparatory period prior to the second Conference that some questions of a "social" nature were taken into account in debates and in working papers.

Although the UNIDO Secretariat ventured to consider some of these questions in the preparatory documentation for the Second General Conference, (i.e. development, income distribution and industrialization; manpower problems; social objectives of industrialization; food and industrialization; environment and industrialization), none of them were reflected, either directly or indirectly, on the Conference agenda.

This illustrates the essentially piecemeal approach adopted towards certain issues by the specialized agencies - generally on the basis of positions and decisions adopted by Member Governments - within whose province they fall. It is interesting to note, however, that once the discussion was taken to the more political sphere of the General Conference, certain aspects referred to above were considered there at some length and a few of them were even included in the document approved at the Lima Conference.

## 2. THE SECOND GENERAL CONFERENCE OF THE UNIDO

### 2.1 Antecedents 4/

The first Ministerial Conference of UNIDO, held in Vienna in June 1971, recommended that the Organization convene periodic meetings at ministerial level to analyse policies which should guide UNIDO activities.

In 1972, the United Nations General Assembly adopted Resolution 2959 (XXVII), whereby the Second General Conference of UNIDO would be convened in 1975, and that the Industrial Development Board and its Permanent Commission should act as an Intergovernmental Preparatory Commission. This body met in five sessions

Amongst the inputs to the General Conference were the draft Declaration and Plan of Action drawn up by the developing countries, another project drawn up by industrialized countries of the West and a series of additions and amendments to the LDC's draft submitted by the Socialist countries of Eastern Europe.

### 2.2 Industrialization for what?

This is the provocative title of the first chapter of a conference document commissioned by the UNIDO secretariat to Professor Paul Streeten, of the University of Oxford. 5/

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4/ For a detailed account of the background and preparatory work for this Conference see "Report of the Intergovernmental Preparatory Commission on its five sessions, presented to the General Conference of UNIDO". Doc. ID/CONF3/18.

5/ Paul Streeten. "Industrialization in a unified development strategy", doc. ID/CONF. 3/B.1

"Development is not about index numbers of national income, it is not about savings ratios and capital coefficients: it is about and for people. Development must therefore begin by identifying human needs. The objective of development is to raise the level of living of the masses of the people as quickly as is feasible. This implies meeting such needs as continuous employment or for the self-employed, secure and adequate livelihoods more and better schooling for their children, better medical services, clean water and handy cheap transports and a somewhat higher and growing level of measured income. Much of this can be achieved in ways which do not register a high index number for measured output of commodities while a high and growing index number for national income growth is consistent with leaving these basic needs unsatisfied.

If we approach development in these terms, the place of the motor car, of heavy demand on sources of energy, of highly sophisticated luxury goods, of the transfer of inappropriate products and technologies, of the role of the multinational enterprise, of urbanization, of the relation between industrial and agricultural policies, and of domination and dependence, all appear in a different light.

The disenchantment with industrialization in recent writings and speeches has been based on a confusion: it is a disenchantment with the form that economic growth has taken in some developing countries. Certain types of modern product and modern technology have reinforced an income distribution and a style of development that is out of tune with the basic goals sketched out above".

Reflections such as these could only lead to the logical conclusion that:

"After a reorientation, industrialization as the servant of development regains its proper place in the strategy".

The drawback was that no such strategy existed up to that moment or if it did, it consisted simply in the quest for maximum development of the industrial productive apparatus, often without taking into account all the effects of such industrialization (on employment, environment, balance of payments....not to mention more abstract notions such as the quality of life).

If these reflections had been taken into account by the participants at the Lima Conference, perhaps its outcome would have been very different. But the content of the document cited - and

perhaps above all the paragraphs already mentioned - led the UNIDO Secretariat to distribute it only to participants (i.e. not as a general distribution document, which would have reached the press or the public outside the conference), only in English (which not many French, Spanish or Russian speaking delegates could reach) nor was it included within those documents included in the "Study of Industrial Development" which the UNIDO secretariat profusely distributed in various languages as a basic conference document.<sup>6/</sup>

There is no reason to attribute censoring intentions to the UNIDO Secretariat about the rather inconvenient ideas - for the industrial development specialist at which they were aimed - contained in the paper just mentioned, since it was the Secretariat itself which commissioned the document, possibly with full awareness of the consequences. Moreover, in documents finally selected for inclusion in the "Study of Industrial Development" there are many other ideas and data which although not in such a direct form, could also have contributed to questioning the totally "industrialist" approach predominating in the rest of the documents submitted to the meeting.

### 2.3 Some major issues before the Conference

The aim of this section however is not to put forward arguments against the "industrialist" approach but to point out the links of the central theme of the conference - the industrialization of developing countries - with an integrated notion of development or with its components elements, which were brought out in the conference documentation. It should be mentioned that although there are no further references to the kind of concept of development described above apart from some of the reflections in Professor Streeten's paper the conference documentation nevertheless contains several interesting elements, particularly on the following three problems which fit in with the type of linkages commented above:

- (a) industrialization and employment;
- (b) industrialization and the environment
- (c) interrelationships between industry and agriculture.

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<sup>6/</sup> Study of Industrial Development, UNIDO Special Volume for the Second General UNIDO Conference, doc. ID/CONF. 3/2.

The following sections analyse each of these themes in the light of the conference documentation. However, it is first necessary to draw attention to the space given by the UNIDO secretariat to these three themes in such documentation which illustrate the growing concern about problems resulting from an industrialization process undertaken in conditions described above. At the same time it also shows an increasing concern with environmental problems, possibly as a result of the appeals made by the Stockholm Conference and newly acquired ecological awareness of most international secretariats.

(a) Industrialization and Employment

The International Development Strategy did not lay down quantitative objectives for employment. From the UNIDO standpoint, it only established that the production of manufactured goods in developing countries should grow at an annual rate of 8 per cent per year. This objective implied the need for a high rate of growth in employment in developing countries. This increase was estimated as being 5 per cent in the first half of this decade for developing countries taken together.

An annual rate of growth of 4 per cent was estimated for the services sector, one of 1.1 per cent for agriculture. This implied that the industrial sector of developing countries should absorb about one-third of the increase in the labour force.<sup>7/</sup>

From the employment point-of-view, this emphasis on industry was right if the high level of unemployment in many developing countries were taken into account as well as the capacity of industry to generate indirect employment as compared to other economic sectors.

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<sup>7/</sup> The information available regarding the first years of the decade make it possible to suppose that at least in Asia and Africa these objectives were being fulfilled, mainly due to the very high levels of growth in industrial employment in a few countries (Singapore, 19.9 per cent; Zambia, 11.6 per cent; Malawi, 9.1 per cent; Republic of Korea, 6 per cent). However, it is very probable that from 1973, with the spread of the economic crisis and its transfer from major industrial to developing countries, this situation had already been fundamentally reversed.



However, according to the conclusions of UNIDO, the industrial development plans of developing countries "within the framework of policies to promote employment" were not sufficiently concerned with attaining concrete objectives within the industrial sector 8/.

At the same time, it would appear that such development plans paid considerable attention to the protection of handicraft and cottage industries as well as small and medium-sizes industries, basically thought to be "labour oriented".

On the other hand, it would seem that these plans did not take sufficient account of two particularly important elements of industrialization and employment: the major labour surplus in certain industrial sectors of many developing countries (in contrast with the low rate of use of productive capacity in other sectors) and the effects that a better distribution of income could have on industrialization.

Studies carried out by both UNIDO and the ILO on the under-utilization of capacity led to the conclusion that under certain economic conditions (growth of demand and the resulting reduction of costs through increased productivity) it would be possible, with the present level of investments in fixed capital, to considerably increase the level of employment. This effect finds its counterpart in the growing of semi or underemployed manpower which other UNIDO studies brought to light, especially in the handicrafts and hardly developed cottage industries. Moreover, according to UNIDO:

"especially in export-oriented industries, there is not the amount of margin for innovation imagined by supporters of highly labour-intensive techniques".9/

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8/ See: UNIDO. "Planning for Industrial Development: objectives and policies of developing countries in the 1970s" and "Summaries of Industrial Development Plans". Documents E/AC. 5 L.67 UNIDO/IPPD. 54 and ID/109 respectively.

9/ Study of Industrial Development, op. cit. Chapter III "Employment and Social Objectives".

On the question of the effects of income distribution on industrialization and employment, perhaps the most interesting conclusion submitted in the Secretariat's conference documentation, was that:

"although available data do not unequivocally support the affirmation that an equal distribution of incomes is related to a higher level of employment, or that it will speed economic growth, there is not reason to suppose that a more uniform distribution will slow down growth".<sup>10/</sup>

But the importance of this conclusion does not derive so much from its ambiguity as from the fact that it is added to growing arguments in economic literature (and all the more so in that which escapes from neoclassical orthodoxy) contesting the principle unjust distribution of income in developing countries must be maintained to facilitate the formation of capital and the increase in the rate of investment.

Moreover, there is an argument in favour of a growing redistribution of income which is of particular interest from the point-of-view of industrialization, and which does not seem to have been sufficiently taken into account in the UNIDO documents. This argument maintains that increases in consumption by lower income groups resulting from redistribution, generally tends to concentrate more on labour intensive goods (housing, clothing and furniture, for example) than does the consumption of wealthier classes.

An exception to studies carried out by the ILO on this matter however shows that in certain cases, the most powerful classes tend to consume proportionately more services than the others thus generating employment with a high manpower coefficient.

Another aspect of the employment problem which seems to have received adequate attention from UNIDO (and from ILO, and from another angle from the OECD) is the choice of appropriate technology to generate employment. This theme to a certain extent goes beyond the objective of the present study, but it must be mentioned given the important repercussions of technology on employment and industrialization.

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<sup>10/</sup> Ibid.

On the contrary, there is the impression that the UNIDO Secretariat did not pay the attention merited by its importance to the problem of the effects of industrialization of developing countries and of the liberalization of trade in manufacturing products in developed countries on employment in both groups of countries. This is noticeable since it was a conference which ended up by concentrating its discussions on the establishment of a concrete objective for the industrialization of developing countries. This objective cannot be reached without a major liberalization of trade by the industrialized countries, which in turn will generate important effects on employment in the latter.

This problem has been analysed from the point of view of effects of growth in export-oriented industries and of industrial reconversion in developed countries on employment. These studies have been specially carried out within the framework of UNCTAD and in general have concluded that the growth of manufactured exports from developing to developed countries linked to the liberalization of the latter's trade would not have dramatic effects except in a few industrial sectors such as footwear, textiles, leatherwork and leather products, and to a lesser extent, the electric machinery and basic metals industry.

However, it should be pointed out that none of the studies referred to were carried out on the basis of a hypothesis for industrial growth of developing countries comparable to that adopted by the UNIDO Conference. This omission is comparable to the actual lack of study by both UNIDO and ILO on the effects on employment in developing countries of employment protection measures adopted by industrialized countries.

(b) Industrialization and Environment

To speak of industrialization and the environment practically implies focussing on most of the environment problems from the moment when industry and its products become the main sources of environmental deterioration. In order to centre such a broader subject within the limits of the direct interest of the Lima Conference, the UNIDO Secretariat concentrated documentation on this theme on the following aspects of the problem of relations between industry and the environment:

utilization of non-renewable resources in the industrialization process;

industrialization and energy; and

the specific case of the deterioration of the environment in Japan.

The growing pollution and industrial overcrowding in developed countries will increasingly favour the redeployment of industries to developing countries. And it is probable that overcrowding is taking on even greater importance than pollution. In any case, these two factors, linked to other comparative advantages of the classical type (availability of manpower, raw materials, cheaper energy supplies etc.) will become major incentives to such redeployment. Already, several developed countries - Japan in the first place - are considering the adoption of measures favouring this type of redeployment.

From the point of view of the authors of one of the studies submitted to the conference, 11/ there are three major criteria, and one subsidiary criterion which can bring industrialized countries to promote the redeployment of certain industries to the developing countries:

- (1) the carrying capacity of environment and society;
- (2) the proximity of under-used and non-polluting sources of energy;
- (3) the drop in the growth rate of international merchandise trade; and
- (4) to a lesser extent, the use of renewable resources available in quantity in the developing countries as a substitute to non-renewable and soon to be exhausted resources.

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11/ "Environment et division internationale du travail", Study directed by Ignacy Sachs. UNIDO's document ID/CONF. 3/B.2.

On the other hand, the overloading of the purifying capacity of the environment of developed countries, if added to the increase in prices of primary products, due to the drop in known reserves for some of them, can lead to a re-examination of the situation of natural products as compared to synthetics and to the search for new ways for using renewable natural resources abundant in the developing world.

These two factors, could in a certain sense be considered by developing countries as positive by-products of the process of environmental degradation taking place in developed countries. However, the ensuring redeployment of industry could take place either in the same disorganized and unplanned way that has characterized most present industrialization or via an agreement between developed and developing countries, which would avoid many of the disadvantages of the present process.

But whether the process of relocation takes place in a disorganized fashion or through an agreement between industrialized and developing countries, UNIDO calls the attention of the latter on the need, in future, for the implementation of new industries to be subject to environmental regulation. To this effect, the above mentioned study suggests the adoption of "Environment Quality Standards" to be respected by all new industrial projects, and which should be established as a function of local conditions with regard to the tolerance limits for emissions for each type of pollution under consideration.

At the same time, after having referred to the effects of the adoption of anti-pollution measures in industrial plants already functioning, UNIDO also advises developing countries not to delay adoption of anti-pollution measures in their haste to advance industrialization and struggle to attain full employment. This is not only in the interest of preserving the environment, but the cost of adopting such measures once a project is already under way, as well as the effects of pollution, can be much higher than adapting the project from its inception to adequate standards for the conservation of the environment.

Although all the aspects mentioned above appear to have been abundantly analysed in the conference documentation, this is not the case with another particularly important problem in this field, which is hardly mentioned in one of the documents referring to the experience of Japan with pollution problems: the importance of consumption patterns on environmental pollution. This does not refer to the characteristics of consumption habits of any particular society, but to the overall set of cultural standards in industrialized countries which, through the so-called "demonstration effect" are being rapidly transmitted to the majority of developing countries. In one of the studies of the Japanese experience 12/ it is explicitly stated that the:

"density of automobiles is the fundamental cause of environmental pollution" and that "with the exception of the food industry, the so-called "industries consuming environmental resources" have been proportionately more developed in recent years in Japan than any other industry".

The same document states that the introduction of new consumer standards (qualified as a "radical transformation" in the Japanese case) can be considered by itself, as the third factor in the order of importance in the rapid increase in pollution problems.

Thus the little space in the UNIDO Conference documentation allocated to this question is noteworthy, since it deals with the polluting effects of the automobile (whose massive introduction should be included as one of the principal aspects of the modification of traditional consumption patterns and perhaps as one of the most characteristic elements of the consumption patterns of Western industrialized societies) or with the introduction of new standards and articles of consumption which are the ultimate cause of environmental pollution. Whether directly like the automobile and the waste of durable goods which have started to be a problem (in Japan especially, but also in other countries) or indirectly, through the most varied set of industries.

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12/ "Trends in Japanese investment attributable to domestic environmental considerations". Study prepared by I. Imai, T. Ohsu and T. Nobehara. UNIDO's document ID/CONF. 3/B.3.

(c) Industrialization and Agriculture

The documentation presented by the UNIDO Secretariat to the General Conference on this subject concentrates on two problem areas: the contribution that industry can make to agricultural development and the influence of agro-industries on employment.

On the first aspect, the UNIDO approach refers to FAO estimates for food requirements for 1985. According to FAO, this would require renewing and improving 46 million hectares in irrigated areas, additional new irrigation projects for another 23 million hectares and the bringing of 153 million hectares of unused land under cultivation. At 1974 prices, the FAO estimates that this expansion in world agricultural capacity would cost developing countries 89 billion dollars, of which 38 billion would be in foreign exchange. A good part of these costs would consist of industrial inputs needed to carry out such work.

Furthermore, in order to reach food requirements for the mid 1980s it would be necessary to considerably increase productivity levels especially in developing countries. An important element of such an increase in productivity would be the introduction of high-yielding seeds. But UNIDO points out that high yields, to be effectively high, need the improvement of methods of cultivation and irrigation and substantially increase the supplies of fertilizers, herbicides and pesticides. This also implies that an important contribution is expected from industry, in the form of farm-machinery tools, fertilizers, herbicides and pesticides, to the agricultural development of developing countries in the future.

A major effort to increase developing countries agricultural production in line with the requirements calculated by FAO would involve enormous investments in fertilizer and pesticide manufacturing capacity.

In 1972/1973, developing countries consumed 11.5 million tons of nutrient elements of fertilizers (nitrogen, phosphates and potassium) but they produced 6 million tons.

On the basis of this deficit and the enormous future requirements, the UNIDO estimated the capital needed between 1975 and 1980 and between 1980 and 1985 to increase fertilizer production. Developing countries would have to invest 20 billion dollars in the first period, and perhaps more during the second, since it is calculated that the needed total world investment would be around 70 billion dollars and that in the preceding period half the investment would have to be in developing countries. 13/

No statistical information on pesticides and herbicides permitting projections of future requirements of necessary investments is available. In any case, it is known that the loss of cereals due to insects, rodents and crop diseases at rural storage points represent a considerable proportion of developing countries' production. In any case, it is known that in spite of this, consumption of pesticides in these countries is very low, that their pesticide imports were only 7 per cent of total international trade in these products in 1970, and that production in developing countries being actually also very low it is expected that in coming years, the pesticide industry will have to develop significantly in such countries.

Lastly, it can be hoped, as pointed out in the documents prepared by the UNIDO Secretariat, that in the near future the least developing countries can hopefully increase their output of hand tools, simple farm machinery and farm implements powered by animals. It can also be hoped that developing countries at an intermediate stage of development, increase their production of simple implements for tractors, of small pumps and motors as well as their activities in the design, adaptation and manufacture and hand-operated machinery and simple tools for animal and motor traction, also setting up repair and maintenance shops implying a certain technical complexity. At the same time the more advanced developing countries could develop in remaining production for agriculture requiring a higher technological level. But it must be pointed out that the cautious estimates made by the UNIDO document

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13/ "The fertiliser industry in developing countries: present situation, development prospects and international co-operation" document ID/C. 3/35. Rev1.



on this group of countries, gives the impression that insufficient account has been taken of the present degree of development of the machine tools and agricultural machinery industry in certain developing countries.

In this way, the UNIDO sees the future contribution of industry to the development of Third World agricultural production, and to its rural development in view of the important repercussions which industrial development can have in rural areas, especially if a good deal of it is established in these areas.

But this contribution to rural development can also be made via the agro-industries which transform agricultural products on-the-spot or near their place of production. In the absence of other indicators, the dairy industry can be an example of what can be done in this field in developing countries. In these countries, the share of milk processed in dairies is only 2 per cent. The same percentage varies between 60 and 90 per cent in the developed countries.<sup>14/</sup>

Also according to the analysis in the document quoted above, the development of agro-industries could have important repercussions on employment in rural areas. This is particularly important if it is taken into account that:

"In the majority of developing countries, due to rapid demographic growth, the low rate of absorption of manpower in modern industry cannot increase sufficiently fast to absorb all the increase in the labour force. Thus, in most developing countries, the agricultural labour force will continue increasing in absolute numbers for many years, and in that period, agriculture will carry out a key role in employment."

Hence the importance not only of increasing agricultural production, but also of promoting agro-industries, as a means to absorb manpower in the rural areas.

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<sup>14/</sup> "Mutual relations between industry and agriculture in the developing process" Document prepared jointly by UNIDO and FAO secretariats. UNIDO's document ID/CONF. 3/15.

Also, it should be pointed out that the introduction of high yielding seeds can have a considerable effect on employment in Third World agriculture, since they need a higher labour input than traditional varieties.

#### 2.4 The Second General Conference and its Decisions

The Second General Conference of UNIDO was held in Lima between 12th and 25th March 1975. Following the tradition established by the Sixth Special Session of the General Assembly, it approved a Declaration and Programme of Action. But in contrast to what happened at the Assembly, the Lima document was adopted by a vote. The United States voted against and seven other industrial countries abstained 15/, in the General Assembly various delegations made reservations and observations on specific paragraphs included in the document.

In addition to the Declaration and Programme of Action, the Lima Conference adopted three resolutions: one of an institutional character (establishment of special machinery to consider the problems of the least developed, landlocked and island developing countries) another on the selection of appropriate industrial technology and the third on human aspects of industrial development.

In addition to the 22 introductory paragraphs, the Declaration covers most of the subjects consequently considered in the Programme of Action. The latter is divided into six chapters:

- I. National measures;
- II. Co-operation between developing countries;
- III. Co-operation between developing and developed countries;
- IV. Least developed, landlocked and island developing countries;
- V. Institutional Arrangements; and
- VI. Charter of Economic Rights and Duties of States.

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15/ The complete report on the Second General UNIDO Conference was published in document A/10112 of the General Assembly, (ID/CONF. 3/31).

Those subjects on which the Conference concentrated its attention were the determination of a growth rate for industrial production in developing countries and the institutional problems, i.e. the question of converting UNIDO into a Specialized Agency of the United Nations.

On the first subject the Conference adopted a paragraph of the Declaration (No. 28) establishing that:

"the participation of developing countries in world industrial output... should increase as much as possible to reach at least 25 per cent of the total in the year 2000".

On the second subject, the decision adopted by the Conference effectively opened the way to the institutional transformation of UNIDO.

## 2.5 Analysis of the Decisions Adopted by the Conference

The Conference adopted a number of general criteria on the industrialization problems of the developing world which, to a certain extent, counterbalance the "economist" approach usually predominant in this kind of United Nations meeting.

At this respect the three following aspects should be pointed out:

(a) There was a certain disenchantment with the advance (or lack of) in developing countries' industrialization. To a certain extent, the paragraph of the Declaration in which this appears, links industrialization with the modification of internal socio-economic structures, at the same time giving a purely vertical focus to the reasons for this disenchantment, since direct responsibility is imputed to the "measures adopted by the majority or developed countries".

"13. Taking into account that industrialization has not significantly advanced in developing countries as a whole, in spite of considerable efforts on their part and that this is frequently due to the fact that the dependence of their economies on exports of primary products and the measures adopted by the majority of developed countries, have not permitted a sufficiently profound and dynamic action, which can transform socio-economic internal structures and thus lay the basis for authentic development". 16/

In any case, it should be pointed out that this paragraph involves the notion of a transformation of "internal socio-economic structures" as the basis for a development described as "authentic" which in turn contradicts the vertical approach also appearing in the same paragraph.

(b) A broader view than that adopted in other United Nations meetings emerges from a paragraph on the way in which developing countries must approach industrialization problems and its "technological and social economic repercussions".

"50. that developing countries should support the concept of an integrated and multisectoral industrialization approach taking fully into account the technological and socio-economic repercussions of this process, both in the planning and implementing phases".

(c) A mention of the stimulus and support developing countries should give to "development of industries satisfying basic needs of the population" although this reference appears in a paragraph of general nature.

"the stimulus and support to the development of small, medium and rural industries satisfying the basic needs of the population and which contribute to the integration of different sectors of the economy; and to this end, due attention must be given to industrial co-operatives as means of mobilizing human, natural and local financial resources to attain national objectives for economic growth and social development".

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16/ Translation of paragraphs quoted in this section is informal. N.T.

It should also be pointed out that in various paragraphs of the Declaration and the Programme of Action, mention is made of various social aspects or problems, such as the following:

(a) Full use of available human resources and integration of women into the industrialization process "on the basis of equal rights",

"30. that to assure the efficient and full use of available human resources, developing countries should create conditions permitting the full integration of women into social and economic activities, and in particular in the industrialization process, on the basis of equal rights".

This same concept of the full utilization of human resources but in connection with the least developed countries, was also included in a particularly confused paragraph of the Declaration.

"37. Special emphasis should be laid on the need for least developed countries to create production installations involving maximum employment of local human resources and whose production satisfies, from the material and social point of view, identified needs, thus ensuring a convergence between those needs and the employment of local sources, which will offer sufficient employment opportunities".

(b) Employment problems do not seem to have achieved the attention they deserved from the Conference. Only one of the paragraphs of the Action Plan points up national industrialization policies of developing countries as having to be based on:

"e) the intensive use of national resources, the development of infrastructures and internal regional development, with special emphasis on employment policies as well as on the full and intensive use and development of local raw materials".

(c) In contrast, the aspects related to training and preparation of manpower in developing countries, merit the two specific paragraphs below and some other isolated references:

"53. That educational systems should be modified so that young people appreciate industrial work, and that policies and programmes be adopted so as to train qualified personnel needed by new sources of employment created in developing countries, at subregional and regional levels. The training activities linked to industrial development should be conceived in such a way as to permit the processing of natural resources and other raw materials in the country of origin and the creation of permanent specialized teaching structures for rapid quantitative training of national labour force at all levels and for all occupations, whether technical or managerial, without discrimination as regards of sex;

54. That co-ordinated literacy and worker training programmes be established to attain the promotion and upgrading of the national labour force at all levels of employment. That, in order to achieve national development plans, and in particular those involving industrialization, developing countries raise the general cultural level of the population so as to have a well qualified labour force, not only for the production of goods and services, but also for management, permitting them to assimilate modern technology;

(d) Finally, the theme of social and distributive justice in relation to the benefits of industrialization emerge from two paragraphs of the Programme of Action relating to national measures to be adopted in developing countries.

The first paragraph (58a) is very precise. However, the following one (58b) fails in the attempt to present in a coherent form a balance between the need for social justice and the need for accumulation of capital, and to make things worse, references were added to transfer of technology, to the aspirations of the human race and to world peace.

"In developing countries, national industrialization policies should be based on....

d) The equitable distribution of the benefits of industrialization amongst all sectors of the population

b) In formulating industrialization plans and strategies due account must be taken of the characteristics of each country in the light of its socio-economic structures. Moreover, social justice must be a determining criterion in achieving higher living standards and eliminating extreme social disparities and unemployment, particularly amongst young

people. To this end, adequate industrial development should permit the accumulation of capital necessary to economic development and also constitute a powerful factor for the promotion of technology, the growth of other sectors and realization of the aspirations of humanity. Also, for the orientation of its objectives, it should positively contribute to world peace";

This theme of social justice reappears in the "Resolution on the Social Aspects of Industrialization" adopted by the Conference. Paragraph (f) is true hotch-potch with participants States saying:

"f) That States should recognize that, in any industrial development process social justice should be the irreplaceable means in spiritual, economic and social aspects, permitting the attainment of a just and solidary society".

Another interesting theme, from the point of view of the present study, which appears in the Lima Declaration, is the link between industry and agriculture.

"51 That in view of the basic complementarity between the industrial and agricultural sectors, a major effort must be made to promote industries based in agricultural activities or related to this sector, and that in addition to checking the rural exodus and stimulating food production, they stimulate the establishment of new industries based on natural resources".

Finally, with reference to problems of the environment and the conservation of non-renewable natural resources, the Lima Conference adopted two paragraphs:

The first emphasises the need to conserve non-renewable resources and "especially" invites developed countries to avoid "waste".

"38. That, in view of the need to conserve non-renewable resources all countries, in particular developed countries, should avoid waste, and that in this context, developing countries endowed with such resources should formulate diversification policies permitting them to obtain financing through measures based on the intensive exploitation of these resources".

This recommendation, to a certain extent, contradicts the "industrialist" spirit pervading the rest of the document.

The paragraph specifically referring to the need to avoid problems threatening the environment, demonstrates of itself, the little attention paid by the Conference to this subject:

"39. That the international community, and in particular the developed countries, should mobilize human and material resources to deal with the problems threatening the environment. In this sense, developed countries should intensify their efforts to avoid environmental pollution, and refrain from taking measures, which according to scientific information, create pollution problems or disturbances to the developing countries".



## C H A P T E R V I

### EMPLOYMENT: FROM THE PHILADELPHIA DECLARATION TO THE CURRENT ECONOMIC CRISIS.

#### 1. INTRODUCTION

In 1944, while the United Nations Charter was being drafted the 18th Conference of the International Labour Organisation adopted the Philadelphia Declaration, as an annex to its Constitution drawn up in 1919.

The Declaration reaffirmed the notion that universal and permanent peace can only be achieved through social justice. It stated that poverty, wherever it occurs, constitutes a danger for the prosperity of all and called for a vigorous struggle against it, at both national and international levels and with the full participation of governments, employers and workers.

Moreover, the Declaration considerably extended the field of action of the Organization far beyond labour questions as such, so as to also cover the improvement of living conditions in general, the universal respect for human rights, the promotion of full employment, etc.

Given these terms of reference, plus the tripartite composition of the organization, it was more suited than any other body of the United Nations system, to assign a high priority to social issues in the discharge of its duties.

The series of conventions adopted by the ILO in fields such as those of human rights as well as in connection with the different aspects of social security <sup>1/</sup> and, more generally, its concern for the improvement of working conditions, are a patent expression thereof.

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<sup>1/</sup> The following conventions can be mentioned in connection with human rights: Convention of freedom of association and right of association (1946); Convention on the right of association and collective bargaining (1949); Convention on equal pay (1951); Convention on the abolition of forced labour (1957); Convention on discrimination (1958). In the field of social security on the other hand, the organization has adopted more than 25 Conventions.

However, in spite of the full integration of the ILO into the system of international co-operation established after the war on the basis of United Nations Charter 2/ its leading preoccupation with social questions failed to produce significant repercussions on the action and the priorities of the other agencies which tended to systematically relegate such questions to a minor level convinced that social justice would emerge as a by-product of growth.

In sum, there was no synthesis between the objectives of the ILO and those of the other agencies, but rather a tendency to parallel action whose points of contact were for the most part, formal.

In fact there is no doubt that the economically biased approach associated with growth-oriented development concepts dominating the United Nations in the first decades of its work, had a significant influence on the ILO itself. As a result of this, as well as of the powerful influence of Anglo-Saxon trade unionism, in dealing with social issues, the Organization - as it became evident later when major objectives could not be attained - usually adopted totally inadequate approaches, at least as far as the Third World was concerned.

However, with decolonization and its sequels both in terms of the correlation of forces between the various trends in the labour movement as well as between the various schools in the social sciences, the situation began to vary in the 1960's, with rapid repercussions on the activities of the ILO. The reduction of international tension as a result of the end of the cold war was also a major factor in this respect.

The ILO began to give increasing priority to the problem of employment and the distribution of wealth, and to adopt approaches to a greater or lesser extent removed from those prevailing in previous decades.

Moreover, the ILO was one of the first organisations in the United Nations system to seriously question the traditional conviction that economic growth would automatically lead to full employment and better living conditions.

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2/ The ILO in fact, was the first specialized agency to sign a co-operation and co-ordination agreement with the United Nations. The agreement was signed in 1946.

One of the first results of this was the adoption in 1964 of the Convention and Recommendation on Employment Policy which called on member states to formulate and carry out active policies in support of full, productive and freely chosen employment as an "objective of major importance".

By the end of the 1960's it became increasingly clear that, contrary to the central thesis of the International Development Strategy of the First United Nations Development Decade, high growth rates, especially in developing countries, could and in fact did, coincide with high unemployment rates and with the maintenance of unfair income distribution patterns. As a result, efforts to devise policies to reverse those trends intensified, culminating with the unanimous adoption by the 53rd session of the ILO Conference in 1969, of the World Employment Programme (WEP).

The programme's ultimate aim was the eradication of poverty and unemployment, on the basis of a reorientation of national development strategies in the perspective of making economic growth compatible with social welfare and greater equality.

Its main feature is the search for concrete alternatives to traditional concepts of development, a search which made further enquiry into the structural features of developing countries imperative.

In this way:

"The country employment missions carried out under the Programme sought to clarify the complex relationship between economic growth and productive employment and reveal them as mutually reinforcing and complementary elements in an equitable development pattern. They examined how the structures of income distribution, choices of technology and educational systems among other socio-economic variables interact to promote or retard growth and employment. They proposed comprehensive national strategies which would attack income disparities, correct imbalances in the prevailing educational systems, make better choices of technology and break down the

sharp division within developing economies between the traditional and the modern sector, thereby providing a framework for development within which the mass of society can participate in the process of economic growth" 3/

Thus, the World Employment Programme made a significant contribution to strengthening a general process of critical revision of prevailing concepts on development, a search later speeded up considerably as a result of phenomena such as the recession in developed countries, the aggravation of the world employment situation, high rates of inflation, the rise in oil prices, the food crisis, monetary instability, etc.

The Tripartite Conference on Employment, Income Distribution Social Progress and the International Division of Labour was convened within this latter context, in an effort to advance the implementation of the Programme of Action on the New International Economic Order approved by the United Nations General Assembly at its 6th Special Session. At the same time, it was the logical continuation of the effort undertaken through the World Employment Programme, based on the evidence that no national employment strategy can be really effective in the absence of a substantial transformation of the present pattern of world production and trade.

2. THE TRIPARTITE WORLD CONFERENCE ON EMPLOYMENT, INCOME DISTRIBUTION AND SOCIAL PROGRESS, AND THE INTERNATIONAL DIVISION OF LABOUR

The Conference took place in Geneva, from the 4th until the 17th of June 1976 and was preceded by a number of preparatory regional meetings. 4/

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3/ International Labour Office, Governing Body, 194th Session, document GB.194/2/12 Corr, "Action on the Resolutions adopted by the Conference at its 59th Session", page 3.

4/ For details on the organizational aspects and the preparatory meetings, see "Report of the Proceedings of the Tripartite World Conference". Document ILO GB.201/3/2.

2.1 Proposals of the ILO Director-General on the "human basic needs approach"

The ILO requested experts and some international organizations to prepare a number of documents published in two volumes as "background papers". 5/ Their conclusions and proposals were presented in a report submitted by the Director-General to the Conference. 6/

Although the Conference Agenda concentrated mainly on employment problems, the report proposed the adoption by each country of:

"a development approach based on basic needs having as an objective the achievement of a certain minimum level of income before the end of the century".

The instruments to attain that goal would be the increase in volume and productivity of employment, as well as the formulation of the necessary national and international measures to achieve this.

This approach was presented because the ILO understood that the problem of employment could not be separated from basic needs or from the extremely serious income distribution problem emerging from statistical analyses.

According to studies made or data collected by the ILO, in 1972, out of 1,815 billion persons living in developing areas (except China) 67 per cent, i.e. 1,210 billion, were living in a

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5/ "Tripartite World Conference on Employment, Income Distribution and Social Progress, and the International Division of Labour", Background papers. Volume I: Basic Needs and National Employment Strategies. Volume II: International Strategies for Employment.

6/ "Employment, Growth and Essential Needs. One World Problem". Memorandum of the ILO Director-General.

state of "serious poverty" and, it could be estimated that among them, about 706 million persons or 39 per cent of the total population under consideration were living in extreme poverty. These estimates were made on the basis of a relative criterion of poverty and extreme poverty, which was defined as living standard of people whose annual "per capita" income was below \$ 500 ("serious poverty") and \$ 250 ("extreme poverty") in Western Europe, \$ 180 and \$ 90 in Latin America, \$ 115 and \$ 59 in Africa and \$ 100 and \$ 50 in Asia.

This situation was only the reflection of the fact that during the same years, 17 per cent of world population was responsible for 67 per cent of world production, whereas on the other hand, 26 per cent of the population was responsible for only 3 per cent. If China is included in these estimates:

"47 per cent of the world population received less than 7 per cent of world income"

Another fact explaining this state of world poverty was that 5 per cent of the labour force in the developing countries (except China) was unemployed and 36 per cent underemployed (though certain doubts could be expressed about the validity of the ILO concept of under-employment). At the same time, 80 per cent of the unemployed or under-employed labour force was from areas of developing countries.

Moreover, this situation tended to get worse in recent years. Between 1963 and 1972, there was an increase in the number of "poor persons" in the world and employment prospects were increasingly uncertain. In the next 25 years, with estimated population growth rates (and taking into consideration that most of the labour force which will be incorporated from now up to the year 2000 has already been born) the ILO forecast that unemployment would increase by 75 per cent in the developing countries (always excluding China).

In order to help solve such a situation, the Director-General proposed, in his report to the Conference, that development planning should include, as an explicit objective:

"the satisfaction of an absolute level of basic needs".

To this end the report presents a definition of basic needs, in quantitative terms and at a regional level, on the following:

- (i) dietetic energy 7/ (expressed in daily calories per capita);
- (ii) education (measured by the enrolment of children between 7 and 16);
- (iii) income redistribution in favour of the 20 per cent of the population with the lowest income. In this way this group would be able to satisfy its other basic needs (clothing, health, essential public services, minimum domestic equipment, etc.).

According to the basic needs approach of the Report, in a more advanced phase and in addition to the satisfaction of the above minimum personal needs this should also imply the satisfaction of more qualitative needs:

"a more humane, healthy and satisfactory environment, participation in decisions affecting life and subsistence as well as individual freedoms".

This paragraph, which puts off to an undetermined "more advanced phase" participation in decisions affecting life, subsistence and even individual liberties, cannot be taken seriously and it is better to attribute it to carelessness on the part of the editors or revisers of the text. All the more so, moreover,

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7/ Studies by the FAO and WHO said that protein needs are generally covered when the needs of dietetic energy are satisfied; therefore, this parameter suffices to define food needs.

when the following paragraph of the Report states that:

"the satisfaction of an absolute level of basic needs as defined should be situated within a broader framework, in the full enjoyment of fundamental human rights, which not only constitute an aim in themselves, but also contribute to achieving other goals."

In fact, it would seem preferable to interpret this part of the Report in the sense that such basic needs approach includes from some time forward the satisfaction of other needs, i.e. needs in relation to the environment, cultural development, etc. In this way, the position of the Director-General of ILO coincides with that of various authors on the approach to basic needs.<sup>8/</sup>

Once defined as a goal for action, the elements included in the Report as comprising the necessary strategy are:

1. each country should adopt an approach to development focussed on basic needs;
2. this approach is aimed at achieving a given minimum standard of living before the end of the century;
3. the instruments to reach this goal are an increase in the volume and productivity of employment; and
4. national and international measures are to be drawn up in order to apply these instruments.

Also, and recognizing at the outset the inadequacy of the proposed strategy, the Report suggests timidly that:

"the Conference should perhaps wish to study the advisability of establishing an universal level of minimum needs as an objective to be reached within a generation, which all countries undertake to support".

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<sup>8/</sup> For a more detailed analysis of the "basic needs" concept, see Part II, Chapter III.



The ILO considered two alternative strategies for achieving the generalized satisfaction of basic needs by the end of the century: one is of more rapid growth for all developing countries, and the other of increasing the incomes of the poorest income groups faster than those of other social groups in developing countries. In order to test these hypotheses, an interesting model was constructed.<sup>9/</sup>

The conclusions of this analysis are particularly worrying since they bring to light the major economic and social changes needed in most developing countries if such goals are to be reached:

"With reference to the model, unless the distribution of income changes considerably, the basic needs of the group chosen can only be satisfied with increases in production almost double the already high rates reached in recent years. China and the oil-producing countries are two important exceptions to this generalization. In the rest of the developing world, according to the model, the satisfaction of basic needs would require an approximate doubling of the rate of increase in production and rapid reduction in the rate of population growth. Neither looks probable much less do both together". <sup>10/</sup>

"In conclusion, it has been shown that neither redistribution nor growth alone will satisfy the basic needs of the Population in most less developed countries. Both are needed and it is the author's view that in many of them the redistribution should include a redistribution of existing assets, even though this point cannot be established by the model described above...Hence, the message is that a real basic needs strategy requires not only redistribution with growth but also a shift of resources towards the satisfaction of basic needs which is part of a strategy and not merely a consequence of it. These conclusions, it should be noted, result from a quantitative and regionally disaggregated model, not from any ideological analysis". <sup>11/</sup>

Moreover, although the Report only mentions the subject indirectly, goals implying social and economic changes of such magnitude can only be achieved in each country within a very different power context than the one directly or indirectly responsible for the present social and economic situation.

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<sup>9/</sup> See Volume I of Background Papers, M. Hopkins and Hugo Scolnik, "Basic Needs, Growth and Redistribution. A quantitative approach".

<sup>10/</sup> Report of the Director-General, op.cit.

<sup>11/</sup> Hopkins and Scholnik, op. cit.

Summing up the proposals of the Director-General on a basic needs strategy, it appears to facilitate debate rather than provoke action. The document is severe in its analytical judgement of a situation described without drama but with forceful data. But it loses all its impact when it comes to describing necessary action, and ends by capitulating in the conclusions - which instead of presenting recommendations merely put questions revealing the conviction that no action will be arrived at.

This may be realistic but also weak and lacking in authority. Naturally, the challenge is immense: to propose an international full employment strategy, distributive justice and the security of satisfaction of basic needs for the countless disinherited millions of the world.

## 2.2 Interdependence of various social aspects considered in the Report.

Whether in the section of the Report dealing with basic needs, or in other sections, problems are posed which point up the interdependence between various social aspects. As they are relevant and related to the establishment of an integrated approach to development they are mentioned below.

The first aspect refers to the link existing between unemployment and underemployment and the rural sector. In the developing world, 80 per cent of the problems arising from the inadequate employment opportunities arise in the rural area. This contrasts sharply with the insufficiency of agricultural production to meet food needs in most developing countries, and consequently, it brings out the importance of agrarian reform and rural development policies. In other words, by combatting the employment problem in rural areas, countries would also be combatting the food problem, and vice versa, since without combatting the employment problem, the food problem cannot be solved.

The report underlines the neglect of non-agricultural activities in rural areas in most developing countries - an aspect also emphasized in the Second General Conference of UNIDO. 12/

The Report refers to the development of decentralized cities, to the expansion of public works and to highly labour intensive construction methods as ways to absorb unemployment in rural areas - a subject particularly relevant to the "problématique" considered by the Human Settlements Conference. 13/

Somewhat in contrast to what is stated above on unemployment in rural areas, the Report states that:

"The majority of women in developing countries and particularly in rural areas, suffer more from an excess of work than from underemployment".

and it links the subject with the introduction into rural areas of appropriate technologies, taking into account the status of women and the need of creating new sources of employment.

Another element worth noting in the Report, is the link (or lack of real link) between education and development. It points out that in many African and Asian countries, huge sums have been spent on developing education, but this has not improved the social situation. The explanation offered is the link between poverty, inadequate conditions of hygiene and the lack of curiosity and imagination. But more important would seem the mention made, taking as an example the World Employment Programme for Sri Lanka, that a higher general level of education has resulted in higher qualifications being required for a job or simply a higher rate of unemployment among the educated than amongst the uneducated. An important conclusion presented in the Report - though not put forward as a general principle - is that productivity (and it could be inferred, income) would be a characteristic of employment (in the sense of function or role) more than of persons, and that it would depend more upon technology than the educational level of the worker.

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12/ See above, Chapter V.

13/ See below, Chapter VII.

Finally, one subject receives extensive treatment in the Report: the assistance in industrialized countries to various industries with a view of facilitating the reconversion of the economy, the displacement of manpower and the opening of markets to products from developing countries. This subject is particularly important in relation to the agricultural sector, because of the higher labour intensity of agricultural production in developing countries, as well as by the higher rate of rural unemployment. It was also considered at the Second General Conference of UNIDO, and in a more subsidiary fashion by the World Food Conference. It should perhaps be emphasized here since it is an area where international co-operation could achieve much.

### 2.3 Decisions adopted by the Tripartite Conference

The World Employment Conference of 1976, faithful to the tradition set by the United Nations General Assembly at its sixth special session, closed its proceedings by the adoption of a Declaration of Principles and Programme of Action.

The Declaration of Principles outlines in twenty paragraphs or so the general principles of international co-operation, with special emphasis, as is natural, on employment problems, and lays down the broad criteria to be followed in developing the Programme of Action for which the Declaration is the basis.

The Programme of Action is divided into five chapters which deal with the five major topics considered at the Conference:

- I. Basic needs;
- II. International manpower movements and employment;
- III. Technologies for productive employment creation in developing countries;
- IV. Active manpower policies and adjustment assistance in developing countries;
- V. The role of multi-national enterprises in employment creation in the developing countries.

In analysing the Declaration and Programme of Action from the standpoint of this study, special attention will be given to the chapter on "Basic needs" and to certain considerations to be found throughout the document which are directly related to the central purposes of this analysis.

In this respect, the Declaration of Principles begins by expressing its concern that:

"past development strategies in most developing countries have not led to the eradication of poverty and unemployment; that the historical features of the development processes in these countries have produced an employment structure characterized by a large proportion of the labour force in rural areas with high levels of under-employment and unemployment; that under-employment and poverty in rural and urban informal sectors and open unemployment, especially in urban areas, has reached such critical dimensions that major shifts in development strategies at both national and international levels are urgently needed in order to ensure full employment and an adequate income to every inhabitant of this One World in the shortest possible time".

and completes the picture by pointing out:

"(a) that unemployment, underemployment and marginality are a universal concern and affect at least one-third of humanity at the present time, offending human dignity and preventing the exercise of the right to work;

"(d) that the existence of an informal urban sector which has grown out of proportion during the past decades in the developing countries and the chronic lack of jobs in rural areas burden the labour markets and hinder the sectoral and regional integration of national development policies".

This situation is explained to some extent by the following statement:

"(b) the experience of the past two decades has shown that rapid growth of gross national product has not automatically reduced poverty and inequality in many countries, nor has it provided sufficient productive employment within acceptable periods of time".

The conclusion to be drawn is that:

"the Strategy for the Second Development Decade needs to be supplemented by a programme of action to guide national and international development efforts towards fulfilling the basic needs of all the people and particularly the elementary needs of the lowest income groups".

The Declaration of Principles thus lays great emphasis on the social problems of the developing world, although essentially from the standpoint of "basic needs" and draws attention to the fact that rapid growth does not necessarily reduce poverty, inequalities or unemployment, and underlines the need to supplement the objectives of the I.D.D.

These same principles are then expanded upon in the first chapter of the Programme of Action ("Basic needs"). It is pointed out that:

"1. Strategies and national development plans and policies should include explicitly as a priority objective the promotion of employment and the satisfaction of the basic needs of each country's population",

and the concept of "basic needs" is defined in the following terms:

"Basic needs, as understood in the Programme of Action, include two elements. First they include certain minimum requirements of a family for private consumption: adequate food, shelter and clothing, as well as certain household equipment and furniture. Second, they include essential services provided by and for the community at large, such as safe drinking water, sanitation, public transport and health, educational and cultural facilities",

supplemented by these two premises:

"3. A basic-needs-oriented policy implies the participation of the people in making the decisions which affect them through organizations of their own choice.

4. In all countries freely chosen employment enters into a basic-needs policy both as a means and as an end. Employment yields an output. It provides an income to the employed, and gives the individual a feeling of self-respect, dignity and of being a worthy member of society".

In other words, the Programme of Action endorsed the Director-General's definition of basic needs which is then amalgamated with the notion of participation in decision-making and that of "freely chosen employment", but without mentioning the "qualitative needs" included in such definition.

The definition is completed by the following paragraph, which adds that:

"It is important to recognize that the concept of basic needs is a country-specific and dynamic concept".

The notion of "basic needs" is thus dequantified, and being considered dynamic, is reduced to a generalized idea which has to be defined in the light of each country's own situation. This will make it much more diffuse, and at the same time will thwart all possibility of concerted international action to elaborate a strategy that will fulfil the basic needs of the bulk of the world's population before the turn of the century, as the Director-General advocates in his Report.

However, in the section of "Recommendations" in the same chapter, the Programme of Action states that:

"31. Member States should, to the extent possible, supply the ILO, before the end of the decade, with the following information:

- (a) a quantitative evaluation of basic needs for the lowest income groups within their population, preferably based on the findings of a tripartite commission established for the purpose;
- (b) a description of policies, existing and in preparation, in order to implement the basic-needs strategy.

32. The ILO is requested to prepare a report for an annual conference before the end of the decade and to include the following information:

- (a) an elaboration of more precise concepts defining basic needs on the basis of national replies;
- (b) a survey of the entire range of national replies received and an analysis of the national situations with respect to the levels of basic needs as well as policies to attain them".

In this way, it attempts to avoid the dangers mentioned above. We must ask ourselves, however, whether this is not a device on the part of the Governments of both developing and developed countries to steer clear of firm and precise commitments that would have to be carried out within a specified time period. It should be noted that the factors of time and place in fulfilling basic needs have ceased to exist and that, by insinuating the notion that basic needs are "dynamic" and above all "country-specific", the quantitative definition of basic needs given in the Director-General's Report has been superseded by the conventional idea of "relative poverty", which varies in accordance with the context of space and time in which it is situated.

Lastly, it should be noted that, on this occasion, it was the Governments and workers from the developing countries who allowed the idea of "basic needs" to be twisted and the notion that Governments have an obligation to the people they are supposed to represent to wither away.

This impression is confirmed by paragraph 7 of the chapter in question, which states that:

"7. Any national employment-centred development strategy aiming at satisfying the basic needs of the population as a whole should, however, include the following essential elements, to the extent that countries consider them to be desirable".

The proviso - "to the extent that countries consider them desirable" - may be self-evident (since what sovereign country can be expected to do anything that is not desirable for it), but it does highlight the reservations felt by many of the Governments that will benefit from the measures outlined below. These measures relate to macro-economic policy, employment policy, policies for the rural sector, social policies (for women, young people, the aged and the handicapped), the participation of organized groups, education policy and population policy.



Additionally and in view of their political importance and of their importance for an integrated approach to development, it is worth pointing out the following paragraphs from this chapter in the Programme of Action:

"6. In developing countries satisfaction of basic needs cannot be achieved without both acceleration in their economic growth and measures aimed at changing the pattern of growth and access to the use of productive resources by the lowest income groups. Often these measures will require a transformation of social structures, including an initial redistribution of assets, especially land, with adequate and timely compensation. Land reform should be supplemented by rural community development. In some countries, however, public ownership and control of other assets is an essential ingredient of their strategy. Obviously each country must democratically and independently decide its policies in accordance with its needs and objectives.

10. Governments should give high priority to rural development, and increase the effectiveness of their policies, including those to reorganize the agrarian structure. Rural development involves the modernization of agriculture, the development of agro-based industries, and the provision of both physical and social infrastructure. It should encompass educational and vocational training facilities, the construction of main and feeder roads, the provision of credit facilities, and technical assistance, especially to small farmers and agricultural labourers.

13. The main thrust of a basic-needs strategy must be to ensure that there is effective mass participation of the rural population in the political process in order to safeguard their interests. In view of the higher hierarchical social and economic structure of agrarian societies in some developing countries, measures of redistributive justice are likely to be thwarted unless backed by organizations of rural workers".

At the same time, but for the opposite reasons, we would draw attention to the following paragraph which seems to transfer the target of full employment to the year 2000:

"8 Member States should place prime emphasis on the generation of employment, in particular to meet the challenge of creating sufficient jobs in developing countries by the year 2000 and thereby achieve full employment. Specific targets should be set to reduce progressively unemployment and underemployment."

The following paragraph on population policy is also worthy of comments:

"22. High birth-rates in poverty-stricken areas are not the cause of underdevelopment but a result of it. They may however, jeopardise the satisfaction of basic needs. It is only through the fulfilment of these needs, with special emphasis on the development of the position and status of women, that couples will be in a better position to determine the size of their family in a manner compatible with the aims of their society."

Careful perusal of this paragraph, whose opening lines are difficult to find fault with, will indicate that its meaning seems to be that couples should decide the size of their families "in a manner compatible" not with their interest and aspirations but with the "aims of their society". This leads on to the idea that society as a whole should decide in a matter of such importance to the individual (and the couple) as the number of children to have. It seems to go rather further than is desirable but this may be just the unfortunate result of trying to accommodate fundamentally different positions on the highly controversial issue of birth control.

The Conference also recognized that:

"the basic-needs strategy is only the first phase of the redistributive global growth process"

This seems to refer to the redistribution of international wealth as part of the process of growth rather than to the internal redistribution of wealth within the developing countries, an impression which is gained from the context of the sentence (paragraph 23 of the section on International economic co-operation) and the reference to the seventh special session of the General Assembly.

"34 The Conference finally requests that policies required to meet basic needs become the essential part of the United Nations Second Development Decade Strategy and form the core of the Third Development Decade Strategy",

an initiative which will be further commented in the last part of this work.

## CHAPTER VII

### HUMAN SETTLEMENTS : FROM "HOUSING AND COUNTRY PLANNING" TO "HABITAT"

#### 1. INTRODUCTION

International co-operation through the U.N. in the field of housing, goes back to 1946, when a General Assembly resolution, acknowledging the gravity of housing problems in many regions of the world, called for an international exchange of views on the subject and for the establishment of permanent links between housing experts from different countries.

Later on, an ECOSOC resolution authorized the Department of Economic and Social Affairs to publish a periodical intended as a vehicle for such an exchange - "Housing & Country Planning", first appeared in 1949.

From 1949 onwards a number of efforts were made to draw up a long-term programme of international co-operation in the field of housing. However, despite agreement on certain principles and broad guidelines, such efforts did not have much success.

It was only in the early 1960's that Member States began to assign more attention to international co-operation in the sphere of housing questions. This led to more concrete action, notably in terms of reducing the U.N.'s institutional weakness in this field.

In 1963 the first intergovernmental organ specially charged with housing questions was set up, the Committee on Housing, Building and Planning, established as a subsidiary organ of ECOSOC. In 1965 moreover, the Centre for Housing, Building and Planning was established, thereby reinforcing the rather weak housing unit existing until then within the U.N. Secretariat.

Resolution 2036 (XX), also adopted in 1965, laid down, perhaps for the first time, a set of relatively clear policy directives on housing,

building and planning. The resolution recommended, inter alia, more state intervention in housing matters 1/, promotion of local building industries, preferential use of domestic inputs by those industries and the introduction of legislative reforms in order to facilitate the harmonious development of cities, and land speculation and ensure a more adequate use of available housing funds .

At the international level, the resolution:

"(2) Recommends that technical assistance to the developing countries in the field of housing, building and planning, whether multilateral or bilateral, should be directed towards the financing of housing, the establishment of a national, or, if necessary State building design, construction and financial organs, the training of national cadres of architects and construction engineers and workers, the establishment of national bodies in charge of housing construction and town building, and the planning and execution of emergency programmes in urban and rural areas, and pilot projects contributing to the earliest possible solution of the housing problem;

(3) Suggests that the Secretary-General, in close co-operation with the Executive Secretaries of the Regional Economic Commissions, prepare biennial progress reports on the execution of the present resolution;

(4) Invites the Committee on Housing, Building and Planning to work out, on the basis of these reports, additional practical and effective measures for the implementation of these recommendations and the solution of the housing problem".

Pressed by rapid and anarchic urbanization and by the mounting social unrest associated with it, governments were progressively forced to assign more and more attention to these issues.

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1/ The resolution in fact pointed out that the State should assume the "principal function" in this area, particularly through the establishment of specialised institutions and through planning.

As a result, during the second half of the 1960's, individual nations as well as the United Nations, considerably increased their capacity to assess the magnitude and importance of housing and related matters. This in turn resulted in more clearly defined priorities (in particular a growing emphasis on the needs of the least favoured strata of the population), the increase of resources allocated to housing and related infrastructure programmes 2/ and, to a lesser degree, in improved policy instruments (notably a greater emphasis on the introduction of planning).

Such policy adjustments however, were entirely insufficient, and in many cases involved no more than rhetorical rectifications. Urban planning, as planning in general for example, in most cases, had a marginal impact. On the whole then, a substantial lag remained between the nature and magnitude of processes such as chaotic urbanization, and the perception and degree of understanding of such processes on the part of decision-makers.

In this manner, notwithstanding internal policy adjustments and the international consensus on the need to shift priorities, existing machinery for resource allocation and for priority setting, remained untouched. This was, for example, the case of financing arrangements and above all, technology, two particularly relevant elements in terms of explaining what soon became surprisingly clear in most developing countries: "low-cost housing" by definition, excluded the lowest income groups from access to adequate housing by systematically favouring middle income groups. At the same time, substantial portions of available resources were still being appropriated by land speculators.

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2/ Assistance channelled through UNDP for housing development rose from US \$ 1.35 million in 1964, to US \$ 11.5 million in 1972. The World Bank Group granted credits and loans for urban development, amounting to US \$ 60 million, between 1963 and 1973.

Under these circumstances it was no surprise when a report on priority problems in the field of housing, building and planning by the Secretary-General of the U.N., published in 1970 at the request of the General Assembly 3/, stated that the most pressing problems had not been solved, and that the situation had in fact deteriorated from every point of view.

In most of the countries of the Third World, stated the report, instead of the 10 dwelling units per thousand inhabitants which had been intended, only 2 or, at most, 3 had actually been built. This meant that the huge housing deficit already in existence was growing by several million units a year 4/.

These developments were most clearly illustrated by the spectacular increase in the numbers of persons living in "marginal" or slum areas in the urban zones of the Third World. (see Table I).

TABLE I  
INCREASE IN THE NUMBER OF PEOPLE LIVING IN  
UNSANITARY CONDITIONS 3/

	<u>Year</u>	<u>Population</u>		<u>Year</u>	<u>Population</u>	
		<u>number of</u> <u>inhabitants</u>	<u>percentage</u>		<u>number of</u> <u>inhabitants</u>	<u>%</u>
Rio de Janeiro	1957	400,000	20%	1960	1,265,600	30%
Mexico	1951	330,000	14%	1966	1,500,000	46%
Lima	1957	114,000	35%	1970	1,148,000	40%
Karachi	1964	752,000	33%	1971	800,000	23%

Source: "World Housing Survey" op. cit.

3/ World Housing Survey, Report of the Secretary General requested by General Assembly resolution 2958 (XXIV), United Nations, New York, 1973.

4/ The report also made a number of recommendations, including: an increase in exchanges of information and opinion; the organization of a world campaign to promote an awareness of the gravity of the housing situation; a substantial increase in international co-operation, etc. The Assembly merely took note of the report, recommending that States members elaborate more precise long-term programmes on housing, building and planning; it also recommended that the catalyzing function of the United Nations in the application of such programmes be strengthened.

In Cairo and Casablanca, two of the seven African cities which, in 1970, had more than a million inhabitants, more than 30% of the population lived in similar conditions. In Colombia, 80% of the population of Buenaventura and 30% of the population of Cali lived in such conditions. In Calcutta, India, with over 7 million inhabitants, 70% of the families were crowded in one room or less.

Other reports have fully confirmed these results. The 1973 world Housing Survey, for example, pointed out that:

"In direct contrast with the trends in the developed countries over all housing conditions, however measured, have become significantly worse in most of the developing countries in the course of the past decade, in spite of the fact that many countries' rates of economic growth have been considerable. This appears to be the case, at least in most of the developing countries with market economies, according to a careful examination of available statistical data (despite their many shortcomings) and of recent United Nations reports and replies to questionnaires ... the housing conditions in general, continue to deteriorate at an alarming rate."

The World Bank, in a more recent report, stated that:

"International action has doubtless helped increase the total housing stock, yet at the same time such action has had only a very limited impact on the situation of the poor families. The vast majority of programmes of assistance have so far proved unable to remedy the inadequacies of the market and have failed to reach the economically weak groups. The unit cost of housing financed through these programmes have varied between 1,000 and 7,000 US dollars. Moreover, the requirement for 'basic capital' which housing finance institutions have to meet has really done nothing to alter banking policy which continues to subsidize middle-income families more than the poorest families.

These programmes could have reached a greater number of poor families if they had been part of a global housing policy conceived within the framework of urban planning. This would have made it possible to avoid subsidizing middle-income families, as long as the credits were granted with appropriate interest rates, in keeping with a suitable repayment formula". 5/

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5/ Habitat, Politique Sectorielle Banque Mondiale, Washington D.C. 1975, p. 37. Free translation from French.

Moreover the above mentioned studies as well as most others all agreed that future prospects for housing are even less encouraging.

For example, it was pointed out, that whereas in 1960 town-dwellers represented a third of the total world population, they would probably represent more than one half by 2.000. Trends in Latin America indicated that by the beginning of the next century, 80% of the population could be living in towns, and that the region would be more urbanized than Europe. In this manner, by the year 2.000, 65% of the world's urban population could well be living in developing regions, whereas in 1920, more than 70% of the planet's urban population lived in the industrialized countries.

These facts could not but have profound repercussions on the international debate on housing and related issues. Traditional attitudes as well as conventional knowledge on the matter were more or less completely thrown into disarray and a general re-examination of the issues thus came about.

The U.N. Conference on the Human Environment (Stockholm, June 1972) played an especially important role in this process, since, as indicated in the relevant section, it opened the way to a problématique radically different to that prevailing in the 1950s and 1960s.

The influence of this conference is obvious in housing and related issues with the emergence of a conceptual framework, which is complementary and to some extent alternative to the



traditional "housing, building, planning" trilogy. Concepts such as "human settlements" "habitat", "aménagement du territoire" etc. clearly reflect concern with the quality of the environment.

Significantly, however, they also reflect a better grasp of the nature of problems such as housing and infrastructure shortages, chaotic urbanisation, rural-urban migration, proliferation of squatter settlements etc.

They especially reflect, the abandon of the view according to which such phenomena are transitory distortions more or less automatically overcome through a supposedly inevitable process of "modernisation" and the emergence of a different vision giving them a structural character, based on the insertion of such problems into processes relating to the global functioning of peripheral societies.

The foregoing has many consequences, in particular on the analytical level, and, as a result, on the choice of mechanisms to face the major problems thus identified. On the analytical level there is of course the need to consider a number of variables traditionally neglected. Awareness of this is manifest in Terra's definition of the habitat of a human group, as

"... the physical environment (natural and artificial) corresponding to the space it occupies, plus its external relations with the rest of the world, physical and social".<sup>6/</sup>

The same is true of "planning of land use" (in the sense of "aménagement du territoire"), a notion coined with environmental preoccupations in mind. This notion moreover, implies a choice of ways and means necessary to ensure the protection of the environment, or in any case, a negative appreciation of so-called "market forces" as a means to that end.

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<sup>6/</sup> Juan Pablo Terra, "Human Settlements and Another Development", Development Dialogue, 1976, No. 1. p. 43.

2. "HABITAT: THE UNITED NATIONS CONFERENCE ON HUMAN SETTLEMENTS"

2.1 Antecedents

The decision to hold "Habitat: the United Nations conference on Human Settlements" is contained in Resolution 3001 (XXVII) of the United Nations General Assembly adopted in 1972. The Conference stated this resolution, "should generate a review of policies and programmes for human settlements, national and international, and should result in the selection and support of a series of demonstration projects on human settlements sponsored by individual countries and the United Nations".

In resolution 3128 (XXVIII), the General Assembly stated that the principal aim of the Conference should be to "serve as a practical means to exchange information about solutions to problems of human settlements against a broad background of environmental and other concerns which may lead to the formation of policies and actions by governments, and international organizations". These decisions were originated, on the one hand from resolution 2718 (XXV) of 15 December 1970, recommending general guidelines and measures considered essential for the improvement of human settlements and on the other, from the United Nations Conference on the Human Environment held in Stockholm, June 1972, which in its "Action Plan on the Human Environment" approved the following recommendation:

"b) That there be organized, under the auspices of the United Nations, a conference/demonstration on experimental human settlements, in order to ensure the co-ordination and exchange of information and show world public opinion, by means of an exhibition of experimental projects, the possibilities of this method".

Preparatory work for the Conference was entrusted to a specially-appointed Preparatory Committee of 56 members which held three sessions between January 1975 and May 1976.

Besides the meetings of the Preparatory Committee, a number of additional ad hoc meetings were held. Three regional preparatory conferences 7/, organised by the Regional Economic Commissions in close co-operation with UNEP - also took place.

## 2. Main issues before the Conference

The quantitative and qualitative assessment of human settlements problems undertaken during the preparatory phase, in particular by the Secretariat basically demonstrated three things. First, the existence of an unprecedented urban, rural and environmental crisis of almost universal scope.

Secondly, that this crisis, resulting from the huge differences as to access to the benefits of economic growth in general and to human settlements in particular, was particularly acute in developing countries.

Finally, the evaluation showed that in most of these countries, social as against technical and economic considerations in particular in the case of human settlements were definitely of secondary importance.

This can be clearly seen from the fact that just before the conference, many of these countries lacked any human settlement policy as such i.e. a set of coherent responses to current problems connected with the main component elements of human settlements (shelter, infrastructure, services and land).

Indeed, the evaluation showed that at most, ad hoc, fragmentary, "semi-policies" were to be found in respect of some of those elements, notably, housing, education, health and others. In several instances, even those rudimentary policies were found to be lacking, especially in rural areas. Moreover, where they did exist, they were generally found to present so many shortcomings that in many cases they were either counter-productive or at best irrelevant vis-à-vis the real needs and problems of the population.

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7/ Teheran, 14-19 June; Cairo, 21-26 June; Caracas, 30 June-4 July; Geneva, 30 June - 1 July

Housing policies systematically favouring middle-income groups is perhaps the most well-known, but surely not the only example. Direct taxes and subsidies, frequently operate in such a manner that they amount to low-income families having to help finance infrastructure and services supplied to the "modern" housing sector, without receiving anything in return.

Infrastructure development in many developing countries it was also found, is frequently guided by imported criteria usually leading to resource waste and to major inequalities in access to essential services without which housing can hardly support human life - water, energy, waste disposal and others. The cases of countries pursuing policies of gradual infrastructure development on the basis of modest quality criteria aimed at ensuring an acceptable minimum of such services for all social sectors, were found to be rare.

Policy insufficiencies were found to be particularly acute in connexion with social services. Health systems for example tended to be characterized by a glorification of hospitals and costly and sophisticated equipment on the one hand and by the neglect of questions such as the training of medical and para-medical workers on the other, with the result that their impact in terms of the real needs of the population was marginal.

Similar distortions were found to exist in the field of education where, inter alia, an excessive role is usually given to the school system. Moreover, educational systems in most developing countries were found to be characterized by overemphasizing the importance of a series of specialized and functional buildings, a practice which in different ways tends to aggravate the overall socio-economic environment, in addition to involving excessively large investments, i.e. is often an intolerable burden on state and local budgets.

Finally the evaluation showed that in addition to deficiencies directly attributable to government policies as such, developing countries generally presented notable institutional deficiencies in this field. Thus there is usually a major institutional fragmentation, little inter-institutional co-ordination, decision makers within them frequently lacking sufficient information for solid decision-making etc. On the whole then, such institutions, faced with the impact of urbanization, industrialization and other similar phenomena, are entirely unable to truly manage human settlements and actually tend to become "a part of the problem" rather than being "a part of the solution".

The documentation presented to the conference directly associated the third world settlements crisis with the previously dominant development policies motivated by economic growth for growth's sake, a criterion seldom compatible with social, environmental and other equally important considerations.

Moreover, the documentation submitted to the conference, emphatically linked the emplacement, rhythm of development, and in general, the present characteristics of human settlements in the third world, with concepts such as "free enterprise", "market mechanisms", etc. and with the previously predominant "laissez-faire" style of development.

Faced with the crisis described, the Conference needed to formulate a series of guidelines for action which would promote new models of development (a question in turn closely linked to the transformation of the present international order) based on the radical transformation of the present patterns of allocation and use of both human and material resources, in consonance with the fundamental needs of the population of interested countries, and in particular, to formulate criteria for the establishment of national human settlements policies capable of operating as agents of social change.

### 2.3 Upshot of the Conference

The U.N. conference was held in Vancouver from 31st May to 11th June 1976. Its decisions are embodied in a "Declaration of Principles" and a "Plan of action".<sup>8/</sup>

The Declaration of Principles contains a preamble and three substantive sections. The preamble acknowledges the extreme seriousness of the prevailing state of human settlements for vast numbers of persons, adding that in the absence of appropriate measures, even further deterioration of those conditions could come about as a result of inequitable economic growth, social, economic, ecological and environmental deterioration, world population growth, uncontrolled urbanization, rural backwardness, etc. The substantive sections of the Declaration in turn, deal with "Opportunities and Solutions", "General Principles" and "Guidelines for Action".

The "Plan of Action" contains 64 recommendations contained in six sections, each of which corresponds to one of the points on the conference agenda relating to action at the national level 9/i.e. settlement policies and strategies; settlement planning; shelter, infrastructure and services; land; public participation; and, institutions and management.

Each of these sections contains a preamble setting out the key features and principal problems characterising each issue, followed by a series of recommendations. These are generally divided into three parts; an introductory statement stating a concrete problem, a prescriptive formulation containing a goal or the formulation of an alternative to the situation described and lastly the definition of measures or action

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<sup>8/</sup> U.N. document A/CONF.70/15

<sup>9/</sup> The Conference failed to reach agreement on programmes for international co-operation to support national action and recommended that a definite decision be taken by the General Assembly.

priorities to reach such a goal.

The most outstanding feature of the documents is the emphasis and importance given to the quality of life.

This concern, largely determined the concrete choices of the Conference in defining objectives, priorities, and policy instruments.

At the same time, the choices are the product of the inter-disciplinary and holistic approach which characterized preparatory work, an approach which the Conference assimilated to a great extent.

The Declaration of principles begins by pointing out that the "condition of human settlements largely determines the quality of life" and states that at present "the circumstances of life for vast numbers of people in human settlements are unacceptable, particularly in developing countries". It then goes on to add that the "improvement of the quality of life of human beings is the first and most important objective of every human settlement policy" (first general principle of the Declaration).

Such policies are in turn conceived of as integral and inseparable parts of general development policies, since the "problems of human settlements are not isolated from the social and economic development of countries".

Development, in turn, is seen as a "means towards achieving a better quality of life" (third general principle of the Declaration), which assumes giving priority to the needs of the most disadvantaged people, (second general principle of the Declaration) in particular to the rural population. Thus:

"It is of paramount importance that national and international efforts give priority to the rural habitat. In this context, efforts should be made towards the reduction of disparities between rural and urban areas, as needed between regions and within urban areas themselves, for a harmonious development of human settlements" (fourth general principle).

"In developing countries most people live in rural areas and will continue to do so notwithstanding considerable movement to urban areas. Given the urgent need to improve the quality of life of these people, which have been hitherto relatively neglected, planning and development of rural settlements should become a focus of national development policies and programmes" (Plan of Action, section B, Settlement Planning, preamble, paragraph 6).

In turn these general priorities determine other more specific priorities such as the generation of employment, redistribution of income (recommendation C.2 of the Plan of Action) and others.

The markedly holistic approach adopted by the Conference can be seen in the numerous passages of both final documents. For example, the Declaration of Principles recognises that the

"problems of human settlements are not isolated from social and economic development of countries and that they cannot be set apart from existing unjust international economic relations".

This is confirmed in various ways in several other parts of both the Declaration and the Plan of Action. This is the case of the two last preambular paragraphs of the Declaration, which underscore the importance of a profound change in present patterns of relations between states as the pre-requisite to solve the present world crisis in human settlements. This change is expressed in the generic formula "New International Economic Order", an idea also taken up in general principles 14 and 19 of the declaration and in some of the recommendations (e.g. recommendation A.2).



But the Conference documents incorporate fruits of the preparatory work in other ways. They also fully endorse the notion that human settlements reflect the social order of each country and the international order as a whole.

The plan of Action can hardly be more explicit in this sense, pointing out for example that:

"in the third world, both the hierarchy of settlements, and very often, their internal structures are the physical manifestation of the dual society inherited from a situation of dependence and exploitation (Section A Settlement policies and Strategies, Preamble, par. 6).

Presented in this way the crucial problem becomes finding ways of transforming the traditional domination-dependence relation between countries, so as to put an end to the exploitation of the one group by another. The main issue then, is how to promote change, something which is also formally acknowledged by the Conference documents. The Plan of Action for example, states that settlement policies:

"being powerful instruments for change ... must not be used ... to entrench privilege and exploitation".  
(Preamble to Section A of the Plan of Action):

This notion, moreover, is reiterated and restated on many occasions throughout the Plan of Action in connexion with specific issues, sometimes quite forcefully, such as in recommendation D.5 on "Patterns of land Ownership" which recognizes that,

"Many countries are undergoing a process of profound social transformation; a review and restructuring of the entire system of ownership rights is, in the majority of cases, essential to the accomplishment of national objectives." (Recommendation D.5),

Recommendation E.5 which deals with "New Forms of Participation", in turn indicates that:

"The people and their governments should establish mechanisms for popular participation that contribute to developing awareness of people's rôle in transforming society". (emphasis added)

To sum up, the huge human settlements crisis characterising our times, is not the product of chance nor an inevitable reality, but simply the product of a number of social, economic and political structures allowing the contradictions between the interests of society as a whole and those of local and foreign elites, to be almost invariably resolved in favour of the latter. 10/

All this has a direct influence on the means and mechanisms included in the Plan of Action to obtain the central objective: the improvement of the quality of life. Major importance is assigned to the State in this respect. Thus, the Declaration of Principles indicates that:

"It is the responsibility of Governments to prepare spatial strategy plans and adopt human settlements policies to guide the socio-economic development efforts". (Section III, Guidelines for Action, paragraph 2).

In turn, principle number 9, states that:

"Every state has the right to take the necessary steps to maintain under public control the use, possession, disposal and reservation of land. Every state has the right to plan and regulate use of land, which is one of its most important resources, in such a way that the growth of the population centres both on urban and rural are based on a comprehensive land use plan".

Principles 8, 9 and 17 confirm the above in pointing out certain inalienable rights of States, i.e. to choose their economic

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10/ These contradictions are illustrated especially clearly in Section D of the Plan of Action referring to "Land".

system, exercise sovereignty over natural resources and wealth, and effectively control foreign investments and the activities of the transnational corporations. The conference also attached major importance to planning, in which the state is assigned a leading, though not exclusive role. A substantial part of the Plan of Action deals with planning (Section B "Settlement Planning" Recommendations B.1 and 26).

Numerous other recommendations reaffirm the above. Amongst them, recommendation C.3 whose paragraph b) points out:

"Standards for shelter, infrastructure and services should be compatible with local resources, be evolutionary, realistic, and sufficiently adaptable to local culture and conditions, and be established by appropriate governmental bodies".

Recommendations C.16 and C. 17, relating respectively to "services for rural areas" and "reorganisation of spontaneous urban settlements" also assigned a preponderant role to the State. The same happens with almost all the recommendations of Section D ("Land") and F ("Institutions and Management") Recommendation D.1 for example, categorically states that":

"Land is one of the most valuable natural resources and it must be used rationally. Public ownership or effective control of land in the public interest is the single most important means of improving the capacity of human settlements to absorb changes and movements in population, modifying their internal structure and achieving a more equitable distribution of the benefits of development whilst assuring that environmental impacts are considered". (paragraph b, emphasis added).

"Land is a natural resource fundamental to the economic, social and political development of peoples and therefore Governments must maintain full jurisdiction and exercise complete sovereignty over such land with a view to freely planning development of human settlements throughout the whole of the national territory. This resource must not be subject to restrictions imposed by foreign nations which enjoy the benefits while preventing its rational use". (paragraph d, emphasis added).

In turn, in the preamble of Section D it is pointed out that public control of land is indispensable for its protection as an asset and for the achievement of the long-term objectives of human settlement policies.

"...because its unique nature and crucial role it plays in human settlements, cannot be treated as an ordinary asset, controlled by individuals and subject to the pressures and inefficiencies of the market. Private landownership is also a principal instrument of accumulation and concentration of wealth and therefore contributes to social injustice; if unchecked, it may become a major obstacle in the planning and implementation of development schemes. Social justice, urban renewal and development, the provision of decent dwellings and healthy conditions for the people can only be achieved if land is used in the interests of society as a whole".

A second element emphasised by the Conference is participation i.e. the direct involvement of peoples in the adoption and execution of decisions affecting them. Popular participation is seen by the Vancouver documents as a human right, a political duty and an essential part of national construction.

Specifically, the Plan of Action recommends inter alia, that

"... public participation should be an indispensable element in human settlements, especially in planning strategies and in their formulation, implementation and management; it should influence all levels of government in the decision-making process to further the political, social and economic growth of human settlements". (recommendation E.1).

It is interesting to see how the documents of the conference, reflecting awareness of the minimal practical significance of participation in the past, place special emphasis on the conditions under which it can have an effective impact,

Thus for example, in the preamble of Section E it is pointed out that:

"Participation can be conceived, from the top downwards, as the involvement of the higher echelons of government in the decision-making of smaller groups; laterally, as the co-operation between parallel or competing sectoral interests. or, from the base upwards, as the direct involvement of residents in the making of decisions and implementation of programmes which concern them. The first two forms of participation are the basis of strategies, planning procedures, implementation of programmes and, in general, management of human settlements; the last, under the label of popular participation, is becoming an indispensable element of a truly democratic process".

Clearly, the Action Programme and the Declaration of Principles are very much concerned with the latter. Reference has already been made to popular participation as an instrument of social transformation. Recommendation E.3 also noteworthy in this respect, states that:

"Public participation does not mean simply the mobilization of people to implement the independent decisions of governments and professionals; participation requires listening and response in both directions".

This concern is also reflected inter alia in recommendations E.2, E.3 and E.4.

Another noteworthy feature of the conference documents is the major emphasis placed and the positive meaning given to diversity, thus taking into account another key element of criticisms of traditional development models. General Principles 8 and 9 of the Declaration of Principles refer to this question. The latter states that:

"Every country should have the right to be sovereign inheritor of its own cultural values created throughout its history, and has the duty to preserve them as an integral part of the cultural heritage of mankind.

Recommendation B.2 moreover indicates that:

"... Foreign models must not dominate planning decisions which should be guided by national goals and implemented by local people making the best possible use of indigenous resources, within the context of local culture and environment".

This same idea, is also expressed in several other parts of the Plan of Action such as Recommendation B.2 and paragraph 8 of the Preamble to Section F, on "Institutions and Management". This latter states that:

"In the third world, the problems of the professions are aggravated in so far as they may be unduly influenced by the concepts and practices in industrialized countries, and fail to adequately reflect the realities and needs of their own societies".

The Plan of Action also shows broad concern for diversity within countries, thus transcending the oversimplified presentation of this question solely in terms of a contradiction between nation-states, since this contradiction also operates within each country, in particular between urban and rural areas.

Thus paragraph 6 of the preamble of Section B of the Plan of Action "Settlement Planning" states inter alia that

"National cultures have strong roots in the villages, and form a vital resource of great potential in development and therefore must be recognized in development strategies".

Lastly, mention should be made of the methodological aspects of the final documents produced at Vancouver.

Methodological issues have been constantly present in all the "specialized conferences of the present decade. In this respect the Vancouver documents give special emphasis to the need for policies and actions in the development field in general, and human settlements in particular to be based on an approach in harmony with the complex interrelation between social, cultural, economic and environmental variables.

Thus Recommendation A.2 states that national human settlements and environmental policies must be:

"... formulated through a truly interdisciplinary approach, concurrently with policies relating to other aspects of social and economic development".

Recommendation B.1 in turn underlines the need to place special emphasis on:

"... unified development planning approach which attributes to human settlements their proper place by treating them as an integral part of the development process rather than a residual, and by stressing the human settlement implications of other sections of development plans".

The preamble to Section C shelter, infrastructure and services, in paragraph 11, states that,

"The provision of shelter should be recognized as only one element in providing for living in a community. The concept of shelter should therefore be seen as embracing planning and construction in a wider context - something much greater than building of houses - to include planning for life in a community".

Recommendation C.1 entitled "Comprehensive Approach to shelter, infrastructure and services" is even more explicit in this sense since it points out that

"Shelter, infrastructure and services are three principal components of human settlements. They are physically, economically, environmentally socially and culturally interrelated....

Shelter, infrastructure and services should be planned in an integrated way and provided in the sequence to appropriate circumstances".

## CHAPTER VIII

### EDUCATION: THE ACTION OF UNESCO

#### 1. PRESENT SITUATION AND FORECAST

The number of illiterates, now around 800 million, will reach 820 million in 1980. Statistics usually define illiterates in a restrictive sense so that the total is underestimated. In fact, by 1980 more than 60% of the adult world population will still be without access to any form of education.

A major effort has been made to expand primary education in the majority of developing countries. However, by 1980 member States of the United Nations will be unable to reach the goal of free primary education for all. These are the results of forecasts drawn up for 1980/85 by the UNESCO for the World Population Conference. These results have been confirmed by regional UNESCO studies whose major findings are the following:

##### (i) Primary Education

Africa: the rate of primary enrolment rose from 41.5% in 1960, to 50.5% in 1965 and 56.1% in 1975. However, if present trends are confirmed, it will not go above 59.5% in 1980 and fall to 57.4% in 1985. This is due, amongst other reasons, to the fact that in Africa, the annual rate of population growth is 2.7% and is forecast to reach 2.9% between 1975 and 1980 and 3.0% between 1980 and 1985.

Arab countries: Enrolment rose from 11.6 million in 1970 to 15.5 million in 1975, with an annual growth rate of 6%. The gross growth rate of primary enrolment increased in all countries of the area. In 1975, it reached 100% in eight countries, was above 80% in five, and between 70% and 80% in two others, but is still below 50% in the rest of the area.



Latin America: The increase in primary pupils has been faster than the growth in school age population. However, the annual growth rate of scolarization for the 1970-1975 period is slower than previous periods (4.1% as against 5.1% between 1960 and 1970).

The projections made for the World Population Conference show that the regional enrolment rate in 1985 will not be above the level reached in 1975.

Asia: Enrolment trends in South Asia closely follow the general averages for developing countries: 45.0% in 1960, 54.7% in 1965, 60.9% in 1970, and 62.2% in 1975 (as compared to the world average for developing countries of 65.5%). On the other hand, projections to 1985, based on a continuation of present trends, show that South Asia could barely maintain the relative present level of enrolment in the face of an increasing population: in particular, the enrolment rate would only be 62.3% in 1980 and 64.5% in 1985.

Table 1 includes an interesting set of projections dealing with efforts by developing countries to achieve the total enrolment of children aged 6 to 11 by 1985.

Table 1: Average annual increase in the number of pupils of both sexes aged 6 to 11 by 1985 (in millions)

	Average annual rate of increase in enrolment		1970-1975 (Projections)	Average annual rate of increase from 7th May 1975 onwards to reach 100% enrolment in 1985
	1960-1965	1965-1970		
L.D.C.	7.4	7.0	6.8	17.8
South Asia	4.9	4.4	4.5	11.1
Africa	1.1	1.0	1.0	4.3
Latin America	1.1	1.4	1.2	2.4

Source: UNESCO document 19C/72 - Partie 11 - page 25, Conférence Générale XIX Session, Nairobi 1974.

The conclusion deriving from the analysis of this table is that if developing countries are to ensure primary education for all children between 6 and 11 by the mid-1980's, they should already have considerably increased the average annual rate of increase in enrolment. Given the decreasing rate of growth of enrolment - which between 1960-67 and 1970-1975 fell from 7.4% to 6.8% - it can be seen that enrolment would have to grow at an annual average of 17.8% between 1975 and 1985, i.e. almost triple to attain that objective. The increase would have to be particularly strong in Africa, since the current stagnating rate of 1% would have to reach 4.3%.

Progress in enrolment in the next ten years will not be significant: 26.5% in 1985 as against 24.6% in 1975. By 1985, the forecast rate is around 23.7% for the least developed countries in Asia and 27.5% for the least developed countries in Africa. It has also been calculated that if the least developed countries want to enrol the entire 6 to 11 age group by 1985, they would have to increase enrolments by 2,087,000 children a year instead of 305,000: in other words multiply the growth rate by 7 as opposed to other developing countries which only need to multiply it by 3 to attain the same objective.

(ii) Secondary and higher education

Africa: The rate of enrolment by age group of the 12 to 17 age group (theoretically corresponding to secondary education) increased from 19.4% in 1965 to 24.0% in 1970 and 26.1% in 1972.

The increase in higher education has been greater than forecast. However, the percentage of students in the scientific and technical disciplines is not in accordance with targets, in spite of considerable progress in the last few years in the States south of the Sahara. Thanks to the development of African educational facilities, the percentage of students abroad dropped from 50.2% to 20.2% between 1960 and 1971 for states south of

the Sahara. The percentage is under 5% since 1970 for North African countries.

Teachers increased from 601,000 in 1960 to 1,250,000 in 1972, which corresponds to an annual growth rate of 5.4%, which was doubled in 12 years.

Latin America: Recent trends are also encouraging. The enrolment rate increased from 27.9% in 1970-71 to 37.1% in 1973-74. The annual average rate of increase of pupils increased from 10.8% between 1960 and 1970 to 13.2 between 1970 and 1975. According to estimates of the Regional Office of UNESCO, total enrolment increased from 10.8 million pupils in 1970 to 19.2 million in 1975. But the more relevant fact was that the percentage of children from rural areas within total enrolments for secondary education in Latin America as a whole remained stable, increasing slightly from 35.4% to 36%.

The increase in higher education was greater than forecast with an annual growth rate between 1970 and 1975 of 15.6%.

Asia: The enrolment rate in secondary education is around 30% and has not increased greatly in recent years. On the other hand, the recent development in university enrolments gives a higher rate, which, for Asia as a whole was 11.6% in 1974.

Arab States: Secondary enrolments increased from 20.8% in 1970-1971 to 25.1% in 1973-1974. On the other hand, the enrolment rate for higher education only increased from 3.4% in 1970-1971 to 4.4% between 1973-1974. Most probably this picture is actually changing.

Least developed countries: In 1970, the rate of enrolment for the 12 to 17 age group was 14.3% with considerable differences between countries. In 1970 one country reached a 60% enrolment rate for the 12 to 17 age group, while eight others only reached 10%. For the 18 to 29 age group, the enrolment rate was only 0.9% in 1970, and projections made on the basis of

a continuation of past trends, indicate that in 1985 enrolment for the 12 to 17 age group will be 19.1% and 2% for the 18 to 29 group.

Asian countries are the most affected by this situation, due to the low rate of female enrolment.

These countries have an inactive population of under 15 twice as high as the developing country average, and must increase teaching personnel by 84.1% between 1970 and 1985 (implying an annual growth rate of 4.1% to maintain the same teacher-pupil ratio) to face the increase in enrolments projected. Even if they can train this number of teachers, this represents an important drop in productive age.

## 2. EDUCATION AND DEVELOPMENT

Education, in particular elementary education, is a basic human right. And, as has often been recognized, it constitutes a fundamental component of any development strategy.

As indicated in the preceding section, in spite of the major efforts made by developing countries, the question is still pending of how to ensure a system of mass education which is equitable in terms of access, and whose content responds to the authentic needs of each individual 1/ and of society as a whole.

It has been increasingly stated, and not without reason, that truly independent development cannot take place under conditions of cultural dependence. The present educational dilemma

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1/ Which basically assumes endowing him with the means necessary to ensure a conscious and creative participation in the political, cultural and economic life of the community.

of third world countries essentially originates in the uncritical incorporation of educational systems and concepts prevailing in areas with radically different economic and social conditions.

The failure to massify education through policies based on the linear expansion of imported educational systems is attributable more to the latter than to a supposed shortage of resources.

In effect, these systems tend to be self-defeating. For example, the role of the primary school is emphasized at the level of basic education. This involves enormous costs <sup>2/</sup> resulting in a series of consequences making it materially impossible to achieve the kind of education referred to above.

Also, the high cost is a limiting factor not only in terms of the number of schools which can be built and equipped, but also in terms of their physical distribution and the possibility of simultaneously ensuring that pupils are provided with adequate - in quantity and quality - food and health services, since these are the indispensable complements of an efficient educational system. To neglect school meals and nutrition in general, for example, is extremely grave. Invariably, undernourished children, in particular when deprived of vitamin A between the ages of 2 and 4 suffer irreparable physical damage and have sub-normal intellectual abilities.

The significance of an unbalanced spatial distribution of educational services is also a crucial issue since the real possibilities of access to elementary education overwhelmingly depend on the physical proximity of such services. In many countries, these imbalances are so great that they are in fact

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<sup>2/</sup> Not only enormous, but also to a considerable extent unnecessary since there are alternatives which are perhaps even more efficient and cost far less as in the case of informal education.

equivalent to excluding entire sectors of the population from the educational system, in particular in rural areas. In sum, the "scarcity factor" operates, but in many cases it is determined to a great extent by educational policies themselves.

However, the aspects to consider within the educational problématique as a function of development are not limited to the scope of school enrolments.

The second factor mentioned above is as, or more, important, i.e. the content of education, the type of knowledge imparted, as this determines in the last instance the social role objectively played by education.

In this respect educational programmes of developing countries imitate programmes which are not only foreign but often obsolete. Thus, such programmes do not have any relationship with the requirements arising from the socio-economic transformations which have taken place in those countries in the last few decades. This is the case of many Latin American countries who maintain humanistic educational systems, in spite of transformations resulting from their increasingly close links and dependence on the United States economy.

In many African countries, the lack of an authentically national educational system is even more marked, insofar as programmes, institutions, etc. originally transplanted during the colonial era have, in some cases, remained unchanged, in spite of having been totally or partially abandoned in the metropolitan countries.

The content of educational programmes in the third world is moreover characterized by the spreading of values such as the respect for authority 3/ and discipline and by assigning

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3/ Symbolized in the professor "master of knowledge" (magister dixit) expression of an essentially non-participatory education imposed from above.

little importance to the development of a critical faculty, creativity, etc.

Thus it is an essentially conservative education operating as a powerful factor which is instrumental in reproducing existing, i.e. vertical, social relations. Under such circumstances, it is difficult to affirm that education is neutral. On the contrary, to a greater or lesser extent, it responds to the political and economic interests of the élites.

It is also clear that under such conditions, far from promoting development, education actually prevents it. Even assuming a substantial expansion in schooling, which appears doubtful, present educational patterns probably cannot overcome their disfunctional character in terms of development. In the first place, by their rôle supporting present socio-economic structures, but also due to the many distortions they engender: attitudes unfavourable to manual or "technical" work; contempt for agricultural activities; idealisation of élitist or foreign cultural models, accentuating the reverse transfer of technology; the training of professionals who have no opportunity of applying their knowledge in their own country; etc.

### 3. UNESCO'S CONTRIBUTION TO DEVELOPMENT OF EDUCATION IN THE DEVELOPING COUNTRIES

Education takes first place both in the title of the Organisation, and in the definition of its objectives. This is not by chance: education has vital importance in the continuity, progress and very existence of society. Despite the increasing diversification of its activities, the importance given to education in the Programme and the Budget of UNESCO has increased through the years, rising from 27.7% of the total expenditure in 1961/62 to 35.5% in 1971/72, to reach 37% in 1975/76.

Extra-budgetary resources placed at the disposal of UNESCO are also mainly used to finance education projects.

UNESCO's major contribution in the field of education has undoubtedly been its action to eradicate illiteracy. The Experimental World Literacy Programme has completed a series of national and regional literacy policies, in particular in rural areas, most of which have been financed by UNDP funds.

UNESCO, however, has set a series of objectives going far beyond the quantitative aspects of education. Thus for example, within its various programmes, UNESCO has proposed co-operating with member states in such fields as:

(i) the promotion of educational research and the introduction of new teaching methods (the UNDP financed project in Asia on regional co-operation for innovation in teaching systems being a notable example, as is the research carried out in Latin America on possibilities of introducing transmission of educational programmes by satellite);

(ii) the improvement of educational programmes, in particular by adapting them to local requirements (UNESCO has collaborated with African countries to establish an organization for regional co-operating in education programmes and their contents);

(iii) the establishment and execution of plans to promote the participation of youth in innovation in education and in development in general;

(iv) the promotion of equality of access to education for women;

(v) the establishment of projects to introduce new training methods more in accordance with the need to solve the problem of increasing urban unemployment, in particular of youth, to increase agricultural production and to offer school drop-outs the means to enter the labour market, etc.

(vi) the acceleration of the process of democratization of higher education and its adaptation to local needs.



## C H A P T E R   I X

### HEALTH: FROM WESTERN MEDICAL TECHNOLOGY TO PRIMARY HEALTH CARE

Health (and most particularly, communicable disease) was the first sphere in which any attempt was made to organize action at the international level. As early as the mid-19th century, statesmen and scientists realized that viruses and bacteria did not recognize geographical frontiers, and that agreements had to be worked out with other countries, beginning with their neighbours. In 1851, the first international conference on public health took place in Paris. In 1907, the International Office of Public Hygiene was founded, for the purpose of disseminating information on communicable diseases, and supervising measures such as international quarantine.

Subsequently, the League of Nations continued to promote international co-operation in this area, while one of the first decisions taken by the first session of the Economic and Social Council of the newly established United Nations was to convene a Conference to set up a World Health Organization.

The WHO was formally established on April 4th 1948, and was entrusted with the direction and co-ordination of all international activities in the field of health. Its aim: to enable all peoples of the world to reach the highest possible levels of health.

The WHO has carried out basically three types of activities: provision of general services on a world scale; provision of technical assistance at the request of individual countries; a, d, research.

In the first area, WHO's epidemiological intelligence service has systematically collected data on the state of world health and hygiene. It has also been an important channel for the dissemination of comprehensive, up-to-date information on the latest developments in diseases and their remedies. WHO has also carried out world campaigns against illnesses such as

malaria, leprosy, sleeping sickness, and tuberculosis.

WHO technical assistance has included advice on the establishment of national health services, training of doctors, aid in eradicating specific diseases and advisory services for the improvement of services such as drinking water, sewerage, waste disposal, etc.

Finally, in the field of research, WHO has endeavoured to classify the norms governing research on cardiac diseases and cancer in various countries. WHO has also set up an international network of laboratories to identify organisms causing illnesses, and to improve vaccinations. This network also trains health personnel.

WHO has no doubt played an important role in reducing death rates and increasing life expectancy. To a considerable extent it has also been instrumental in erradicating or limiting a certain number of diseases.

On the Organization's 25th anniversary, an overall assesment of its activities was made. This exercise showed that the Organization's work had been substantial in terms of the notable decline in communicable diseases, the virtual eradication of smallpox, the reduction of malaria and the virtual disappearance of yellow fever from the cities of the Western Hemisphere, amongst other achievements.

Understandably, the WHO has traditionally been considered one of the most "efficient" specialized agencies of the United Nations system, a fact usually attributed to its considerable decision-making power 1/ its decentralised structure 2/ and to

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1/ In effect, the Organization has the authority to adopt regulations on a number of matters, which become binding on member States as soon as they have been notified of the World Health Assembly's decision.

2/ Decentralisation in the form of regional offices -the Pan American Health Office, the Regional Offices for Africa, South-East Asia, Europe, the Eastern Mediterranean and the Western Pacific have been especially relevant to the assessment of the specific needs of different countries and regions.

the "technical" nature of the problems it deals with. Thus, it is claimed, the WHO can transcend ideological barriers and avoid the "political" difficulties encountered by other United Nations agencies.

But in recent years, a series of events called the truth of this assertion into question. The current development crisis is undoubtedly one of the major factors to bear in mind in this respect. Lack of development means that human needs go unsatisfied. In the field of health this is reflected in high death rates, above all in high rates of infant mortality, and in low life expectancy at birth. It can also be seen in the uneven geographical distribution of health services and in the existence of marked differences of quality of medical services according to social class. More generally, it is reflected in the fact that,

"...the spectacular advances in medical science have not touched the majority of the people of the world. The majority of the developing world's population still suffers from the same diseases which affected their forefathers". 3/

In a word, though impressive, the above mentioned achievements -which apparently have involved unnecessarily high costs- are still insufficient.

These costly and inadequate results have recently come to be seen as the logical outcome of the approach to health in particular, and to development in general, which has been predominant throughout most of the third world. As has been stated:

"The overwhelming magnitude of unmet health needs in many countries throughout the developing world underlines the inability of scientific medicine, as it is now known, to meet the needs of non-industrial under privileged populations." 4/

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3/ Amor Benyoussef, "Health Service Delivery in Developing Countries", International Social Science Journal, vol., XXIX, N° 3, p. 397.

4/ Ibidem.

This approach moreover, is far from being politically neutral as is often claimed. On the contrary, it directly reflects an uneven social distribution of power and in particular the concentration of power in the hands of peripheral country elites favouring the local reproduction of the development model of the industrialized countries.

But this model can only operate in the third world at the cost of not satisfying the essential needs of the bulk of the population. This is particularly true when peripheral countries are incorporated into the "Western" health model, which is characterized by an exaggerated reliance on sophisticated medical technology. To begin with this permits the fact that improved health conditions depend above all on overall social and economic development, to be conveniently overlooked. At the same time medicine is distorted in such a way that its significance in terms of health needs becomes marginal. Indeed,

"...medical technocracy has priced some forms of medical care out of the range of the average consumer. At the same time, there is reason to believe that the benefits of this commitment to technology are limited, perhaps to the point of being superfluous. Investment in super-sophisticated machinery is relevant with few exceptions, only to the treatment of rare exotic diseases...

In short, there is need to assess the degree to which technology is relevant to health and dependence upon it is making medicine irrelevant to health. Dependence on high technology in general is problematic for even the most developed nations. Worse, for health at the international level, there is a tendency to export high technology from developed to developing countries where such orientation is, if anything, even more irrelevant to health." 5/

This situation has to a considerable degree been brought to light by WHO activities. Hence the Organization's critical attitude towards present approaches to health problems, an attitude which, paradoxically, has made of WHO one of the most

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5/ Derek G. Gill and Andrew C. Twaddle, "Medical Sociology: Whats in a name?", International Social Science Journal, vol XXIX, N° 3, 1977, p. 383.

politicised bodies of the United Nations. 6/

In 1971, the Director-General in his address to the 51st session of ECOSOC hinted that certain concepts and approaches needed to be entirely reformulated.

He underlined the risks of conflict between a growth-oriented type of development, and development based on social criteria, including health objectives. He also expressed his concern at the huge sacrifices which poor people were ready to make, and were in fact making, to combat the effects of illness, often without result.

A particularly significant change in the general direction of WHO activities came about with the adoption of the 1978-1983 General Programme of Work by the World Health Assembly held in 1976.

The WHO firmly endorsed the need-oriented approach to development, was strongly critical of imitative practices in the adoption of health-care delivery systems in developing countries, while endorsing the notion of primary health care 7/ and recommending the "socialisation" of health services.

At the 1977 World Health Assembly, the Director-General of WHO, Dr. Mahler started his statement by saying:

"A year ago, when I last addressed this Assembly, I advocated a social revolution in community health. I did so because of my conviction that health policy should be

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6/ "Politicised" is used here in the sense that the WHO must take a series of political rather than technical decisions if it is to correct existing distortions and attain the objectives set out in its Constitution.

7/ Primary health care has been defined by WHO, as "health by the people", i.e. an approach to meeting health needs through popular participation, on the basis of "soft technology" requiring little training and infrastructure, and which can be applied by almost anyone. A world conference on primary health care has been convened for 1978, in the Soviet Union.

determined by social goals, whereas all too often it is dictated by disease technology, applied without sufficient thought to its social purpose and consequences." 8/

Dr. Mahler went on to criticise many aspects of current overall development patterns and health service delivery systems, mainly, but not exclusively in the developing world. Amongst other things he stated:

"Over the past quarter of a century undue emphasis has been laid on extending and refining disease technology which has now become so complex and costly that it is out of reach for most of the world's population, even for many individuals who live in some of the most developed countries. In an era which has made such efforts to do away with political colonialism, it is unthinkable that we should continue to tolerate technological neo-colonialism in health. We must break the chains of dependence on unproved, over-sophisticated and overcostly health technology by developing another kind of technology that is more appropriate because it is technically sound, culturally acceptable and financially feasible."

Dr. Mahler also put forward a series of comprehensive proposals with the aim of enabling all the world's population to attain a level of health conducive to high social and economic productivity. This would, inter alia, be based on maximum national self-reliance and structural change at both national and international levels.

## C H A P T E R X

### AN ASSESSMENT

It may well be asked whether the specialized conferences of the 1970s, which are a clear expression of the capacity of the United Nations system to adapt and react to change, have been adequate to the needs of the moment, i.e. whether in the light of historical circumstances, the general thrust of discussions, studies and resulting decisions corresponded to the nature of the problems motivating them.

#### 1. ADVANCES AND RETREATS

The first major feature of the Conferences which has been analysed in previous chapters, is undoubtedly their "extraordinary" character. The conferences of the 1970s in effect, broke the routine of the "ordinary sessions" and implied a considerable and growing thematic renovation, leading the Organization into fields where it had not ventured before..

There also resulted a new set of institutions. Moreover, the conferences were generally held at a high level of political representation, and their impact on public opinion was considerable in several cases.

Another outstanding feature of these conferences is that they have all gone well beyond their specific subjects, with a considerable degree of overlapping between them. In fact, far from being specialized, i.e. restricted to a specific, relatively well defined and clear cut topics, they have been more and more comprehensive.

Also, the conferences have all produced two types of documents, "declarations of principles" and "programmes of action". The recurring efforts to draw up the former would seem to reflect, inter alia, an objective need to renew or adapt the basic principles of international intercourse, or simply to establish new ones.

These factors, together with the universal vocation of the United Nations and thus its extreme heterogeneity, significantly condition the practical meaning of the documents of the type produced by the "Specialized" conferences held during the decade. To begin with, from the legal point of view, these documents are mere recommendations, expressing the desire of States not to assume formal commitments on the issues they cover such as those which would be involved in the adoption of international treaties.

Secondly the contents of these documents, is extremely ambiguous. Agreement is usually reached at a very high level of generality and abstraction, and is based moreover on the lowest common denominator. Both factors tend to conceal the real extent of divergences or agreement.

Thus even the most categorical positions apparently adopted by some conferences are considerably weakened in the light of deeper analysis.

The formulation of reservations, interpretative declarations of text approved or the many escape clauses they include, invariably authorise behaviour considerably far from the "agreed" decisions.

The Plan of Action adopted at Bucharest for example, disguises major controversies as to the causes of present demographic trends, and the closely related question of the nature of the problem or problems arising from population growth has also led to contradictory positions. In this latter respect for example, the industrialized countries and the more densely populated developing countries generally talk of a phenomenon of over-population, whereas the rest of the developing countries and the socialist countries talk not of a population problem but merely of underdevelopment.

The first of these schools of thought emphasizes that in many developing countries population growth leads to a low ratio of output to population with the consequent lower rate of accumulation, both of these factors being an obstacle to development.



On the other hand, countries which define population growth not as a problem per se, but simply as the result of the absence of development, tend to focus above all on factors such as colonialism and neo-colonialism, external dependence, and, generally the tendency of the present international economic order to perpetuate existing inequalities in the international distribution of wealth.

This notion is particularly repugnant to the numerous industrialized countries which reiterated on the reference contained in the Plan of Action to the New International Economic Order, the same reservations which they had previously made at the 6th Special Session of the United Nations General Assembly about the Declaration and the Plan of Action for the New International Economic Order itself. 1/

In respect of priorities for action to tackle the problems referred to above, opinions were most sharply divided over the importance which should be assigned to demographic policies.

For some Third World countries (India, Pakistan, Bangladesh, Korea) and for most of the industrialized countries, such policies could have a significant impact on present demographic trends, and thus need to be adopted urgently. However, for a vast number of developing countries in keeping with their view of the causes and the nature of the problem as outlined above, find that these policies can be considered meaningful only if they are accompanied by simultaneous measures in other areas.

It should be recalled that divergences of view on this question account for several of the reservations voiced in respect of the Plan of Action. Major divergencies subsist also in regard to the question of the effects of population growth in the long-term.

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1/ Japan, United States of America and France.

Quite often this type of document becomes an end in itself, more than a means or instrument.

Thus each time profound discrepancies between major groups is sufficiently acute to jeopardise the emergence of a final text, the contradictions are systematically resolved by sacrificing the content of the document.

Thus at the Human Environment conference for example, the delegation of the People's Republic of China proposed establishing a working group open to all delegations, to develop the discussion of a number of aspects of the draft Declaration on the Human Environment, which in the view of China were not sufficiently clear. The proposal caused fears near to panic in many delegations.

The draft declaration, they said, was the product of "laborious negotiations" which due to its "fragile" nature could fall completely apart, should the Chinese proposal be accepted. It may be asked whether such a fragile agreement has any real use, or whether it only expressed a coincidence in positions more formal than real, and more temporary than long term.

The foregoing explains the internal inconsistencies often characterizing documents emerging from the specialized world conferences - another of their key features.

In the first place, some documents markedly lack conceptual rigour, expressed by the coexistence within the same text of concepts belonging to different and sometimes even conflicting theoretical frameworks. This makes it even more difficult to exactly determine the meaning and scope of the texts. Not even the more homogeneous documents such as those approved at Vancouver are free from this difficulty. Another characteristic of the conferences of

the 1970s is the marked tendency to proclaim the priority of the struggle against underdevelopment as the principal way of facing present problems in the field of human settlements, environment, employment, population, etc.

Despite this, the final documents are extremely weak precisely when it comes to formulating clear development strategies.

The final texts of the conferences are also incomplete and inconsistent in the sense that the repeated recognition of the need to face the present crisis on the basis of an "integrated", "multidisciplinary" approach, are not translated into alternative methodological formulations making it possible to attain such an objective. Everything remains to be done, in this regard. This though is only exceptionally recognized. The Programme of Action of Vancouver is one of the few documents to do so, when it stresses the need to take into account, "... the difficulties inherent in a truly comprehensive approach and the need to evolve and employ suitable methods, adapted to actual conditions and subject to continual improvement". 2/

Such inconsistencies, and there are others which clearly show the existence of operational limits to this type of exercise, at least on the basis of the existing structure of the United Nations. At present, the system would seem incapable of dealing with a number of major questions which have become veritable "taboo" subjects. 3/

Despite all these limitations, the conferences have undoubtedly made significant progress in terms of reorienting reflection, research and therefore negotiation and future action. 4/

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2/ See Section B) "Settlement Planning", recommendation B.1.

3/ This also poses the problem of the representativity of participants. The current crisis of the International Labour Organisation is hardly a coincidence. In spite of its limitations, it evidently allows for greater representation of the interests of various social sectors, and in practice it has proved to be one of the organisations most receptive to new issues (transnational corporations, human resources mobilisation, alternative technologies for developing countries, etc.).

To begin with the conferences have involved major efforts to overcome the methodological inadequacies of previous periods.

The importance of the first trend hardly requires additional comments. For example, it seems almost superficial to underline the importance of the Population Conference, insofar as subsequently to it, it would doubtless be difficult to unilaterally emphasise, as in the recent past, the importance of population growth as an "explanatory" factor of the backwardness and stagnation of the Third World.

Efforts to adopt a holistic approach which can incorporate a broad range of variables, above all so-called "social" variables are closely linked to the foregoing, and result in a considerable or at least potential analytical enrichment.

Finally, perhaps the most important factor, insofar as the foregoing does not merely involve unsystematic accumulation of empirical data, is what has here been called the growing politicisation of these conferences. These have not only incorporated a series of variables previously either considered in a marginal fashion or not at all, but they have also undertaken an effort to arrive at a global explanation of phenomena making up the present crisis. It is this effort which is politicised insofar as it is

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4/ An additional feature of the "specialised" conferences requiring more detailed empirical research, was the apparently inverse correlation between the degree of agreement reached between major groups of countries and the importance of the institutional centre of power under whose jurisdiction the subjects of discussion fall. Thus, in the case of the Human Settlements conference, and especially within the World Health Organisation, a considerable degree of agreement has been reached. Both involve issues which correspond to institutional centres which in relation to the State apparatus as a whole have secondary or at least non-strategic importance. In exchange, matters falling under the jurisdiction of Ministries of finance, trade, external relations, etc. attract a far lesser degree of agreement - the most extreme case being disarmament.

oriented by the increasing realisation that the crisis is not only a sum of an infinity of small "technical" problems, but the exhaustion of the present system of international political and economic relations, which can only be overcome by essentially political action.

## 2. CONVERGENCES AND DIVERGENCES

In general third world countries have proposed the convening of these conferences. 5/ In addition, the initiative for the formulation and outline of policies to face up to the global crisis have almost always been developed by the third world countries.

They have invariably posed the need to adopt a package of measures covering a very broad range of "problem areas" with the explicit aim of promoting a new set of structural bases for international relations.

Developed countries have usually been on the defensive, lacking an alternative global proposal for the present order, and have limited themselves to proposing modifications to those put forward by the developing countries. These modifications in general imply a denaturing of the third world's proposals. 6/ In several cases, the developed countries have completely rejected the proposals of the developing countries. This is above all the case of proposals based on the thesis that third world backwardness is due to its exploitation by the industrialised countries.

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5/ The Stockholm conference is the most notable exception.

6/ Thus for example, the need to introduce certain structural reforms is accepted but in isolation from others, without which the first lose most of their significance. The case of agrarian reform is a clear example; the idea of moving towards change in land tenure systems is generally accepted, but not within the framework of a global transformation of the socio-economic structure.

However, this does not exclude cases in which the traditional "north" and "south" blocks are breached with respect to specific issues, resulting in a confrontation between some countries of both areas on one side and a similar alliance on the other.

As happens with many other subjects in connexion with food problems, there is usually agreement between developed and developing countries on the diagnosis of the situation, and sometimes on its causes (when these causes are external to the policies followed by one or other group of countries, e.g. droughts, inadequacies in production, structural problems of developing countries, etc.). The same is not true at the stage of defining policies and measures most appropriate to solve existing problems.

Two major sources of divergences arise in this regard. The first refers to measures which have to be adopted by industrialised countries to avoid, directly or indirectly causing damage to the developing countries. These measures usually refer to trade and to agricultural support policies, and in some cases involve the support given by industrialised countries to transnational corporations. The second refers to the measures which industrialised countries should adopt as direct contributions to the solution of the developing world's problems: food aid, financial contributions for agricultural development, etc.

On the first set of measures, there are usually differences between developing countries (between temperatezone exporters and the rest, members and non-members of the Lome agreement, etc.) and between developed countries (those who agree to the possibility of an "organization of markets" and those favouring a policy of freer access). On the second group of measures, differences are generally limited to the industrialized group of countries: which can be split into three sub-groups. The first is composed by those countries who are normally quite willing to contribute to meeting the difficulties of developing countries and especially the least developed. This group generally coincides with those countries whose performance on official development assistance is above the industrialized countries' average (Nordic countries, Netherlands,

Canada and, to a lesser extent, Australia. The second group of countries, conversely, systematically reject any possibility of having to increase their overseas aid. This group includes the "wealthiest" countries in the world, those that are also below the industrialized countries average for aid contributions - United States, Japan, Switzerland, F.R. Germany. The third group is made up of the Socialist countries, who arguing that they are not responsible for the ills of developing countries which have their origins in the past, disassociate themselves from the problems of the present.

This division of positions clearly emerged at the World Food Conference, and it was subsequently repeated in the World Food Council. When the International Fund for Agricultural Development was established, the situation was the same with a single variation: OPEC countries had come to constitute a new category of contributors on which developed countries could unload part of their obligations.

Also, while developed countries on the basis of a pragmatic, casuistic approach, define "problems" in a restrictive manner (those having an apparently concrete and precise character and scope and limited in time and space), developing countries insist considering such questions as expressions of far more profound processes. Both attitudes lead to the formulation of respectively "technical" and "political" measures based on the qualification of such problems as secondary deviations in relation to an order which is essentially sound, in the first case, and on the other as a reflection of the problems inherent to a basically unsound order.

An additional factor differentiating the positions of each group of countries, is the tendency of industrialized countries to put forward suggestions including the most radical (i.e. the case of the "basic needs" strategy) in a sort of political vacuum,

while third world countries underline more clearly and explicitly the political and power implications at the international level of the transformations suggested.

This last tendency is usually accompanied by a lack of references to those same implications, within developing countries.

The following paragraphs from a study by Paolillo, refer to the treatment of the "human basic needs" issue at the World Employment Conference; they exemplify quite adequately the aspects pointed out above 7/ :

" A conference made up of delegates from all over the world cannot escape a certain ambiguity in its final results. The words of the resolution of the Conference supporting the principle of a basic-needs strategy naturally mask considerable differences of view and varying understandings of meaning and implication.

With respect to the issue of the basic-needs strategy itself, there were several related issues over which delegations expressed widely differing perspectives. Among the most discussed were:

(1) The importance of changes in the international economic order compared to changes in the domestic economies of developing countries.

(2) The extent to which a basic-needs strategy might tend to perpetuate backwardness and weakness of poor countries and their continued dependance on rich countries.

(3) The importance of agriculture as opposed to industry, labour-intensive production as opposed to capital-intensive production, intermediate technology as opposed to advanced technology, and small-scale production methods as opposed to large-scale production methods; and

(4) The degree to which individual developing countries could subscribe to policy changes implied by a basic-needs strategy without reserving explicitly the right to pass on the applicability of each for their own country.

In general, those countries which most vehemently asserted the importance of changes in the international economic order rather than in internal policies were those who also saw a basic-needs strategy as a means of keeping poor countries weak and helpless, who favoured large-scale, capital-intensive industry and the most advanced technology and who most strongly

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7/ Charles Paolillo, "A note on the World Employment Conference. Employment, Growth and Basic Needs: A one world problem", edition of the Report of the ILO Director-General published by the Overseas Development Council, Praeger 1977.



insisted on the sovereign right of each country to decide its own policies.

For example, some developing countries took the view that the primary, or even the sole, cause of poverty in the developing world is an international economic order favouring the rich countries. At least one country soundly criticized the Director-General's Report for ignoring the real causes of poverty and misery in the world, which are to be found in the inequities of the international economy and specifically in the exploitation of poor countries by industrialized countries. The remedy is a restructuring of the international economy along the lines called for by the developing countries in their formal proposals for a "New International Economic Order".

In this view, the real solutions to poverty are political rather than technical or econometric. Therefore, creation of jobs in order to keep social or political peace is to be avoided. And while growth for growth's sake or growth for profit, should give way to growth for the productions of goods to satisfy basic needs, that growth must not be based on small-scale agriculture and small-scale industry, but on an "authentic" industrial base, without which poor countries will remain forever dependent on industrialized countries.

Other countries, while not taking the position that poverty stems solely from international inequities between rich and poor countries or that rich countries want to keep poor countries down, did stress their belief that a restructuring of the international economic order to be more favourable to poor countries was a prerequisite for poor countries to carry out a basic-needs strategy - that a national basic-needs strategy cannot be achieved without changes in the international order as well. Still other countries recognized a need for changes in the international order as an aid to adoption of national basic-needs strategies but without asserting that basic-needs strategies could not be adopted without such changes. A few of these countries also stressed their belief that rapid industrialization and large-scale production units are preferable to emphasis on agriculture and on many small productive enterprises.

Some of the industrialized countries, including the United States, appeared to take the position that there is at best a tenuous or indirect link between basic-needs strategies and a new international economic order. It is hard to say if this position was founded on substantive analysis or was merely a procedural attempt to keep the discussion (and the resolution) away from international economic order issues, in an attempt to deflect such matters to past and future forums where delegations are prepared to deal with them in detail.

The position stated by the Soviet Union, and echoed by other East European countries, was that the Director-General's Report is based on a number of "dangerous doctrines". Among these are (1) that food production should be emphasized (whereas it is clear that the best road to development lies through rapid

capital formation, industrialization and modern production techniques); (2) that multinational corporations can help developing countries by improving technical levels (whereas it is certain that these corporations simply want profits from cheap labour); and (3) that more intensive technology should be used (whereas it is known that such a path is not realistic and is merely a way for the rich countries to push the people of developing countries into docility and keep them at a lower stage of development).

Thus the Soviets and their East European allies (along with a few developing countries), while supporting the thesis contained in the Director-General's Report that the goal of development is the satisfaction of basic human needs, through full employment and an equitable distribution of wealth, totally disagreed with the methods proposed for achieving that goal. (The Soviet answer was for developing countries simply to copy the policies of the Soviets and other East Europeans.)

On the other hand, most of the delegates at the Conference from both developing countries and industrialized market economy countries, did favour the proposed methods, in general, as indicated by their support for the essential elements of the basic-needs strategy. At the same time, it was clear that developing country delegates had a natural reluctance to pin themselves down in a binding way to particular course of action, and the final resolution contains many provisions which seek to maintain flexibility in this respect."

P A R T     I I

T O W A R D S

I N T E G R A T E D   D E V E L O P M E N T

## C H A P T E R I

### THE DEVELOPING COUNTRIES STRUGGLE FOR A NEW INTERNATIONAL ECONOMIC ORDER

The first twenty years after the Second World War were characterized by a ceaseless struggle on the part of the developing countries to transform the structure of international economic relations by recourse to international co-operation. But the struggle was of no avail.

In the seventies then, there was more hunger, more illness, more illiteracy, more homeless people in the developing countries, more cultural oppression and more direct and indirect exploitation of man by man, than ever before.

Important and unforeseen events such as the decolonization process, technological progress, rapid population growth and others, encouraged and moulded the features of the struggle mentioned above.

Up to 1956, the United Nations had only 60 members. By the end of the decade, 46 newly independent Third World States had joined the organization. To-day it includes more than 130 sovereign nations.

Unprecedented scientific and technological innovation, coupled with progress in the field of communications made the peoples of the periphery aware that for the first time in history, freedom from need had become technically and materially feasible. Finally the peripheral countries also came to realize that their own deteriorating socio-economic situation was in many ways linked to the world system created and maintained by the world's more affluent societies. Common external obstacles to progress were increasingly identified, thereby uniting the developing countries closer together in the struggle for their rights.

Since 1968 in addition severe unrest began to disturb the idyllic calm of the affluent societies. There were violent popular reactions against a system devoted almost exclusively to the accumulation of private wealth, which paid scant regard to either the social context or its impact on the environment, and which moreover led to useless wars.

Early signs of such unrest were the bitter racial conflicts which flared up in the United States, accompanied by a much agitation in the universities. Western Europe went through the turmoil of May 1968.

Hence, by the beginning of the seventies there was already much evidence that the economic order was bursting at the seams.

October 1971 saw the collapse of the international monetary system created twenty-five years earlier. Even though this collapse had been widely forecast, as the system had already been in a critical condition for years, it still caused universal upheaval, amongst other reasons due to the considerable harm it inflicted upon the international economy in general, and the developing countries in particular.

This sudden jolt to the world economy also shed some light on a phenomenon which, until then, had received little attention: the transnational corporation, which was an important factor in the breakdown of the monetary system. More or less at the same time, a tremendous international scandal broke out over the attempt of one such corporation to overthrow the democratically elected government of a Third World country.

The so-called "oil crisis", which burst upon the world late in 1973, finally, created an entirely new situation in the economic relations between the industrialized and the developing countries. The decision of the OPEC countries first to double, and then to triple and quadruple the price of oil, introduced an abrupt change in the balance of power between two sectors of the world. The industrialized countries suddenly realized, that, on a matter so vital as energy, they were henceforth dependent on decisions taken outside their own

frontiers by developing countries. This came as such a shock that there were even threats of military intervention against producer countries at the time. Additionally, the crisis accelerated the search for new sources of energy, and made it clear to the developing countries that associations of producers of raw materials and commodities were a possible course of action which could improve their bargaining power with the developing countries.

These events taken as a whole strengthened the developing countries' realisation of the injustice and inadequacy of the post-war international economic order which reinforced their dependence and backwardness.

The formulation of the Declaration on the Establishment of a New International Economic Order adopted by the sixth special session of the United Nations General Assembly, the measures to implement it included in the Programme of Action as well as the Charter of Economic Rights and Duties of States, cannot be disassociated from these events.

They represent the result of a long process of confrontation and dialogue between developing and the developed countries. What had originally been an almost intuitive assessment of the inherent imbalances of the world order on the part of the developing countries, matured during this process, becoming a coherent and articulate set of claims which could not be rejected outright or disregarded by the developed countries.

The main stages of this long struggle, headed by the Movement of Non-aligned countries and by the Group 77, are outlined below.

#### The Cairo Conference

During the first years of the United Nations, in the late forties, the developing countries had recorded some successes, such as the establishment of the regional economic commissions and the programmes of technical assistance. The regional commissions, especially ECLA, proved to be valuable analytical tools, generators of new development concepts and distributors of economic information in keeping with realities in their peripheral regions.

However, the concerted campaign of the Third World to transform the system of North/South relations has its origins in the 1962 Cairo Conference, a meeting convened by some Non-aligned countries in order to discuss solutions to common economic difficulties. The meeting formulated a series of recommendations designed to improve the prices of developing country exports, to improve the terms and to increase the amount of external financing available to them, to obtain more and better technical assistance, etc. It also included a decision to request the United Nations to convene a world conference on trade and development.

#### UNCTAD I

This conference, held in March-June 1964, was the first to be called to discuss trade and development problems as a whole with the participation of the United Nations and the Specialized Agencies. It was preceded by more than one year's preparation, a period which witnessed the formation of what later was to be called the "Group of 77", a non-institutionalized developing country forum for the co-ordination of positions vis-à-vis discussions at UNCTAD and the General Assembly. The Group represented the first attempt of the Third World countries to organize themselves in a united front.

UNCTAD I did not live up to the hopes it had aroused, but was undoubtedly an important event to the extent that it was the first gathering where a conceptual debate was held on international economic relations in general, and international trade in particular, in connexion with development.

The Third World countries saw the conference as an opportunity to lay down a set of more equitable ground rules for international trade. Their proposals were embodied in 15 basic "principles" submitted to the Conference. These proposals, reflecting enormous conceptual differences between developed and developing countries, encountered considerable resistance on the part of the former, notably the United States and were ultimately adopted by a roll-call vote in which almost all, and in some cases, all, the developed countries voted against or abstained.

The United States for example, was the only country to vote against principles One, Four, and Six, a surprising attitude in view of the fact that these principles are inseparable from those laid down in the Charter of the United Nations. It is worth recalling the three principles concerned. Principle One reads as follows:

"Economic relations between countries, including trade relations, shall be based on respect for the principles of sovereign equality of States, self-determination of peoples, and non-interference in the internal affairs of other countries".

Principle Four emphasizes the common obligation of the international community to insure the economic prosperity and well-being of the developing countries, thus contributing to peaceful relations and co-operation among other nations, it also reaffirms the commitment to individual and joint actions in pursuance of the economic and social objectives of the United Nations Charter.

Principle Six states that international trade is one of the most important factors in economic development and should therefore be governed by rules consistent with the attainment of economic and social progress, and calls for the creation of conditions conducive to the achievement of a rapid increase in the export earnings of the developing countries.

On the whole, the only significant decision taken at Geneva, was the institutionalization of the Conference, thereby providing the United Nations system with a permanent body for an on-going discussion of trade, development and related issues.

#### The Charter of Algiers

During the years following UNCTAD I, Third World countries upheld their positions in the standing organs of UNCTAD, the Trade and Development Board and the technical committees. No real progress was achieved however. For this reason, the developing countries, convened a Conference of the Group of 77 (which by the time numbered 86) with a view to ensuring a more thorough preparation of their participation at UNCTAD II.



The Conference was held in Algiers in October 1967. It produced the unanimously adopted "Charter of Algiers".

Part one of the Charter describes the grievous economic and social situation prevailing in the developing world linking it with industrialized countries' trade and other policies as well as to a series of unfavourable events which had fostered the deterioration of the developing countries' economies since 1964. But more relevantly, it also spelled out the position of the Group regarding each of the items of the agenda for UNCTAD II.

The basic philosophy of the Charter is summed up by the following sentences:

"In a world of increasing interdependence, peace, progress and freedom are common and indivisible. Consequently, the development of developing countries will benefit the developed countries as well;

Developing countries reiterate that the primary responsibility for their development rests on them;

Developing countries are determined to contribute to one another's development;

However, a fuller mobilization and more effective utilization of domestic resources of developing countries is possible only with concomitant and effective international action;

Traditional approaches isolated measures and limited concessions are not enough. The gravity of the problem calls for the urgent adoption of a global strategy for development requiring convergent measures on the part of both developed and developing countries."

This last sentence basically involves a call for a substantial reordering of world economic relations,

#### UNCTAD II

UNCTAD II, held at New Delhi in February-March 1968, produced meagre results and was another major disappointment for the developing countries, which once again encountered firm opposition from the major industrialized countries. The Charter of Algiers was virtually rejected in toto.

In fact, the sole achievement of the conference was resolution 21 (II) regarding the establishment of a generalized, non-reciprocal and non-discriminatory system of preferences for exports of manufactures and semi-manufactures of underdeveloped countries. However, the passage of time has shown that this initiative has been of only partial benefit to no more than 10 countries and that in fact it covers only 11 per cent of dutiable exports of developing countries to OECD markets.

The International Strategy for the Second United Nations Development Decade

On the proposal of the developing countries, the Economic and Social Council adopted resolution 1152 (XLI), calling for a major effort aimed at the formulation of concerted international measures as part of a global strategy capable of avoiding a repetition of the First United Nations Development Decade, characterized by slow, and indeed sheer lack of progress in terms of developmental objectives.

Negotiations on this were protracted and difficult but agreement was eventually reached nonetheless and on the occasion of the twenty-fifth anniversary of the United Nations, the General Assembly, unanimously proclaimed the Second United Nations Development Decade, beginning January 1, 1971, and adopted the International Development Strategy to be followed during the decade.

On that occasion, the industrialized countries accepted a number of concepts, objectives and policy measures put forward by the developing countries which they had previously rejected. The Strategy in effect, reproduces almost verbatim some of the passages of the Charter of Algiers, such as:

"International co-operation for development must be on a scale commensurate with that of the problem itself. Partial sporadic and half-hearted gestures, howsoever well intentioned, will not suffice;

Economic and social progress is the common and shared responsibility of the entire international community. It is also a process in which the benefits derived by the developing countries from the developed countries are shared by the world as a whole. Every country has the right and duty to develop its human and natural resources, but the full benefit of its efforts can be realized only with concomitant and effective international action;

The primary responsibility for the development of developing countries rest upon themselves, as stressed in the Charter of Algiers; but however great their own efforts, these will not be sufficient to enable them to achieve the desired development goals as expeditiously as they must unless they are assisted through increased financial resources and more favourable economic and commercial policies on the part of developing countries".

The Strategy also stated that:

"Governments designate the 1970s as the Second United Nations Development Decade and pledge themselves, individually and collectively, to pursue policies designed to create a more just and rational world economic and social order in which equality of opportunities should be as much a prerogative of nations as of individuals within a nation. They subscribe to the goals and objectives of the Decade and resolve to take the measures to translate them into reality".

Without prejudice to the above, it should be recalled that many industrialized countries approved the strategy subject to reservations of varying scope, or in any case, formulating interpretative declarations which in practice constituted formal reservations. They also systematically rejected the possibility of assuming concrete undertakings, subject to a previously established timetable, thus substantially weakening the strategy.

#### Permanent Sovereignty over Natural Resources

Ever since the beginnings of the unified struggle of the developing countries for a better international environment in terms of development, they have in one way or another been concerned with affirming their sovereignty over natural resources.

The concept of permanent sovereignty had already been implied in the International Covenant on Human Rights, and in resolutions 523 and 626 adopted by the General Assembly in 1952. However, the principle was only formally proclaimed as such, in resolution 1803 (XVII) adopted in 1962.

This resolution states:

"The right of peoples and nations to permanent sovereignty over their natural resources and wealth", a right which "must be exercised in the interest of their national development and of the well-being of the people of the State concerned".

A series of additional United Nations resolutions, in particular General Assembly resolutions 2158 (XXI) of 1966, 2386 (XXIII) of 1968, 2625 (XXV) of 1970, 2692 (XXV) of 1972 and 3171 (XXVIII) of 1973 attempted to develop and further clarify this principle.

Although progress was made, recognition of this right remained at a high level of generalisation, giving rise to the most varied interpretations, as manifested in conflicts which later arose out of the efforts of many developing countries to recover control of their natural resources by means of either nationalization or expropriation, notably the nationalization of copper by Chile in 1971.

These principles were later to form the backbone of the Charter of Economic Rights and Duties of States, they were also to have a central role in resolutions adopted by the General Assembly in connexion with the establishment of a New International Economic Order.

#### The Second Ministerial Meeting of the Group of 77

A second conference of the Group of 77 was held in Lima (October-November, 1971) prior to UNCTAD III, with objectives similar to those of the Algiers encounter.

As in Algiers, the 77 discussed all the items on the UNCTAD agenda. On this occasion, special attention was given to a number of issues included in the agenda on the proposal of the developing countries, notably: "Repercussions of the international monetary situation on world trade and development, in particular of the developing countries"; "Examination of economic institutional provisions of UNCTAD"; "Repercussions of the economic groupings on international trade, including the trade of the developing countries"; "Economic effects of the closure of the Suez Canal"; "Resources of the Sea"; and certain additional principles which should govern economic and trade relations with the underdeveloped countries. On the initiative of African nations the question of special measures for the least developed among the developing countries, received special attention.

The Conference reaffirmed the views expressed in the Charter of Algiers, as well as those voiced at UNCTAD II and the Trade and Development Board and went on to elaborate them further in a document entitled the "Declaration and Principles of the Action Programme of Lima".

The Declaration begins by bringing the following facts to the attention of the international community:

- "(a) The standard of living of the hundreds of millions of people of the developing countries is extremely low the raising of their standard of living to a level consistent with human dignity constitutes a real challenge for international co-operation and contributes to the creation of conditions of stability and well-being for all humanity;
- (b) In spite of an over-all improvement in international trade and the world economy, as a whole, the relative position of the developing countries continues to deteriorate;
- (c) The present international monetary crisis and the intensification of protectionism by developed countries jeopardize vital trade and development interests of the developing countries and threaten the very basis of international economic co-operation at the very outset of the Second United Nations Development Decade;

- (d) The gap in the standard of living between the developed and the developing countries has widened as a result of all these unfavourable trends since their meeting in Algiers in 1967, the poor countries have become relatively poorer and the rich countries richer".

The Declaration also calls for the adoption of:

"basic principles designed to establish a new structure of international economic relations based on a more just and dynamic international division of labour".

This statement for the first time sets out clearly and categorically a more or less comprehensive questioning of the international economic order. This not only resulted from the socio-economic situation of developing countries described by the Lima Declaration as above. The Conference also took place at the time of major upheavals such as the collapse of the international monetary system, the application of strong political and economic pressures by the United States on Chile and Peru over differences on compensation for nationalization of natural resources etc.

### UNCTAD III

The third session of UNCTAD, was held in April-May 1972, in Santiago, Chile. The basis for discussion was the Action Programme approved at Lima, a much more articulate and soundly substantiated document than previous ones.

The industrialized countries on that occasion were not in a position to make a frontal attack or to adduce objections of substance. Instead they kept to a defensive position, merely arguing in essence, that the prevailing politico-economic situation made any change "untimely".

Hence no progress was possible on the fundamental issues before the Conference. No agreement could be reached regarding access to markets of developed countries or on price stabilization for the raw materials produced by developing countries. The proposal to create a Special Fund to meet the needs of the 25 least developed countries was also rejected by the major industrial powers. Nor did those countries accept effective measures to relieve the increasingly critical indebtedness of a large number of Third World countries. There was no agreement either, on the question of the principles which should

govern international economic relations, especially on the principles connected with the question of permanent sovereignty over natural resources. The proposals put forward to improve the functioning of UNCTAD as the international institution in the field of trade and development and to create an International Trade and Development Organization were also opposed by the large majority of industrialized countries. No agreement finally, was possible either, on the establishment of a link between SDR's and development assistance.

Hence the agreements reached at the Conference (on some aspects of the specific problématique of the least developed countries, on the institutional improvement of UNCTAD, on transfer of technology and other questions) were all of secondary importance and in any case had no relationship to either magnitude of the tasks confronting the Conference, or to the context in which it was taking place.

Above all, the Conference is noteworthy for an enormously important initiative in terms of the subsequent discussion on the establishment of a new international economic order. In effect, it was at UNCTAD III, that the President of Mexico, Mr. Luis Echeverria, proposed the elaboration of a Charter of Economic Rights and Duties of States.

Such a Charter he stated, would complement the Universal Declaration of Human Rights and strengthen the fragile legal foundations of the international economy by taking international co-operation "away from the realm of goodwill and rooting it in the field of law".

Two years later, the General Assembly adopted a Charter by an overwhelming majority.

#### The Appraisal of the Strategy for the Second Development Decade

The Strategy for the Second United Nations Development Decade provides that an overall appraisal be conducted every two years, the second biennial appraisal being a mid-term review.

This exercise was conducted for the first time during the course of 1973. As stated by ECOSOC, it showed that:

"The balance sheet of the first two years of the Second United Nations Development Decade shows that development problems, far from being solved, have become increasingly acute, and in many cases there has been a set-back in comparison with the situation prevailing in the latter part of the past decade."

Moreover, ECOSOC stated that:

"Even nearly three years after the adoption of the International Development Strategy, most developed countries have not as yet introduced major policies changes in support of it. Some developed countries have demonstrated a welcome sense of commitment to the provisions of the Strategy, but most have accorded a low priority to the development problems of the developing countries. There is a danger that, owing to the preoccupation of many developed countries with the readjustment of their own mutual relations, the urgent need for implementing the policy measures embodied in the Strategy will be disregarded."

After reviewing the situation with regard to specific objectives and issues, in fields such as trade, finance, official development assistance, the transfer of technology, the ECOSOC evaluation concludes that:

"On the whole, developed countries have made slow, limited and disappointing progress in their efforts to implement the provision in the strategy that developed countries, through joint or unilateral action, will accord priority to reducing or eliminating barriers to the export trade of the developing countries."

The General Assembly in turn, in its "First Overall Review and Appraisal of Programmes Achieved in the Implementation of the International Strategy for Development", endorsed the major conclusions of ECOSOC and other United Nations bodies, such as for example, the opinion of the Committee on Development Planning, to the effect that:

"the International Development Strategy remains much more a wish than a policy".

The Fourth Conference of Heads of State of the Non-aligned Countries

The fourth Summit Conference of Heads of State or Government of the Non-aligned countries (Algiers, September 1973) made its own appraisal of the International Development Strategy, in the following terms:



"Even assuming that the objectives set for the Second Development Decade could be achieved, which is not at all certain the gross national income of the developing countries would rise by only 85 dollars, compared to 1,200 in the case of industrialized States;

For these reasons, estimates up to 1980 must necessarily be very pessimistic;

The Third World, which has 70% of the world population subsists on only 30% of its income;

By the end of the present Decade the average per capita income in the developed countries will be 3,600 dollars, and only 265 dollars in the developing countries;

Out of the 2.6 billion inhabitants of the developing countries more than 800 million are illiterate almost 1 billion suffer from malnutrition or hunger, and 900 million have a daily income below 30 US cents;

The unanimously recognized failure of the International Development Strategy is to be attributed both to the lack of a political will on the part of the rich countries, to apply the emergency measures, and to the fact that the growth objective does not properly reflect the main concerns of the peoples of developing countries".

In its declaration on economic affairs the Conference moreover, stated that:

"Imperialism remained the obstacle to the emancipation and progress of the developing countries, which are struggling to achieve standards of living compatible with the most elementary norms of well-being and human dignity. Not content with opposing the social and economic progress of the developing countries, it adopts an aggressive attitude towards those who resist its designs, and tried to impose on them the kind of political, social and economic structures most likely to favour foreign domination, dependence and neocolonialism."

The Conference adopted a Programme of Action emphasizing economic, political, scientific and cultural independence and internal structural change in the developing countries. Both the 1974 World Food Conference and the 1975 Dakar Conference on Raw Materials had their origins in this programme as did the idea of establishing an Information Centre on Transnational Corporations, later taken up by the Group of Eminent Persons charged with studying the influence of such corporations on development and international relations.

Most important of all though, the Programme firmly put forward the issue of a new international order by proclaiming the need to:

"... struggle against the firm will of the firm intention of the majority of the industrialized countries to perpetuate the existing economic order exclusively for their benefit".

The Programme specifically calls for a "new type of international economic relations", and with that aim in mind, invited the United Nations Secretary-General to convene an extraordinary session of the General Assembly.

The international crisis manifested by phenomena mentioned above, the unity of the Third World countries, and above all the power of OPEC countries did the rest: the recommendation was implemented almost immediately and the special session was convened in April-May 1974.

#### The New International Economic Order

At its Sixth Special Session on 1 May 1974, the General Assembly adopted resolutions 3201 (X-VI) and 3202 (S-VI). The first is the Declaration of the Establishment of a New International Economic Order and the second is the Programme of Action for its establishment.

The Declaration has the merit of considering for the first time in a General Assembly resolution the urgent need to create a New International Economic Order "which shall correct inequalities and redress existing injustices, make it possible to eliminate the widening gap between the developed and the developing countries and ensure steadily accelerating economic and social development and peace and justice for present and future generations ...." (third preambular paragraph). The Declaration reviews the existing international economic structure and its severe repercussions, especially on the developing countries, emphasizes the reality of interdependence of all members of the world community, and concludes by affirming the

urgent need to establish a new order based on respect for the traditional political and economic principles such as sovereign equality, non-intervention and the free determination of States, equitable co-operation, full permanent sovereignty of every State over its natural resources etc.

The Programme of Action on the establishment of the NIEO is intended to implement the principles included in the Declaration, and comprises specific proposals to be adopted with regard to:

1. Fundamental problems of raw materials and primary commodities as related to trade and development;
2. International monetary system and financing of the development of developing countries;
3. Industrialization;
4. Transfer of technology;
5. Regulation and control over the activities of transnational corporations;
6. Charter of Economic Rights and Duties of States;
7. Promotion of co-operation among developing countries;
8. Assistance in the exercise of permanent sovereignty of States over natural resources;
9. Strengthening the role of the United Nations system in the field of international economic co-operation; and
10. A Special Programme in favour of the developing countries most seriously affected by the "oil crisis".

#### The Charter of Economic Rights and Duties of States

As pointed out earlier, the Charter of Economic Rights and Duties of States, adopted by the United Nations General Assembly under resolution 3281 (XXIX) of 1974, 1/ is closely linked to the concept of a New International Economic Order.

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1/ The resolution was adopted with 120 votes in favour, 6 against (Federal Republic of Germany, Belgium, Denmark, United States of America, Great Britain and Luxembourg) and 10 abstentions (Austria, Canada, Spain, France, Netherlands, Ireland, Israel, Italy, Japan and Norway).

But rather than describing a new order, the Charter aims at making such an order practically possible. The Charter reposes on the conviction that a New International Order is inevitable, but that its establishment implies an effort of negotiation between developed and developing countries of such magnitude and complexity, that without previously establishing a series of essential guidelines and basic standards of conduct, it would not be possible to move towards that objective.

The Charter thus sets out to draw up such guidelines and standards, in particular on the basis of two main principles: first the principle of the sovereign equality of all peoples, and second, the principle that all peoples have the inalienable right to choose the political and economic system that each deems proper to its own historical conditions.

Conscious of the factors which have prevented these principles from coming into effect, the Charter attempts to develop them by clearly setting out their legal and political implications. On the basis of this effort, which aims at pointing out conditions under which the principles in question can have a real content, the Charter draws up a systematic code of norms and guidelines, both on the level of international relations and on that of the internal structures of States, which could serve as a basis for a new international order.

#### The Seventh Special Session of the United Nations General Assembly

On 16 September 1975, the General Assembly at its Seventh Special Session adopted resolution 3362 (VII) on Development and International Economic Co-operation. This resolution reaffirms the fundamental objectives of the Declaration and Programme of Action on the Establishment of a New International Economic Order and the Charter of Economic Rights and Duties of States, in the sense that all members of the system must participate in the search for solutions to world problems, and in particular the imperative need to redress the economic imbalance between developed and developing countries.

In order to further the development of all the countries of the Third World, the resolution enumerates a number of measures to be taken in the following fields:

1. International trade;
2. Transfer of real resources for financing the development of developing countries and international monetary reforms;
3. Science and technology;
4. Industrialization;
5. Food and agriculture;
6. Co-operation among developing countries;
7. Restructuring of the economic and social sectors of the United Nations system.

## C H A P T E R   I I

### THE ECONOMIC BIAS OF THE NEW

#### INTERNATIONAL ORDER

#### INTRODUCTION

Development is generally conceived as a process of economic and social change centred on the human being conducive to the creation of conditions in which all persons can realise their potentialities within a framework where they are not just passive objects but participate fully in the process of change. This tacit consensus encompasses the idea that every country in the world needs to develop, and that this can be done in many different ways.

However, on reading the major United Nations decisions that have oriented most of the Organization's work, it can be said that "social" - in the sense of human relations within the society - questions are consistently regarded as secondary to economic problems. This reflects a certain "underdevelopment" in the definition of the development "problématique" and in connexion with the necessary tools to cope with it. It is not that the United Nations member governments have either failed to appreciate the magnitude of the issues involved, or to take them up inside the United Nations system, but that such problems have usually been studied in isolation without being assimilated into a development concept merging economic with social elements.

It is also generally agreed that economic and social factors form the two halves of the same global process, but, one of the main problems in the present world order is the supremacy of the economic aspects of this dialectical relation to the obvious detriment of the social elements. This is due inter alia to the assumption that social problems will solve themselves automatically as soon as the economic problems have been disposed of.

In order to substantiate the central thesis of this chapter, i.e. that the United Nations has adopted through its main decisions an economically biased approach to development problems, an analysis will be made below of the General Assembly resolutions proclaiming the First United Nations Development Decade, the International Development Strategy for the Second United Nations Development Decade, the Declaration and Programme of Action for a New International Economic Order, the Charter of Economic Rights and Duties of States.

#### A. THE INTERNATIONAL DEVELOPMENT STRATEGY

##### 1. First United Nations Development Decade

On December 19th, 1961, the United Nations General Assembly adopted resolution 1710 (XVI) establishing the First United Nations Development Decade.

In the preambular part of the resolution, reference is made to the general undertaking assumed by the signatories of the United Nations Charter to promote the social progress of all peoples. The economic and social development of the less developed countries is also considered as a basic condition for the maintenance of international peace and security.

In the operative portion of this short resolution, the goal for the Decade is defined in the first of its eight paragraphs, as follows:

"to mobilize and to sustain support for the measures required on the part of both developed and developing countries to accelerate progress towards self-sustaining growth of the economy of the individual nations and their social advancement so as to attain in each under-developed country a substantial increase in the rate of growth, with each country setting its own target, taking as the objective a minimum annual rate of growth of aggregate national income of 5 per cent at the end of the Decade".

The concept underlying this formulation is clearly that of development in the sense of economic growth, and it therefore more or less ignores the social dimension of development. The only exception to this formulation is paragraph (4) of the resolution through which the General Assembly requests the Secretary General to develop proposals for the intensification of action by the United Nations system in the fields of economic and social development and refers specifically inter alia, to three groups of measures with a direct bearing on the social aspects of development. These are:

- "(i) measures to accelerate the elimination of illiteracy, hunger and disease;
- (ii) the need to adopt new measures, and to improve existing measures, for further promoting education in general and vocational and technical training in the developing countries, especially in the fields of public administration, education, engineering, public health and agronomy; and
- (iii) the intensification of research and demonstration... to exploit scientific and technological potentialities of high promise for accelerating economic and social development".

In short, the resolution establishing the first United Nations Development Decade practically excludes from its goals those of a social nature. References made in it to the social aspects of development only concern a certain number of studies to be undertaken for proposing social measures.

## 2. The International Development Strategy for the Second United Nations Development Decade

In the preamble to the Strategy for DD. II adopted in October 1970, some allusions are made to the need for the process of development to be conceived of in both economic and social terms.



The first paragraph recalls that since the approval of the fundamental objectives of the Charter of the United Nations, member countries have committed themselves,

"to create conditions of stability and well-being and to ensure a minimum standard of living consistent with human dignity through economic and social progress and development".

The Strategy recognized that the ultimate objective of development must be to bring about sustained improvement in the well-being of the individual and bestow benefits on all. It states expressly that:

"This calls for a global development strategy based on joint and concentrated action by developing and developed countries in all spheres of economic and social life: in industry and agriculture, in trade and finance, in employment and education, in health and housing, in science and technology".

But when the Strategy refers to the goals and objectives of the Decade, most of them turn out to be of an economic nature and some (the annual growth rate of the per capita GNP and of exports of the developing countries) are strictly quantitative objectives.

On the contrary when the Strategy begins to define Social objectives, it utters some vague platitudes such as:

- (i) "the well-being of children should be fostered;"
- (ii) "the full participation of youth in the development process should be ensured;"
- (iii) "the full integration of women in the total development effort should be encouraged".

Moreover, there is a striking difference in the amount of space given to economic and to social aspects. In speaking of human development (paragraphs 65-72), the document refers to the measures to be taken with respect to population growth,

employment, education, health, nutrition, to the participation of children and young people in the development process, to housing and to the environment. And although this part whose main paragraphs are reproduced below, is distinguished by its vague tone and general lack of specificity, it should be pointed out that of all the documents analyzed in this chapter, the Strategy is the one that pays most attention to the social aspects of development.

(a) Population growth

"Those developing countries which consider that their rate of population growth hampers their development will adopt measures which they deem necessary in accordance with their concept of development..."

(b) Employment

"Developing countries will make vigorous efforts to improve labour force statistics in order to be able to formulate realistic quantitative targets for employment. They will scrutinize their fiscal, monetary, trade and other policies with a view to promoting both employment and growth."

Moreover, for achieving these objectives they will expand their investment through a fuller mobilization of domestic resources and an increased flow of assistance from abroad.....

As part of their employment strategy, developing countries will put as much emphasis as possible on rural employment and will also consider undertaking public works that harness manpower.....

Developed countries and international organizations will assist developing countries in attaining their employment objectives".

(c) Education

"Developing countries will formulate and implement educational programmes taking into account their development needs.....

Increasing use will be made of modern equipment, mass media and new teaching methods to improve the efficiency of education. Particular attention will be devoted to technical training, vocational training and retraining.....

Developed countries and international institutions will assist in the task of extending and improving the systems of education of developing countries, especially by making available some of the educational inputs in short supply in many developing countries and by providing assistance to facilitate the flow of pedagogic resources among them".

(d) Health

"Developing countries will establish at least a minimum programme of health facilities comprising an infrastructure

of institutions including those for medical training and research for bringing basic medical service within the reach of a specified proportion of their population by the end of the Decade... A concerted international effort will be made to mount a world-wide campaign to eradicate by the end of the Decade, from as many countries as possible, one or more diseases that still seriously afflict people in many lands..."

(e) Nutrition

"Developing countries will adopt policies consistent with their agricultural and health programmes in an effort towards meeting their nutritional requirements..."

(f) Children and Youth

"Developing countries will adopt suitable rational policies for involving children and youth in the development process and for ensuring that their needs are met in an integrated manner".

(g) Housing

"Developing countries will take steps to provide improved housing and related community facilities in both urban and rural areas, especially for low-income groups..."

(h) Environment

"Governments will intensify national and international efforts to arrest the deterioration of the human environment and to take measures towards its improvement, and to promote activities that will help to maintain the ecological balance on which human survival depends".

Lastly the strategy also refers, in Section 4 ("Expansion and diversification of production") to some problems of a social nature, when it states that "developing countries should formulate appropriate strategies for agriculture designed to rescue a more adequate food supply, from both the quantitative and the qualitative view points, to meet their nutritional and industrial requirements; to expand rural employments and to increase export earnings". The strategy also suggests the need to adopt land reforms to promote social policies and agriculture efficiency.

B. NEW INTERNATIONAL ECONOMIC ORDER

The bases for the establishment of the New International Economic Order are basically defined in the Resolutions adopted by the Sixth Special Session of the General Assembly as well as in the Charter of Economic Rights and Duties of States. The Resolution adopted by the seventh Special Session provides subsidiary elements to the contents of the NIEO.

All these documents basically refer to economic aspects of international co-operation and virtually leave aside the social aspects of development.

For instance there are only a few minor and isolated references in the Programme of Action adopted by the Sixth Special Session to questions that fall outside the purely economic sphere. In relation to food, for instance, the Programme states that "all efforts should be made to refrain from damaging or deteriorating natural resources and food resources, especially those derived from the sea, by preventing pollution and taking appropriate steps to protect and reconstitute those resources". On vocational training, it states: "The international community should continue and expand... the operational and instruction-oriented technical assistance programmes, including vocational training and management development of national personnel of the developing countries in the light of their special development requirements". In relation to the transfer of technology, the Programme recommends that all efforts should be made to give access on improved terms to modern technology and to adapt that technology, as appropriate, to specific economic, social and ecological conditions and varying stages of development in developing countries. Lastly, it establishes that collective self-reliance and growing co-operation among developing countries will further strengthen their role in the new international

economic order, and that "developing countries... should take further steps, inter alia, to promote and establish effective instruments of co-operation in the fields of industry, science and technology, transport shipping and mass communications media".

As to the Charter, moreover, the mere fact that the rights and duties of States referred to are "economic" is illustrative of the importance which this aspect of development is given in it. Only in chapter 11, there are three references (articles 7, 9 and 16) that break away from this obsession with the economic.

Article 7 establishes that:

"every State has the primary responsibility to promote the economic, social and cultural development of its people. To this end, each State has the right and the responsibility to choose its means and goals of development, fully to mobilize and use its resources to implement progressive economic and social reforms and to ensure the full participation of its people in the process and benefits of development..."

Article 9 stipulates that:

"all States have the responsibility to co-operate in the economic, social, cultural, scientific and technological fields for the promotion of economic and social progress through the world especially that of the developing countries".

Article 16 states that:

"it is the right and duty of all States, individually and collectively, to eliminate colonialism, apartheid, social discrimination, neocolonialism and all forms of foreign aggression, occupation and domination, and the economic and social consequences thereof, as a prerequisite for development..."

In the chapter on "common responsibilities towards the international community" there is an article (No. 30) on the problem of the environment and some general principles are laid down. It states:

"The protection, preservation and the enhancement of the environment for the present and future genera-

tions is the responsibility of all States. All States shall endeavour to establish their own environmental and development policies in conformity with such responsibility. The environmental policy of all States should enhance and not adversely affect the present and future development potential of developing countries. All States have the responsibility to ensure that activities within their jurisdiction or control do not cause damage to the environment of other States or of areas beyond the limits of national jurisdiction. All States should co-operate in evolving international norms and regulations in the field of environment".

In the document adopted by the VIIth Special Session, the economic aspects of development are also over riding. The only exceptions are four, very general paragraphs. One, in the chapter on industrialization, deals with the employment problem and states that: "in view of the importance of the forthcoming World Employment Conference, Governments should undertake adequate preparations and consultations". The Chapter on food and agriculture, includes three paragraphs mentioning different social aspects of the food problem which are not particularly innovative.

Health problems finally are briefly referred to in the resolution, in the following terms:

The World Health Organization and the competent organs of the United Nations system, in particular the United Nations Children's Fund, should intensify the international effort aimed at improving health conditions in developing countries by giving priority to prevention of disease and malnutrition and by providing primary health services to the communities, including maternal and child health and family welfare".

C. The reasons which explain the biased approach.

Although after the adoption by the General Assembly of the Strategy for the Second Development Decade, the majority of the specialized organizations and agencies of the United Nations system, adapted their respective programmes of work to the framework of the Strategy such decisions were mostly of a formal nature, not representing in any case, an attempt to integrate the specific objectives

or actions of such organizations into the framework of a wider strategy.

The United Nations specialized organizations and agencies dealing with problems of considerable social importance, thus concentrated almost entirely on their technical work, paying insufficient attention to the major economic problems, which cannot be divorced from those of their field of competence. This "divorce" has rarely been so lamentably obvious as in the preparation of the Strategy for the Second Development Decade.

One of the reasons which could contribute to explain this fact is that neither the Social and Economic Council nor the General Assembly have really attempted to integrate the work accomplished by different agencies and bodies of the system. Even the General Assembly's Third Commission, which has carried out important tasks in the social field, has acted in isolation from the Second Commission, devoted to the consideration of economic problems.

But there are other, far more fundamental reasons than these explaining the predominance of this biased approach. Neither the General Assembly nor the Economic and Social Council have played the role they should have done as factors of integration - because this was the wish of their Member states. The reasons for this should be sought in the motives or causes of such an attitude amongst United Nations member States and in this case, especially amongst developing countries - the principal promoters of these decisions.

Two important elements emerge. First until the middle of the 70s, it was fashionable to think that economic growth generated social progress. In other words, that the growth of gross national product gave rise to an increase in income of all or the majority of social groups and that this increase was moreover translated by a modification of prevailing social conditions. Sectors not participating in such benefits were considered as marginal and treated as such.

It was necessary for the crisis starting at the beginning of the decade to become general and for an era of more or less generalised economic growth to come to an end for the fallacy to be discovered. Although in fact, analysis of what was happening in many countries in the field of income distribution, delays in sharing of the benefits of growth by major sectors of the population and the persistence of truly impoverished economic and social conditions for the bulk of the Third world's inhabitants, had already taken away much of the value of these theories.

Secondly, it is necessary to analyse the actual nature of the postulates presented or supported by developing countries in international organisations to be able to understand better the reasons for the abandon of the social objectives of development in the major documents adopted by the United Nations. These postulates are based on the premise that the solution to the major problems lies in the modification of international economic relations, and that if industrialised countries accept the modification of the rules on which such relations are based it would be possible to change the economic situation of developing countries, which, based on the notion of the followthrough of social phenomena to economic events, would also generate significant social transformations.

For this reason, all the effort and struggle of developing countries in international organisations has been essentially directed at obtaining a change of attitude on the part of the industrialised countries. This implies leaving aside the analysis at the international level of the internal policies of developing countries. Moreover, the nature of the postulates pointed out, and the kind of "content" established in international fora (North vs. South) also "tactically" requires the abandon of discussions on internal policies, and thus of social questions.

This does not mean that developing countries are not concerned with social questions, or that they do not discuss them within specialised organisations. But it indicates that these countries have ceased to project the social aspects



of development on to the debate linked to "international co-operation" (from which arise the documents commented on above).

In many cases, this omission has been the objective explicitly pursued, in particular by countries where the "development" model chosen reposes on the permanence of major injustices and on the indefinite postponement of the redistribution of the benefits of economic growth.

The same is true of countries where internal debate and popular participation in the adoption of decisions has been indefinitely postponed. It should be pointed out that the overlapping of countries in each of these two groups is quite broad.

For these reasons, as will be explained in the section below on "Human basic needs", the attempts of various industrialised countries to open the debate on strategies aimed mainly at achieving certain strictly internal objectives in developing countries can turn out to be contradictory. In the first place, because they steer the debate away from the justifiable concern of developing countries with obtaining a substantial modification of present international economic relations as the basis on which to improve their economic situation and have a bigger say in international decision making. Secondly, because such strategies can only work by abandoning "development models" obtaining in many developing countries, with the consequent alterations in the internal power structures this implies. All of which does not mean that those industrialised countries promoting discussion of such strategies should be discouraged, but only on condition that they do not make this attitude a means to escape the discussion of the fundamental transformations needed in the present structure of international economic relations.

### C H A P T E R    I I I

#### THE NEED FOR A NEW CONCEPT OF DEVELOPMENT

##### INTRODUCTION

The previous chapter gave reasons for the biased approach of the principal documents approved by the United Nations. This characteristic relates to the notion of development contained in United Nations documents and in the positions supported there by the developing countries. The notion of development implicit in the policies actually followed by those countries, however, is another thing. Of course, not all developing countries follow the same patterns or models of development, but in most cases, several common features can be identified: technical and financial dependence, consumerism, the absence of adequate planning and of a coherent order of priorities, inadequate or unjust income distribution.

It is this second notion of development which is criticised in this chapter and which justifies the search for other development models.

It should also be pointed out that insofar as such criticisms build up in developing countries and come to be operational, there will be correlative modifications in the positions taken up by developing countries inside international organisations in discussions on international co-operation.

As stated by Ignacy Sachs, the debate on development and environment has led to the emergence of:

"The paradigm of another development: self-reliant, need-oriented and environmentally sound. This paradigm has a normative character. It is ... a suitable conceptual framework to discuss alternative resource-use patterns in conjunction with the redefinition of the development goals. The concept has thus a primarily heuristic value.

It helps us to ask pertinent questions and hopefully to understand better the development-environment nexus". 1/

The key element of this statement, which is applicable not only to development-environment issues, is its reference to "another development". This seems to be the point of convergence of a series of doctrines, which are slowly taking hold in a wide variety of circles. Their common thread is the need to arrive at other types of development. They have diverged from traditional political thinking, or renovated this thinking, and have thus built up a body of criticism on the development model at present prevailing in most of the developing world.

Most of these doctrines have resulted from the increasing gravity of a given problem or from the analysis of a specific "problématique".

Perhaps the clearest case is that of what has been called "eco-development" which, starting from concern with the deterioration of the environment, and going on to the analysis of its causes has arrived at a concept of social development centred around the preservation of environmental equilibrium. In turn the "self-reliance" doctrine started with a theory of disequilibrium in developing countries' trade, went on to analyse its causes, and proposed that such countries "uncouple" from the international economic system which harms them, and ended up with a doctrine on the full use of each developing country's own resources, and of developing countries as a group. Thus becoming assimilated in a way to the solidarity doctrines close to premarxist socialism.

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1/ Ignacy Sachs, contribution to the Chapter "Strategies of Change on Environment and Development", UNCTAD Expert Group Meeting, on the "Impact of Resource Management Problems and Policies in Developed Countries on International Trade and Development Strategies". Geneva 13-18 May 1974.

A third example is given by development strategies centered around the satisfaction of the basic needs of the poorest strata of the population in Third World countries. These strategies have been drawn up on the basis of an essentially voluntarist approach, without taking sufficient account of their implications on the obstacles that their application would encounter.

These three aspects of "another development" not only have in common their critical attitude towards present models, but also certain defects, notably those from the extremely narrow approach on which they were originally based. As their formulation has developed however, they have incorporated elements from each other and have started to resemble a single notion while still keeping in mind the specific problems which originated them.

Another common aspect to these three approaches is that they have been developed essentially on the theoretical and not the instrumental level. They are concepts of development which would still seem to be on a "strategic level". They still have before them the theoretical problems which will inevitably arise when the stage of "tactical instrumentation" is reached. In other words, they are concepts which are often somewhat removed from the power realities of the contemporary world. Not on the level of the analysis and criticism of present models, but on the level of the application of criteria for action towards which these concepts must evolve if they are to become operational.

At the same time there is a need to further integrate these concepts on the theoretical level. Secondly, this integrated notion needs to become a useful instrument for the struggle of developing countries within the international community.

Both proposals, and the need to integrate its component elements into a convergent concept of development are considered in next sections.

In the following analysis we have not tried to develop a theoretical scheme implied in a new, integrated and differentiated notion of development. Only the paths to convergence have been sketched out. The final destination will have to be a notion or concept of integrated development centered on man and his environment, and society as a whole, instead of only those who direct and possess it, from within and without. This notion will abandon the present "economically biased" approach, and take fully into account the importance of social and ecological aspects, and above all the power realities. This is the only way of constructing a theoretical scheme which can be useful to the liberation of developing countries.

This proposal does not mean setting aside the struggle of the Third World for a New International Economic Order. On the contrary, integrated development will not be possible without a New International Economic Order. The concepts are not contrary but complementary and mutually enriching. The New Order is fundamentally aimed at altering the present balance of economic power in the world, power as regards the distribution of ownership and the caâcotu of decision on the use of world's wealth. Its final objective is the redistribution of of wealth and international economic power. If there has been little progress towards this aim so far, it is because those who are asked to give in have no urgent interest in doing so, much less under present circumstances, where such redistribution must be carried out in conditions of global economic recession, i.e. where what has to be redistributed is what exists and not an indefinitely growing mass of wealth. But Integrated development is not opposed to this. On the contrary, without integrated development such a redistribution, -which is not merely a question of justice, but a necessary condition for the vast mass of disinherited humanity to satisfy its basic needs - would have no meaning. Otherwise this redistribution would end up benefitting the same minorities who in developing countries have been the major brake to economic development and social progress.

More immediately, the notion of integrated development should be put forward as the central objective of the next U.N. Development Strategy. This would shift action away from the objectives of the last two decades, which have been limited to achieving economic growth rates, all equally useless in solving the true problems of dependence and its consequences.

#### 1. BASIC HUMAN NEEDS

Evidence that the economic growth of many developing countries in the 1960's and early 1970's was accompanied by income distribution patterns condemning large sectors of the population to extreme poverty, gave rise to the idea, in certain international circles, that aid from the industrialized countries and international organizations should not ignore the fate of this vast disinherited majority.

This approach was linked with the initiative of some industrialized countries to concentrate development aid on the least developed countries.

Both approaches, though laudable in several aspects, did not however conceal a factor common to both: the limited amount of resources made available to developing countries by the industrialized world.

In other words, when in spite of some efforts to help developing countries, acute poverty and the gravest social problems continued to persist in most of the Third World countries, these circles in the industrialized countries came to the conclusion that a development strategy should be drawn up with the aim of satisfying the most basic needs of the poorest part of humanity.

This strategy had the advantage of both calming many problems of conscience and optimising the use of the limited resources which industrialized countries were willing to devote to "international co-operation". At the same time, this strategy was accompa-

nied by strong appeals to the ruling classes in the developing countries to promote better income distribution patterns.

Even though it is possible to have reservations about the true motivation of the people who took the initiative of proposing a strategy based on the satisfaction of basic human needs, it must be recognised that the ultimate objective is morally desirable, socially necessary and economically feasible.

Its limitations only emerge when it comes to defining or quantifying it. Two kinds of problems then arise. The first is essentially theoretical and refers to the definition of "basic needs" 2/. Most authors divide them into two levels: what can be termed "subsistence", and the rest, with an external limit on the latter which also varies greatly from one author to another.

Most authors consider that basic needs must be nationally defined, or in other words, that it is an essentially social and thus, relative concept. This criterion, easy to understand with reference to the external limit of basic needs (i.e. the limit beyond which there are no longer "needs" but desires or "social or "cultural" requirements) is not so clear when it is a question of the needs that must be satisfied if a human being is to survive and perform his most elementary social functions (work, reproduce, be educated). But beyond the theoretical aspect such controversies might have, it is certain that these differences are finally resolved in terms of some dollars, more or less, of per capita income.

When it comes to quantifying basic needs, the controversies take on other characteristics 3/. Differences become methodological, and are lost in the thick fog of mathematical models and computer print-outs. The results are usually more or less diverging

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2/ For a definition of "basic needs" and its categories or levels, see: J. McHale and M. Cordell McHale, "Basic Human Needs: A Framework for Action", a report submitted to UNEP in 1977. See also, the report of the Director General of the ILO to the Tripartite World Employment Conference, op. cit. For a broad discussion on the definition of needs, see P. Belleville, "Besoins, production, consommation", in "Economie et Humanisme, N° 203, January-February, 1972.

3/ See especially J. McHale and M. Cordell McHale, op. cit. and

figures on rates of growth necessary to attain the objective of satisfying basic needs by target year, on the importance of income redistribution needed in this or that region of the world, on the extra resources which would have to be transferred from the industrialized to the developing countries, etc. In general, the level of aggregation at which universally applicable models have to function do not permit conclusions beyond this type of generality, although they are of some real interest. Inter alia because they oblige many supporters of the status quo to see that far more optimistic scenarios than the sad realities of the present day can in fact be imagined and projected for the developing countries. 4/

But what most authors favouring the "basic needs" approach do not evaluate is the importance of the economic and social changes, both national and international, which are needed if the goals of a strategy truly aimed at establishing the basic human needs of the bulk of humanity within a reasonable time frame, are to be attained. This is the second source of problems, and the most interesting and paradoxical aspect of this approach.

In its initial conception, the basic needs approach is presented as an aseptic and charitable operation, in which everyone agrees that each country will define the basic needs of its inhabitants and will undertake to implement all the necessary measures to satisfy them within a given time frame. The international community, or its richest members, will help those countries without sufficient resources so that they too can reach the objective. Therefore this approach calls for two comments:

i). It says nothing about change as to the present international economic order, regardless of the fact that without substantial modifications in that respect it would be virtually impossible to.

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H. Hopkins and H. Scolnick, "Basic Needs, Growth and Redistribution: A Quantitative Approach", op. cit., and F. Vakil, "Human Needs and the Growth Process: The Dimensions of the Conflict", Aspen Institute of Humanistic Studies.

4/ See Amílcar O. Herrera (and the Bariloche Foundation), "Un monde pour tous", Presses Universitaires de France, Paris, 1977.



achieve the aim of satisfying the basic human needs of the majority of humanity.

ii) It is an approach which assumes that the beneficiaries of the present unbalanced distribution of wealth in the world and within countries will passively accept a redistribution of income and assets on the scale necessary to reach the goals of such a strategy. 5/

In other words, this approach ignores the power realities on which the present distribution of the world's wealth is based, and it ignores the scale of the transfer of power needed from the industrialized countries to the periphery and from the elites to the masses within the periphery for such a transfer of wealth to become possible.

For example, none of the versions of the strategy which have emerged up to now say anything of substance on the changes to be introduced in international trade or in international financial relations, in order to facilitate the attainment of its objective.

The most recent versions of the basic needs strategy are usually accompanied by references to the need to broaden the participation of the poorest segments of the population in the development process, to consolidate institutions which can defend their interests, and improve their "self-reliance". In other words, there has been some efforts to introduce elements which favour a new social equilibrium inside societies where changes must be introduced to attain the goals of the basic needs strategy. Nonetheless, the crucial power aspect is still left aside.

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5/ On the magnitude of the redistribution of income and assets implied by the effective implementation of a strategy to satisfy basic needs of all humanity before AD 2000, see the conclusions of H. Hopkins and Hugo Scolnick, op. cit. Part I Chapter V.

Here resides the paradox of this approach. Should the basic needs strategy be the subject of a "firm commitment" on the part of the international community, given the major transformations that its implementation would demand at national and international levels, precisely those politically "sensitive" aspects of the strategy which are seldom mentioned, much less seriously analyzed,, would become the most crucial and relevant issues.

However, this is not to say that the basic needs strategy should be set aside. On the contrary, whether for its moral value, or political interest, this approach must be retained. It must be made clear however that it can only be carried out on the basis of a concept of development quite different to the prevailing model and within an international context aimed at permitting and prompting the rapid transformation of the economy of the developing countries. This development concept would place the objective of the satisfaction of basic needs within an integrated framework so as to provide for the interplay between the other elements mentioned in this chapter (full enjoyment of human rights, self-reliance, participation in the development process, etc.). Otherwise, it will not be possible to organize the transfer of power indispensable to the transfer of resources implied by the achievement of the objectives of this strategy and this laudable proposal would become totally useless.

## 2. MODIFICATION OF DEVELOPMENT PATTERNS

The main feature of developing countries' economies is their external commercial, technological, financial and cultural dependence. Though the degree of dependence varies from one country to another, it is common to all. Even those countries who have achieved a high level of autonomy in the conduct of their economic policy, are dependent in terms of technological options and external financing.

Above all, dependence involves a situation where decisions on crucial social and economic issues are taken as a function of

exogenous factors, instead of local needs and requirements. Indeed,

" By integrating into the system (i.e. the present international economic system) a country has to produce what the system will buy at a price the system will pay, thus conditioning national development strategies within very narrow economic, social and political confines. To grow, a country needs to produce primarily what the system wanted and not what the majority of its people needs". 6/

External dependence moreover, ultimately amounts to a more mechanical acceptance in peripheral areas of a development model whose blueprint is to be found in the dominant centres of the international system. But this model, when transplanted to peripheral areas, takes on forms and leads to results radically different to those of the dominating areas. 7/ Indeed, it can only be reproduced in such a way that it operates to the advantage of a small part of society. In this way the bulk of the population is prevented from sharing the benefits of economic and social progress.

The recent industrialization efforts of the periphery (since the 1929 crisis and above all since the Second World War) are specially illustrative. In Latin America, the living standards of most of the population have not substantially improved, in spite of significant progress achieved in diversifying production and creating a local industrial structure. In fact, this industrialization effort, originally launched with the aim of reducing external dependence has actually led to the opposite result.

ECLA has pointed out that:

" Far from being random, the differences in the growth rates of the various branches and sub-branches of industry have a clear implication: the backwardness is precisely in the production of goods that have a vital role in the process of technological innovation. Instead of specializing in

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6/ "What now?" Report on Development and International Co-operation, Dag Hammarskjöld Foundation, Upsala 1975, page 68.

7/ For an analysis of the functioning of dependent economies in peripheral countries and of the power structure on which this development models are based, see respectively: Raúl Prebisch "A critique of peripheral capitalism", and Jorge Graciarena, "Power and Development Style", both in ECLA Review, first semester 1976.

one activity from start to finish so as to produce final goods and, above all, equipment .... Latin American countries have embarked upon a kind of horizontal specialization and left technological innovation entirely to other countries. In other words, there has been a big increase in the production of a great number and variety of goods. All of them, however, depend fundamentally on technology that is generated elsewhere and imported, with little or no adaptation in the form of capital goods in which the technology is incorporated." 8/

On the whole, the present international economic system contains a series of constraints either preventing or considerably limiting the chances of peripheral countries achieving either independence and or progress. To sum up, dependant economic growth cannot reconcile capital accumulation with social needs.

The repeated failure of development efforts based on growth models and economic policies of the industrialized countries, means that new "patterns of development" must be sought.

In other words, traditional strategies aimed at increasing the output without regard to its composition of the distribution of correspondieng income must be set aside. Technologically and financially dependent growth must be replaced by development efforts based on objectives related to overall social needs, as opposed to the requirements resulting from "effective demand" which only reflect the interests of those sectors of society wanting to integrate their countries' economy with the dominating centre and its needs.

This implies inter alia the clear definition of the real social needs of these countries together with an adequate choice of priorities when strategies and policies are being worked out, as well as reformulating well-entrenched concepts; especially those contained in the "theory of demand, distribution and

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8/ "Some conclusions on integration, industrialization and development in Latin America", Economic Bulletin for Latin America, vol XIX, Nos. 1 and 2 1974.

consumption" based on the notion of "effective demand". This reformulation is all the more necessary in that one of the major obstacles facing developing countries are consumption patterns copied from Western industrialized countries based on traditional demand criteria.

First of all, these patterns have no direct relationship to the needs of the society into which they are introduced. In other words, these patterns favour consumption - and thus production - of goods and services not really required by this society.

Secondly, from the strictly economic point of view, the development of such consumption and production structures implies a major role for imported consumer goods, foreign patents, capital and intermediary goods and technology. Not only is consumption imported, but the corresponding production structure with all its related elements. The results are growing external dependence and the gradual weakening of the balance of payments. It would perhaps suffice to recall the extent to which these phenomena are affecting the external sector of developing countries, such as those of Latin America, which have gone furthest in the adoption of Western industrialized country consumption patterns.

Thirdly, these consumption patterns tend to bring about a considerable degree of environmental pollution. In the chapter on "Industrialization" the Japanese example was cited: the motor car is the leading cause of pollution and the "modification of consumption patterns" (i.e. introduction of consumption patterns of Western industrialized societies) constitutes the third most important cause of pollution.

In an economy based on the "law of the market" these needs are defined through effective demand. But in the case of developing countries the true structure of demand (i.e. which should express the needs of society as a whole) is distorted by the concentration of wealth derived from inadequate income

distribution, one of whose most noteworthy effects is to leave a major sector of potential demand outside normal economic circuits, due to lack of purchasing power.

These are basically two ways of overcoming the inability of market mechanisms to adequately express the real needs of these societies. One is by modifying "effective demand" by way of income distribution, thus permitting the more deprived sectors of society to more adequately express their needs. The other is planning production on the basis of the "most objective" estimates of such needs.

For the second procedure to be possible while avoiding bureaucratic processes, democratic institutions must operate with the effective participation of the masses in the determination of the needs of the community, as well as in the basic planning of development.

If democratic mechanisms and popular participation function effectively in a given society, and it is not subject either to the cultural pressure of advertising or the control of mass media by groups who are linked to the production structure of industrialized countries, this society will only favour a production structure serving what its citizens consider to be society's priority needs. But the problem is that in most developing countries, underdevelopment, absence of cultural pressure, and democracy are not usually components of the same equation.

The notion of "basic needs" as an appeal to the ruling classes in developing countries to modify the consumption of the richer sectors of society so that the needs of their poorer members can be satisfied illustrates the objective need to adjust consumption patterns on the basis of different criteria.

The abandonment of the traditional development concepts means, above all, displacing attention from goods to "needs".. Instead of favouring development of demand and consumption and

thus supply as a function of goods, output is promoted in terms of the needs it is called upon to satisfy. This implies shifting attention from output to consumption, from supply to demand. This is especially important, not only in terms of being better able to assess social needs but also as a way of guiding investments to where they are necessary and of precluding investments aimed at the production of goods and services, which can only satisfy the demand of very limited sector of society and which displace the production of other more essential ones.

Especially in the case of developing countries mainly producing raw materials for export, this kind of policy should first aim at modifyeing and diversifying production structures so that they serve national interest and objectives and do not function in terms of their dependence on the major industrial centres. This in turn calls for greater self-reliance.

On the other hand the modification of development patterns on this scale must take sufficient account of social and ecological factors which are all too often ignored in developing countries at present. Major changes are required to ensure full employment - starting with a modification of traditional notions of economic policy, whereby unemployment is an adjustable variable - , to avoid waste, the exhaustion of non-renewable resources, and the deterioration of the environment.

### 3. SELF-RELIANCE

For the liberal school, international reality appears essentially as a collection of independent geo-political entities (nation-states) which interact on a footing of equality without following any particular pattern. Consequently, this school of thought sees the emergence of an increasing inequality between states, as either the product of chance, or simply a "natural", i.e. inevitable result.

However, this kind of perspective has been shown to have little relevance to the real world: its heuristic defects are behind many recent alternative explanatory efforts. Amongst these, the most notable is the one leading to the theory of dependence, which in good measure constitutes the point of departure of self-reliance as an element of a new global development strategy.

Indeed, as it has been pointed out, the notion of self-reliance is

"very much connected with - and can hardly be understood outside of - the dependency framework of interpretation of the underdevelopment phenomena". 9/

The point of departure of this theory is to be found in the fact that the flagrant quantitative and qualitative differences existing between countries and regions of the world are historically a very recent phenomenon. Prior to the industrial revolution, all areas and regions had roughly similar levels of income, a similar degree of expansion of productive forces, etc. To sum up, they were all more or less underdeveloped.

On this basis, the theory brings out the existence of important functional links between what are now called development and underdevelopment and arrives at the conclusion that both phenomena represent different aspects of a single process.

In more concrete terms, the theory of dependence underscores that in the transformation of generalized undevelopment existing throughout the planet before the industrial revolution, into development in some areas and underdevelopment in others, is a function of the way in which nation-states were integrated into the world economic system which emerged together with the birth of modern capitalism.

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9/ E. Oteiza and F. Sercovich "Collective Self-Reliance: selected issues". International social Science Journal. Vol. XXVIII, N° 4, 1976, p. 665.



In the specific case of what are at present "underdeveloped" countries, this integration took place under conditions of subordination to the more dynamic poles of the system which made their exploitation possible, i.e. in the form of unequal trading relations. In other words, the dominating centres are in a position to extract and use for their own benefit a more or less significant part of the economic surplus produced in the peripheral countries.

International development co-operation in the post-war period is an attempt to face up to this dilemma. Basically it represents an effort to obtain a negotiated redistribution of resources. To a great extent this effort does not aim at overcoming the relation of exploitation between centre and periphery, but merely at devolving on the latter part of surplus originally extracted by the dominating centres.

However, such efforts have been shown to be totally insufficient and their impact, marginal in terms of the problems to be overcome.

Within this context, a reformulation of the entire development "problématique" became necessary. Development ceased to be the synonym of imitation and integration into the present system, to become the rejection and bypassing of this system, through structural change, and more generally speaking, through a process of liberation. Self-reliance arises within this framework as a transitional strategy between the model which has been rejected and that which is aimed at as a historical alternative.

This strategy basically posits breaking the links with dominating centres and substantially increasing reliance on local resources and capacities, as well as an increase in the periphery-periphery relations. There is a strong unilateral element in the doctrine of self-reliance, i.e. it is a policy whose implementation does not require the consent of, or concertation with, the dominating centres.

Given the degree of rigidity displayed by the international system vis-a-vis the interests and requirements of peripheral countries, and in light of the fact that the greater degree of power which the latter have been able to conquer in recent years, they are still unable to unilaterally bring about substantial changes in the present order, self-reliance first calls for a unilateral uncoupling from the system. This can take on several forms, from the complete breaking off of links with the centre (i.e. recovery of basic resources, and the progressive limitation of the presence of foreign firms, restriction on the use of imported technology in given sectors, etc.) up to actions tending to achieve only a weakening of such links (i.e., the use of more restrictive criteria in connection with foreign investments, or with the incorporation of imported technology by subordinating this incorporation to certain conditions relating to its adaptation to the local requirements and realities).

In this sense the strategy in question is essentially a defensive type of policy. As has been pointed out,

".... self-reliance covers a very vast field which is difficult to identify.... However, it is only vague for those who have never had to confront problems of survival in dignity or undergo the effects of political, economic or cultural blackmail. Self-reliance is thus first and foremost a mechanism of self-defence". 10/

These and other forms of breaking the links with the existing international order not only aim at avoiding the element of exploitation generally implicit in centre-periphery relations, but also at reducing the impact of mechanisms permitting the reproduction of conditions for the perpetuation of certain patterns of production, distribution and consumption incompatible with integral development. In this sense, the cultural-ideological dimension of external dependence takes on special significance.

The second major feature of self-reliance as an element of alternative development strategies, is that it posits basing development essentially on local resources and creative capacity,

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10/ Marrakech "Declaration on Self-reliance" adopted at the seminar on "Self-reliance as a Strategy of Development" Marrakesh, 5-7 January 1977 organized by the World Future Studies Federation and Mohammed V University.

which implies their full mobilization and use. It thus represents a clearly differentiated alternative to dependent growth, characterized simultaneously by an excessive use of certain resources (non-renewable resources in particular), the under-utilization of others (human resources, in the form of unemployment for example) and, on many occasions, by the non-use of others (innovative and creative local capacity, for example).

These positions in some cases are identified with an apology for autarchy, though supporters of this concept would deny this. Self-reliance, it is said

"does not mean autarchy for it does not exclude trade. But the idea would always be to try to produce a product locally rather than to getting it through trade. The reason is not only that the latter maintains an exploitative division of labour and creates dependencies, but also that it is wasteful. It does not force the local population to ask some very fruitful questions: how can we produce that product using some other raw materials that we have rather than what is customarily used; how can we produce it developing some new technologies through our own work rather than importing foreign technology; and, it is absolutely certain that we need that product, or could it be that some other product that we are able to produce can be a very satisfactory substitute (such as cheap bicycles or scooters combined with abundant collective transportation instead of private cars)?" 11/

Self-reliance finally is also conceived of as the strengthening of existing links and the creation of new links between countries of the periphery, in particular in the fields of industrial and agricultural development, transport and communication, science and technology, and information.

Self-reliance, taken in this sense, is a collective strategy. This results not only from the fact that the immense majority of Third World countries are small or medium sized units for which an autarchic development system is not viable, but also from a defensive imperative. Self-reliance ultimately is only one

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11/ Johan Galtung, "Implementing Self-reliance". Transnational Perspectives, vol. 3 Nos. 3 and 4 1976, p. 19.

element of a broader strategy which aims at a radical transformation of the distribution and exercise of power in the international arena, so that it inevitable involves the possibility of staunch resistance on the part of groups and power centres most profiting from the present order.

This is not the place to assess the prospects for the creation and strengthening of links between peripheral countries. However, it is necessary to underline that the development of contacts between peripheral countries aims not at a mechanical substitution of trading partners, suppliers of technology, etc., but at the establishment of qualitatively different relations. In a word, it aims at developing "horizontal" relations inspired by solidarity in the face of common problems as opposed to the existing "vertical" relations. Finally, none of the above, it must be noted, implies a rejection of dialogue and negotiation; in particular through the United Nations, with the industrialized world. On the contrary, the strengthened negotiating capacity of the periphery opens up new possibilities for the democratization of the United Nations (and of other organizations such as the World Bank and the IMF) and creates conditions for a more fruitful dialogue and international co-operation.

#### 4. FULL ENJOYMENT OF HUMAN RIGHTS

The existence of a close link between respect for human rights and economic and social development is implicit in the Charter of the United Nations. As a matter of fact, the whole system of collective security is based on the explicit and fundamental principle of "the dignity and worth of a person". Hence, the emphasis laid throughout the Charter on universal respect for human rights without discrimination, and on international co-operation to promote "higher standards of living, full employment and conditions of economic and social progress and development".

Subsequently, two basic documents of the United Nations - the Universal Declaration of Human Rights and the International Covenant of Economic, Social and Cultural Rights - enlarged upon this comprehensive concept of peace and security insofar as human rights and social and economic well-being are concerned. In defining the human rights referred to in the Charter, the Declaration includes as the most fundamental economic, social and cultural rights the right to social security; to free choice of employment on just and fair conditions and just favorable remuneration ensuring an existence compatible with human dignity; to protection against unemployment; to organize and to join trade unions; to rest and paid holidays; to a standard of living adequate for the health and well-being of the family, including food, clothing, medical care and the necessary social services; to security in the event of unemployment, sickness, old age and disability; to special care and assistance for mothers and children; to free education and to participation in the cultural life of the community.

The 1968 International Covenant on Economic, Social and Cultural Rights reiterates and elaborates upon these rights and adds others such as the fundamental right of every person to be protected against hunger.

Paradoxically, as progress has been made in the definition of the content and scope of these rights, in different ways and degrees, respect for them has in practice, regressed.

Accusations of the violation of human rights, some of an exceptionally serious nature, are sent in their thousand to the United Nations every year. Such violations have been reported alike from different continents, from countries at different levels of civic and political development, from newly independent countries and from others with a proud tradition of respect for human rights and freedoms.

Such violations together with the survival of situations like "apartheid", shame the human race, both because of the number of victims involved, and because they occur in so many parts of the world.

Curiously, many participants in present debates on human rights, seem to act on the basis of the conviction that their observation and respect is only a question of political will, and at any rate tend to overlook what was pointed out above, i.e. that socio-economic development and the respect for human rights are inseparable questions.

Indeed, such rights are ultimately based on a certain minimal material basis without which a solid and durable social consensus cannot emerge. Thus the conditions for generalized social conflict, actual or potential, are created - precisely the type of situation to which systematic and large-scale violations of human rights are usually linked.

The question of human rights is perhaps the issue which can least be separated from the series of factors mentioned in this chapter as component parts of a new and authentic development. To forget the former is to put the question of human rights in such abstract terms, that it ceases to have any real meaning.

##### 5. FULL PARTICIPATION IN THE DEVELOPMENT PROCESS

In this section, "participation" does not refer either to the ability to participate in the election of authorities or representatives to State organs in a country, region or local area, nor to the ability to be elected to such organs. This kind of "political" participation, is considered here as being part of fundamental human rights.

By participation we mean the continuous, widespread and conscious involvement of people in all spheres affecting their

existence, material and spiritual, primarily at work, but also in the street, neighborhood, school, university, etc. Participation is both a means to the integral development of the human personality and to a meaningful - as opposed to a purely formal - democratic process, i.e. one in which the masses can make an effective contribution to the development of the communities to which they belong.

Since discussions on development began inside the United Nations, the fact that primary responsibility for the promotion of development rests with the developing countries themselves, has consistently been recognized, leading to the need to achieve a broad mobilization of both material and human resources, particularly the latter.

This objective, compulsory methods excluded, can only be achieved through the active participation of all individuals and social groups in the identification of their needs, the choice of means and strategies to satisfy them and in the implementation of such strategies.

In many developing countries, social structures are vertical, so that a major part of the social decision-making power is concentrated in a restricted and permanent social group; thus participation - whether at "political" or other levels - is not much more than the result of a concession or decision to absorb, or more or less co-opt. A decision to integrate which is granted from above, that also can be withdrawn from above.

In the fairly open phases of political development in the direction of the incorporation of the masses in the social process, there has been an essentially paternalistic promotion of participation, characterized by the conviction of cultural superiority of those applying it. This latter aspect is particularly marked in the case of elites belonging to countries which are culturally dependent on the industrial centres.

But the group of phenomena known as the "development crisis" is one of the first indicators of the ineffectiveness of this approach. For there has been little change in the socio-economic situations of the poorest segments of the population for whom the promotion of participation was originally conceived. Indicators such as illiteracy and unemployment, above all in periods of crisis, indicate that such participation has had little impact. It in fact implies reducing participation to a formal mechanisms of co-option.

This type of mechanism ignores that "marginal" group representatives permitted to "participate", do not necessarily voice the real interests of the social groups to which they belong. More important still, it ignores the fact that even if such interests are effectively voiced, nothing guarantees that they will carry sufficient weight to alter traditional decision-making patterns, which in cases of conflicting interests, usually opt for those of traditional power élites and not for those of marginal groups.

The principal mechanisms of participation applied by third world countries however, have been linked to the adoption of legislative measures to protect or promote "marginal" groups, in particular through the creation of institutions such as national commissions for women, youth secretariats, native institutes, and the like.

These efforts are essentially paternalistic; frequently they are based on a conviction of cultural superiority on the part of those handing down legislation. The notion of "integration into" would appear to be the cornerstone of this type of legislation, its ultimate aim being that of concentrically expanding the cultural patterns of behaviour of the minority to the bulk of the population.

Paradoxically then, and independently of whether such a concentric expansion is actually possible, in many cases participation based on this type of measure, has merely been a way of legitimizing by means of a broader social consensus, an essentially non-participatory social order.



A good example of the theoretical and practical limits of this approach to participation can be seen in the case of policies applied in various Latin American countries for the social promotion of indigenous groups.

Basically, such policies aim at improving the material conditions of existence of "First Americans" 12/ . Elite lifestyles, consumption patterns, value systems, etc., are usually taken here as a reference point. Conversely, the centuries old devotion to the vestiges of pre-hispanic culture on the part of the First Americans is regarded as an expression of primitivism, lack of rationality, inefficiency, in a word, equated with backwardness.

In turn, improvement of the material conditions of existence of these people, is envisaged in terms of their "integration" into society. This involves an essentially civilizing crusade that implies negating - in the dialectical sense of the term - a priori, the culture of the First Americans.

At the root of this attitude is an essentially ethnocentric outlook for assessing the problems of such groups. In effect, the current "backwardness" of the remaining First Americans is almost exclusively attributed to those cultural factors differentiating them from the dominant Western cultural matrix. 13/

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12/ The term is taken from William Appleman Williams, "America confronts a Revolutionary World: 1776-1976". The author rightly points out the inadequacy and lack of respect involved in the traditional nomenclature -indian- used to refer to pre-colonial societies of the western hemisphere.

13/ Alfonso Cano, for example, gives a good example of this view in connection with the so-called "Indian problem" in "Definition of the Indian and Indian Culture" (América Indígena, vol VIII, N°4. p.247). He states in effect that the "Problems of the Indian" are basically cultural; lack of material and spiritual communication with the outside world, lack of scientific and technical knowledge to substitute ancient magic practices to cure and prevent illnesses, by scientific, hygienic and therapeutice knowledge. To sumup, what we need to give the Indian to help him solve his problems, is culture". Quoted by Ricardo Pozas and Isabel H. de Pozas in "Los Indios y las Clases Sociales de México", Editorial Siglo XXI, México, 1971 p. 13.

This leads to the notion of "marginality" which conveniently enough, permits a by-passing of both the fact that the present situation of these groups has not existed from all times, and the specific historical process which generated it.

The notion of "marginality" thus leads in essence to renewed phenomena of cultural violation and even extermination, since the antithesis of "marginality", i.e. "integration" involves a more or less total disappearance of the last vestiges of the culture of the First Americans.

However, if the issues are reinserted into the historical process where they originated namely the territorial expansion of the capitalism in its stage of primitive accumulation, it makes little or no sense to speak of a supposed "indian problem" or of the First Americans as a "marginal group". Indeed, "Indians" are not the problem, but society as a whole, into which they have been incorporated under conditions of subordination. In effect, as has been stated,

"Indians are Indians not only because they speak indian languages and dress and eat like their forebears because they have kept to the remnants of the prehispanic mode of production as shown in their agricultural techniques and their relationships of mutual help or solely because they take refuge in their traditional communities. Ultimately, the social category "Indian" is fundamentally determined by the fact that such people are the most easily exploitable inside the economic system; other aspects, though distinctive and backward are secondary". <sup>14/</sup>

Similar conclusions - in essence - also emerge from the historical analysis of the present situation of women, youth, rural populations and other "marginal" groups.

Krishna Ahooja Patel, in a recent article, has rightly underlined that the "problem of women", is inseparable from:

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<sup>14/</sup> Ibidem, p. 16.

"...the distribution of power and property between the rich and the poor...The link between the poor of the world and the condition of women is their perpetual state of dependence: it is always someone else who is the master of their destiny. The indifference with which the contemporary world has held its poor and women to a large extent explains the distortions of the existing economic and social order... A world profile of women using selected economic and social indicators reveals that women: a) constitute one-half of the world's population and one-third of the official "labour-force"; b) account for nearly two-thirds of the hours worked; but, c) according to some estimates, receive only one-tenth of the world's income and possess less than one-hundredth of the world property." 15/

No wonder then, that the more articulate women's organizations reacted vehemently vis-a-vis recent efforts aimed at the social "integration" of women:

"In 1972, the United Nations announced International Women's Year for 1975; an operation to integrate women, absorb our struggles, and censor our history. On 8th March 1857 one of the first women's strikes in the United States took place. Women textile workers confronted the police in New York, who charged and fired. On 8th March, 1917...the revolution started in Russia with a manifestation by women. On 8th March 1943, Italian women organized a manifestation against male fascism. On 8th March 1975 it is we who link up again with this history of women's struggles. Not to commemorate, but to affirm that our history has not waited for a U.N. resolution...8th March 1975, we refuse to be shut into a "gadget" year. Into a programme, a framework, a date. It is one moment in our daily struggle, in our solidarity with women struggling throughout the world..." 16/

On the whole, the promotion of popular participation in the overwhelming majority of third world countries, has not gone beyond a declaration of intent. The ineffectiveness of traditional approaches to participation are after all, readily visible in the fact that the lot of those groups it intended to assist has actually deteriorated.

Such results have brought about a number of radical efforts to

15/ Krishna Ahooja Patel, "Another Development for Women", in "Another Development, Approaches and Strategies", Marc Nerfin, Editor, The Dag Hammarskjöld Foundation, Uppsala, 1977, p.66.

16/ Tract distributed by the French Feminist Organizations, reproduced in "Du passé faisons table rase?", Jean Chesneaux, Maspéro, Paris, 1976, p. 54.

entirely re-examine the issues, efforts to which the U.N. system has not been indifferent.

In 1974, the Economic and Social Council, through resolution 1929 (LVIII), had stated that participation must involve the following elements for it to have any meaning:

- a) a contribution to the development effort;
- b) an equitable participation in the benefits it bestows;
- c) participation in decisions on the determination of objectives, the formulation of policies, planning and the execution of economic and social development programmes.

More recently, the Vancouver Conference on Human Settlements - no doubt the meeting which has made the most notable contribution to the debate on participation, at least as far as the U.N. is concerned - made an implacable critique of traditional participation mechanisms, conceptions and policies, and went on to define in concrete terms, the objectives of popular participation together with the minimum requirements for attaining them. These latter include inter alia, the following:

- a) Participation must involve a two-way flow, i.e. not "simply the mobilization of people to implement the independent decisions of governments and professionals" but in fact "listening and response in both directions";
- b) It must be an integral process. It must not therefore be "divided into partial participation as this would lead to the current general conception of participation as a way to cheap labour, or as a mechanism for the solution of partial problems at the local level";
- c) It should be a right accorded to all segments of the population;
- d) It must be dynamic, i.e. adaptable to new needs and changing circumstances;
- e) It must be "elicited on a scale commensurate with the problems of human settlements, should influence all decisions concerning management of human settlements..."

The present trend, in sum, is to emphasize a truly grass-roots type of participation. This results from the need to give prime importance to the creative capacity of the masses, particularly in light of the fact that dependent national bourgeoisies in third

world countries, due to their structural links to the status quo, have historically shown themselves incapable of ensuring that participation mechanisms meet the above mentioned requirements.

This in turn leads to overcoming paternalistic and conservative notions of participation and to a redefinition of the issues in terms of control of key decision-making instances by the masses, as opposed to their "integration" -as fragmented "marginal" groups through token representatives. This for example, was clearly the attitude of the Vancouver Conference, which called for the establishment of,

"...mechanisms for enabling people to attain full control and influence in the formulation and implementation of policy for the development of human settlements." 17/

More recently still, participation has tended to be associated directly with a broader process of human liberation. Thus, traditional issues (spreading education, enabling the bulk of the population to "accede" to culture, etc.) have lost most of their meaning. Indeed, more than spreading education it is a question of radically changing its contents. Similarly, there can no longer be any question of promoting "access" to culture, since this assumes an essentially non-participatory division of labour between "producers" of culture on the one hand and "consumers" of culture on the other.

Cardoso clearly expressed the scope of this redefinition when he pointed out that in most developing countries society is a "civilization of poverty for the majority and fear for all", adding that:

"The alternative to it, beyond the value of equality, lies in its complement, which requires freedom, of the need to participate. It lies in democracy, but not a democracy deferred to the quasi-mystical body of a party, or identified a liberalism relating representativeness to the division of powers and removing all effective political

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17/ See resolution E.5 of the Vancouver Plan of Action.

stake to the summit of large state organizations, to parliament, the executive and the judiciary. Participatory democracy, which is an inherent part of another development model, starts by being more demanding and more inclusive. It turns to the new arenas in which the decisions of contemporary societies are made: the educational system, the world of labour, the organizations which control mass communications". 18/

## 6. INTEGRATION OF ECONOMIC, SOCIAL AND ECOLOGICAL OBJECTIVES

To speak of "integrating economic, social and ecological objectives", inevitably raises methodological and epistemological issues.

Such issues have been continually present, either implicit or explicitly, in all the specialized conferences of the United Nations held during the present decade.

Many of the phenomena and problems emerging after the war simply did not lend themselves to traditional analysis 19/, notably the process of underdevelopment. This led to a search for alternatives to conventional wisdom, which ultimately brought about a profound renewal in the social sciences.

Influenced by the extraordinary expansion of productive forces unleashed by the industrial revolution, the Western world for a long time viewed social processes superficially, with the optimistic outlook inherent in the myth of progress. But soon however, it found itself bereft of instruments to explain phenomena consistently negating the validity of prevailing ideas. Despite technological innovation, contemporary society has been impotent to influence such phenomena.

One demonstration is the failure of the first development policies, characterized -as the Pearson Committee pointed out, referring to the early economic and social activities of the United Nations- by the search for magic solutions to the backwardness

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18/ Fernando Henrique Cardoso, "Towards Another Development", in "Another Development, Approaches and Perspectives", op. cit. p. 28.

19/ The war itself had raised new problems. Systems analysis it

of peripheral countries. Later on, other policies were carried out, such as agrarian reform and industrialization, which though based on a much broader perspective, produced other failures.

Each failure however, contributed to an increasing awareness of the degree of complexity of the problems faced, resulting in an analytical effort characterized by the consideration, perhaps for the first time, of a series of variables which had traditionally been neglected. Thus other concerns were added to the traditional ones, notably social issues. Thus, the traditional growth or growth problématique, came to be complemented by what might be called the "distribution/participation" binomium. More recently, ecological deterioration has added a whole new dimension to the already complex problématique just mentioned.

The merits and shortcomings of the numerous efforts at methodological innovation and renovation in the field of social science since the war, cannot of course be analyzed here. Suffice to say, that attempts to explain unprecedented social and economic phenomena through the incorporation of more and more variables into existing theories, soon ran into difficulties arising out of the rigid fragmentation of the different social sciences. This brought about a response in the form of inter-disciplinary studies. These no doubt represented an improvement, implying considerable analytical enrichment and, as a result, some progress from the standpoint of the validity of the diagnosis made.

In practice however, policies based on these achievements in most instances has mixed results and in a number of areas failed altogether to bring about the results which had been expected. This showed that in many cases inter-disciplinary studies were no more than a slogan: they represented a mere accumulation or superposition of traditional analytical instruments. Hence the truly crucial issue of determining the reasons behind reiterated failure on the part of social science to distinguish the principal from

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must be recalled, emerged as a means to facilitate the highly complex decisions which had to be taken during the war; it was extended only later to the social sciences.

the secondary, to understand the essence of the dilemmas it was faced with -an issue which called for a profound epistemological re-examination of both traditional and more recent analytical instruments- was side-stepped.

As Goldman pointed out,

"...history and sociology study the same phenomena and each of them seizes a real aspect, but the image each gives can only be partial and abstract as long as it is not completed by the contribution of the other. The passage from abstract to concrete cannot be obtained by adding two partial images together. One cannot obtain knowledge of human behaviour by putting together partial and deforming results of a thing-oriented and psychologistic sociology, with those of a political or simply positivist approach to history. Concrete knowledge is not a sum but a synthesis of justified abstractions." 20/

Progress towards the attainment of this synthesis only began with the emergence of the search for a holistic approach built on the recognition that social processes are a total phenomenon, thus implying a significant break not only with the traditional social sciences, but also with inter or multi-disciplinary studies.

The evolution of discussions on ecological questions clearly exemplifies this search. In effect, though originally restricted to the most acute forms of environmental deterioration, particularly pollution, in a few years these discussions were entirely reformulated in terms of a pursuit of new patterns of resource use capable of ensuring a durable and harmonious relationship between man and nature, with a view to substantially improving the quality of life. This reformulation led to increasingly critical attitudes vis-a-vis not only underdevelopment in the periphery, but "maldevelopment" in the centre as well.

Doing away with the two major sources of environmental deterioration in the periphery (extravagant and highly polluting pro-

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20/ Lucien Goldman, "Sciences humaines et philosophie", Editions Gonthier, Paris 1966, p. 19 (informal translation).



duction and consumption patterns of wealthy minorities on the one hand, and extreme poverty on the other) first of all required a redefinition of the notion of environment, as underlined by the Founex Report, so as to include not only the physical environment, but also the human or socio-economic environment. This,

"...created the basis for an integrated and more holistic approach to the issues, which also meant looking at the structural, socio-economic and institutional causes of environmental degradation, and tackling the root causes of the problem." 21/

The Cocoyoc Report went even deeper into this approach, underlining the structural links between the development-environment problématique in general, and environmental deterioration in particular, and the present system of international economic relations (especially the division of labour on which it is based); lifestyles and development models; land tenure systems; the predatory and wasteful overconsumption of natural resources on the part of a small segment of the world's population; the implications of allowing the power groups which operate behind so-called market forces to go unchecked, etc.

The Cocoyoc Symposium therefore,

"...advanced the need to tackle environment-development problems in an integrated manner, in both developed and developing countries, with a comprehensive strategy of social change and with an over-reaching set of goals and long-term perspectives." 22/

Thus, from a problem originally defined in very restrictive terms, and considered soluble merely by the simple introduction of ecological considerations into existing decision-making mechanisms, there emerged a new development theory (eco-develop-

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21/ Branislav Gosovic, "Overview on Environment and Development", paper submitted to the UNCTAD sponsored meeting on "The Impact of Resource and Management Problems and Policies in Developed Countries on International Trade and Development Strategies", Geneva, 13-18 May, 1974, page 4.

22/ Ibidem, page 8.

ment) which basically postulates making economic and social objectives compatible with a sound environment, in the perspective of a diachronic solidarity with future generations, through a unique technological style, a participatory institutional framework, together with the generation of a new system of values based on the notion of "expanded social rationality".

The Hammarskjöld Foundation report "What Now" carried these ideas further, pointing out that new development strategies should simultaneously be need-oriented, endogenous, self-reliant, ecologically sound and based on structural transformations, given the organic links between these five points.

"Taken in isolation they would not bring about the desired result. For development is seen as a whole, as an integral cultural process, as the development of every man and woman and the whole of man and woman". 23/

Before new development strategies can become operational on a large scale, there are still a great number of problems to be overcome. Many crucial issues are still pending. Perhaps even a number of significant questions have not yet been posed. Nonetheless, as pointed out at the beginning of this chapter, these conclusions mark the emergence of a new paradigm. This in itself, by permitting social scientists, statesmen and peoples to emerge from the jungle of false dilemmas in which they were immersed for years, represents an enormous step forward.

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23/ "Another Development, Approaches and Perspectives", op.cit., p. 11. Galtung expresses the same idea when stating that peace, economic well-being, social justice and ecological balance are the most crucial problems facing humanity today, and especially when he adds that "Today more and more people seem to stress that these pointers into the future somehow seem to belong together: there is the idea of 'peace with justice' or of 'eco-development', combining them into pairs. None of them makes much sense without the other. Development is to move together on all four." Johan Galtung, "Implementing Self-Reliance", Transnational Perspectives, Vol. 3, Nos. 3 and 4, p. 18.

SOCIETY FOR INTERNATIONAL DEVELOPMENT  
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**First Session**

**Rome**

**18-20 May 1978**

Background Document

(NSRT -/ INF.2)

containing

1. The Resolution of the Seventh Special Session of the United Nations General Assembly on Development and International Economic Co-operation (16 September 1975).
2. The Report of the Conference on International Economic Cooperation (presented to the 31st Session of the United Nations General Assembly on 24 June 1977).
3. The Resolution of the 32nd Session of the United Nations General Assembly calling for a Special Session of the General Assembly in 1980 to discuss progress in the establishment of the new international economic order and creating a Committee of the Whole to meet during the intervening period (19 December 1977).

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REFELCTIONS ON BASIC HUMAN NEEDS AND WORLD DEVELOPMENT

REFLECTIONS ON BASIC HUMAN NEEDS  
AND WORLD DEVELOPMENT

by

Albert TEVOEDJRE  
Director of IILS

Foreword

In recent years the idea of eradicating poverty, inequality and injustice from the global scene through the rigorous application of a new development strategy based on basic human needs has fired the imagination of the global community.

This paper represents some tentative explorations of this idea. While at first glance people might consider many of the ideas it contains too far-fetched, I sincerely feel that the amelioration of the present global situation calls for a "revolution" in our traditional ways of thinking, especially on the subject of poverty. It is not my aim to dictate the way in which this should be achieved but rather to share my own first thoughts on the directions it might take.

The idea which underlies my paper is that poverty need not be a destructive force as is often suggested. Much has been said - and continues to be said - about the eradication of poverty and the achievement of wealth as a global norm. I am against such propaganda, as I tend to believe in the virtue of poverty - not of the poverty which breeds ignorance and disease and destroys human dignity, but rather of the poverty which liberates man from his subjugation to money and to a constricting consumer cycle with all their debilitating side effects.

Instead of speaking of the eradication of poverty, I feel we should speak of the eradication of inequality. It is my opinion that there is a causal relationship between an excess of

wealth and absolute poverty (which is unacceptable) and that the former generates the latter. So when we speak of a basic needs strategy to eradicate poverty we must address ourselves not only to the amelioration of the situation of the poor but also to the curbing of the excessive consumption and ostentatious life-style of the very rich. In a given society there should be neither an excess of poverty, nor an excess of riches. The nation's wealth should belong equally to all its people and everyone should have enough but not too much. Such a society will generate the sense of community and of solidarity which is necessary for the advancement of a nation.

In such a society, based on austerity and characterised by a simplicity of life-style, everyone must contribute to the social good according to their capacities and earn according to their needs. In the words of Mahatma Gandhi: "Every man is part of a nation and should, therefore, use his talents, not solely for himself, but for the advancement of the social structure of which he is but a part. No country can progress if its citizens do not pay back more than they receive".

## Introduction

Mid-way through the present decade it became increasingly apparent that the development plans and strategies optimistically inaugurated in the last twenty-five years with the declared goal of reducing the gap between the rich and poor nations and the rich and poor of nations had failed in their purpose. By the end of the 1960s, even before the inception of the Second UN Development Decade, alert observers of the international scene noted that, as far as developing countries were concerned, conventional patterns of economic development had not led to a noticeable reduction in poverty. On the contrary, and notwithstanding the exceptionally rapid and substantial growth of per capita income in the developing countries as a group, a large and increasing number of people remained in absolute poverty, denied a share of the benefits accruing to their nations,

This poor record and ominous prospect for the last quarter of the twentieth century have called into question the assumptions on which development strategies have been based. It is increasingly acknowledged that to equate development with economic growth is insufficient unless that growth is accompanied by a simultaneous decrease in inequality, unemployment and poverty. The time has come to recognise that social factors must be taken into account in the formulation of development strategies and a doctrine of universal entitlement is finding widespread expression and acceptance in international fora. In short, the concept of basic human needs is emerging as a central element in development strategy and so in international relations.

## Traditional development strategies and their drawbacks

Many factors have contributed to the failure of traditional forms of development to close the gap between the rich and poor and many lessons for the future can be derived from these failures.

Conscious concern with development is a relatively new phenomenon. Structures of production and patterns of trade, consumption and distribution of wealth prevailing in many developing countries have often originated under alien regimes whose main concern was not the advancement of the colony but that of the metropolis. Continued adherence to these imported systems and the wholesale imitation of Western life styles and models of development, which are ill-suited to the indigenous cultures of these now independent nations have contributed to the failure of many development strategies.

However, this painstaking imitation of Western models of development does not spring only from the colonial experience of the developing nations. Development has long been equated with economic growth, measured in monetary and statistically quantifiable terms. In line with the accepted economic principles of the era, the Third World countries have accepted a rising GNP and a healthy balance of payments as the hallmarks of success. As the developed countries represent examples of such success, it follows that the developing countries feel that the certain road to advancement lies in following the development models of the West. At the global level such criteria have been incorporated into the UN Development Decades whose impact on development is now being questioned.

At the national level reliance on foreign patterns of development and on imported technologies has led to the adoption of inappropriate strategies in several fields. Government policies are often ill-adapted to the social and economic situation of the countries concerned, as is demonstrated by the poor allocation of investment resources, the under-utilisation of capital, land and labour, the choice of inappropriate technologies in relation to the country's resource endowments, and the increasing concentration of income in a few areas of the economy. The outcome has often been a crippling dependence on the developed world for imports, capital and aid.



As mentioned earlier, the most obvious failure of the development strategies of the post-war era has been their inability to reduce the gap between the rich and poor. The problem undoubtedly lies in the basic premise on which these strategies were based: namely the doctrine that the widening gap between rich and poor engendered by the early stages of industrial growth would decrease at its later stages as the distribution of benefits automatically regulated itself. Questions of distribution were brushed aside and it was even postulated that inequality was necessary to generate savings and provide the necessary incentives for growth. This doctrine continued to have credence into the early 1970s, in spite of ample evidence to the contrary. The impressive 5% increase in GNP which, in the 1960s, characterised the developing countries as a group, has done little to alleviate the problem of poverty in the Third World, for while it has been partly absorbed by their high population growth rates, a large part of it has gone to the already affluent élites of these countries. Economic, social and political inequality persist and wealth and power remain highly concentrated in the hands of the few who have benefited from growth and who use their power to preserve these benefits for themselves.

Thus the most serious flaw in the first two Development Decades was the fact that, by ignoring the social aspects of development, they neglected the requirements side of the development equation.

### Redefining development

By the mid-1970s a number of independent scholars, non-governmental organisations and international agencies had begun to question the idea of basing development strategy on achieving gross increases in production and asking instead to whom the benefits of such production were accruing. As a strategy for the reduction of poverty and inequality, the effectiveness of economic growth was called into question. As a 1977 World Bank

paper pointed out:

"Economic growth appears to have done very little for the poor of the Third World's rapidly growing populations ... The trouble was not so much the absence of work as unremunerative work. It was not growth as such but the structure of ownership and power and the policies pursued by governments which prevented the poor from benefitting from growth ... Critical social services have been neglected on the ground that they are of undefinable value to GNP."<sup>2</sup>

The message for the 1980s and for the success of the New International Economic Order is very clear.

"(There is a)... need for new development strategies - national and international - defined and designed, not merely to meet the criterion of private or state profitability, but rather to give priority to the expression and satisfaction of fundamental human values. Society as a whole must accept the responsibility for guaranteeing a minimum level of welfare for all its citizens and aim at equality in human relations ... It follows that the problem of development must be redefined as a selective attack on the worst forms of poverty."<sup>3</sup>

#### Two kinds of poverty

The elimination of absolute poverty, characterised by indigence and destitution, is crucial to national and international development. While it exists, the apathy it creates will undermine both the desire and the will for self-improvement.

Inasmuch as the incidence of absolute poverty appears to be increasing in most developing countries, despite their rapid economic growth, it constitutes one of the most disturbing aspects of economic development in the last twenty-five years. According to statistics compiled by the ILO approximately 67% of the population of developing market economies can be described as seriously poor and 37% of this group as destitute.<sup>4</sup> Additionally, when the concept of poverty is extended to include, not merely income relative to consumption requirements but also access to basic services like health, housing, education and other social amenities, the proportion of the global population that can be classed as poor is quite considerable. It is to this aspect of

poverty and to the amelioration of the conditions of these people that the basic needs strategy must address itself.

Identification of the causes of poverty in developing countries would serve as a point of departure for the formulation of development strategies which would both counteract its worst effects and, in the long run, result in its eradication.

Basically the causes of poverty are to be found in the economic and social structures of the developing countries. One of the major causes of poverty is the fact that economic growth is generally centred on and oriented towards the small modern sector which is characterised by capital-intensive rather than labour-intensive production techniques. This results in an asymmetrical pattern of growth favouring the urban centres and a small portion of the total population to the detriment of the rural sector and the exclusion of the large majority from the fruits of development.

The highly asymmetrical distribution of income and power which is characteristic of many developing countries is another, and perhaps more important, reason for their uneven patterns of growth. These inequalities influence the patterns of growth mainly through their impact on the generation of demand and output. In economies where income patterns are based in favour of the rich, the market inevitably reflects their tastes and needs.

The type of goods and services usually produced within both public and private sectors are therefore neither appropriate to the needs of the really poor nor accessible to them. Additionally, as the production of consumer durables for the rich usually requires capital-intensive rather than labour-intensive production techniques, such patterns of growth generate low rates of employment and income growth, thereby adding to the problem of absolute poverty.

The skewed distribution of income also affects the access of the poorest groups to public services (e.g. schools, medical services, housing and other social infrastructures), credit facilities and extension services as the decisions regarding the spatial allocation of these and other such resources are usually in favour of the more powerful moneyed classes.

In short, the poorest peoples of nations are caught in a vicious circle in which their poverty itself denies them easy access to the very goods and services which would alleviate their situation.

While the causes of poverty are to be found principally within the economic, political and social structures of the developing countries, the influence of international factors and policies cannot be overlooked. The inadequate flow of resources from developed to developing countries, fluctuating and generally unfavourable terms of trade and restricted access to the markets of the industrialised countries have constrained economic and employment growth in the Third World. In addition, where aid and investment are available they are directed largely towards the modern, capital-intensive, urban sector and so exclude a large proportion of the population from their benefits.

Increasing awareness of all these factors has resulted recently in the reconsideration of the objectives and the design of development strategies. The earlier reliance exclusively on policies of income and employment generation has given way to the recognition that these must be complemented by changes in the structures of production and the allocation of resources if economic development is to benefit all citizens equally. In essence, what is called for is "another development" founded on self-reliance and the satisfaction of basic needs.

In the context of "another development" it is useful to take a second look at the concept of poverty and to ask the question: "Is poverty necessarily an evil?"

Poverty is usually treated as an unidimensional concept characterised solely by utter destitution and hopelessness. However there is another dimension to poverty the keynote of which is, not destitution, but simplicity of life-style and values. Such a poverty is by no means an obstacle to development and could be effectively pursued as a desired goal by the developing countries in their development efforts.

The kind of poverty which constitutes a denial of the superfluous once the essential has been achieved, invests a society with justice and dignity and gives it a base of equality in wealth and power from which to launch a collective assault on the task of development. Such a poverty is "operational" in the sense that it provides a lever for action to achieve development; a sheet-anchor in a world constantly re-thinking its future,

Neither a promise of abundance nor an uncontrolled scramble for consumer goods can or even should be the driving force of development planning. The unchecked accumulation of wealth and of material goods must eventually become a canker in the body politic. Pollution, the destruction of the environment, overcrowded cities, stress, boredom, drugs, violence and mental disease are but a few examples of the high social costs of untrammelled acquisitiveness and the apparently infinite expansion of the consumer market. The struggle for relative wealth creates inequalities within a nation and sets a people against itself, destroying the collective will which is so necessary to a country in the process of development. Human needs are both relative and socially conditioned. Non-selective imitation of Western models of development, even in the satisfaction of basic needs, can only result in the developing country falling into

the same trap of spiralling needs that characterises the West today. While the provision of basic human needs is central to development strategies, planners must not overlook the fact that the social control or mastery of such needs, through education, taxation and other government policies, is also essential. For as Aristotle pointed out, "the amount of property which is needed for a good life is not unlimited". A society based on anti-consumption is a society of collective wealth and participation in poverty, which in turn means the greatest welfare of the greatest number.

Thus, the question to be asked in formulating alternative strategies for development is not so much how poverty can be entirely eliminated, but more how it can be constructively used for the advancement of a nation.

For most developing countries to achieve such a society, a regime of strict economy based on egocentric development is essential. A regime of strict economy is not an austerity plan to meet an emergency. It is a long-term development plan based on the fullest utilisation of a country's own strengths, its resources and the creative capacity of its people. It depends for its successful accomplishment on cultural, economic and political independence, self-reliance, solidarity and the participation of the people in the task of nation-building. The five pillars on which it must rest are: the satisfaction of basic needs, endogenous development, self-reliance, participation and a contract of solidarity.

### Basic Needs

The question of the satisfaction of basic needs as a strategy for development is one which must be viewed with caution. While the concept is increasingly, and justifiably, used in development

parlance to shift the emphasis from the development of things to the development of man, it must be noted that it is only one of the many facets of "another development". As a strategy, the satisfaction of basic needs must not be considered as the exclusive remedy for all economic and social ills. Neither should it become an excuse for avoiding the structural changes necessary both within and among nations for the eradication of inequality. It must also be remembered that basic needs are relative and that, given the existence of cultural diversity, there is no universally valid and predetermined level of basic needs. Rather basic needs must be nationally determined and must be consistent with the income and capability limitations of the country concerned. In this context again the idea of a social control of needs, or a ceiling on needs, cannot be over-emphasised.

With these reservations in mind, the following discussion looks at basic needs as one of the important elements in "another development".

The starting point of the basic needs approach to development is the need to provide opportunities for the full physical, mental and social development of the human personality.<sup>5</sup> With this in mind it focuses on channeling specific resources to groups which, being deficient in them, are denied their full rights as citizens. Its ultimate aim is therefore the eradication of the worst kind of physical and spiritual poverty that exist among the poorest people and the poorest nations.

At its most comprehensive the concept of basic needs involves a very intricate matrix of material and non-material needs and satisfiers of these needs. (See Table I)

TABLE I

Basic Needs Categories and Satisfiers<sup>6</sup>

Classification of needs according to categories of satisfiers which mainly satisfy them			Having		Being
Classification of needs according to categories of ontological values			Personal	Environmental	
			Psycho-somatic	Psycho-habitational	Psycho-social
Living	Survival	Maintenance	Nutrition Rest Physical fitness	Climatization Aid Habitability	Income Reproduction Habitability
		Protection	Preventive med. Health care Self-protection	Prevention Restitution Defense	Prevention Restitution Defense
Co-Living	Belongingness	Love	Identity, Attach ment to living	Taking root Affection Attachment	Sexual and family love, Friendship
		Understanding	Raising, Educat. Information Introspection	Education Information Observation	Education Information Observation
Growing	Esteem	Participation	Autonomy Liberty Independence	Participation Autonomy Liberty, Independ.	Participation Autonomy, Liberty Independence
		Recreation	Self-recreation	Habitational Recreation	Social Recreation
Perfecting	Innovation	Creation	Genius Achievement	Improvement Achievement	Improvement Achievement
		Transcendancy	Self-achievement	Cosmovision	Historic Prospective Religious
	Maturity	Meaningfulness	Authenticity Equanimity Security Humility	Beauty Ecological equilibrium	Solidarity, Justice Integrity, Altruism Generosity Responsibility Adaptability
		Synergy			

However, as a strategy for development and for the eradication of poverty, the concept addresses itself selectively to some of the strategically more important categories of the matrix including those in the material sphere of living (e.g. nutrition, health care, income, etc.) as a precondition for the adequate development of satisfiers in the non-material areas of co-living, growing and perfecting, all of which have a bearing on those processes which



would foster the integration of persons and groups into the development process.

As the foregoing discussion illustrates, the concept of basic human needs consists of two components, "having" and "being". By the ILO's definition the former is composed of two inter-related elements: (a) certain minimum requirements of a family for private consumption (e.g. food, shelter, clothing, etc.) and (b) essential services provided by and for the community (e.g. safe drinking water, sanitation, public transport and health and education services). The "being" aspect of the concept addresses itself to non-material needs including self-reliance, self-determination, basic freedoms, respect for human rights, participation, etc. As the principal means to ensure production of necessary goods and services and the income with which to acquire them and as a means of identification with and participation in the development processes, employment plays a crucial role in any basic needs strategy.

The definition of basic needs targets, and especially those of its "having" component, in terms of the supply and consumption of specific goods and services and of their characteristics facilitates first, the identification of those sections of the population whose needs are not being met and secondly, the estimation of the shortfalls. Such an approach also avoids the danger of expressing command over goods and services in terms of income estimates which ignore the non-monetary aspects of poverty such as the lack of access to essential services. It also provides a basis for planning the production of basic goods and services and makes it easier to monitor progress in achieving the satisfaction of specific items of basic needs and so gives national planners a more relevant focus for their plans and also benchmarks against which performance can be measured and participation mobilised.

The monitoring of developments in the areas of basic human needs is essential if specific targets are to be met within a given time frame and if the concept of basic needs is to be dynamic, evolving over time in line with the growth of economies and of the aspirations of the people. The traditional answer to the questions of (a) the measurement of progress in meeting basic needs and (b) the assessment of achievements in the area of reduction of global poverty within a given time frame, is the measurement of per capita income. A serious flaw in this kind of measurement is that it does not take into account the role and influence of non-monetary income factors such as subsistence farming and government financed public services. Cross national research with alternative indicators of development have demonstrated that the validity of traditional economic measure can be called into question. For example, the Physical Quality of Life Index (PQLI) developed by the Overseas Development Council demonstrates that when universally acceptable targets of well-being, such as life expectancy, infant mortality and literacy, are used as indicators of progress, the picture which emerges is very different from that which is presented by the more traditional statistics of per capita income.

TABLE II  
The Development Attained by Selected Countries<sup>7</sup>

	Average Per Capita GNP	PQLI Achievement	Life Expectancy at Birth	Infant Mortality	Literacy	Birth Rate
	(\$, 1974)		(years)	(per 1,000)	(%)	(per 1000)
Low-Income Countries	152	39	48	134	33	40
India	140	42	50	139	34	35
Kerala, India	110	72	61	58	60	27
Sri Lanka	130	83	69	45	81	28
Afghanistan	110	18	43	182	8	43
Lower Middle-Income Countries	338	58	61	70	34	30
Malaysia	680	59	59	75	41	39
Korea, Rep. of	480	79	61	47	88	29
Cuba	640	85	70	29	78	25
Upper Middle-Income Countries	1,091	68	61	82	65	36
Iran	1,250	39	51	139	23	45
Algeria	710	43	53	126	26	49
Taiwan (ROC)	810	87	69	26	85	23
High-Income Countries	4,361	93	71	21	97	17
East	11,770	65	69	44	55	45
United States	6,670	94	71	17	99	15
Netherlands	5,250	97	74	11	98	14

The above table illustrates the contention that although there is a close correlation between levels of GNP and physical well-being, low income and the worst consequences of absolute poverty do not necessarily coincide. This is demonstrated for example in the case of Sri Lanka where life expectancy, infant mortality and literacy rates are similar to those of the U.S. in the 1930's but achieved at a much lower rate of per capita income. This means that though a substantial proportion of the population has incomes below that defined as absolute poverty, government financed services such as free weekly issues of grain, the provision of free medical and educational services and, more recently, land reform have supplemented the cash incomes of the poorest people. Conversely, the case of Iran illustrates the fact that high per capita income does not reflect widespread well-being.

Thus, while it must be admitted that more research is necessary before the principal variables for the measurement of progress in the satisfaction of basic needs and their relative importance can be fully developed, a need exists for the formulation of specific targets within<sup>a</sup> given time (e.g. doubling food production, doubling per capita income and halving existing disparities between life expectancy, infant mortality and literacy rates between developed and developing countries by the year 2000).<sup>8</sup>

In general terms a basic needs strategy calls for development policies characterised by a judicious mixture of both economic growth and equitable income distribution, together with the structural changes necessary for the eradication of poverty.

Although it is often suggested that growth alone would, in the long run, result in the amelioration of the conditions of the poor, as the Director-General of the ILO has pointed out "it is no longer acceptable in human terms or responsible in political

terms to wait several generations for the benefits of development to trickle down until they finally reach the poorest groups".<sup>9</sup> Given a proper mix of growth and redistribution, the incomes of the poorest groups as well as their access to basic services will increase at a faster rate than that of other groups in the economy.

This redistribution can be effected in many ways, including (a) changing the relative price of goods and services of special importance to the poor, (b) introducing consumption transfers which benefit the poor through a combination of progressive taxation and an expansion of publicly-financed basic services, (c) investment resources channeled in favour of the production requirements of the poor and (d) the redistribution of existing resources such as capital and land.

Productive employment policies also have a central role to play in the basic needs strategy through their effect on supply and demand in a given economy. Increases in productive employment result in increase in incomes with which the poor can buy the goods and services they need. This in its turn necessitates further investment in these products to increase their supply and since they are usually labour intensive, increases in investments leads back to increases in employment and so incomes. Thus, as far as possible, the objective of public policy should be to promote productive employment in sectors that would contribute directly or indirectly to the production of basic goods and services. This could be achieved for example by providing access to tools and implements for the self-employed; providing infrastructural facilities such as irrigation, roads, cheap transport, credit, public works schemes, etc; through investment in areas that support and enhance production and through investment in training, health and education with a view to improving access to skills and increasing productivity.

Additionally, public investment and tax and credit policies should also be oriented towards appropriate labour intensive rather than capital intensive activities.

The increase in incomes generated by the increase in productive employment must be matched by a parallel increase in the supply of products needed by the poor if basic needs strategies are to succeed. Thus policy formulation and planning should put as much emphasis on the supply of basic needs goods as on employment planning by overcoming the constraints which hinder output, minimising the loss of marketable output that results from wastes caused by lack of or inadequacy of supporting services and by improving the distribution and delivery systems of the country concerned.

The implementation of a basic needs strategy depends on rapid increases in both agricultural and industrial output. However a swift rate of growth is only one of two components of strategy in this area. The second is that the design of development policies or projects should be based on an assessment of the extent to which they meet the objective of producing the goods and services identified as being necessary to a minimum standard of living. In so far as development projects are concerned - and this applies to nationally and internationally funded projects - social desirability studies should be carried out at the same time as the economic viability studies which normally precede such projects. In addition, the constant monitoring of the social aspects of such projects and their modification in response to changing needs will ensure that evolving needs do not outstrip the provision of goods and services.

In the agricultural field the objective of integrated rural development is becoming increasingly popular as a way of meeting both the material and non-material needs of the rural population. The concept of integrated rural developments starts from the premise that rural poverty is a central problem of development which can only be eradicated through a specific set of "integrated policies". Contending that traditional development methodology attacks poverty in an indirect and passive way by subordinating the determination of target groups to development goals and measures,

the integrated rural development concept reverses these relationships. Thus the first step in policy planning becomes the identification of the most needy "target groups", followed by the formulation of goals specific to the needs of those groups and by the measures necessary to achieve these goals. To ensure that the measures taken are mutually consistent and as comprehensive as possible, a package approach which includes a variety of inputs (e.g. seed, draught animals, tools, credit, etc.), infrastructural facilities and other forms of technical assistance programmes is essential. As mentioned before, in countries where patterns of landownership are a major cause of rural poverty, land reform measures could also facilitate rural development.

The expansion of rural activities would certainly have an impact on the pace of industrialisation through the increase in demand generated by income increases and also through the availability of more agro-industrial inputs resulting from agricultural expansion.

Given the fact that the task of the industrial sector is to provide the basic consumer goods required by the poor and to provide technical input support for the agricultural sector, the selection of new industries and expansion of existing ones must be oriented towards meeting these needs. In this connection too the use of local resources and increasing domestic industrial processing should be encouraged.

Finally, the provision of adequate and appropriate public services and social infrastructures is an essential element in the promotion of a basic needs strategy of development. One of the major drawbacks of existing social services in most developing countries is that they are largely urban centred both in terms of spatial location and in terms of orientation. There is, therefore, a need for the reorientation of these services and their extension into the rural areas.

Thus, in satisfying the judiciously selected essential needs of a people, a basic needs strategy will itself generate some of the structural changes necessary to the development of a nation.

### Endogenous development

The trap into which many of the Third World countries have fallen in their development efforts is to believe that there is only one development model and that is the Western one. This has resulted in the wholesale importation and perpetuation of the whole gamut of Western values, culture, production systems and social institutions. Development is conceived of in terms of the most colossal budget, the most ambitious plan for industrialisation (usually to the detriment of the traditional rural sector and employment), the last word in technology, armaments and transport and the proliferation of expensive consumer goods. Indigenous cultural values and traditions have become synonymous with backwardness and imitation of the West is considered the ultimate in modernity. Predictably, the result is one of cultural and economic dependence on the West and vulnerability to external influences and forces.

In pursuing a Western pattern of development political leadership in the Third World has overlooked an important fact, which is that human requirements are not purely economic but include citizenship of nations that are truly independent economically as well as politically.<sup>10</sup> With its emphasis on endogenous development patterns, the valorisation of national resources, consumption patterns that economise on foreign exchange, national control over resources and the participation of the masses in the tasks of nation-building, the basic needs approach offers an opportunity to break away

from this alien economic pattern which perpetrates an international division of labour characterised by a few economic empires at the centre directing the tasks carried out at the peripheries by their satellites. All new national policies which seek to reduce economic vulnerability and cultural dependence must be based on an autonomous definition of the forces and forms of development in accordance with each country's natural environment, cultural heritage and human potential. If the forces inherent in each society are brought into play the result will be the collective awareness of the possibilities of self-reliance, a form of solidarity founded on the similar nature of problems to be overcome.

Nowhere is the need for cultural independence and self-reliance more obvious than in the area of technology. Technological development has had, in many respects, an adverse influence on the social structures of the developing countries largely because new techniques are introduced without sufficient forethought regarding the requirements of a country. Technologies which have evolved in the context of the needs and objectives of alien cultures should not be adopted without thought for either their actual value insofar as the creation of employment is concerned or for their impact on the ecological and cultural systems of the recipient countries. How development is gained is no less important than its benefits and technology must be recognised as "a two-edged sword, simultaneously the bearer and the destroyer of values".<sup>11</sup> If cultural and ecological diversity are to be nurtured and it is in the interests of the world community that they are - technology should be adapted to reflect the experience, the skills and the requirements of the recipient peoples so that they might develop their own characteristics and capabilities.



The objective of technology should be to close the technological gap which exists in most developing countries, to raise incomes and employment and establish the foundations for more endogenous technological development through the reorientation of research to over labour-intensive, energy-saving intermediate technologies designed for small-scale urban and rural production. If complemented by the expansion of training facilities for skilled and semi-skilled workers and the provision of inputs like credit facilities, these measures will facilitate the rapid expansion of both the industrial and the agricultural sectors.

In addition, another development strategy which emphasises basic needs will itself influence the choice of technologies in the developing world. The satisfaction of basic needs, including the right to employment, necessitates the adoption of technologies which have the greatest potential for improving the welfare, employment and incomes of the poorest groups. Simple and inexpensive technologies of a labour-intensive rather than a capital-intensive nature should be the keynote of the basic needs approach.

New development approaches call for technologies emanating from the people or adapted to their needs. They should be applied not only in the modern industrial sector which is regulated by an exchange economy and external market factors but also in the traditional rural sector in order to facilitate its expansion, the development of complementary agro-industries and the creation of a service economy. As the people are the starting point and the target of development efforts, the production of goods and services for the producers must not be overlooked.

### Self-Reliance

Self-reliance itself is an essential element of the basic needs approach to development. It is characterised by a reduction in external dependence and especially in the dependence on imported goods and services (such as basic foodstuffs, fuel,

capital equipment and expertise) through changed patterns of consumption, life-styles and increased production of essential services and commodities at the national level. This does not entirely preclude trade, but it does limit exchanges to those items which are thought to be indispensable and are not found at the local, national or regional level. It implies also increased national ownership of internal resources, accompanied by increased local processing and more local control over the market price of commodities. It would also give countries more leverage in their dealings with trans-national corporations, and give them the ultimate say in the exploitation of their own resources,

However, self-reliance must not be confused with autarky. In an interdependent world no nation can be either self-sufficient or completely isolated, so its capacity for meeting the basic needs of its own people is of necessity limited. The key to development strategy based on self-reliance "is not to break all links which would be socially damaging and politically unworkable, but to adopt a selective approach to external influences".<sup>12</sup> The Chinese experience with self-reliance is an illuminating lesson on just how successful such a strategy can be.

Nor is self-reliance necessarily a strictly national strategy. The experience of OPEC and the other economic cartels that have followed it have demonstrated that the collective confrontation of a problem makes its solution easier. By pooling their resources and their knowledge, the developing countries are more likely to overcome the obstacles on their path to development. This is particularly true of the area of international trade. The structure of the international economy is such that developing countries often find themselves at a disadvantage in their trade links with the developed world and it is increasingly obvious that new approaches and initiatives must be undertaken in the international area to support national self-reliance. In the words of the team that drafted the Report to the Governments of the

Commonwealth which met in June 1977:

"... co-operation among the developing countries must now become more than ever before a focal point of a new international strategy for development ... It is only by this means that the capacity for self-reliance of the developing countries can be maximised, leading ultimately to a world economy which will, in the fullest sense of the term, consist of complementary and inter-dependent parts."<sup>13</sup>

At present trade among developing countries is of a minor importance - not more than 20-25% of total trade.<sup>14</sup> With the implementation of basic needs strategies and the application of more appropriate technologies and the production of appropriate products for developing countries there should be more scope for increased trade between the Third World countries and less reliance on trade with developed countries. These trading ties would be of particular importance to one-crop countries which are, at present, especially vulnerable to price fluctuations and other external factors which make individual self-reliance virtually impossible.

Nor is trade the only possibility for exchanges among countries of similar social and economic backgrounds. They can also assist one another in other areas such as technological innovations and developments; the exchange and dissemination of experiences through an exchange of qualified personnel; co-operative projects implemented on a multi-national basis; joint programmes for the eradication of diseases; joint development of rivers and transport networks between neighbouring countries, etc. Such interchanges will not only strengthen the linkages between the Third World countries but will also change their relationships with the industrialised countries by decreasing their dependence on them.

If basic needs satisfaction, cultural independence and self-reliance are to be the cornerstones of the new development strategy, a fourth element is inevitable; i.e. the specific, equitable and responsible participation of all people in the advancement of their own nations and in the global development of the planet.

In 1973 the participants at the Algiers Conference, commenting on the need for a new economic order, noted that the process of internal structural change must be oriented towards the maximum improvement in levels of employment and income redistribution and to an overall solution for such problems as health, nutrition, housing and education so as to meet the basic needs of a nation's people. They also stated their conviction that these aims could only be attained through the conscious, democratic participation of the popular masses as a decisive factor in any national effort towards dynamic, effective and independent development.

Participation of the target populations in decision making has several advantages. It is crucial to the identification of needs and targets and the appropriate design of programmes as it "places a wealth of additional information at the disposal of the planners enabling them to set objectives that are more realistic" <sup>15</sup> and more in keeping with the needs and aspirations of the target groups themselves - an invaluable element in a strategy oriented towards the satisfaction of basic needs. In addition, participation of the masses means the mobilisation of popular interest in development issues, the exploitation of the people's latent energies and creativity and the economical use of local resources and under-utilised labour. People who are involved in the formulation of strategies which they can clearly perceive as being beneficial to themselves will also be more willing to involve themselves in the implementation of these strategies, thereby enhancing the spirit and conditions of self-reliance. Furthermore, participation in the achievement of material needs will also fulfil some of the non-material needs such as respect for and

continued promotion of basic human rights, for example the right to gainful employment and the right to participate in decisions that affect one's conditions of existence.

At a policy-making level, participation of this nature implies that political leaders must avoid isolating themselves and must listen and learn from the people they govern. This involves bringing the decision-making centres closer to their popular base and facilitating the motivation of the masses of population in the execution of various projects. It is clearly to the advantage of nations, therefore, to promote the development of social institutions through which they can mobilise the masses and encourage their active participation in every aspect and stage of planning for development so as to achieve real social participation.

However, participation in the tasks of development is not the prerogative and the duty only of the masses. There is another aspect of participation which is frequently overlooked - namely, the participation of the wealthy (i.e. of the élite) in the pursuit of equality and the full economic freedom of the masses, in short, participation in poverty. As Gandhi once said, working for equality means "abolishing the eternal conflict between capital and labour, the levelling down of the few rich in whose hands is concentrated the bulk of the nation's wealth on the one hand and a levelling up of the semi-starved naked millions on the other". Unless there is a voluntary abdication of riches and the power that they give and a sharing of them for the common good, violent and bloody revolution is a certainty one day. The political and social élites of developing countries have an important part to play in the redistribution of power, assets and income. As the monopoly of power is in their hands, it is imperative that they use it in the service of the nation

and not for personal profit. Without a great sense of responsibility and dedication on their part it is futile to expect the masses to rise to the challenges and sacrifices that a development strategy based on essential human needs calls for. Additionally, it must be remembered that equal access to the nation's wealth and resources is the birth-right of each and every one of its citizens. Therefore there should be no suggestion of charity on the part of the élites - no element of "crumbs from a rich man's table" - towards the poorer members of their community.

One concrete way in which developing countries can facilitate the participation of the masses in development is by building up or strengthening the various interest organisations such as workers' co-operatives, trade unions and rural workers' organisations to serve as mechanisms of participation and self-expression. Additionally, production and consumption planning, which is at present highly centralised and therefore far removed from the people most concerned with the identification of needs, could be decentralised to the community and village levels wherever possible. With more administrative power devolving on the provincial, district and village levels, decision making will be more closely oriented towards meeting of the people's needs. The national government's role in this should be confined to providing technical assistance in the form of extension and financial services.

Having recognised the importance of participation in development at the national level, it is unlikely that the political leaders, especially of the Third World countries would overlook its importance at the global level. In the name of an ideal of justice and equality which coincides with the common well-being, peoples are affirming their right to participate fully in the drawing up of the rules that govern the international community and changing the very nature of international relations as a consequence. Given the collective strength and bargaining power of the Third World today, participation in the distribution of the fruits of development as well as in its tasks is becoming a more realistic goal. Consequently, collective negotiation will serve as the principle for international relations and solidarity must constitute the fabric of the new society that is being formed by the new international economic order.

At both the national and the international level, an aggregation of interests could bring about newer, more efficient and more equitable relations in development and cooperation. A contract of solidarity between countries and between population groups within countries would serve to unite people and nations in the pursuit of their mutual economic and social advancement. Contracts imply the formulation of implementable goals, the burden and the fruits of which would be equally shared by the

partners in development who would all have a vested interest in their attainment. This is why it is more appropriate to speak, not of solidarity per se, but of a "contract of solidarity".

For the countries of the Third World solidarity implies the pooling of their resources in production and commerce in order to resist commodity market forces. However, their cooperation need not be limited to economic intergration but could also include the acceleration of the acquisition and transfer of technology among themselves. Solidarity would also provide an opportunity for developing countries to engage in stimulating exchanges in the economic, social and cultural fields.

At the international level, solidarity implies financial and technical assistance for the world's poorest nations and poorest peoples so that they might achieve their basic needs. The greatest difference between rich and poor countries is that the former have more than enough and the latter less than enough to ensure the satisfaction of basic needs of their respective peoples. A redistribution of international resources and income is, therefore, clearly called for. While the problems of poverty and the satisfaction of basic needs have to be resolved mainly at the national level, international action based on solidarity, can greatly facilitate a solution.

#### Basic Needs and International Relations

When considering the impact of the new development strategy on international relations it is virtually impossible to compartmentalize its effects at the national and international levels. The two levels are, as it were, the two sides of the same coin and policy decisions and changes at one level inevitable have repercussions at the other.

The single most important event in this area at the international level which has effected relations throughout



the world community is the demand for the implementation of a new international economic order, based on equality, interdependence and cooperation. Recognising that the impact of previous development strategies against poverty and cyclical unemployment has been negligible, the planners of the new order again addressed themselves to

"the political, economic and social well-being of present and future generations [which] depends more than ever before on cooperation between all the members of the international community on the basis of sovereign equality and the removal of the disequilibrium that exists between them."

By creating new principles for the organisation of society and the economy in a way/<sup>in</sup>which privilege will give way to equality of opportunity and dependence to dignity, the new order provides for a more equal distribution of forces and, thus, opens up new opportunities for improving the lot of the least favoured peoples. In 1976 the ILO suggested that " the satisfaction of basic needs is a national endeavour but its success depends crucially upon strengthening world peace and disarmament and on the establishment of a new international economic order."<sup>16</sup>

Cultural independence and self reliance at the national level also have implications for relations at the international level. In the first place, they will go a long way in breaking the ties of dependency which characterize earlier development strategies and will enable states to meet on terms of equality in the international arena. They will also strengthen the power of the developing countries in their dealing with the large transnational corporations which currently dominate the global economic scene. Conversely, the developed countries relieved of the need or the desire for paternalism will cease to offer to solve other people's problems, as they now do all too often. Instead, collective negotiation will serve as the principle for future international relations and development will include working on common, world-wide problems, while keeping in mind long-term national interests.<sup>17</sup>

Being a first phase in a global growth process the basic needs approach must form the core of all international development strategy. Concern with the amelioration of the conditions of the world's poorest peoples will ensure a more equal distribution of resources among nations through both enlarged aid programmes and the expansion of trade liberalisation policies in favour of the developing countries.

Various international organisations and agencies will also have an active part to play in the promotion of another development. Bilateral and multilateral aid agencies must play a more responsible role in the amelioration of the conditions of the poor by ensuring that the aid programmes they finance are oriented towards the needs of the poorest people, especially in the rural areas. It is their responsibility to urge the recipient countries to take account of the possible social consequences of development plans and to monitor them constantly with a view to evaluating their impact on those aspects of development that will best serve the needs of the poor and to modifying them if necessary. The formulation of lists of social criteria for development planning would undoubtedly facilitate this task.

Policies of national self-reliance can also have an impact on international trade and aid. In so far as aid is concerned, it can be postulated that development strategies that are directed towards self-reliance will enjoy better prospects of financial and technical assistance from the developed countries, simply by demonstrating that the recipient people do not consider aid a crutch to be held on to for as long as possible. Additionally, the concept of basic needs itself has international appeal and the pledge to meet the needs of the world's poor has given new life to flagging international aid policies.

In so far as trade is concerned, national policies of foreign exchange utilisation based on the meeting of consumption needs or investment requirements of the poor should be complemented at the international level by policies which would channel the benefits of trade more to the poorest nations by raising and stabilising the prices of their primary commodities.

It can also be argued that trade liberalisation policies in favour of the developing countries can, in the long run, have a beneficial effect on the economies of the developed countries too. Opponents of trade liberalisation argue that the improvement of the economic situation of developing countries is achieved at high cost to the developed countries, especially in so far as the reduction of employment is concerned. However existing figures, like those below, demonstrate that, while individual industries might be hit by import competition, at a general level, developing countries have not caused the current trade deficit or the loss of jobs within the developed countries.

Table III 18

The Rich World's Trade in Manufactures with the Poor, \$bn

	America's			EEC's			Japan's		
	Exp.	Imp.*	Bal.	Exp.	Imp.	Bal.	Exp.	Imp.	Bal.
1972									
Oil LDCs	1.96	0.05	1.91	5.03	0.32	4.71	1.78	0.02	1.76
Non-oil LDCs	7.61	6.13	1.48	12.79	4.23	8.56	7.14	1.19	5.95
Total LDCs	9.57	6.18	3.39	17.82	4.55	13.27	8.92	1.21	7.71
1976									
Oil LDCs	9.95	0.14	9.81	22.28	0.62	22.66	9.01	0.08	3.93
Non-oil LDCs	18.47	14.82	3.65	25.70	11.05	14.65	16.38	3.52	12.86
Total LDCs	28.42	14.96	13.46	48.98	11.67	37.31	25.39	3.60	21.79

It must also be recognised that unless the developing countries can export to the developed countries, they will not earn the foreign exchange necessary for the purchasing of the manufactured goods produced in the developed countries, affecting thereby both employment creation and the competitiveness of the economy.

In general terms, trade is one of the many aspects of international relations which points to the fact that, notwithstanding policies of self-reliance, global interdependence is stronger now than ever before. Rich countries in particular are being faced with the realisation that economic progress or the lack of it can affect their own economic growth and that it is in their own self-interest to facilitate the development of the world's poorest countries.

International organisations, such as the UN, its affiliates and many private and non-governmental organisations, have already played an active part in the move towards the redefinition of the concept of development to include a basic needs strategy, both in their capacity as international forums where the various aspects of the new international economic order have been debated and in their role as specialized agencies dealing with specific areas of development.

While these organisations must continue to serve as forums for debate and decision-making and as clearing houses

for information, the UN's specialized agencies have a distinctive role to play in the area of technical assistance. The redefinition of development to include the basic needs concept and all it implies necessitates the setting up of new services and institutions which will channel the resources of the country concerned to those areas of the economy where they are most needed and which will encourage the active participation of the masses in the economic, social and political life of the nation. The specialized agencies must stand ready to offer their technical expertise to the governments concerned in the areas of their own specialization so as to assist them in building up the necessary social infrastructures and thus ensure the satisfaction of basic needs.

However, the developing countries should not lose sight of the fact that the main tasks of development do not lie solely with the developed countries or the international agencies. International strategies must be complemented by similar national strategies and global redistribution of income and resources by similar policies within and among the countries of the Third World. It is only by giving the people of the Third World a greater share in the benefits of their development that the designers of the new international economic order can justify the sacrifices - for they will be seen as such - demanded from the people of the First and Second Worlds. Else they might remark as President Carter did: "The time has come to stop taxing the poor people in the rich countries for the benefit of the rich people in poor countries."<sup>19</sup>

In sum, a development strategy based on a judicious admixture of these five complementary elements (i.e. the satisfaction of basic needs, endogenous development, self-reliance, participation and solidarity) if rigorously applied by nations characterised by régimes of strict economy, could do much for the elimination of the causes of inequality and poverty on the national level, as well as the international level. Absolute poverty today is not so much the result of shortages of natural and technological resources but a lack of political and social will. A generation of responsible and relevant co-operation, based on global solidarity will go far in eradicating absolute poverty and inequality from the world.

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First Session

Rome

18-20 May 1978

Background Document

(NSRT-/INF. 4)

Restructuring World Economic Relations:

Who Stands to Gain?

Secretariat Note

Although a number of individuals from Eastern Europe and the Soviet Union were invited to participate in the Round Table, none has found it possible to be present at this session. It would appear that one difficulty has been a feeling that it is not quite appropriate to include participants from East Europe in the "North" in a "North South dialogue."

The attached paper was received independently, as a contribution for the SID journal, the International Development Review, but because of its relevance to the questions before the Round Table, it is being circulated for the information of participants.



## RESTRUCTURING OF WORLD ECONOMIC RELATIONS: WHO STANDS TO GAIN?

By Mai Volkov, Professor, Doctor of Economics,  
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The label of a modern consumer commodity which says that it, for example, is made from Australian wool, designed by a French fashion house and put together at a textile mill in Hong Kong graphically illustrates the increased economic interdependence of some countries. If we add to this that the commodity is usually not sold in the country that made it (world trade grows twice as fast as production), then the picture of the world economy, where every country is only a link in the chain of a single international production process, will become entirely clear.

At the same time, every country is a sovereign state with its own interests and aspirations. The process of the increasing political self-determination of nations which proceeded rapidly in three post-war decades led to the destruction of the colonial empires and established in their place 90 young states. Of the 160 states in the world, 15 at present are socialist, 25 are industrialized Western countries and 120 represent the developing states of Asia, Africa and Latin America.

Yet there still prevails a system of international economic relations that has survived since the time when a small group of Western countries had complete control over the world economy. The contradiction arising between the new existing political structure and the obsolete system of economic relations led in recent years to open confrontation in the sphere of world economics between a number of third world countries and a number of Western countries.

Attempts are being made in the West to present this confrontation as a clash of interests of the peoples of the developing countries, on the one hand, and the population of the leading Western powers, on the other. But this is not so. The point is that in relations between the peoples of these two groups of countries there are powerful intermediaries — business monopolies and multinational corporations. It is their interests concentrated in the desire for huge profits that contradict both the needs of the population in the Western countries and the hopes of the peoples of the young countries.

.../...

This conflict became particularly pronounced at the end of 1973 and the beginning of 1974 when the sharp aggravation of the energy crisis led to a slump in business activity and a shortage of fuel in many Western countries. This period, which meant the loss of jobs and unheated apartments for thousands of American families, brought record profits to the US monopolies. In 1973, they amounted to 9.5 billion dollars, as compared with 6.5 billion dollars in 1972.

It is against the policy and practice of this sinister mediation, but in the interests of the population of the Western countries, that the program of restructuring the international economic order is directed and whose implementation is being urged by the young states.

This restructuring is based on both political and economic principles which have long been put forward by the developing countries. Included among the political principles are the right to defend the sovereignty of every country regarding its natural resources and also the right of its peoples to freely choose the path of its development; the economic principles which should be heeded are stopping the exploitation of the peoples of the young states with foreign capital and also creation of the most favorable conditions for using the international division of labor to the benefit of all mankind.

The possibility of a global change in the structure of economic relations was made real only in conditions of detente because such change is closely connected with the economic development of funds which would be released from a reduction of military expenses. Everyone knows the Soviet Union's proposal to the United Nations to reduce as a first step the military expenditures of the member-countries by 10 per cent and devote part of these sums to the needs of the developing countries. But this proposal still has not met with the necessary response on the part of the Western states.

Lifting trade discrimination and applying most-favored-nation status more freely could also make a contribution to the establishment of a just and equal system of international economic relations. Among other things, this could substantially increase the scale of economic cooperation between the USA and the socialist countries.

Contrary to the program for restructuring the world economic order, the multinational corporations whose interests at international forums are often expressed by representatives of the Western countries, have put forward their own demands. These are, first of all, the creation of a "favorable investment climate" for foreign capital, which means a guarantee against nationalization. There is also the monopolies demand that they be allowed to transfer profits abroad and also be granted the right to various tax and customs privileges. And then there is the idea of setting up a so-called international raw materials bank whose aim is to ensure for the West unlimited development of raw material and energy resources in the third world.

This struggle against the restructuring of economic relations is often undermined in order to "protect the interests of the consumer" in the developed industrial countries which are supposedly threatened with the exorbitant demands of the young states. But sober economic calculations show something quite different. A stabilization and subsequent acceleration of economic development in the third world countries could in the future help save the world economy as a whole from upheavels like the energy crisis of the 1970s. Of course, the population of the Western countries would only gain from that, just as it will gain from a reduction of armaments and military expenses.

Certainly, implementation of the program for restructuring international economic relations will affect the huge profits of the Western monopolies and the transnational corporations. But simultaneously it will mark the beginning of the process of improving the entire world economy and will offer a firmer basis for economic growth and improvement of the living standards in all countries.