

INTERFUTURES' ALTERNATIVE FUTURES: The QuestFor A New, Improved Cesare Borgia

By Reginald Herbold Green

Overall objectives of importance to all advanced industrial societies ... reduction of inequalities in the distribution of incomes and power, precisely to the extent that these inequalities call into question the dominant value systems in the developed countries and possibly compromising their long-term security.

(pp. 405-6)

strenuous action should continue to be taken against ... growth of wages and indirect wage costs in real terms ...

(p.418)

The main objective must be to preserve the mechanisms of the market economy by cushioning excessively abrupt consequences that might give rise to governmental measures which jeopardize those mechanisms.

(p.385)

I

Scenarios Then and Now

A few centuries ago the world - as seen from Florence, one of its great centers - was falling apart. The Magnificence of Lorenzo (the embodiment of imperial outreach, intellectual patronage, and bread for the masses - the Lyndon Johnson of his day) had turned to tarnished brass. The moral authority of the Pope (spiritual certainty of the rightness of material gain) had been squandered. Prophets like Savonarola (depending

on ones taste or prejudice the Paulo Freire or Ivan Ilyich, the Robert Mugabe or Pol Pot, the Janani Luwum or Imam Khomeni of his day) called out the bitter, despairing masses with a heady mixed appeal to principles and passions. Bands of mercenaries (the Selous Scouts, the Meo "Secret" Army, the Foreign Legion, the UNITA banditti of Italy) roamed the land leaving tracks of fire and blood, repression and anarchy.

A cold, brilliant, cynical man - an intellectual advisor to states - looked on in agony. Committed to order and stability, to the unity of his land, to mastery of the probable and management of the unpredictable he sought to save the future of his own career, of the people of his nation, of the ideals in which he believed. For him the end transformed the means - he was very frank and open in advising in what circumstances it was prudent and necessary to lie, to betray, to repress, to kill to serve the greater good. He sought a vehicle for his message - to win a post of advisor but even more to shape the future. And so he wrote a handbook for the guidance of his chosen leader. True to his own principles, he chose a leader with power and ruthlessness, the will to win and the determination to beat down his foes. Even though he doubted that leader's vision and commitment to the "true goals" and though his cold contempt for Cesare Borgia is ill concealed in The Prince, Nicola Machiavelli placed his hopes on him as the least bad scenario to hand.

And so it would seem it is with OECD's Interfutures team in 1979. They too face a world in which "the center cannot hold",

the old verities are crumbling, the outlands threaten to invade or hold to ransom. They believe in growth, in interdependence, in rational management - above all in preserving the OECD way of life and achieving a new Golden Age of Capitalism. They too have doubts as to who their prince should be (more cautious than their predecessor they do not venture to name one) - both the Trilateralists and the Bilderbergers have in practice proved vacillating, feeble and paralyzed of will if weighed against the demands of this call to action and manifesto for acting.

## II

### A Capitalist Manifesto

The three quotations do give a feel for the bottom line in the Interfutures teams' structure of values. Perhaps too stark a feel, perhaps not. Post-materialist values are dealt with in a less than totally unsympathetic manner - but apparently because they are believed to lead to less pressure for employment and higher incomes. Basic needs (once called basic human needs) receives several favourable mentions - precisely for the economies which the authors (quite probably correctly) believe "cannot make the grade" in a competitive capitalist system. Anton Rupert of Rembrandt-Carreras-Rothmans, probably the richest and ablest business backer of the Afrikaaner Nationalists said of the Basotho of Lesotho "If they do not eat we will not sleep" - Interfutures would applaud that sentiment.

This is a serious study - a serious attempt to define the parameters and policies for a "last best chance" to create a new Golden Age of OECD Capitalism with a human face. As such it is a coherent, sometimes incisive, usually interesting piece of work. It is not 200,000 words long because the authors were lazy - it is on the whole a taught document whose repetitions are deliberate attempts to emphasize not failures to edit.

#### Change for Continuity

It is also an intelligent study - the reality of change is accepted. Interfutures believes the way to survival for the OECD members (to all intents and purposes minus Turkey, Greece, Spain and Portugal who clearly are not among its advanced industrial economies) is to take the initiative "Mastering The Probable and Managing The Unpredictable". This means accepting a new international economic geography - 15-20% of world manufacturing in developing countries other than China by 2000 is a target they accept. It means adjusting power structures too - the Newly Industrializing Countries are to be brought into the OECD club precisely because otherwise it will be too small and vulnerable a minority in a world in which too many other economies have some substance and autonomy. For the same reason, also to reduce inter-generational value clashes and to avoid the need to raise public spending as a share of output, advanced industrial economies are urged to adopt natalist policies to get population growing again.

The one central fuzziness is what precisely Interfutures means by "market" and "competition". The statement (p.375):

nine European, seven United States and four Japanese companies together produce almost 65% of world output (excluding centrally-planned economies), and the Nippon Steel Corporation and the US Steel Corporation each produces more steel than all the Third World countries put together, which shows the continuing importance of competition in the North in the iron and steel market.

certainly suggests that market and competition do not mean what they meant to Adam Smith. Indeed while the general rule for state intervention in market's is Occam's Razor there are a host of exceptions - intriguingly including international trade and exchange rates. Similarly while TNC's are viewed as effective agents of mutually beneficial change and construction of interdependency, the danger that they will be too efficient for the socio-political systems of the advanced industrial countries is seen as a real one. In fact a code is sought - to make transnationals safe for the world and the world safe for transnationals.

Interfutures' team most certainly does not view itself as writing a tract for reactioneries or a rearguard defense of privilege. Again and again it attacks policies - of states and pressure groups (whom it heartily detests whether they be workers, consumers, minorities or industries) - which it sees as blocking change in the quest of preserving a doomed status quo. This report, on the contrary, is presented as a manifesto for maximum bargained mutual interest solutions

within advanced industrial economies, among them, between them and centrally planned economies, between them and developing economies. It is quite serious in its emphasis on increased food production by and for the poor and on the unsatisfactory pace at which absolute poverty will fall even on its more optimistic scenarios. This is a humane Eurocentric capitalist call to arms in the tradition of British 19th century reformism.

#### An Uncertain Trumpet?

This particular worldview and set of convictions does seem to lead to certain misreadings. Algeria (pp. 219-220) is presented as a pure model of an up and coming NIC firmly and single mindedly driving for OECD membership "and the devil take the hindmost" at home or abroad. The notes on social tensions and agriculture read as if the authors saw it as another Iran - the Team evidently mourns the Shah's regime, but views it as having sinned against the precept of not allowing inequalities so gross as to call the system into question (pp. 220-221).

More seriously the North-South disengagement scenario (pp. 314-321) is rather peculiarly handled. First, it uses a quite extreme variant of disengagement and apparently one beginning with a standing start breakdown not a phased reduction of North-South parallel to South-South and domestic buildup. It is doubtful that Chairman Mao (who raised China's External Trade to GDP ratio) or Boriloché

who are cited as the intellectual authors of this schema would fully accept parentage. Second, the model is built in a way showing that reduction of aid to Africa and South Asia would reduce growth of food output more than other policy changes (e.g. reduced export crop production, shifts in state spending) would raise it - on the face of it a most implausible result. No less odd is the view that export crop producers are among the poorest in their countries and that aid usually benefits the poor disproportionately. Third, the report notes that better income distribution results and that investment and growth recover by 2000 (in the Third World). It would be interesting to know at what point the estimated large 1980-90 disruption and 1980-1995 low growth losses would be clawed back and what the numbers in absolute poverty are for this scenario as compared to others. Finally, by positing an extreme disengagement alternative to incorporation with no scenario based on a hard bargaining/selective link reduction/South-South coordination buildup, Interfutures is hardly giving a chance to look at the least unlikely alternative to incorporation. As it says, its fullblooded North-South breakdown scenario is expensive to most, unlikely to arise and unstable if entered upon. But is it the only alternative to an OECD/TNC/Differentiation and Incorporation future?

Ultimately there seems to be a more basic misreading. This is a call to arms, to vision, to charisma, to heroic virtue by governments and those affected by change. In Capitalism,

Socialism and Democracy Joseph Schumpeter argued - against his own hopes and wishes - that capitalism (and bourgeois democracy) were doomed because the capitalist had become an inherently and irremediably pedestrian figure without either charisma or moral authority. Effectively he projected what Interfutures would term death by sclerosis. The evidence presented about the nature of the present crisis - and the recurrent warning that descent into a protectionist maelstrom among OECD economies is only too plausible a scenario - in Facing The Future would seem to confirm Schumpeter's vision. What act of "creative destruction" do the writers envisage to achieve a structural change on this front? They do view shock as preventing or reversing sclerosis, so the question may not be rhetorical but the answer is far from self evident.

Since what is called for overall is close to a revolution (not in any strict sense a counter-revolution; the system sought would in Lenin's terms be a more advanced stage of capitalism, and, therefore, on his analysis would argue might well justify proletarian support), a comment from one of Marx' critiques of Hegel may be relevant:

No class of civil society can play this (emancipatory) role without arousing a moment of enthusiasm, in itself and in the masses, a moment in which it fraternizes and merges with society in general, becomes confused with it and is perceived and acknowledged as its general representative; a moment in which its demands and rights are truly the demands and rights of society itself; a moment in which it is truly the social head and the social heart. Only in the name of the universal rights of society can a particular class lay claim to general dominion.



Are the establishment intellectuals of liberal democracy such a class today? Are the men of Bilderberg or the Trilateralists? If not then the Facing The Future is inherently a flawed and uncertain trumpet.

IV

For the Ashcan of History? Not Just Yet

It is quite true that with only a moderate degree of bias the slogan for Interfutures' magnum opus could be phrased: Privileged of the world, Unite! You have everything to loose if you do not reforge the chains! That is presumably not a slogan dear to the hearts of most readers of the IFDA Dossier. However, that is no reason not to read Facing the Future. There are five rather good reasons why it should be read:

1. it is the best sustained statement of the neo-capitalist case available - if that is the enemy it is as needful to know it as if it is the mentor and friend;
2. a number of pieces are sure to be used - consciously or not - by actors with less clarity, wholism and personal decency than the authors - one could crib a "policy for Pinochet" from the volume but that

would be both a libel on it and a stupid misreading as on their own principles the team should (presumably do) see the Chile of the junta as inherently unstable and thus a general danger to capitalism with a human face;

3. much of the data, organization and analysis presented as backdrop (e.g. on population, energy, value changes, time lags) is of direct use to anyone concerned with the trajectory of the 1969-19?? New International Economic Disorder;
4. the international trade/structural adjustment and north/south sections have explorations of options and constraints (freedom and necessity) which are in part as critical to the process of struggle for a N I E O consistent with the speeches of Presidents Boumedienne and Nyerere as with those of Chairman Mao, and with the Charter of the Economic Rights and Duties of States as to the process of struggle for a mutated New Bretton Woods order;
5. if it were fully implemented, <sup>the</sup> preferred scenarios A (high growth) or B1 (moderate growth with agreed alternative values) would be better than the present

or the least unlikely scenarios, D (militant protectionism plus North-South dominance groupings of the Eurafrika type) and B3 (moderate growth with increased intra and international cleavages). Better not simply for capitalism and for capitalists - better, in all probability for workers and peasants on the periphery and at the centre. This is at least a yardstick against which to test alternatives.

V

Differentiation and Incorporation; the End of the Third World

Facing the Future (like Sabri Abdullah in Development Dialogue) has it right - the unity and definition of the Third World is in contrast and in struggle with the First World (and peripherally the Second). Within itself there is heterogeneity and differentiation which is increasing. Naive Third Worldism has this quite wrong - organizing on the basis of the 77 is building a rather unstable coalition along a secondary contradiction because it is antagonistic and subject to attack.

Equally correct is the diagnosis that without changes in world economic geography and global economic management participation there can be no stable international economic system. Nor can anyone except a convinced neo-isolationist quarrel with the assertion that there is mutual interest

solutions (of the negotiated not the natural harmony variety) and that Group B countries have an obligation to take initiatives in identifying and preparing them.

(Evidently Group B UNCTAD delegations did not read Facing the Future or rejected it virtually in toto.) Many more detailed proposals are equally sound, albeit in respect to South-South it is noticeable that the source of the funds the TNC banks channel to the South is never cited, much less is direct South-South channelling of oil surpluses (say a la the Manila/Havana proposals of Iraq and the earlier more modest ones of Algeria and Venezuela) mentioned.

The problem is the general use of the perspective and the pieces. The Third World is to be made to disappear but in a very specific way which for a majority of the people of the Third World might well have some resemblance to the con man's three card trick. The NICs are to be incorporated into OECD (hopefully more centrally than Portugal, Spain, Greece and Turkey are today and in this study). OPEC is to be encouraged to venture in NICery and collegial world monetary management. The would be NICs and/or significant raw material exporters are to be given access to processed goods markets. The very poor are to be provided with more aid. (China and, for different reasons,

India do not fit well so become a fifth and a sixth fragment of the Third World.) This is not a divide and rule strategy - albeit it would have that result - but a selective, graded incorporationist one.

The aid approach is also interesting. More is sought - especially in Scenario A - for concentrated use in Africa and South Asia to reduce inequalities. For other regions better managed, longer term debt and sorting out the 1980's repayment hump are prescribed. The question here is partly one of tone and partly one of ends. The tone of the basic needs and aid to poorest bits is that some silky elites out there are "so sharp they'll cut themselves" and must be restrained from such madness. As to ends, the regional aid venture cited as a model - Club du Sahel - has been radically criticized as a vehicle for external planning of the region (and for very uncertain and uneven concern with the absolutely poor). With it and Lome near as examples of North-South collegial management relevant to the very poor countries, a certain wary cynicism on the Third World side would appear amply justified.

---

VI

---

Facing the New Protectionism

The Interfutures teams' two horror story scenarios are C (North-South break) and D (North-North predatory protectionism with bits of the South as appendages of the Northern triad EEC/Japan/USA albeit why EEC would remain in one piece under D is unclear). And one of the counts against C is that it would collapse into D. Scenario B-3 (moderate growth with growing divergence) is both seen as most likely and criticized as in great danger of collapsing into D.

However, Facing the Future does not adopt the Neanderthal Free Trade line of the GATT Secretariat. It sees international trade as requiring a reversal of the new protectionism if major losses are not to ensue for all parties. But it accepts (probably for the wrong reasons) that while genuine adjustment to (not false adjustment to block) change is vital so too is time to reduce social costs and strains, Thus it seeks to encourage exploration of medium term coordination, target setting and management (pp383-389) for economic geography and trade.

In two ways this is not "managed free trade". Facing The Future is quite serious about seeking trade expansion including special measures to increase Third World access to First World markets for temperate foodstuffs, processed goods, textiles and garments, steel, ships. But, also, it is anti bureaucratic. A state role does not alarm it - a joint state/TNC body or a state trading body with dynamism appear to be on its "good" list. "It must not lead to a bureaucratic management of the world economy". (p.401).

One need not be a free trader or a TNC/State symbiotic management advocate to back this aspect of the Interfutures Report. The new protectionism is a grave danger - especially if one supposes that transition to stable, unified values with low growth in the centre is almost impossible except from a successful initial moderate to high growth position (i.e. a failed growth strategy is neither a stable state economy nor a hopeful point from which to seek to reach one). In particular the escalation of the current trade wars would be very crippling (and excluding) for most South economies, Free trade is better than free discrimination against the

South (by the multifibre arrangements, the EEC variant of "selective safeguards"). Management of economic geography change to avert sudden demands for "adjustment" protection and coordinate views on probable trade flows would also be potentially particularly useful to the periphery.

A number of secondary points (e.g. TNC roles) are disputable. But the thrust against protectionism with odd North/South geo-political slices and for greater Third World market access in the North is broadly in line with the 77's Anusha Framework for Negotiation. For that matter it is consistent with the Charter of Economic Rights and Duties as well. There is no reason to assume anyone is muddled - it does have a role in several futures.

Own commodities processing is an area in which Interfutures and the 77 are basically at one. So is stabilization as to substance but not means. The report backs export earnings vs commodity price stabilization. As it does not specify the financing channel, it is hard to tell whether it deserves



the criticism that compensatory finance is to a managed commodity price as a means tested unemployment relief grant (or loan) is to a minimum wage.

---

VII

---

Where Now

George Santayana wrote that he who will not know and understand history is doomed to repeat it. The authors of Facing The Future have certainly made the attempt as Minister Rui Baltazar Santos of Mozambique put it in a rather different context "to look at our mistakes so we do not fall into repeating them." If they seem too attached to order - as a basis from which to manage change and master events - it is perhaps too easy to criticize. There was a demonic side to Savonarola, more damaging he could not build. Too many alternative futures do appear to start - and end - with the premise "Worse is better" without paying adequate heed to what is to be born out of the worse - a maimed variant of Trotsky's prescription.

There is, however, a rather more basic failure. This tome really is a call to a New Bretton Woods order, a new

Capitalist Golden Age, in effect a rerun of history with a number of warts removed plus better muscular coordination. Marx' comment from the "18th Brumaire" suggests a catch to that:

Hegel remarks somewhere that all great, world historical facts and personages occur, as it were, twice. He has forgotten to add: the first time as tragedy, the second as farce.

Whether Bretton Woods was tragedy may be debateable.

The radicals who now praise the bloc trade systems of the 1930's as a better model seem a little careless in their appropriation of history and their analogy of the Lome Convention to Schacht's central European trade system and Japan's Greater East Asia Co-Prosperity Sphere is hardly self evidently the praise for Lome they suppose it to be!

The attempt to achieve a second coming of a born again Bretton Woods, however, almost surely is farce and in danger of becoming a gallows humour farce at that. That may be unfortunate - the belief in the New International Economic Disorder's leading to liberation of the peripheries or the triumph of socialism requires a good deal of faith and a great deal of nerve.

There is one line in Facing The Future which speaks directly to this: "not to develop a sort of resignation to the inevitable but to generate creative responses". (p.424)

There is much in the report to serve as irritant or stimulant, solvent or catalyst, thesis or antithesis in such an effort. To pursue the quest Chinua Achebe expresses on behalf of himself and others:

a deep seated need to alter things within that situation, to find for myself a little more room than has been allowed me in the world.