

## Another Development Perspectives for the 'Eighties

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# Gale Warnings: Fragments of Charts and Guides for Navigators

By Reginald Herbold Green

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*The deepening crisis of the 'eighties is forecast in a series of recent reports, revisited, reviewed and revalued by Reginald Herbold Green in this essay covering many of the issues to be raised at the 1980 Special Session of the United Nations General Assembly. Having discussed, inter alia, the World Development Reports of the World Bank, OECD's Inter-futures report and ILO's Towards Solidarity Contracts, Green makes a detailed assessment of the Brandt Commission's report A Programme for Survival. He concludes that the Brandt report contains the only 'unified proposals for next steps and interim directions based on a political analysis of political economic necessity and possibility'. Reginald Herbold Green is now a Professorial Fellow at the Institute of Development Studies at Sussex University. He has a long experience as economic adviser to a number of Third World countries and a distinguished record as a university professor and researcher.*

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International solidarity must stem both from strong mutual interests in cooperation and from compassion for the hungry.

*Willy Brandt, Chairman's Introduction, North-South: A Programme for Survival*

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 jeopardise those mechanisms.

*Interfutures Final Report, Facing the Future*

The analysis highlights the crucial role of development strategies and policies in creating productive employment and alleviating poverty in developing countries. But it also shows that for these policies to yield their full potential, support from a liberal international environment is essential.

*World Bank, World Development Report, 1979*

The search for solutions is not an act of benevolence but a condition of survival. We believe it is dramatically urgent today to start taking concrete steps.

*Brandt Commission Report, North-South: A Programme for Survival*

## Trajectory of a tempest

The world political economic system and the majority of its constituent national systems enter the 1980s in a state of crisis. Perceptions of causes, courses, cures vary widely—but there is little disagreement that there is a crisis, that

it is the most severe since the 1930s, that it will not go away by itself or by continuing the policies of 1945–70. Furthermore, there is little disagreement that the crisis is global—North and South, West and East are involved—or that it goes well beyond technical economic questions and interacts with issues of limits,

participation, human values and social organization.

In retrospect, the present tempest can be traced back to the end of the 1960s.\* The collapse of the Bretton Woods monetary system; the first steps (largely against garments) of the New Protectionism; the narrowing of global food and energy 'margins' to knife-edge balance; declining real growth rates in socialist industrial economies; increasing problems in managing unemployment, inflation and investment simultaneously through neo-Keynesian techniques in capitalist industrial economies; dependent, unequal and often immiserizing development or disintegration in a majority of southern economies and for a majority of southern human beings... the objective trends and events were there. Similarly, the death of the growth and modernization paradigm as a global intellectual ideology has not been sudden. The still-birth of the Pearson Report (*Partners in Development*) was an early sign, but the questioning of the adequacy and sustainability of the old intellectual order which has led to a cornucopia (or Pandora's box) of approaches from Friedmania to the Khmer Rouge, from *Redistribution With Growth* (World Bank) to the *IFDA Dossier*, from *Limits to Growth* (Club of Rome) to basic human needs was much broader than rejection of 'development aid plus free trade equals progress' or even than any reassessment of North-South or capital-labour relations.

The first broad realization that a crisis existed came in the early 1970s. Even in the South, most earlier critiques such as that of Raul Prebisch and ECLA sought to achieve growth, modernization and integration as posited in the

world view and were even more economic (or economystic!) than northern bourgeois and Marxian (orthodox, e.g. M. Dobb, J. Bogнар; heretical, e.g. A. Emmanuel; or ultra-orthodox, e.g. Bill Warren) variants. Even then there was a tendency to relate the crisis either to OPEC and oil price increases or to a set of 'random' shocks including OPEC, the droughts of 1972-74, the death of the dollar standard on the 1971 Smithsonian operating table, and reaction from the parallel 1971-73 booms in major OECD economies. Further, it was still widely held that the world of 1945-70 could be re-created, that the only real structural problems were in the South and/or North-South, that the crisis would—with some judicious management and a bit of luck—vanish as rapidly as it had come. Henry Kissinger could say that the international economic order had served the world well and OECD's McCracken Report could call for the synchronized return to 5 per cent growth as a technical, managerial task with known, applicable solutions.<sup>1</sup>

During 1976-77, the crisis did appear to recede. Growth recovered, oil and grain prices stabilized, unemployment in the North declined, monetary and trade institutions and balances were under less pressure. The North saw the southern challenge as cheaply repulsed (apart from continued high oil prices) and its own problems as stubborn but yielding to treatment.\* The South was not convinced that progress towards an international economic order had begun, but many of its states

\* This is the wisdom of hindsight. The author makes no claim to have seen it in exactly this way at the time.

<sup>1</sup> Perceptions varied: the UK was a stronghold for Cas-sandras largely because of a national *Weltanschauung* posing gradual decay or speedy collapse as the only options and because the UK economy continued to perform so badly as to allow little easing of socio-political and sub-class tensions.

perceived short-term gains and/or were focusing their attention on domestic and regional challenges. This 'false dawn' (or still centre of a typhoon) disintegrated during 1978–79. In retrospect, 1976–77 appeared a lull and a lost opportunity for starting to rethink and restructure under less crushing pressures than those that typify 1980.

The common perception of crisis says little about how it will be faced or about the chances for positive international structural change as perceived from the Third World or from the viewpoint of the exploited, excluded and oppressed of both North and South. There is still no common perception of causes, common (or divergent) interests, the limits of the possible, or the freedom of manoeuvre. Still less is there any common secular ideological perception to replace growth and modernization. 'What we have we hold' is at least as common a response as 'Let all boats float higher'—witness the savage advance of the New Protectionism. Those who see the birth of a new world order—monetarist or New Left, orthodox Marxist or bourgeois liberal, populist or Platonic technocrat—cannot all be right about what kind of order it would be. They can all be wrong about whether there will be any clear outcome to violent struggles to achieve inherently contradictory trajectories of change (the 1930s are a case in point). They are surely all gravely underestimating the human costs, the severity and duration of the struggle, the likelihood of achieving a truce of exhaustion rather than a new synthesis and order of any kind. A 'programme for survival' may seem a much more modest aim and one hardly worthy of the struggle needed to achieve it. However, there is real reason to doubt that more can be achieved and little reason to be confident that the 'modest' aim can.

More particularly—but equally critically for

#### Volumes Revisited, Reviewed, Revalued

- World Bank, *World Development Report, 1978*, Washington, 1978; *World Development Report, 1979*, Washington, 1979.
- Interfutures, *Facing the Future: mastering the probable and managing the unpredictable*. OECD, Paris, 1979, US \$20.00, £8.90.
- Tevoedjre, A. (ed.), *Towards Solidarity Contracts, Labour and Society*. Vol. 3, No. 3/4, 1978, International Institute for Labour Studies, I.L.O. Geneva, 20 SFr.
- Rothko Chapel Colloquium, *Toward a New Strategy for Development*, Pergamon, New York, 1979, US \$8.95, £4.50.
- Sen Gupta, A. K., (ed.), *Commodities, Finance and Trade*, Centre For Research on NIEO, Francis Pinter, London, 1980.
- Independent Commission on International Development Issues (Brandt Commission), *North-South: A Programme for Survival*, Pan, London, 1980, £1.95. (North American edition MIT/Pan; editions in several other languages, e.g. German, Swahili, Dutch, Arabic.)

any reflection on development of and in the South—it is by no means clear that the North (North-East or North-West) sees North-South issues as critical to the causes, course or resolution of the crisis. National, North-North and North-East–North-West issues—plus energy seen in abstraction from the general development problematic—are ranked much higher on all counts by most North decision-takers and analysts. The danger may be that the North-South dialogue of the deaf will end not with a bang but with a whimper, a fading away into aimless chatter to hide the North's unwillingness to devote any serious attention to North-South issues until the North is 'on course' again. The Manila UNCTAD was, in

that case, a preview of this form of breakdown.<sup>2</sup> If North-South and South issues are to be tackled as central to the present crisis and to its resolution, the first challenge is to have them perceived as such in the North—to get attention.

### Torchbearers and trumpeters

The crisis has stimulated thought. The old ways—at least as followed—clearly do not lead to acceptable places; there is a premium, therefore, on holding up torches to illuminate new paths and sounding trumpets to rally others to follow them. Of torchbearers and trumpeters there is no lack; unfortunately, not only do most of the torches appear to cast a rather fitful light and the trumpets to have cracks, but more seriously the torches glare over quite different paths and the alternative trumpets add up to a blare of discords.\*

Three major categories of study have emerged, each with its own family hallmarks (and individual idiosyncrasies), insights and blindspots, areas of strength and gaps of weakness:

1. International institutional team studies oriented to technical analysis, identification of the possible, management of change.
2. Collections of the perceptions of individual intellectuals more or less (usually less) integrated to form a coherent presentation on political economic reality, necessary developments, the organization of change.
3. Unified proposals for next steps and interim directions based on a political analysis of political economic necessity and possibility.

It is not very useful to try to divide by authors: technocratic intellectuals vs freewheeling in-

tellectuals vs statesmen served by an intellectual secretariat. Some individuals have been contributors in both of the first two categories and, in principle, some could have been involved in all three.

The distinction between torchbearers and trumpeters is also blurred. All major efforts have sought to be torchbearers and most have tried to sound a rallying call as well. It is true that the second group are most concerned with intellectual exploration and the last with providing a clear call to a coherent programme of action in a form that decision-takers and publics will find convincing. But the exploration is intended to provide navigational guides and the clear calls are believed to be based on at least fragments of charts showing whence and to where the crisis is sweeping us.

Any selection of handbooks, manifestos, projections and programmes for review must be arbitrary. The criteria used here are: (a) potential importance intellectually, technically or operationally; (b) authorship by a North-South 'team' (waived in one case); (c) placing central importance on South-South issues within a broader global political economic context (semi-waived in one case); (d) viewing possible ways forward as involving interaction as well as self-reliance, accommodation as well as transformation, negotiation as well as confrontation; (e) known to the author!

In the first category, the selections are the World Bank's 1978 and 1978 *World Development Reports* and OECD Interfutures Team's Final Report on *Facing the Future*. In the second, Albert Tevoedjre's symposium *Towards Solidarity Contracts*, the Rothko Chapel Colloquium *Toward a New Strategy for Development* and the Centre for Research on NIEO's *Commodities, Finance and Trade* have been picked from a rather large field of contenders. The Brandt Report *North-South*:

\* The less charitable may wish to substitute 'a fanfare of trumpets'.



*A Programme for Survival* is the sole representative of the third category because it is the only serious candidate.\* That is not to demean it; had there been a wider field, the Brandt Report would have remained among the chosen. It is to underline that so far as systematic strategic proposals and initial packages proposed by North-South teams of statesmen go, *A Programme for Survival* is 'the only game in town' with all that it implies about the costs of refusing to play, seeking to upset the table, or proposing the substitution of one's own (marked) pack of cards.

#### **Plato and Machiavelli: the limits of technicism and technocrats**

At first glance, the World Bank's *World Development Reports* and *Interfutures' Facing the Future* appear very similar. Both are pri-

marily North rooted intellectually (even though the *WDRs* are looking at development 'down there' in the South and are written by North-South teams of individuals). Both are semi-official presentations of major North-based multinational institutions. Both are 'civil service intellectual' documents oriented to the world views of the institutions under whose auspices they appear, not 'pure' independent intellectual analyses.\*

More analytically,

1. Each report is marked by an economic core: production and exchange, as well as growth and efficiency therein, are central.
2. Each is qualified by certain social concerns, especially to the extent that these are perceived as critical to the stability and growth of the productive core.

\* The 1979 Arusha Programme of the 77 for UNCTAD V is not a candidate solely because a purely southern analysis and call to action is, objectively, most unlikely to provide a viable rallying call in the North.

\* This is not necessarily a criticism: freewheeling analysis supposedly to be applied but with no clue as to what institution, state, class or ideology might choose to implement it or why is at best rather puzzling to the reader and at worst self-indulgence on the part of the author.

3. Each places the (capitalist) market at the heart of the economic process.
4. But each qualifies that commitment, especially with respect to distribution of income and services, because the market mechanism is seen as subject to certain inequities and inefficiencies which—if unchecked—can undermine its viability.
5. Each has a central Platonic organizing principle: intellectual technocrats see most clearly and make the best Guardians.
6. Each is qualified by an uneasy resignation to the fact that participation by political decision-takers (and TNC managers one might suppose, but perhaps they are seen as fellow intellectual technocrats?) is necessary to make the technocrats' proposals happen and an even more uneasy acceptance that at least the appearance of participation by workers, peasants, urban poor and holders of alternative values is sometimes critical to efficiency in production and to systemic stability.
7. Each brings together quite remarkable quantities of data, an array of insights at various levels and a phalanx of proposals to some extent flowing from analysis of the data by use of the insights.
8. But each leaves an uneasy feeling that the whole is somehow very much less than the sum of its parts.

There are, however, more than marginal divergences. Interfutures had produced a coherent capitalist manifesto for our times. It has written an intelligent conservative's guide to reform. It is—up to a point—a political economic document looking well beyond growth and modernization, at least to the extent that the consequences of growth and modernization build up constraints and backlashes which threaten the continued efficiency and viability of the process. Losers are to be helped, dissi-

dents are to be incorporated or tolerated, as long as so doing reduces levels of conflict and increases the system's macro efficiency. It is in the tradition of Adam Smith not Milton Friedman and of Harold Macmillan not Margaret Thatcher. Perhaps it is ultimately more illuminating to describe it as a call to global Fabianism, interpreted as a series of partial accommodations to preserve order and stability and a series of partial incorporations to preserve the basic power of dominant capitalist sub-classes.\*

The manifesto rests on a rather careful examination of the roots of the present crisis, the need for major changes, the necessary conditions for and the constraints on change. Its scenarios are designed to show the costs of North-South conflict, of radical disagreement on values within the North, and of the New Protectionism as a means to averting change. The Third World is to vanish—for the benefit of all—by incorporating the NICs in OECD, and OPEC in NICery and world monetary management; by giving would-be NICs and major raw material exporters a way forward through processing and manufacturing before export; by aid for the very poor (states and people) and mixed approaches with respect to China and India. This is differentiation and division—and is so perceived—but along lines of selective, partial incorporation.

Ultimately, *Facing the Future* has three limitations:

1. While it includes many of the elements of the Charter of the Economic Rights and Duties of States and of the Arusha Prog-

\* Most Fabians would recoil at this definition. Yet how else can the results of Fabianism in the UK, the conservative social democracy of Federal Germany, the New Deal and its children in the USA be described? For that matter, since Fabius Nunciator won Rome's war with Carthage by giving up ground time after time and losing battle after battle, it is also true to the philological origins of the term!

ramme of the 77 and does use a mutual interest framework, its real concerns are mutating the present crisis into a reborn Bretton Woods world and keeping ultimate power in the hands of the dominant decision-takers of the Big Three (USA, EEC and Japan).

2. Its national (North or South) domestic policy implications are similar: they are fairly radical reformist and would, if acted upon, offer real gains to many of the excluded, exploited and oppressed, but without really altering the system so that they could no longer be excluded, exploited or oppressed.
3. The call to battle does not ring clear: Inter-futures has not made a case behind which key OECD polity and economy decision-takers will rally. If it is to be a basic book for neo-capitalism, then it is as an analogue to *Das Kapital* and somebody must write the *Neo-Capitalist Manifesto*, in terms less abrasive than the slogan that this author is tempted to coin for it: 'Privileged of the world unite! You have everything to lose unless you reforge the chains—and pad them to avoid chafing.'

The World Bank's efforts, at first glance, look much more sweepingly market-centred and anti-interventionist than *Facing the Future*. But they also appear to be more centrally concerned with people as human beings and with absolute poverty as both an economic and a moral obscenity. Further, political economy and struggle are notable by their absence (except in the industrial economy adjustment exercises advocated to help halt the New Protectionism), causing considerable damage to the reader's ability to understand who decides to do various things inimical to both growth of GDP and reduction of absolute poverty and why.

Predictably, the Bank's data and insights on the Third World are both more varied and more central to its work than those of Inter-futures. Less predictably, its analysis of 1945–70 is much weaker and less convincingly argued.\* While the *WDRs* are perhaps also best seen as Fabian manifestos, they seem to have warmer hearts and fuzzier heads: the abolition of absolute poverty and the improving of access (achieving equality of opportunity) for middle-income economies are central objectives within the *WDR* world view, but the technical analysis and especially the policy proposals often (by no means always) seem singularly inapposite.

These are basic tensions—or contradictions—in the World Bank's overall outlook and work, not just in the *WDRs*. Under President Robert McNamara, the Bank has become committed to meeting basic and intermediate human material needs effectively through the market. This approach poses at least four clusters of tensions which are as yet neither resolved nor adequately recognized:

1. The Bank does not understand the basic mechanics of socialist (especially transition to socialism 'rigged market') systems, so that while not necessarily unsympathetic in principle it is frequently unsound in proposal and prescription.
2. Efficiency is used as a self-defining noun or else as an adjective related to market, not as an adjective related to the needs that the market is supposed to be meeting—a most eccentric borrowing from the Friedman, Hayek, van Mises cluster which it otherwise rejects.
3. As a result, there is a tendency to treat redistribution as a consumption—or at best a public service—transfer problem and not

\* The World Bank has over three decades of institutional memory: Inter-futures was a new 'one-off' team.



as a question of restructuring opportunities for productive employment up and for gross exploitation down (*Redistribution With Growth* remains outside the mainstream of operational Bank thought and action).

4. Analysis of regional, class, sub-class and interest group is singularly absent or reticent and—on the face of it—near total mutuality of interests is assumed, making progress purely a matter of providing correct technocratic advice and educating decision-takers to see what is in their own interests. That is surely too simple. Struggle is real; the arrival at bargained compromises or syntheses requires knowing divergences as well as overlaps of interest and through what processes a viable interim solution (or resolution) may be achievable.

The *WDRs* ultimately appear to be exercises in technocratic Platonic Guardianship suffering both from an absence of political economic realism and a deep fear of broad participation, whether by workers and peasants or by politicians and patriots. Its heart is usually in the right place, but its head often seems unable to communicate with it. *Facing the Future* is a modern guide for statesmen in the tradition of Machiavelli's *The Prince*.<sup>\*</sup> Its heart is governed by its head to the point that one must suspect it has no independent existence, even if many of its beats are benign. But, like Machiavelli, Interfutures has been unable to locate a prince to advise; the Trilateral Commission five years ago would have seemed its logical court, but in power Trilateralists have

been as unable or unwilling to act on their previously expressed world view and convictions as Cesare Borgia was to act on his (or Machiavelli's) vision of a united, self-reliant Italy.

#### Gleaners and visionaries

Surveying collections of contributions by individual intellectuals even on a clear 'set topic' poses daunting problems. Whatever their defects, documents like the *WDRs* and *Facing the Future* usually have a certain agreement on definitions and terminology, a more or less coherent and consistent (even if often flawed, incomplete or internally contradictory) world view, and a degree of unity of analysis and prescription. That can almost never be said of team efforts comprising individual essays on varying aspects of a common theme. Such efforts—at their best—pose alternatives and contradictions more sharply and offer a wider array of insights, but this only adds to the difficulty of seeing them as a whole or summarizing them succinctly without gross inaccuracy or favouritism.

*Towards Solidarity Contracts* illustrates the strengths and weaknesses of the genre. A cruel critic could assert that the contributors are simply not talking about the same thing. Self-interest is treated by some as the antithesis of solidarity, by others as an element within it (perhaps its foundation) but by no means the whole of solidarity, while for yet others overlapping self-interest in reducing the costs of social conflict is solidarity. A radical critic might suspect that 'solidarity' was likely to prove a mystification in theory (to hide the reality of contradictions) and a demobilizing force in practice (to prevent the prosecution of struggle). A Friedmanite would challenge the mixing of fairness and justice with economics and efficiency, asserting that such illegitimate

<sup>\*</sup> This is not denigration: the Machiavelli of *The Prince* and *The Laws* is not the conniving 'Machiavellian' of popular demonology; Chao en Lai and Antonio Delfim Neto (otherwise very different) have more claim to being in the tradition of long-term, influential, structurally oriented advisers to rulers he sought (unsuccessfully) to found than, say, Henry Kissinger or Charles Njonjo.



combinations were bad economic science, worse political practice and abominable ethics. Both the radical and the Friedmanite could cite chapter and verse (sometimes the same verses in the same chapters) in support of their contentions. If one reads *Towards Solidarity Contracts* as a precise theoretical treatise or as a systematic set of organizing guidelines for international political economic relations, then all three lines of criticism are fully justified.

However, that is not the only way to use the volume. The attempt to define a concept of reciprocal and enforceable relationships broader than narrowly defined joint self-interest is not a nonsense—solidarity has numerous concrete existences and is interestingly explored by several contributors. There are, or appear to be, opportunities for the use of such 'contracts' to handle some aspects of international political economic relations: among 'like-minded' states, classes, organizations for specified objectives agreed in a context of ongoing dialogue and contact; among 'like-goaled' states and institutions using solidarity

in a way analogous to a trade union (e.g. OPEC and the Front Line States and the Liberation Movements of Southern Africa); among 'common imperilled' states and institutions (e.g. the global eradication of smallpox under WHO leadership and the East African Desert Locust Control Organization). There is no inherent contradiction between solidarity and struggle: as several contributors point out, most cases of solidarity involve solidarity *with* others but also *against* some external 'enemy' whether natural, institutional, national, class or human. *Towards Solidarity Contracts* does provide partial insights and demonstrates the need to explore them further. It does show that there are some actual and more potential cases in which solidarity contracts are a usable way forward and thereby challenges others to identify possibilities, constraints, necessary conditions and institutional vehicles both more generally and over a wider range of cases.

*Toward a New Strategy for Development* is a very different volume. It is self-consciously intellectually sophisticated often to the point

of abstraction from prescription in forms of direct interest (or intelligibility) to decision-takers (or decision victims). One may wonder what Dom Helder Camara, in whose honour the colloquium series is held, would make of it as a contribution to understanding or advancing the human condition, especially the human condition of the excluded, exploited and oppressed of the Third World. The diversity of approaches, indeed of world views, represented was evidently stimulating and enriching for the colloquium participants; but what is to be made of an ultra-orthodox Marxist case that capitalism is the progressive force of the last quarter of the twentieth century, a reasoned argument that neo-classical and orthodox Marxist economic analysis are tending to merge and to produce relatively similar repressive policy prescriptions, an interpretation of all international changes of any significance as transfer payments justifiable only on the basis of reciprocal quid pro quo obligations (more or less solidarity contracts as reversed in a mirror)? Do these illuminate reality? Do they offer any insights into how the present crises may be managed (apart perhaps from talking it to death, which seems unlikely to work)?

Again, this is perhaps not a complete or useful way of looking at the volume.\* *Toward a New Strategy* does present past strategies and their results (from different points of view) with considerable clarity and trenchancy. However much or little it contributes directly to illuminating the road ahead, the volume does shed a great deal of light on how we got where we are today. That is not a small virtue; only an understanding of history creates the possibility of transcending it and only the frank

appraisal of mistakes can provide a foundation from which to avoid repeating them.

On a different level, the NIEO debate (N. Islam, F. Mansour, R. N. Cooper, R. H. Green) is illuminating in several ways. First, it retraces the road to 1977 as seen from South and North. Second, it lays bare the differing perspectives and terminologies which have helped to make the North-South dialogue a Tower of Babel. Third, rather surprisingly, it does reveal substantial overlaps of the agendas for international negotiation and action of at least three of the contributors, who start from different vantage points and have apparently widely divergent long-term normative objectives.

The Centre for Research on NIEO has sought in a sense to begin at and articulate from the point reached by the NIEO dialogue in *Toward a New Strategy for Development*. Not in the literal sense of using the particular papers or participants and certainly not from the same rather abstracted intellectual stance, but in that of attempting to work out a common language, a common perception of what each party believes his interests to be and why, an agreed identification of areas of mutual, congruent or overlapping interests and initial thoughts about how these interests might be negotiated and acted upon. *Commodities, Finance and Trade* is the first fruit of that quest as pursued in four symposia during 1978, spanning the final debacles of UNCTAD V and the Tokyo GATT Round. It is to be joined by a companion volume on law, which with its emphases on the achievement of structural changes in international law (e.g. the evolution of 'permanent sovereignty over natural resources' to the verge of being a basic, general principle), on the potential of such concepts as 'unjust enrichment', and on the nature, meaning and inherent limitations of long-term con-

\* The author must hope so, as he is one of the contributors!

tracts is in some respects likely to be more novel and perhaps more stimulating.

*Commodities, Finance and Trade* addresses itself squarely to seeking answers to decision-takers' questions. What has gone wrong? For whom? Why? What is to be done? How can that be agreed? By whom? Which institutions and policies can implement the agreed actions? At what costs and with what gains? For whom?

The answers are by no means identical; at present, that does not make for a happy result, but one flowing from a hermetic selection of participants unlikely to be able to communicate with or to influence outsiders. However, valid queries may be raised as to whether the contributions—in the set papers or in the dialogue which surrounded them—go into enough depth of analysis. Is this a case of providing answers before knowing the real nature of the questions? If not, why do some contributions make certain policy prescriptions appear rational and beneficial for all, or almost all. North-South dialogue participants when in practice they have proved impossible to negotiate or in some cases have not even had serious support from any quarter?

Certainly, as finished intellectual works of art, the papers in *Commodities, Finance and Trade* will not bear comparison with those in *Toward a New Strategy*. At one level, they do make the road ahead look easier to pick out and less of an uphill slog than it is. But a case can be made both for the level of presentation and for the concentration on demonstrating that feasible, graspable opportunities for broadly beneficial change do exist.\* Fresh, simple presentations with a clear action orientation are needed today—technocrats are

frequently in the market for potential agenda items. Only if the proposals are not just imperfect but also in the wrong direction is their slightly premature and tentative floating likely to prove harmful. There is little need to stress difficulties—pessimism of the intellect is pervasive. What is needed, and what a majority of the contributions in *Commodities, Finance and Trade* do offer, is a demonstration that optimism of the will is still feasible and, at least partially, can be related to quite concrete intellectual, interest and power considerations.

#### *North-South: 'A Programme for Survival': can it be?*

The Report of the Independent Commission on International Development Issues (Brandt Commission) requires special treatment for several reasons:

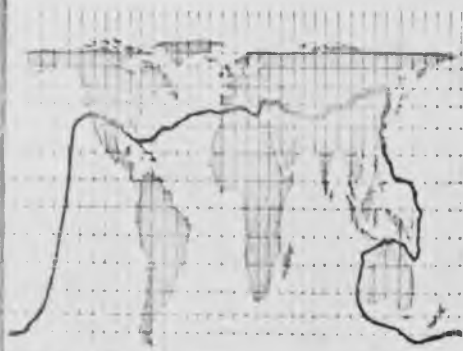
1. It, alone, is a deliberate 'balanced package' produced by individuals with a broad range of views.
2. The authors are widely respected public figures—some not previously much concerned with development issues—whose joint recommendations could have an impact on the course of negotiation and action.
3. There is no alternative action/negotiation package available to the forthcoming UN Special Session or to any new 'Global Round of Negotiations'.
4. If, therefore, *A Programme for Survival* is basically correct in course and content, it should be backed wholeheartedly to start the process and criticized in detail later when there is a forward dynamic to adjust (and if it is basically wrong, it should be blasted from sight before another SIECA—Paris Talks—disaster ensues).

\* Again, the author must hope so, as he is one of the contributors!

# NORTH-SOUTH:

A PROGRAMME FOR SURVIVAL

The Report of the Independent Commission on International Development Issues under the Chairmanship of Willy Brandt



*A Programme for Survival* attempts to face the present crisis head on. It states that the 1980s pose more dangers than any period since 1945. The international economic order (more accurately, New International Economic Order) functions so badly as to damage the short-term and undermine the long-term interests of all nations. The crises are advanced as a basic reason why joint action is critical: survival, northern emergence from recession, southern emergence to development, and the poor's emergence from absolute poverty are presented as parts of a whole, attainable jointly or not at all. The intellectual conversion that this represents for several members (and not only in the North—at least two southern commissioners used to say that northern recession and unemployment were trivial matters) is impressive.

The Report begins (Chapter 1) by outlining a world political economic order faced by in-

creasing and increasingly unmanageable crises over the past decade. It relates these to multiple structural factors at North/South, North, South and national levels. Without structural changes, it projects a steady worsening of the crises with no recovery in the North, no development in the South, no lessening of North-South or regional tensions.

The presentation of national, North and South internal structural change requirements is less detailed and rather less convincing than the global argument—presumably because ICIDI is primarily addressing itself to global action. However, the global analysis does not hang in a void. Chapters 2, 4 and 8 address themselves to development requirements in the South in a way far more incisive than most global documents; the need for structural changes in the North (as well as an acceptance that they have costs) appears in several places, especially Chapters 3, 7 and 11.

### Self-interest to bolster compassion

The Brandt Commission emphatically does not reject the moral case for global change. Moral appeals and human concerns surface fairly frequently both in the general chapters and in those on the Poorest Countries (4) and Hunger and Food (5). The call on self-interest as a lever for change is seen as an addition not a substitution. Unless there are radical changes, there will be damage to the economic and political positions of the powerful (in North and South) and global insecurity will be increased (Chapters 3 and 7). This case—in terms of immediate responses needed—is largely directed at the North (including the North-East). The Commission's reading (Chapter 1) of 1973–79 history as one of southern proposals for negotiated change and northern passive resistance suggests that a major change of approach is vital if the North-South deadlock is to be broken.

*A Programme for Survival's* delineation of mutual interests (perhaps more accurately overlapping or interlocking interests) set out in Chapter 3 is not naive. It recognizes that there are areas of conflict, that many clashes are more intra North, intra South or national in origin than North-South, and that mutual interests are not the same as identical interests. It is frank in admitting that acting on mutual interests entails costs; not doing so entails higher ones. ICIDI almost accepts that confrontation is at times a necessary part of, and prelude to, negotiation. The implicit model is not an end of ideology or paternalistic, but a cross between global analogues to Keynesianism, robust industrial relations, radical social democracy and national liberation movements. This working compromise among the Commissioners may be operational and is certainly intellectually stronger than the failure to

confront the limits of mutual interest, the reality of struggle and the nature of political economic change which characterizes most international documents.

### What overlapping interests?

Mutual interest approaches need to identify priority mutual, overlapping and/or complementary interests. What are ICIDI's candidates?

*North:* Extrication from recession; access to a constant or slowly rising volume of oil at slowly and predictably rising real price; greater assurance of future raw material supplies; averting an international banking crisis; creating a less insecure and unpredictable international monetary system; averting unmanageable demands on agriculture.

*South:* Averting stagnation and disintegration; securing external resources on fair terms; achieving greater access to industrial economy markets; shifting much raw material processing, manufacturing, international marketing to producing countries; winning effective participation in global economic institutions; achieving food and energy security; achieving fairer contracts with and operational regularity powers over TNCs and with respect to technology.

*Both:* Increasing global management capacity; reducing instability caused by lack of security and/or inequitable contracts; lowering the burden of armaments expenditure; breaking the circle of insecurity, armaments, economic drain, greater insecurity.

The North and South clusters are rational, potentially convincing to decision-takers, and related to modalities for action which are not beyond the limits of the credible. The security area poses more problems. The need is made clear (Introduction and Chapter 7), the analysis is not naive, the examples are mind-catch-

ing (e.g. one tank = classrooms for 30,000). But the reasons why the circle continues are not made clear enough for prescription and there is a virtual admission of inability to locate adequate (old or new) modalities to achieve a structural change on the 'Disarmament and Development' front.

### Articulating interests

The bulk of the Report (Chapters 4–7 and 9–16) is a sustained articulation of overlapping interests in key areas from development finance through hunger and energy to population. Few of the proposals are novel, but the methodical elaboration of the network of complementary interests across the broad array of North-South issues is both new and potentially convincing. Potentially only because it requires that the North believes recovery is a good thing (i.e. that sustained high unemployment and bankruptcy levels are neither ends in themselves nor necessary conditions for external payments balance and price stability) and that loan-cum-export led recovery via the Third World is better than armaments led reflation and more practicable than, or consistent with, domestic social service and transfer led programmes. Equally, it requires that the South believes that this approach can secure significant structural change, that the North will be willing to negotiate on its prompt implementation, and that confrontation is unlikely to produce better results given the present crises and political economic power configurations.

The NIEO/NNEO issue is tackled moderately squarely. The need for internal change in the South is not glossed over, but is set beside the relatively unfavourable post-war economic context which confronts southern politics seeking humane development (Chapter 8 is a

clear attack on the 1978 *WDR*'s view of the 1945–70 setting). The Chairman argues:

Change and reform cannot take place on a one-way street; they must be supported by governments and people in both industrialized and developing countries . . . Waste and corruption, oppression and violence, are unfortunately to be found in many parts of the world. The work for a new international economic order cannot wait until these and other evils have been overcome. We in the South *and* the North should frankly discuss abuses of power by élites, the outburst of fanaticism, the misery of millions of refugees, or other violations of human rights which harm the cause of justice and solidarity at home and abroad (p. 10) . . .

but as a part of the process of structural transformation, not as a precondition for beginning its global action aspects.

### What is—and isn't—the Report?

The appearance of a potential major document—whether programme for action, intellectual treatise, political manifesto or poem—leads to varied expectations, interpretations, premonitions and criticisms. Some of these turn on reading the document as something different from what it is.

*A Programme for Survival* is the product of serious reflection. No document which begins by asserting that the South's economic relations with the North are characterized by inequality and dependence and that there is a mutual interest in changing this can be accused of repeating accepted platitudes! Nor is 'there must be an end to mass hunger and malnutrition' the conventional central thrust of a twenty-year food programme. Compare the 1978 and 1979 *WDRs* which accept 400–800 million absolutely impoverished in the year 2000 as a fact of life—or more accurately—of death.

But *A Programme for Survival* is not a major analytical study, nor does it present an intel-

lectually novel world view. Practical political programmes—especially those hammered out by a coalition—never do. They draw on what has been thought and analysed before. Their novelty lies in transferring proposals and insights from the realm of discussion to that of action and in putting apparently (or actually) disparate agenda items together in new ways to achieve a package which—as a whole—is more broadly acceptable than most of its components. This ICIDI has sought to do.

#### **New Jerusalem or first steps to progress?**

Any reader expecting to find the blueprint for a New Jerusalem, let alone an autobahn to it, will be grievously disappointed. The members' New Jerusalems are not the same. They are astute and modest enough to doubt that they know their city plans or the exact alignment of the roads leading to them. In any event, New Jerusalem designing is appropriate to political and intellectual mobilization for conflict and confrontation, not for devising action programmes for breaking deadlock and creating a forward dynamic among parties whose overlapping interests neither are nor can be total.

*A Programme for Survival* is a 'brokered document', a 'bargained compromise'. These are not necessarily pejorative descriptions. Much the same could be said of the US Constitution or Lenin's 'What Is To Be Done'.

#### **Structural or marginal?**

The Brandt Commission stands squarely among the advocates of major structural change. Some of the juxtapositions—prosperity of the rich and progress of the poor and TNC investment flows, mineral supply and transfer of technology (Chapter 12)—are not the happiest, but in part this is the price of

achieving any agreement on advocacy of major change. Neither the opening chapter on context nor the concluding chapter on programme is marginalist. Even the cases cited represent calls for change: the present northern conventional wisdom does *not* accept that progress of the poor South is a precondition for the prosperity of the rich North as does ICIDI. The emphasis of Chapter 12 on the need for fair contracts as a precondition for stable TNC/host relations is a novel view in the North.

Of course, the Brandt Commission does not endorse autarchy—by South or North. The nature of its endorsement of self-reliance is more surprising than its limits:

The South needs and wants to be more self-reliant, to complete the process of political independence with economic independence. But that does not imply separation from the world economy. It means rather the ability to bargain on more equal terms with the richer countries to attain a fair return for what it produces, and to participate fairly in the control and running of international institutions (p. 42).

#### **Third World manifesto or balanced programme?**

As a Third World manifesto the ICIDI Report would be a rather weak and flawed document, but it is hard to imagine why anyone would suppose it is, or could have been, such a manifesto. Only the 77 and Non-Aligned—or commissions chosen by and from them—can fulfil that role. *A Programme for Survival* never set out to be a partisan manifesto or an initial bargaining position, and to criticize or praise it as such is to weaken its potential impact.

It attempts to argue that structural change in the North, the South and globally is essential from the points of view of South and



North, rich and poor. It seeks to build on that base, to outline both the broad guidelines of necessary changes and the major initial programmes needed to reverse the trends towards depression, stagnation, disintegration and mass starvation, and to create a dynamic towards positive change. These attempts can be successful only if the Commission is viewed as a non-partisan body (a highest common denominator of individual partisans) and its emergency 'Programme of Priorities' (Chapter 17) as a final, minimum, bargained agreement not a maximum initial proposal. Confusing the former with the latter is dangerous, as exemplified by the unhappy history of UNCTAD's own proposals (e.g. Common Fund, Codes of Conduct), whose initial form and content have been largely those of an honest broker's final resolution of divergent interests but whose image in the North (not in the South) has been of maximum South 'demands' to be 'pared down'. If the Brandt Commissioners are even vaguely right in their assessments, to treat their proposals in that way will be to render them totally ineffective for the North as well as the South.

### The mechanics of the argument

The mechanics of *A Programme for Survival* are more complex and coherent than may appear at first reading. Four themes recur regularly.

*First* is integration (not exclusion or fragmentation) by differentiation. There is no pretence that the South (or, less clearly stated, the North-west) is homogenous. Separate programmes for the poorest, a set of approaches to trade, special attempts to resolve a series of energy and raw material uncertainties particularly damaging to identifiable clusters of countries, and acknowledgement of divergent initial

domestic development priorities are examples of this theme. 'Divide and rule' is stood on its head—divide to provide relevant access and participation is substituted. This may be critical. The North's use of 'differentiation' as a lever to pry the South apart and the South's—partly consequential—tendency to avoid giving serious attention to differentiated approaches at the negotiating level are not conducive to moving towards agreed action. Inclusion by differentiation may offer a passable road out of that impasse.

*Second* is the repeated emphasis on the interlocking nature of the mutual (overlapping) interests. Using concessional transfers or loans to overcome recession/sustain development now requires market access for processed commodities/manufactures if grants are ever to be phased out or loans serviced. Without effective Third World participation, there can be no consensus for the stronger international institutional mechanisms needed to reduce uncertainty and instability.

*Third*, inclusion by differentiation is applied to the international negotiating process (Chapter 16). Initiating a forward dynamic, broad approval of principles, detailed negotiation of provisions and legal instruments, and amendment/ratification of the results of negotiation are separated. The second and fourth require global bodies. The third requires small, expert groups with members chosen by, in touch with and responsible to constituencies of states. One hundred and fifty delegations simply cannot negotiate in detail. A dozen parallel 150 state negotiations are not feasible for more than half a dozen states because of limits on personnel and knowledge. This suggests a workable process from general guideline-setting to detailed negotiation to ratification and a division of responsibility—especially at negotiating level—among different forums, with

the General Assembly and ECOSOC having the duty of taking a broad-front, strategic view.

Complementary to this process are enhancing the operational capacity of international bodies, enhancing southern participation and influence in them and staffing them with people with 'qualifications and sensitivities to the problems involved' (p.217: in that context, a brutal critique of the IMF, but in milder form a recurrent theme).

*Fourth*, the initiating role is seen as played by small—often non-governmental—groups, such as ICFDI, as often as by initial broad state coalition proposals. To bolster it, and to see that implementation stays on course, a permanent external monitoring unit of distinguished persons is proposed. The immediate problem is restarting a negotiating process broadly seen as aimed at reaching agreement on change and its implementation:

But we believe the present deadlock is so serious, and the need to break through is so evident, that nothing should delay discussion and negotiation at the highest level. We hope that a summit could enable (a small group of) leaders to take the first step (p.281).

The Commission is evidently influenced by its own evolution to perceive broad areas of mutual interest and believes a similar exercise by, say, twenty heads of state could catalyse a process of action-oriented, common-ground broadening, speedy negotiation. This is, of course, a hope rather than a firm prediction, but it is hard to discern a better option. The sheer size and make-up of the Special Session surely preclude its playing the role of initiating catalyst.

#### Emergency programme, 1980–85

An emergency programme of selected initia-

tives for 1980–85 is given special attention. Breaking the present deadlock and creating a dynamic towards exploring common ground requires early action. Falls in northern exports, failures among northern banks, energy anaemia and food scarcity at much more crippling levels than those of 1973–75 or 1979, broadening outbreaks of aggressive protectionism, and a descent into global depression if nothing is done to reverse present trends and perspectives are set out as the case for acceptance by the North.

The five themes chosen are: massive resource transfers; an international energy strategy; a global food strategy; at least some major international economic system reforms (with the monetary/financial institutions and conditions of trade for the South in manufactures plus commodities the preferred candidates); and the Economic Summit to start the process and to give an authoritative blessing to immediate action on the balance of the emergency programme.

It is in a sense ironic that *A Programme for Survival*, like every major global development manifesto since the UN efforts of the mid-1940s, ends by giving a central role to concessional and commercial resource transfers at increased levels on terms consistent with servicing capacity. The continuity is somewhat misleading. The Commission does not see aid as the permanent centre of a new international economic order, on the contrary. But in the short run it sees massive increases (doubling to \$40 billion in 1978 prices) of concessional finance as vital to sustaining development in the poorest countries and continued recycling of petro surpluses to middle-income countries (via partial guarantees to commercial banks, some interest subsidization and raising World Bank lending power to \$80 billion) as critical to underpinning their continued growth

in the face of short-term external deficit widening. For the North, these transfers are critical to avert damaging defaults and loss of export growth momentum. Export led recovery and growth in the North financed by capital transfers to accommodate southern external balance crises and sustain or enhance growth and development is the central 1980-85 mechanism for realizing mutual (overlapping) interests.

The energy strategy proposed is attainment of predictable gradual real price increases for petroleum and indexation of financial assets of exporters, supply security, enhanced conservation and research/development on additional (especially renewable) energy sources. Food strategy focuses on food security with regular supplies, emergency stocks, more production oriented and more dependable food aid, and increased production by the South as the main modalities.

Better access for southern manufactured and commodity exports (especially in processed form) is one 1980-85 target under the major reform cluster. It is necessary if the enhanced concessionary transfers are to be limited to 1 per cent of northern GDP by 2000 and trade-expanding commercial finance is to be self-liquidating. The other structural changes towards NIEO proposed for 1980-85 are financial. They are sketched in terms of effectiveness in meeting short- and long-term financial flow needs consistent with reducing threats to financial institutions (and national financial viability), re-creating the IMF with global (including North-East) participation in decisions and key personnel, creating the World Development Fund to complement the World and Regional Banks by filling gaps and handling a large proportion of the additional concessional resource flows.

The package appears to be a rational one for an initial agenda; food security, energy pre-

dictability and financial resources to avert deepening depression are vital to halting decline and creating a forward dynamic. So are some structural changes towards NIEO. While one might have other candidates, trade and financial institutions are areas of real importance. They have broadly perceived problems, identifiable common interests and good prospects for visible, valuable action soon after agreement in principle is reached. Further, trade encompasses major aspects of industrialization and commodities. The case against extending the list—the codes/laws on TNCs, transfer of technology and business practices would seem the leading candidates—is that the span of issues which one summit can agree upon, which one general (e.g. UN or ECOSOC) conference can send forward with guidelines to negotiate, which parallel negotiations can bring to adoption and states put into operation is limited. A more propitious time for additions might be once the initial package is well along this road. In any case, ongoing negotiations would not need to be halted any more than ongoing ECDC and TCDC efforts which—because they are South-South rather than global—also fall outside the central North-South priority action focus.

#### What to do

The most critical question for the reader with respect to the Brandt Report is whether it is worth backing. It is the 'last best chance' for an early revival of a meaningful North-South dialogue. That, in itself, may not be adequate grounds for support; it may not win the support of key northern governments. That, in itself, is not adequate grounds for non-support and is potentially subject to change if there is enough support.

Would *A Programme for Survival*, if adopt-

ed and acted upon, improve the present conditions and the prospects for the unemployed, the poor, the sick, the starving? Would it provide real material gains to Third World states and greater room for manoeuvre to those seeking to achieve New National Economic Orders (including transitions to socialism)? The answers must be affirmative. The degree is in question, not the direction.

Does the shift from moral advocacy to a mutual (overlapping) interest advocacy linked to a moral affirmation vitiate the Report? Why should it? Moral causes have usually—not always—made progress when powerful interests (sub-classes) saw their advance as having 'something in it' for them. To quote Commissioner Ramphal:

If in fact the North can be convinced to make the kind of changes in the world economy which the South has been seeking not on grounds of charity or benevolence but of hard-headed self-interest, then I say it is a gun for the South. I think there are good moral reasons why the North should do it. But if the North cannot be moved by morality, why should we hesitate to move it on grounds of self-interest?

Will supporting the Report's proposals hamper the attempt to launch a new high level, key issue North-South dialogue? It is difficult to see why. Evidently Commissioners Ramphal, Yaker and Jamal—all 'New Global Round' advocates—do not think so.

Is the Brandt Report really enough to cause structural change or will it leave all serious decision-making power in northern hands and, by its transfer payments and terms of bargaining concessions, stabilize global inequity? That is a serious question and one powerfully argued (with himself as well as the reader) by Dr A. K. Sen Gupta: 'Is it possible to remove gross inequities by sharing the incremental benefits on the margin?' even though 'It is

much safer and probably more practical, to adopt programmes based on mutual interest and sharing of benefits.'

*A Programme for Survival* in action would not make the North poorer or absolutely weaker—its transfers of power and of finance do not go that far. They would make the South less poor and stronger and create a growing self-interest reason for the North not to seek to reverse that process. They could allow the South to build up collective power—whose absence Sen Gupta notes, as did President Nyerere in his Keynote Address to the 77 at Arusha. In any future confrontations or negotiations, they could then hold to a firmer and more durable line.

*A Programme for Survival* shares the weaknesses and strengths of industrial relations and of social democracy. There are immediate benefits for very real human beings, there are areas open to future advance. If a violent revolution is needed, they may postpone it or may—by illuminating the limits of non-violent change—create the conditions which make revolution practicable.

There is a case that global negotiations cannot produce structural change without prior violent confrontation and that the 'NIEO-manqué' of ICIDI would in fact perpetuate centre exploitation of the periphery and the existence of southern regimes willing to be partners in injustice. If that case is correct, continued negotiations are objectively a means to perpetuating exploitation and exclusion, repression and exclusion. But unless that case is accepted, the cost in lives of trying to act on it is made clear and a plausible scenario for successful action is outlined, then negotiation (including confrontation to force serious negotiation) remains 'the only game in town' and the Brandt Report the only existing 'game plan' on which North and South might agree.

**Not fare well but fare forward**

The plausible short-term stances with respect to the ICIDI Report are open opposition, quizzical silence and full support. To take up a 'Yes, but' position is, in practice, to oppose; with such friends, *A Programme for Survival* will be overcome by its enemies, enemies mobilizing around the banner emblazoned 'What We Have We Hold' (as previewed at the 1980 New Delhi UNIDO Conference).

To argue for *full* interim support is not to assert that the *Programme* is perfect. If it is to be improved, it must first be adopted. Then it will be necessary to negotiate on how to operate the emergency priority measures and how to articulate and fill in the longer-term guidelines. That is the point at which modifications and additions can strengthen rather than destroy.

Alternatively, if the struggle for the *Programme* is lost, then is the time to begin programming for neo-autarchist Collective Self-reliance to meet the New Protectionism, for selective confrontation to prove the damage-inflicting capacity of Third World groups,

and to use blocking tactics in bodies of interest to the North. To dabble in them while struggling for a serious dialogue is likely to play into the hands of those who want no change.

If one accepts the Commission's assessment as basically valid (even if at points superficial) and its proposals as in the right direction (even if not fully adequate) then one should also accept its warning:

The search for solutions is not an act of benevolence but a condition of mutual survival. We believe it is dramatically urgent today to start taking concrete steps.

**Notes**

1. The Rothko Chapel volume, *Toward a New Strategy for Development*, 1979—especially essays by Strecten, Cardoso, Minhas, Warren, Islam, Cooper and Green—captures the 1976-77 debates on, and perceptions of, the previous period as they existed and were seen at that time.
2. See 'Lessons for the 1980s', *IDS Bulletin*, 11-1, January 1980, especially editorial and pieces by S. Griffith-Jones, A. Weston, R. H. Green.
3. See *Guardian* 'Third World Review', March 18th, 1980.