

CONFRONTATION VERSUS CO-OPERATION¹

Poor Countries' Dwindling External Options; "Bargaining"; and the Case for Multiple Bilateralism

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This paper attempts to offer tentative guidelines in two areas: analytic and advisory. It examines some of the factors influencing the range of choices in dealings between rich and poor countries in the post-oil-crisis world; and it suggests, to negotiators for less-developed countries insofar as they are seeking ways to make poor people less poor, how the outcomes of such dealings might better assist in that search.

Bergsten² has perceptively analysed some of the reasons why the assumptions regarding international economic co-operation, more or less valid in 1945-70, have become highly dubious. These assumptions, although they certainly cloaked a great deal of dominance by the rich and the strong, nevertheless underlay a system in which poor countries were able to make some unprecedented economic advances. Superimposed on the post-1971 problems of monetary instability, neo-protectionism and economic multipolarity comes the oil crisis. For the next three years (1974-76) at least, this threatens a sharp reversal of progress in poor countries (most of which have been net importers of oil at rapidly increasing rates), and renders them even less able to afford the high opportunity-cost of bad negotiating styles and procedures than was the case before.

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¹ This is a revised and shortened version of a paper given by the author at the Oxford Conference of the International Political Economy Group in January 1974. It is emphasised that in exploring the case for bilateralism as a more promising framework than an ailing multilateralism for the achievement of balanced and lasting trade expansion between *poor and rich* countries, the paper in no way seeks to justify the rash of bilateral deals between *developed and oil producing* countries in the wake of the crisis.

² C.F. Bergsten, *The Future of the International Economic Order: An Agenda for Research*, Heath, 1973.

The breakdown of traditional assumptions about rich-poor relations

Since Bergsten wrote, in the aftermath of the events of late 1971, that “the monetary and trading systems which governed international economic relations (in 1945-70) have collapsed”, any residual “systems” that might be reconstructed from the wreckage have themselves been heavily battered. The oil price increase was much larger than might have been expected, and this has been superimposed on substantial increases in the prices of other raw materials. In the medium term (say the next five years), Western economies will substantially restore their output and balance-of-payments positions, by means of a less energy-intensive output-mix, a switch to new oil sources, and a replacement of oil by other sources of energy. My own hunch is that this “medium term” will begin sooner rather than later — say by 1976-77 (less soon, though, than the journalists’ rash of discovered sources of instant innovation, which look too much like an effort to scare oil prices back down!). If there is a substantial chance that this hunch is right, however, it intensifies the likelihood that the oil-producing countries will exploit to the full the short-run advantage, subject only to the constraint of avoiding the perceived risk of unacceptable retaliation. The breakdown of internal consensus in both the USA and UK, the policy splits in EEC, the absence (so far) of effective joint consumer action on energy — all these contemporary phenomena, political counterparts of what in economics are low short-run elasticities (of demand and substitution), intensify the case for *swift* exploitation by the oil-producing countries of their market advantage. Until 1976 at least, Japan, most of Western Europe and Australasia face (a) substantial balance-of-payments deficits, (b) at best, serious retardation of growth, involving (through the principle of acceleration), (c) reduction in output of, and demand by, investment-goods industries. Almost certainly (b) is too optimistic for 1974 and probably 1975 and income-per-person will fall in those years. There is of course a trade-off: the greater the reduction in output any Western country or bloc is willing to accept, the less oil it needs and hence (if the output would have been consumed domestically) the less its balance-of-payments deficit. Hence there is a serious risk, not just of competitive devaluation and other more or less selfish measures to export unemployment, but also that rich countries already in bad balance-of-payments positions — notably

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Britain — will feel *compelled* to prevent further deterioration by savage internal demand deflation, transmitting their deficits to Western trading partners already paying higher prices for oil, and forcing them to deflate also.

This faces poor countries with at least three probable forms of damage, corresponding to the accelerated collapse of three principles of international dealing *more basic* than those listed by Bergsten.

(a) *From bipolar to tripolar capital flows*: first, the capacity to support large-scale foreign investment in poor countries — whether publicly through aid, or privately; whether out of current-account balance-of-payments surpluses, or through the tolerable enlargement of manageable deficits — is being transferred from Western Europe, North America and Australasia to the Middle East; from nations prepared to transfer financial resources to poor countries, to nations not yet so prepared. This is superimposed upon an already existing trend. Real net aid transfers per head of recipient population, and the proportion of donor GNP given as grant-equivalent gross aid — the nearest measures of aid benefit and burden respectively — have been declining since the mid-1960 s³. So called “net” private foreign investment in poor countries is by no means “net” of repatriated dividends and profits: on the latter account both India⁴ and Latin America⁵ were big “donors” to the rich world in the 1960’s, though there was a substantial positive flow to mineral-producing countries in Africa, and to the oil-producing countries themselves.⁶

This last flow, being to states stuffed with finance to the point of nausea, is paradoxical to those who see private foreign investment as an aid-surrogate, by which “mature creditor-lender” nations at once enrich themselves and advance development by turning finance capital into physical capital in poor countries. To realists, however, it merely emphasises the move to a tripolar world economy. Between 1974 and 1976 at least most rich *and* poor countries alike will be in chronic deficit; the only big surpluses will be in the oil-producing countries.

³ ECD/DAC, *Development Co-operation*, Annual Report 1973.

⁴ M. Kidron, *Foreign Aid in India*, Oxford 1966.

⁵ K. Griffin, *Economic Development in Spanish America*, 1970.

⁶ *UNCTAD Handbook 1972*, pp. 222-3.

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The bipolar, rich-to-poor capital-flow system of the early 1960's must be replaced by a *tripolar* system: investment flows from oil producers to poor countries, development imports by poor countries from rich countries; oil purchases by rich countries from oil producers.

It matters less whether the flow from oil producers to poor countries is to (or from) public or private sectors. Some will be "aid" but most will be fairly hard and must thus support fairly high-yield investments in developing countries. Rich countries can help (a) by insurance and guarantee facilities (making use of the natural tendency for surplus funds to find their way into Western financial institutions), (b) by interest rate subsidies (c) by pre-investment surveys.

If oil-producing nations instead immobilise their burgeoning reserves – or, worse, switch them around, or in and out of, key-currency countries – the deflationary results, for rich and poor countries alike, could be terrifying, with multiplier-accelerator consequences (and effects on confidence) long outlasting the initial impact of the oil price increase. The present fixation of OPEC countries on very short-run holdings in London does nothing to help poor countries buy oil – and is a constant threat to Britain (the Kreditanstalt of the 1974 crash?) Thus "tripolarisation" of capital flows is a major, urgent task.

(b) *Threatened Trade Contraction*: it is not only aid and private-capital flows that rich countries will be tempted to reduce as growth decelerates and balance-of-payments deficits burgeon. Imports from poor countries are also likely to be under pressure to contract, unless steps towards balanced bilateral expansion (concentrating especially on two-way trade in non-oil-intensive items) are taken. Rising unemployment and scarce foreign exchange will most certainly not render Western countries prone to one-way liberalisations.

Two sources of hope, alas, appear illusory. It might be thought that the West would welcome imports of such items as jute and cotton textile manufactures from India and Bangladesh, since they replace oil-intensive synthetic fibres; but presumably it is no less oil-saving, and more employment-creating, to simply buy the raw materials and

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put up protective barriers against finished products. Second, it might be imagined that the “commodity boom” has given poor countries in general plenty of foreign exchange;⁷ but in fact the gains from the price increases of other commodities are distributed very unevenly through the Third World. A recent UNCTAD Study⁸ has shown that even in 1973 (prior to the oil crisis) 31 countries containing more than 50% of the Third World population suffered deteriorating external payments situations as a consequence of the boom. Given the oil price increase even the most optimistic assumptions about the future of commodity prices (that they will remain at the highest levels reached) result in a forecast in 1974 of 39 countries with 65% of the population facing adverse terms of trade. In any case the boom is extremely vulnerable to an oil-induced recession, and in addition it should be borne in mind that those countries which have benefited have shared those benefits with companies based in rich countries.

Like the contraction of capital flow to poor countries, the “oil” threat to trade confirms established trends. Poor countries’ export prospects to rich countries have long been retarded by the substitution of waffling goodwill about “concessions” and of hope that comparative advantage and the general benefit would somehow prevail, for serious analysis of the economic interests involved. This has been compounded by (a) the misinterpretation of manufactured-export data so aggregated as to attribute the benefits of expansion of one or two not-so-poor countries (Hongkong, Israel, Taiwan) to “less developed countries” as a whole, (b) the neglect of real problems about sluggish export *volumes* in favour of a fruitless and anti-theoretical search for long-run trends in export *prices*, (c) false dichotomisation into “rich countries won’t buy” and “poor countries don’t supply”, when the reality is that whichever constraint happens to limit export growth in a particular case, nobody will expect tempting profits from its removal if the other constraint swiftly replaces it.

⁷ A. Hone, “The Commodities Boom”, *New Left Review*, 81, 1973; M. Westlake, *Times Business News*, 27 November 1973.

⁸ The impact of recent and prospective price changes on the trade of developing countries. UNCTAD/OSG/52, April 1974.

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The sluggish expansion of manufactured exports (and the poor outlook for many commodity exports) from *most* poor countries to most rich countries has been worsened by other recent developments — the entry of Britain to EEC, in its impact on Indian textile exports, being an outstanding case. Unlike the capital-flow problem, the trade threat, insofar as it is worsened by the oil crisis, cannot be much helped by “tripolarisation”, since the oil-producing countries’ markets for poor countries’ exports are usually very small, and the rare exceptions (e.g. tea) are mostly in income-inelastic demand. Given the West’s likely balances of payments to 1976, *balanced* expansion of its sales to, and purchases from, poor countries are a much better hope than one-way expansion of market access for them. Political joint action will be needed to realise the potential joint economic advantages of such balanced expansion. Especially during the next few years, with probable contractionist pressures, freer trade is too important to be left to the free-traders.

(c) *Possible Breakdown of Contracts*: contracts arise partly from past power relations, past levels of economic endurance, past information and misinformation, and much else. Unlike the “trade” and “capital” threats to rich-poor relations, the “contract” threat is a reversal of recent trends. Defaults on international debt have been much rarer features of rich-poor relations since 1945 than before 1914 or in 1919-39. Deliberate breaches of contract by governments — e.g. uncompensated nationalisation despite guarantees, or expulsion or banning of racial groups despite legal commitments — have also been fairly uncommon.

In the aftermath of the oil crisis, voluntary and involuntary breaches of international economic contract seem likely to become much more frequent. The success of some oil-producing countries in denouncing and abandoning, without effective response, arrangements on prices, royalties and ownership recently and freely entered into has been little noticed. While few if any commodities possess the special features of oil, it must be expected that other producers will try the same trick, if market conditions make it possible.

Another major area where voluntary breach of contract by poor

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countries is increasingly likely concerns treatment of foreign capital. Consider for example India, whose behaviour towards foreign-owned firms has been, by Western capitalist standards, exemplary. Remissions have greatly exceeded new inflows, yet India has neither restricted profit outflows nor confiscated assets. That has been partly because her leaders believe in sanctity of contract; partly because they see advantages in the presence of private foreign capital; but largely because other advantages to India — aid, market access — have appeared to be associated with reasonable tolerance of such capital. The impact of the oil crisis seems bound to imperil those associated advantages. The conventional negotiating categories and methods of “concessions” will bear little weight if Western income-levels and foreign balances dramatically worsen, and India is likely to lose both aid and market-access. Since she anyway will be driven by the rising price of oil to tighten an already desperately small belt (and since the outflow of remissions will thus become increasingly unacceptable) the political appeal of confiscation must increase substantially. And this in India, where foreign capital is under 8% of total capital,⁹ and where the government’s “socialism” is pretty Fabian. What of other poor countries?

Trade Liberalisation, bargaining, and the case for bilateralism

Balance-of-payments constraints, subsequent to the “oil crises”, render rich countries even less likely than in the past to make trade access for poor countries easier unilaterally. Why so? After all, even one-way trade liberalisation is not a concession but — if it is worth doing — something that brings gains to both trading partners. In practice, however, producer pressure groups have impeded market access for exports from LDCs, while LDCs have been unwilling to offer *reciprocal* freeing of trade to rich countries, relying instead on a moral case for *unilateral* easing of access, presented as a quest for concessions.

The moral case for helping poor countries has great force, which should be used where possible to goad rich-country elites into action.

⁹ M. Lipton and J. Firn, *The Erosion of a Relationship: India and Britain since 1960*, OUP/RIIA, 1974.

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However, the undue reliance of the “development lobby” on the moral case (a) has led to the neglect of common rich poor interests in trade and aid expansion; (b) has deceived poor countries into relying on rich governments’ willingness to defy pressure-groups and generously to implement vague and permissive international legislation (e.g. the UNCTAD’s “generalised scheme of preferences”, or Article 24, paragraph 8, non-reciprocity, of the GATT); (c) would be particularly misplaced and counter-productive under the unhappy circumstances of 1974-76. As unemployment and payments deficits in the West, and perhaps voluntary and involuntary contract-breaking in the South, gather momentum, those terrible parrot-cries of “charity begins at home” and “why help those who damage us?” may well drown out the moral judgements of articulate minorities. If dear oil renders rich countries more reluctant to accept temporary balance-of-payments costs — from aid or unilaterally free trade — the possible common gains, from bilaterally expanded rich-poor dealings, need to be much more fully explored.

Involuntary contract-breaking, too, seems certain to increase unless “tripolarity” of capital flows can be built up. Developed countries with big balance-of-payments deficits will become increasingly reluctant to refinance loans to poor countries in repayment difficulties. The World Bank may well find it more and more difficult to raise money and thus to rescue poor countries needing refinancing. With market-access also under threat, poor countries will find it increasingly difficult to meet payments on foreign debts, including export credits.

Non-fulfilment of contract, especially if voluntary, affects business and public opinion emotively, infectiously and indiscriminately. Actions by oil-producing countries affect business confidence about many poor countries that are totally uninvolved. Neither firms nor nations in the West are as able as before to accept a given risk of default — let alone an increasing risk. From the viewpoint of the multinational or the donor of aid loans, all or most poor countries become worse risks together, because as their liquidity position declines default in some can no longer be set against low defaults in others.

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The popular metaphor, and increasingly the analytic base, for such dealings is the concept of bargaining.¹⁰ First we must consider the fact that a bargain (unlike a discussion, an auction or a market) is in essence a “two-person” undertaking. If one of the “parties” to a bargain in reality comprises many dissenting voices, then the other party can exploit the dissent to impose worse terms. It is clear that poor countries would gain substantially if they could reconcile their negotiating positions and bargain “as one person” with each rich country, or with all taken together, or (as in the case of OAPEC) by setting them against each other. But — save with oil, a special case and not one of major export interest to any really poor countries except Nigeria, Iraq and Indonesia — such action by poor countries has proved unpractical.

The effects of divided counsels among rich countries are quite different from the case with poor countries, because the latter usually put themselves into the position of supplicants, while the rich countries have to accept or reject requests. The rich countries can use disagreements among themselves as pretexts for accepting nothing. Disagreement among the poor countries, however, produces only indecision about which issues to press and how to press them.¹¹

This is one set of considerations which make bilateralism an attractive alternative to multilateralism, especially given that it is likely to prove impossible to unite all or most poor countries in respect of negotiating particular practical issues with particular rich countries. There are two further facts rendering it even more attractive. First, the sheer complexity of negotiations — especially in the post-oil-crisis world — requires some measure of simplification to attain results, especially for the poor countries with few computers (and sometimes few, or no, economists or foreign-affairs specialists “on tap” during negotiations). Second, rich-poor relations seem in any case to have been sorting themselves out into a series of

¹⁰ Bergsten, *op. cit.*, p. 15 and *passim*; H. Wriggins, “Changing sources of international bargaining capacity in selected third-world countries”, discussion outline, mimeo, 1973.

¹¹ For a view of this in respect of the 1972 Santiago meeting of UNCTAD see M. Lipton, “UNCTAD Schmunctad?”, *Round Table*, July 1972.

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economic and political *blocs*: USA-Latin America, EEC-Africa, Japan-S.E. Asia, USSR-India. Except in the last case there remain major problems of reconciliation among the poor countries concerned. Given these developments it makes little sense for poor countries, especially those worst hit by rising prices of oil and cereals to use up many scarce negotiating resources on multilateral framework organisations which have less and less to offer. (Has anyone heard from the GATT's "Tokyo Round" lately?)

A most important barrier to successful bilateralism (ignoring the preconceptions of governments in over rating multilateralism) is the problem of non-identity between the negotiator's interest and the interests of diverse and opposing affected parties within his own country. This conflict has at least three important dimensions:-

- (a) to what extent can side-payments,¹² within each negotiating country, create a situation where all parties within that country rank outcomes similarly so that all national interests can be embodied by each negotiator? A related question is: what practical measures of side-payment are possible?
- (b) What is the likely distributional effect, within the rich and the poor country, of alternative negotiating outcomes; and what is the benefit to each negotiating partner of a particular distributional outcome in the other partner?
- (c) In a "quasi-two-person" world where internal interests are reconciled neither by an acceptable initial distribution nor by *ex post* side-payments (e.g. by "adjustment assistance" to workers losing from freer trade), what opportunities are opened to each negotiator to appeal over the head of the representative of the country with which he is negotiating to some group of citizens within that country? All these questions are briefly considered from the standpoint of a poor country negotiating with a rich one.

¹² I am aware that this is not the normal usage of the term. "Side payments" in many-person games are payments by which one party is persuaded to join a coalition. Here, the term is used to describe payments that persuade members of a coalition, already formed, to accept outcomes of bargaining with parties outside the coalition.

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The failure of both developed and less-developed negotiating countries to develop side-payments, compensating the losers within each nation out of gains from agreements raising each country's national income, produces autarchic pressures on negotiators. This is the most serious single barrier to effective bilateral bargaining. The lack of concern — academic or administrative — with such side payments remains astonishing, although such lack is probably because under conditions of near-full-employment, the adjustments required when trade is enlarged have proved easier than was claimed in advance. Both the coal-miners of the Belgian Bocage and the (largely elderly female) workforce of the British cotton-textile industry found such adjustments surprisingly easy in the 1950s.

Adjustment assistance, mainly for retraining and resettlement, and regional incentives to expanding industries to locate in areas damaged by liberalisation, constitute the main methods of side-payments within rich countries. At present, such payments are usually made *after* trade has been freed, in response to firms and workers who unsuccessfully opposed the liberalisation and now are damaged by it (or expect, or even pretend, to be). If compensation measures were announced at the same time as liberalisation or, better still, if the representatives of each affected interest agreed with their national negotiator, *in advance* of the negotiation, on the side-payments required to compensate for the liberalisation, the whole climate of rich-poor bargaining would improve. More imagination is needed about the possible range of side-payments, employment guarantees, tax adjustments, or even lump-sum payments may be both cheaper to the community and more acceptable to the recipients (especially elderly ones) than resettlement or retraining arrangements. If the rules of the EEC or the GATT impede such steps to render liberalisation acceptable, those rules should be changed. Since (unusually) nobody would lose from such changes, they should be quite easy to arrive at.

This brings us to the second question: what can be said about the distributional effects of liberalisation. Quite strong conclusions about the distributional impact, within each country, of liberalising rich-poor bargains follow from weak versions of the Heckscher-Ohlin hypotheses, especially if we do not assume that both capital and labour are fully employed in both countries.

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For example, the following statement is a consequence of a watered-down Heckscher-Ohlin formulation: Trade liberalisation will normally mean that the extra goods, which the poor country sells the rich country, have a labour/capital ratio higher than the typical products of the rich country; and conversely, the extra goods which the rich country sells the poor country after the liberalisation will normally have a labour/capital ratio lower than the typical products of the poor country. Thus a bilaterally balanced expansion of trade will admit into the rich country imports tending to displace a larger proportion of employed labour than of employed capital; and, into the poor country, imports tending to displace a larger proportion of employed capital than of employed labour.¹³ Thus, on the side of imports, rich-poor trade liberalisation (without side payments) raises the share of labour in the national income in poor countries, but lowers it in rich countries.

Although much empirical research is needed to establish the exact nature of such distributional effects and their dynamic implications, there is good reason to expect that balanced trade liberalisation will improve distribution in poor countries as well as increasing income, but that it may worsen distribution in rich countries while raising income. If capital is politically stronger, relative to labour, in poor countries than in rich ones (as is plausible), the balance of internal forces and benefits helps to explain why so little rich-poor trade-freeing has taken place. The class that gains relatively *less* from liberalisation, and some of whose members may lose absolutely, has relatively *more* political power both in poor countries (where it is the capital-owning class) and in rich countries (where it is organised labour).

Even if the distributional effects of a negotiating outcome do not

¹³It may be objected that the same requirements can be met by different techniques, so that a "liberalised" import of (say) an electric vacuum cleaner displaces not capital-intensive domestic production of vacuum cleaners, but labour-intensive domestic servants. Usually, however, this happens only because foreign exchange is too cheap, so that (for instance) imported vacuum cleaners are underpriced; and/or because highly unequal income-distributions, helped by interest rates kept low for the rich, further encourage such durable and labour-replacing imports.

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create pressures substantially affecting that outcome, they may still affect the subsequent path of relations between the negotiating countries, including the “staying power” of the agreement reached. If a strong group is damaged by an international agreement (even by one beneficial to the nation of which it is part), it may well achieve more by trying to reverse or limit or otherwise “renegotiate” that agreement, than by trying to obtain compensation from other strong domestic groups. Thus damage to a group should be foreseen, and compensation arranged *before* or during the negotiations themselves if nationally advantageous outcomes are to be lasting or to serve as precedents.

An interesting problem of these “quasi-two-person” situations arises when this compensation is not achieved. The third question now arises: can either negotiating party gain by appealing, over the head of the representatives of the other party – who have been impeded by a special interest – to general interest in the other country? Is there any reason for example why, Indian or Bangalee negotiators, seeking improved market access to EEC for their countries’ exports of jute and cotton textiles, should not organise pressure on EEC negotiators from EEC’s own (a) housewives wanting cheaper cloth, sheets and carpet-backings, (b) industrial consumers of such goods, e.g. carpet-makers and clothiers (and corresponding retailers), (c) articulators of the general interest in price stabilisation? Such approaches would have much appeal in the period of accelerated inflation following the oil price take-off. But they would have more chance of success if India and Bangladesh were offering *balanced* trade liberalisation and expansion safeguarding EEC’s oil-hit foreign balances; and if compensation to EEC’s losers could be built into the bargain. At present the constraints on such appeals are that they are felt to be diplomatically somehow improper, and that ignorance about the structure of consumer politics in rich countries prevails in most poor-country embassies.

Given that there are ways to reduce both the conflicts within negotiating nations, and conflicts between nations allegedly on the same side, it is possible to create the basic condition for a two-person deal. Most attempts to conduct rich-poor negotiations have approached the essential task of reducing complexity in the wrong

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way. Instead of trying to cut down the numbers of *participants* – in effect, to bilateralise – negotiators have sought to handle *issues* separately; to negotiate trade separately from aid, and within trade to deal with each commodity at a different conference.

In a situation of initial negotiating complexity more than two countries represented, differences of interest within each, and many issues to tackle – negotiators not only fail to form coalitions within and between countries, “bilateralising” the negotiation; they also handle issues piecemeal, tending to make settlements on each issue seem to be zero-sum even if they are not. This of course increases the pressures of intranational interests that negotiators have failed to reconcile in advance.

This method of handling negotiations transforms them from partly-co-operative, two-person, game-like situations into competitive, many-person *contests*. (By a “contest” I mean a competitive game in which the parties are not necessarily prepared to adopt minimax strategies even if only these can produce equilibrium). This transformation enormously reduces the prospects of successful outcomes. We may be cursed with Newtonian economics in an Einsteinian world, but negotiating methods are positively – or, rather, negatively – Ptolemaic!

A negotiation between two countries should consist of so selecting issues that the deal reached may have the highest joint value to the nations taken together. It is here suggested that if the parties play one game on the issues as a whole, rather than a separate game on each issue, the total outcome will *more clearly* be beneficial to both nations, and the sources of side payment (e.g. the extra export revenue to redeploy workers displaced by extra imports) will be made explicit. The negotiators’ concentration is shifted from game management to game selection.

In advocating a bilateral approach as a desirable “post-oil” second-best to an unattainable and complex multilateralism, I am *not* suggesting that a poor country ties itself to any particular rich nation or bloc. Rather I propose that it settle economic relations with each country or bloc, in turn, on many issues together. The only serious

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risk of losing options lies in applying such techniques to only one country or bloc. Indo-Soviet many-issue bilateralism works; a similarly wide Indo-EEC approach would *increase* India's options. It is a *sequence* of bilateral deals, *simulating* multilateral liberalisation, that is proposed here.

Poor countries will generally do better by negotiating on several issues with one country or bloc, rather than with several rich groups on one issue. Negotiations should be seen as searches for joint gain; not battles for "concessions". Had Britain approached entry to the EEC in that light, the EEC would now be more "outward-looking" and hence more prosperous, and so would Britain. Poor countries cannot afford to negotiate as unimaginatively with rich countries as rich countries negotiate with one another.

BACK ISSUES STILL AVAILABLE

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