The Brandt Report

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North-South: a Programme for Survival. The Report of the Independent Commission on International Development Issues under the Chairmanship of Willy Brandt. London. Pan Books. 1980.

This book is the outcome of the Brandt Commission—of over eighteen months' work by a distinguished secretariat and ten meetings of the Commission. The Commission—whose work was in part inspired by Robert McNamara—was chaired by Willy Brandt and consisted of eighteen members from all over the world. all of whom play an active and prominent part in the political lives of their own countries. The result is a shortish book (less than 300 pages) which covers all the main 'world issues'—from population to arms. agriculture to the environment. employment to participation. The book is coherent. well argued and well presented. Moreover—and this is perhaps surprising in view of the fact that the document is a consensus one. to which all members (coming from very diferent backgrounds. politically and geographically. ranging from Edward Heath and Katharine Graham to Shridath Ramphal. Amir Jamal and Layachi Yaker) have subscribed—it contains some important and substantive conclusions.

The Brandt Commission is itself an aspect of North-South relations: the Report is thus part of the scene it is surveying. It should. therefore. be judged on rather different criteria from academic treatises on the same subject: the question at issue is not whether it makes an original contribution. but rather whether its conclusions are valid. and if so whether they are likely to have a substantive effect on world relationships. The Brandt Commission is a successor to the Pearson Commission of the early 1960s: that Commission made a number of unexceptionable recommendations. which the world ignored. Its Report recommended an increase in aid to 0.7 per cent of GNP: almost immediately aid fell as a proportion of GNP. No-one would claim reverse cause and effect. But one can claim with justice that. from the point of view of world economic development. things would not have been any different if the Pearson Commission had never happened. At the time it could be argued that a report on world development by prominent people might make an important contribution to world developments. But the Pearson Commission tried and failed. Hence this can no longer be argued: thus the Brandt Commission has to do more than Pearson if it is to justify its existence. This is especially true in view of the cataclysmic nature of world developments today.

Will the world be substantially different because of the Brandt Commission?

Taking the chapters. topic by topic. it is difficult to believe that much will change. On most topics. both the arguments put forward and the conclusions/recommendations that follow will be familiar to most people who have worked in these areas. For example. on population the Commission emphasises the need for population control: on arms. the need for arms control: on trade. the need for trade liberalisation: on international investment the need for 'Codes of Conduct': on agriculture the need to increase production: on energy the need to develop new energy sources. and so on. On most topics the Report is up to date with recent liberal conventional wisdom and presents a quite sophisticated analysis: for example. in the discussion of population. it recognises the need for social and economic changes as well as conventional population programmes: on agriculture. it mentions land reform as well as irrigation. fertiliser and seeds.

The most important conclusions concern three related issues—the international monetary system. the transfer of resources from North to South. and the nature of aid. The Report argues for a massive increase in resource transfers. with the aim of first reaching and then substantially surpassing the 0.7 per cent target. This target is adopted despite the belief that 'The issue today is not only. or even mainly. one of aid: rather of basic changes in the world economy to help developing countries pay their own way'. The Report introduces the concept of *automaticity* as a means of reaching such targets. by having levies on some item (eg trade) which automatically increase with inflation and growth. It seems likely that automaticity will come to form a central issue in North-South debates. The Report sees the central importance of international monetary reform: while it makes no startling recommendations. it takes a liberal stance. which is welcome from any source in these days of monetarism. It also provides a well argued critique of IMF operations and makes some suggestions for change which would constitute a major improvement in the international system of adjustment. On the form of aid. the Report emphasises the need

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for medium-term programme aid to supplement the project-oriented activities of the World Bank and others, and the short-term non-development finance available from the Fund, and argues for a new institution to administer this aid, a 'World Development Fund'.

The Report might have been a substantially more powerful document if it had concentrated exclusively on these three subjects. permitting more in-depth analysis and more space for persuasive documentation. As it is. so many topics are dealt with so summarily and so many recommendations flow smoothly yet shrilly from the page. that there is some danger that none will be taken seriously. Yet on these three issues the Report does have some serious contribution to make. and one that does not simply repeat what is being said daily in more specialised fora. On the remainder of the issues. which form much the largest part of the Report. what is said is. for the most part. unexceptionable but too much is said. too urbanely. in too short a space about too huge topics. for any serious impact. Given the present economic conjuncture. the question of the level of world demand is probably the most critical determinant of prospects for development. both directly and through indirect effects on levels of protectionism and aid. This is recognised in the section on the international monetary system: but it could (and in my view should. given the nature of the Commission) have formed the central topic. with questions of demand and employment in *developed* countries being a central theme. So long as the determinants of world demand remain as unco-ordinated and subject to random shocks as they are. deflationary shocks to the world system are likely to dwarf other measures of the sort proposed here.

Some of the institutional recommendations—particularly those concerning international institutions—may well result in institutional change. Indeed. the World Bank's 'structural assistance' programme is largely an (implicit) response to the Brandt Commission's demand for programme aid and its claim that a new international institution is required. Another important suggestion is that the World Bank should increase its gearing ratio (from 1:1 to 1:2. thus doubling its potential resource transfer). This too is likely to be taken up by the Bank if its constitution and Directors permit. Whether or not the IMF will be so amenable to suggestions is another matter. but it seems likely that some of the Brandt Commission's suggestions on conditionality and development will be taken seriously on the other side of 19th Street. if only to avoid displacement by new institutions. But these reforms. while important. do not go to the heart of the matter. either in relation to 'Survival' or to the main elements in the Brandt Commission package. For this the whole package is required. including notably the massive resource transfer as well as the particular recommendations in other areas.

But in all areas other than international institutions—that is all areas where national and particular interests are of significance—scepticism sets in. Why should the recommendations of this Commission—which are substantially little different from many others proposed in many places. including many of the Group of 77 NIEO proposals, which have been repeatedly rejected—have any more effect than previous reports and resolutions? If this were a group of current and future Prime Ministers, instead of ex- and manqué ones, then the very fact that this group agreed on this set of proposals would be of significance. But if they had been in power they would have been subject to pressures that would probably have prevented agreement on anything like the present document. Take the question of trade. for example: to be against protectionism if one is an economist or a politician out of power is one thing; to be against it in practice when one is in power, faced by mounting unemployment, threatened lost elections, critical balance of payments losses and drains on international reserves, is another. Similarly for arms control; this is an issue rightly beloved of all social observers. But how many politicians have been able to withstand the commercial and political pressures which create a massively strong nexus of manufacturers, sellers and buyers, which form the most dynamic element in the world economy?

The Report has an answer to these questions—an answer which forms the underlying and cohesive theme of the whole report. That is the concept of *mutuality of interests*. a phrase which recurs at least once every Chapter. The argument is that there are mutual interests between North and South in almost every area discussed: if these interests are fully recognised. then the reforms described will not only have intellectual appeal to the powerless: they will also be politically feasible. The Report finds mutual interests in population control. in food. in the environment. in exploitation of mineral resources. in trade. in energy. in multinationals. even in aid. The concept of mutual interests is thus an all-embracing one and a potentially powerful one. If established. it would be the most challenging and important of all the Report's conclusions. indeed it forms the basis for almost all the others. It is thus worth examining the concept in more detail.

Proper examination can only take place at the level of particular areas and particular proposals. But some general points need to be made. First. if there were really powerful mutual interests in the relevant areas. then the reforms under discussion would already have taken place. Ignorance might have prevented it. but this is unlikely. given the familiarity of most of the recommendations. Apart from ignorance there must be some obstacles preventing the realisation of these mutual interests. If we examine any area in any depth. we see at once that there are obstacles. These obstacles take a number of forms: one is that there are *conflicts* as well as mutual interests: the conflicts are in many cases more powerful than the mutual interests. Very often the conflicts are short-term. while the mutual gains only occur in the long run: the conflicts may be rather obvious and certain. the gains uncertain and unclear. For example. if the South improves the terms on which it acquires technology. in the short term the North will lose. It may gain in the long run because of the more favourable investment climate. But this is not certain. Another obstacle is that the countries which are likely to gain from the mutual interests may not be the same ones as those that are likely to suffer short-term losses. This is most obviously the case in trade. It may well be that the North *as a whole* would gain from liberal trading arrangements with the South. because the South always runs a trade deficit with the North so any additional imports from the South are always more than offset by additional exports. But it is not necessarily the same set of countries that gain. as those that lose. It is likely that successful manufacturing exporters—Japan. Germany for example—would gain from selling extra exports to the South. while the less successful—eg the US and UK—would be losers from liberalising imports. But trade arrangements are decided on a country basis and not by the North as a whole. Another obstacle to the realisation of mutual interests arises from the fact that the potential gainers may be powerless within a particular country. while the losers form powerful pressure groups: this is obviously the case in trade (gainers are consumers at large. losers particular groups of employers and employees) and also in arms.

Detailed examination of almost all the areas covered by the Commission suggests that the obstacles to change—conflicts of interest. opposition of powerful groups and so on—are more powerful and effective than the mutual interests. which is not surprising given the manifold failures to negotiate change. The concept of mutual interests is thus much less powerful than suggested in the Report. It is a fruitful background and approach to negotiation only if the conflicts and obstacles are also fully analysed. Unless they are. the mutual-interest philosophy produces recommendations which tend to be naive and unrealistic and smack of wishful thinking. and which—public relations apart—do little to further the cause of international survival.

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