

**NO WORST THERE IS NONE: The Political Economy of Recession,  
Recovery, Poor and Vulnerable People 1979-19??**

**By Reginald Herbold Green**

Economics is the method,  
the object is to change the soul.

- Margaret Thatcher

The birds fall out of heaven  
as sleep does,  
and some must die unvisited.

- John Ash

I

Economics or Ethics?

The world economy clearly entered into full scale recession in 1979. In the North it entered into a not very rapid and certainly very uneven recovery in 1982 but one continuously threatened by massive internal and international (North-North) imbalances most strikingly posed by the huge Japanese - Federal German - U.S. structural economic imbalances, by levels of unemployment not seen in fifty years and by the financial market crises which began in late 1987. In the South - with a few exceptions such as South Korea and Taiwan on one hand and India and the People's Republic of China on the other there has been no recovery; what abides is either sustained depression or frenetic swings with brief bursts of growth followed by new downturns. The Northeast - the socialist industrial states of central and eastern Europe - have a distinctly different sub-pattern. But they too have experienced reduced growth, years of negative growth and in at least two cases (Poland, Rumania) sustained and serious falls in production over several years.

In retrospect the disintegration of the 1945-70 Industrial Economic Order into the New International Economic Disorder (not its transmutation into a New International Economic Order) can be seen to have begun in the late 1960s and to have roots going back further. These included lagging growth in investment and enhancement of productivity in the North, a self-contradictory international financial system requiring both a perpetual US external deficit balance and absolute faith in the value of the US dollar and a variety of built in inflationary mechanisms. The early 1970s shocks (drought, etc.) fell on an already weakened system. Even so, from 1975 through 1978 there appeared to have been a recovery in the North and a foreign borrowing level and financed boom in the South. The fragility of that patchup became clear when renewed shocks in 1979 led to manic monetary conservatism (and in Europe Fiscal) tightening to reduce inflation (and in Europe government borrowing) with resultant unemployment and recession in the North and via their impact on South-North exports and interest bills to immediate as well as lagged production, debt and development debacles in the South. The ultra Keynesian use of deficits to restore growth in the USA (as a result of the failed expenditure and revenue policies of the Reagan Administration, not by intent) and of export maximisation to achieve the same end in Japan (largely intentionally) have underpinned the North recovery to date but also widened the imbalances now threatening to terminate it.

#### The Human Dimension - Little For Your Comfort

That is the broad economic outline of 1979 (or 1969) - 1988. The human dimension has been much more sombre. In the Northwest unemployment has risen to over 10% (less in North America, Japan and Scandinavia, higher in the rest of Western Europe) if one makes even minimal allowance for work or training programmes designed primarily to reduce unemployment statistics (as opposed to unemployment) and for those unemployed so discouraged they no longer seek work. Safety nets in the form of public benefits for personal and family survival have been cut back. Public services have deteriorated (partly related to rising average age and thus increased need for health services). The impoverished and the destitute have broadened to engulf many youth, aged (or upper middle aged), single adult and especially female headed households and minority group (immigrant, citizen or indigenous) persons who prior to 1979 would have been able to keep jobs or to find new work and now cannot.

The Northeast of Socialist Europe has not shared the open unemployment crisis but - especially but not only in countries like Poland and Rumania - has seen a decline in real personal welfare, through falling real wages and less ready access to good quality public services. Some of its countries have had apparent labour shortages but these appear to relate to immobility and low productivity which result in low and/or falling real wages.

In the South the picture has been much starker. The reason is only partly that for many Southern countries - notably in Sub-Saharan Africa - there has been no economic recovery and in others - notably in Latin America - it has been transitory followed by further declines. The other part is summed up in the West African proverb "Give a rich man less food and he will grow thin; give a poor man less food and he will die." For a majority of the people of the South their pre 1979 margins above absolute poverty were at best narrow; for a large minority already in absolute poverty their margins above literal death were little broader. Mass and massively rising unemployment and sub-subsistence casual or self employment (including sub-subsistence peasant agriculture) levels without any general safety nets; rapid deterioration in quality and coverage of always inadequate basic services; scores of thousands of famine deaths wherever economic weakness, weather and war interacted (as in Ethiopia, Eritrea, Chad, Mozambique and Angola); reversal of decades old trends of falling infant mortality and rising life expectancy - these are the hall-marks of human economic imbalances born of poverty and inequality and radically raised by recession in the South.

#### Economic Necessity or Political Economic Choice?

Again as a sketch the human dimension impact of 1979-887 is not widely denied. The questions are rather different:

- a. is the human dimension impact the necessary consequence of economic policy changes since 1979? and
- b. if so were these the only practicable economic policies or would others have reduced imbalances and restored growth at least as well while also shielding poor people and vulnerable groups?

In short are we facing the results of economic necessity - "There is no alternative" - or the failure to give priority to the basic needs of poor and vulnerable human beings - i.e. the frequent absence of "adjustment with a human face"?. If the first contention is valid, then one faces a set of issues in technical economics. The post 1980 strategy's purely macro economic weaknesses and instability in its own terms does raise doubts as to its technical plausibility or sustainability. If the contention of necessity is not valid - and the present author would be disingenuous to hide that he believes it is not - then the issues are not primarily ones of technical economics or of absolute limitations on available resources but of political economics and of allocation.

Political economy - from Aristotle through Saint Thomas to Adam Smith and Karl Marx and on to John Maynard Keynes and Hans Singer - has always been about economics, politics and ethics. It is about economics because while to have priorities in allocating resources may not require knowing how many resources there are, actually allocating them does so require even in the short run and allocating now without regard to the production of further resources runs grave risks of reducing future resource availability and the ability to make any allocational priorities effective. The biblical call is to stewardship, to sound management of the earth's resources, not to profligacy and using up seed corn without thought to the spring planting.

But political economy - indeed all economic policy - is about politics. Who gets what, why, when, where and how is a working definition of political process. Much of the what is economic. The why and how turn on the tradeoff and mix amongst market, fiscal and public provision policies. The when encapsulates the complex and ambiguous choice between higher investment and growth for future use and higher present use and lower future resource growth. The where relates to regional and mobility policies. The who in practice turns on who matters to the dominant power coalition (however defined) which determines state and influences private or corporate action. This is neither a bourgeois nor a Marxian, a northern nor a southern definition - the political economic interaction is inherent in any state or society. It is rarely simple and frequently marked by mistakes, but it exists and the choices made within it turn primarily on political interest (including the economic

interests of recipients) with economic facts and processual constraints limitations either on measures chosen or/and on their results.

### Ethics - Element of Change

The political economic process as sketched is not and cannot be ethically value free any more than it can be politically neutral or (at least for very long) wholly economically irrational. Great political economists - e.g. those cited earlier - have never contended (or even supposed) that it could be. They have seen public policy ends as just as closely linked to what is ethically just as to what is politically prudent and what is economically practicable. Not for nothing did Adam Smith style himself as a professor of moral philosophy.

Again the biblical references to economics (or stewardship) are all in a moral context. The Sabbath and Jubilee Years very clearly exemplify a commitment to reverse misfortune (and exploitative gains!) and to restore the poor to at least moderate sufficiency and self reliance. That they were not very fully or frequently implemented is a fact, but so too is Jesus' reaffirmation of them in the synagogue and drawing on them in the Sermon on the Mount. It is primarily from this tradition that the Ecumenical Movements commitment to critical reflection on political economy flows.

And it is in the ethical dimensions of political economy that - especially in the North (including on a lower key the Northeast as well as the Northwest) - the changes since 1979 have been the most marked and threaten, unless reversed, to be the most humanly destructive. It is a sombre reflection that if one asked a random selection of educated people in the northwest who said that: no nation can be great or prosperous the majority of whose people are poor or miserable, the commonest answer would probably be Karl Marx, perhaps with J.M. Keynes as runner-up. In fact the answer is Adam Smith - a point which should give both his more Messianic modern 'disciples' and also some of his more reductionist critics cause for reflection. Equally it might startle many in such audiences to realise that the man who recently said that economic reform programmes in Africa which rend the fabric of society are unsustainable and therefore worse than useless was not a radical African populist with an arguably foggy grasp of economic constraints but the Vice President for Africa

of the World Bank E. V. K. Jaycox. Both statements represent approaches which are - or were - mainstream conservative political economic ethical points of view prior to 1979; the former hardly resonates in most Northern government policies (except perhaps Japan's) today and the latter, while now on the counter-offensive, has lost ground in the South (and more markedly in Northern and international agency development discourse and praxis) since 1979.

It is not merely that lowering inflation has been given a higher priority relative to preventing rises in unemployment; reducing external imbalances relative to protecting vulnerable individuals and families; raising production and/or incentives benefitting those with above average incomes to strengthening or even maintaining basic service level and safety net provision; increasing efficiency designed in narrow market profit terms to reducing the growth of inequality and irregularity nationally or globally. These changes have occurred-as a comparison of 1987 or 1977 economic policy pronouncements, policy monographs and introductory texts will readily show. Their cumulative impact has been humanly severe and arguably even narrowly economically counterproductive. But, taken individually, each choice might be discrete, based on economic constraint concerns and likely to be transitory. This is not the case - they are parts of a political economic whole and one based on a set of ethical choices and priorities as different from those dominant in most countries over most of 1945-75 as are 1985-87 levels of unemployment from those of 1975-77.

Equity has been downgraded - or indeed set up as the antithesis to and enemy of growth. Even as conservative a neo-egalitarian as John Rawls is apparently a prophet without honour. Historically that is probably counterfactual; but the thesis is not really about facts but values - priority to the acquirer, the entrepreneur, the economic succeder is the bottom line choice with the (not inevitable) corollary of to him that hath not and does not succeed - nothing or very little.

Acceptable or "normal" unemployment has been escalated to 5 to 6% or more (present 10% rates cause no great political crises for many governments - elected as well as otherwise) in order to break both inflation and the power of organised workers (the new economic ethics apparently accepts Karl Marx' views on the necessity of a reserve army of unemployed for capitalism). The issues are not really about alternative policy mixes for controlling inflation

(heavy dependence on unemployment is in purely economic terms an inefficient one) nor about specific weaknesses or abuses by trade unions. The choice is for a distribution of income and of power narrower and more uneven than before and a quite deliberate scapegoating of labour (and government policies influenced by it) as opposed to capital (or capital controlled governmental policy) for past economic weaknesses and post 1979 rises.

At the same time both universal access, no or low direct user cost basic public services and transfer payments to the poor (albeit not to the rich via - e.g. - tax cuts) have been downgraded and decried as undesirable even if necessary for "them" (e.g. the UK Health Minister who said all people with reasonable incomes should pay for their own health care in the UK as they did in other rich countries). In consequence state provision of anything above minimal services or transfer (survival or self-rehabilitation) payments has come under attack as inefficient and undesirable. Again the judgement is ultimately ethical - the poor are mostly undeserving, the vulnerable usually brought it on themselves (why didn't they have a nest egg?), the state should retreat to a law, order and an oligoplistic private enterprise support role (for which poor dead Adam Smith is miscast as a champion just as - equally inaccurately - he is for poll taxes of which his criticism was sharp and normatively grounded). Admittedly the verbal style and (one trusts) the substance of the 19th Century political economist Nassau Senior who argued: that the Irish potato famine had been inadequate to achieve structural adjustment there because it had not killed or driven out enough people, would still not be politically viable or ethically acceptable. Famine - at home or abroad - still brings a mass human reaction that preventable death and abject suffering are unacceptable (if widely known) and that it is the business of all states, not just individuals or the states of the starving, to do the preventing.

But the new political economic ethics have come a long way in their upgrading of the individual and subordination of society and in their stressing rewards for the successful almost to the exclusion of protection and rehabilitation for the socially and economically weak or injured. It is intrinsically an economic ethic of power and profit adumbrated by holders of power and recipients of profits. Each for himself, the state for us and the devil take the hindmost is only a slight exaggeration of the more extreme of its operational manifestations. Ironically it is not in practice a decentralising

or state power shrinking ethics. Because its targets are intermediate social groups - trade unions, local governments, churches - it tends to increase central state and large corporate power. Certainly it does so relative to any other forces in civil society and probably absolutely. That the Church of England, newspaper freedom to publish without prior censorship and the autonomy of the BBC have become targets of the United Kingdom's present government following trade unions, the Labour Party and local government (including Conservative Party controlled local government) autonomy should not be a surprise - these steps are part of the same political economic ethics, albeit it could have stopped short of all but the local authority control measures.

Whether and to what extent the new political economic ethics apply in the Northeast is both problematic and unclear. Not at all is simply not an adequate answer any more than is totally. Reduced safety nets (e.g. as to employment and real income security), increased incentives and inequality, stream-lining to increase managerial and top policy maker power (against both labour and the lower levels of the establishment) are quite evident. In the extreme case of Rumania they do rather resemble Thatcherism carried further with a Socialist Face, but elsewhere they are neither extreme nor integrated enough to make it possible for anyone (let alone an outside observer) to decide with any pretence at accuracy what their overall meaning to date or probable course as a process may be.

It is very hard to describe this shift as anything other than basically inconsistent with the Gospel message on social and economic ethics (or on concentration of power and polarisation between rich/powerful and poor/powerless). Selective quotations from John Wesley on maximising earning, saving and giving (from a sermon on the dangers of wealth) do not give it an authentic baptism as the Church of Scotland's response to Prime Minister Thatcher's theological homily reaffirms. Certainly it is in blatant contradiction with the political economic ethics - explicit and implicit - of the Ecumenical Movement as it has evolved over the past sixty years.

This is not to argue that every element of the new political economic ethics is inequitable nor that none of the policy components justified in its terms could not be justified in quite different ethical contexts. Not wasting resources is an ethical value - especially when they are scarce. When Mwalimu



Julius Nyerere of Tanzania said that: in the context of socialism in a poor country, waste was a sin, he was assuredly not speaking in the context of Thatcherism. The divergence is over what constitutes waste and when other priorities override its further elimination. Similarly self reliance and respect are hardly either un Christian or inherently ultra conservative values. Food for work programmes in Asia and Africa are likely to be the hallmarks of caring, hardheaded, not hardhearted, states. Transmuting transfer payments to able-bodied adults into gainful employment (public or private) has a good deal to be said for it. Slashing safety nets for the unemployed while creating a context in which private or public employment cannot possibly grow rapidly enough for them to attain and keep jobs is something quite different. Emphasising personal, family and community responsibility for the unfortunate, poor and vulnerable clearly is in accordance with the Gospel message and the political economic thoughts of the Ecumenical Movement. But to do so as a rationalisation for reducing complementary state spending has rather different economic and ethical implications especially in a context of other policies which increase the numbers of poor and of injured vulnerable group members while reducing the resources of many or most families and communities. Some of the pieces are in themselves acceptable and potentially admirable - it is the whole which gives grounds for the gravest of concern.

## II

### The Northwest: The Growing Army of the Poorer

In the Northwest it would not be valid to say many people are directly killed by recession. But that depends on how one defines killed by. Morbidity and mortality are income and stress related. Lower income and the shock of personal economic disaster combined with less access to adequate quality health, social and safety net services do in fact mean that more people in the poor and economically injured categories die sooner.

In the Northwest the poor are a minority. That has its mercies certainly, but it creates a real barrier to giving priority to actions to assist poor people to escape from poverty and assisting in self-respect maintenance and rebuilding by "the poor" (itself a term underlining their separation and

depersonalisation). Because they are a minority (and in large part made up of other minorities, e.g. youth, ethnic 'outsiders', people with police records, immigrants and also women - who are perceived as if they were a minority) they can be blamed (and come to blame themselves) for their own misfortunes and the failure of society to protect them can be rationalised as 'correctional therapy'. Because they have markedly different income levels they cannot participate in national life without great effort and are discouraged from doing so. Thus institutions and groups (public or private) which really do represent the majority who are not poor and not perceived as minority group members may - and frequently do - neither communicate with them, comprehend their needs (and rights) nor represent them.

The Church of England's 1985 Report - Faith in the City: A Call for Action By Church And Nation - graphically summarises the position and its recent process in England. Two summary paragraphs set out the bleak facts and the power/participation barrier to surmounting them with brutal lucidity:

Chapter after chapter of our report tells us the same story: that a growing number of people are excluded by poverty and powerlessness from sharing in the common life of our nation. A substantial minority - perhaps as many as one person in every four or five across the nation and a much higher percentage in the UPA's (Urban Poverty Areas) - are forced to live in the margins of poverty or below the threshold of an acceptable standard of living. Perhaps the most important wider question concerns the structure of our society: One submission put it bluntly. 'The exclusion of the poor is pervasive and not accidental. It is organised and imposed by powerful institutions which represent the rest of us.' The critical issue to be faced is whether there is any serious political will to set in motion a process which will enable those who are at present in poverty and powerlessness to rejoin the life of the nation.

The bottom line of the problem confronting the poor is exclusion - pervasive exclusion 'validated' by the institutions representing majorities. The UK government does rely on a 40 to 45% plurality of votes cast with main opposition parties attracting an equal or larger share but that is atypical. President Reagan and ex-Prime Minister Chirac, for example, clearly do have (or at least recently had) majority support.

Further the Report views the basic questions as ethical not technical economic (a view from which the economist and business members of the Commission did not dissent). Its first priority is for the church and it is:

to continue to question the morality of economic policies in the light of their effects.

For the authors, as for Margaret Thatcher, changing the soul is the imperative and the economic policies the means and the consequence.

Another point which comes across clearly is that in the North most poor people are in large cities which have been suffering a trend decline suddenly exacerbated and accelerated by recession and by the economic choices made to face it. This perhaps is truer of England than of some other Northwestern countries - the South of Italy is still heavily rural and Appalachia and the rock poor Southern counties in the USA are largely rural and small town - but it is broadly valid throughout this set of countries.

It is a telling commentary on the new political economic ethics that semi-official criticism of the Report termed it Marxist. Unless the Sabbath and Jubilee Years and the Sermon on the Mount are Marxist, this is clearly wrong. In policy advice to the state (rather more than half is in fact to the Church) the Report is pragmatic or eclectic at technical and normal political economic ideological levels with reduction of poverty and of exclusion of the poor the only yardsticks used. Adam Smith could have written much of it, John Stuart Mill and John Maynard Keynes most of it. But the fact behind the non-veridical complaint of Marxian roots is that the Report (apparently to the surprise of many of its authors and the synodical bodies of the Church of England) has been correctly perceived by the government both as calling the ethical validity of its policy into question and of pointing out that there do seem to be practicable, affordable alternatives unless the exclusion and punishment by non-safeguarding of poor people is seen as a goal.

England is not entirely typical - even of the United Kingdom. In Japan and perhaps some of the Nordic countries there is a greater social solidarity (albeit arguably it is eroding). In the USA poor people have somewhat more access to and hearing from holders of power. But the broad outlines of

deprivation, the exclusion which accentuates and sustains it and the shift in political economic ethics which rationalises or even advocates it and casts the blame on the victims are dispiritingly similar.

### Parameters of Poverty

There is not space to explore all aspects of poverty in the North and exactly how they have tightened in recession. What can be done is to sketch the main themes or strands and to recognise that - albeit unequally - all have grown more pervasive and destructive since 1979 (which incidentally is chosen as watershed in OECD - i.e. Western capitalist industrial economy - macroeconomic strategy priorities not because of the change in U.K. government).

The key elements are:

- a. personal poverty, i.e. low household purchasing power;
- b. unemployment, i.e. absence of earned income; and dependence on statutory safety net benefits or charity;
- c. absence of work adequate to provide self respect, status, opportunity for self development (which can characterise some low quality employment and is not an absolutely necessary consequence of unemployment);
- d. inadequate access - or no access - to humanly acceptable housing and local environment;
- e. inadequate (at least relative to need) access to health care;
- f. gap ridden, unequal quality and generally authoritarian social services (e.g. counselling and advisory);
- g. education, training and youth work or "workfarce" of low quality and low perceived relevance to self development and getting a decent income;
- h. law and order policies seen (by majorities as well as minorities) as anti-poor and especially anti-minority, failing to protect the poor (who

are the most severely impacted and frequent victims of crime) and set up by outsiders (even if sometimes majorities) to regulate and to control the poor in order to isolate the less poor and rich from them.

- i. eroding transfer benefits made as of right to the poor and the economically injured and a growing portrayal of even those still provided as really charity to those responsible for their own fate;
- j. very limited access of the poor to participation in the main stream of civil society, to resources to set up their own bodies and even to a serious, direct hearing by holders of power. Even many "champions of the poor" seem to cast themselves as their Platonic Guardians and not as their servants and are none too keen on meeting, listening to and learning from poor people.

There are exceptions in some cases to each of these strands and their relative importance and specific manifestations vary. But as a regional sketch these are the main and virtually ubiquitous elements.

#### Poverty, Unemployment, Lack of Work

The root cause of deprivation, lack of esteem, loss of self respect and limited ability to participate is low personal and household incomes. In most industrial economies 20 to 30% of all people are estimated to have incomes below fairly strictly defined poverty lines - incomes which do constrict socially and humanly as well as materially. For minority groups including youth, aged, ethnic minorities and immigrants and for female headed households the proportions are far higher, often over a third and in some cases and 50%, e.g. young, black, female headed households in the USA and UK. Further poverty tends to be geographically pocketed in rural and urban slums into which it locks its residents and which usually deteriorate further because their residents are poor. Since the late 1960s employment in the Northwest has become, overall, less adequate in quantity and in quality in terms of income generated and of potential for self development and satisfaction from work done. The deterioration has not been uniform - more skilled posts have increased in numbers and, probably in adequacy, but less skilled have gone down in both senses. Nor has the impact been even - poor people (and their

children) and poor areas have almost without exception been differentially - i.e. more severely - affected. This is the main cause of growing poverty including growing human and physical isolation and exclusion of the poor.

Absence of work which allows a person to achieve self respect, status (or social participation) and self development is not identical to lack of paid employment. A not insignificant portion of unskilled jobs do not provide adequate work in that sense. Per contra, if (and it is a large if) an unemployed person (including a member of a household with employed members) has an adequate income, they may have acceptable work in this sense even if it is not paid. As a result of gender biased definitions and of intra household budgeting and income transfer patterns, married women fairly often are - and much more generally are believed to be - members of this category. For poor members of poor households, however, "work without jobs" is either a cruel illusion or a problematic possibility, not a common achievement.

Status for voluntary or civic work does exist as do self-esteem and self development through it. Unfortunately both the status and the esteem - as well as funds and time to devote to such work - are positively correlated with income. Both social perceptions and access conditions would need to change if such work were to become a common route back to full social participation for large numbers of poor people. In addition they would need a source of income. In that context it is unclear why "work without jobs" would be more practicable as a central measure than funding employers (public, private and voluntary) to provide jobs.

Equality - or rather inequality - is not treated directly here. It is fairly clear that in most of the Northwest personal and household income inequality reduction from 1945 was significant but faded out in the 1960s. Over the later 1960s and the 1970s inequality was roughly constant or slowly rising; since 1979 it has unambiguously risen in most countries.

But in relation to poverty the first ethical issue is not inequality as such but that substantial and substantially growing wealth should co-exist with substantial and substantially growing poverty. The issue of what degree of inequality (and what pattern of change in it over time) would be prudent on production stimulation and acceptable on ethical grounds (particularly equity ones) is a second stage and a more complex one.

### Income Support and Services

The dominant alternative to employment as a means to receiving personal and household income is transfer payments. Most of these are - in the Northwest - mediated through the state and are from richer to poorer. Of the others (household and private sectors) arguably the largest fraction are among the poor and the barely out of poverty and among the upper and middle income groups not from rich to poor. (North to South voluntary transfers are an exception to this generalisation.)

Since 1979 income support transfer payments have increased in the Northwest - usually in real (constant price) as well as nominal (current price) terms. But their value per poor person has fallen because with increasing unemployment the numbers needing and having access to them have risen still faster. Further, real earned incomes of many poor households have fallen even while members are still employed, so that even constant levels of transfer receipts would for many households have meant deteriorating total income, i.e. deepening of or entry into poverty.

Transfer payments as of right are a central ethical issue. Up to the 1970s the Northwest was moving to a position that society through the state had a duty to create a context in which every able bodied (and minded) person seeking a job could find one. To the extent society failed in this duty (and for those not able bodied and/or minded), society through the state had a duty to make transfer payments creating and supplementing incomes up to a humanly acceptable level. This set of principles was rarely if ever fully implemented but it was a major force in macro economic policy, in transfer (social security broadly defined) payment evolution and in public policy discourse. Increasingly often it came to approximate reality.

No longer. The new political economic ethics - grudgingly - accepts a social and (still more grudgingly) a state duty to ensure survival but no more. The poor are presented as the main cause of their own poverty and as having a duty to escape from it by their own efforts no matter what the job market or macro economic context. Despite being an economic and sociological absurdity when posed as a main description (it does accurately describe some poor people and

some economic contexts), this position has gained ground in discourse, in downgrading employment and equity goals in macroeconomic policy and in making transfer payments lower (meaner is perhaps a more appropriate word) and more conditional on the poor acting as the state - and frequently the majority of society - believes they ought to. One is not quite back to the 18th and 19th Century workhouse system in quantitative or even qualitative terms, but the underlying ethos is dangerously similar.

Access to education of adequate quantity, quality and relevance (not limited to narrowly defined skills) has usually been the main avenue of escape from poverty for individuals and - less uniformly - communities. It is an increasingly constricted avenue in at least many Northwestern countries and particularly in their urban and rural poverty areas. It is a fact that poverty area schools frequently do not offer education that is - or is perceived by anybody to be - of adequate quality or relevance. This is much less true of schools in other areas, so that education increasingly entrenches the them/us, poor/not poor gap rather than providing a bridge to cross over.

Lack of money is not the only reason but it is one. Poor area schools frequently do have less resources per pupil. Even if this is not true they need more - the student from a low income, poorly housed, low status home (or household) in a sub-standard (at least physically and often socially) environment needs more, not the same - and certainly not less - support to learn and to attain self development and self consciousness.

With growing unemployment and the parallel growth of blaming the poor for poverty there is a tendency to view education for poor children as inherently and desirably different from that for others. They are seen as - with rare exceptions - being prepared for unskilled, transitory employment, workfarce schemes and "'welfare' scrounging." Therefore, training to know their place (a very humble one preferably not seen as well as not heard), to do simple work and to believe that anything they get - in work or in transfers - is a gift for which to be grateful appears to be the appropriate context. This is not education as one normally thinks of it - it certainly is not in the Wesleyan tradition of schools for the poor that sparked the drive to universal primary education in the United Kingdom.



Access to health care is similarly constricted and eroding for poor people. This feeds back into lower ability to earn incomes, greater dependence and greater poverty. Where health care is low user cost (a national health service or a near universal state/employer funded health insurance cover) use of health facilities is often fairly equal across income groups and social classes. But data on morbidity (illness) and mortality (death) are income group biased i.e. the poorer, the sicker, the shorter lived. Thus relative to need poor people do have less access. When user charges are high they have less absolute access as well.

Recession has held real state support for health to low or even negative per capita growth rates in most of the Northwest since 1979. Because both the proportion of poor people and that of the aged - who need more health services than younger non-poor people - has risen this is evidence of a clear deterioration of overall socially financed availability relative to need.

To square this circle, the new political economic ethics quite markedly advocate full reinstatement of a "two nation" health system divide. In practice that means low quality, long wait, low resource free service for all (an inversion of Anatole France's observation that the law equally forbids the rich and the poor to sleep under bridges) and a user financed, low wait, high quality service for those who can pay with a clear stigma attached to using the farmer system.

Preventive services and health education are probably disproportionately valuable to the poor. With poor environments and low incomes, they are more at risk and need to know how to avoid risks. But to tell them that they are victims of higher morbidity and mortality because they eat junk food, smoke, drink, use drugs, are homosexuals and do not wear warm or waterproof clothing is - at the most charitable - a travesty of health education. It is another facet of "blame the victim", most notably when not paralleled by significant upgrading of preventative and educational health services.

Social services more broadly, e.g. counselling and advice, are in crisis and are frequently declining in accessibility, objective quality and acceptability to poor people. Declining real resource availability - frequently absolutely, usually relative to need - is one problem. Another is "user friendliness". These services tend to be at best platonic guardian oriented in outlook and

bureaucratic in form - characteristics limiting their useability and acceptance by poor people. Resource cuts and the "blame the victim" syndrome add to these existing weaknesses to create a situation in which majorities often see the services and their personnel as mollycoddling layabouts, social workers see themselves as trapped between underfinancing masters and ungrateful clients, and many of the poor see them as authoritarian intruders and arbitrary enforcers of alienating social codes which they neither understand nor accept. This is not the fault of most social workers nor, in many cases, primarily of social work departments but of the context.

### Housing and Environment

Most poor people are poorly housed. Their incomes are inadequate to afford better. They tend to live near each other in relatively inaccessible areas (which is why cost increases or service deterioration in public transport hit them particularly hard). Their areas tend to have below average amenities, infrastructure and upkeep.

These are not static or isolated facts. They contribute to higher morbidity and mortality. They make getting adequate education less likely. As jobs tend to be literally far away, they reduce the chance of finding, getting or keeping them. It is not surprising low pay jobs go begging in a town with no vacant rental housing and a modest house costing up to 10 times a low income workers' annual pay while many are unemployed 15 miles (and 20-25% of low pay travel costs) away. They clearly affect the human and social as well as the material and economic quality of life.

Two facts need to be faced in this context. Low income housing which is humanly adequate is not economic at rents poor people can afford to pay. It has not been in the Northwest for at least a century and probably never was. Barring radical low income group real wage increases, subsidised rental accommodation and (not or) subsidised home purchase policies with adequate funding for both are the only avenues toward universal access to decent housing. The new political economic ethics does support subsidised ownership but not subsidised rental accommodation (especially not if it is public sector). This is a deeply divisive and exclusionist approach.

Second, environmentalism is in the Northwest an intellectual and upper middle class generated movement. As a result it does not usually seem to grasp that the greatest environmental degradation is that of poverty (of rural or urban slums). Poor people may benefit from present approaches - e.g. air pollution controls - but primarily when universal measures are needed to protect the environment of the non - poor. Poor peoples' environmental agendas are rarely - if ever - even canvassed, much less given top priority, by the environmentalist movements.

#### Law and Order - Whose Law for What Order?

"Lawranorder" is a mantra of the new political economic ethics. It is hard to avoid the belief that one purpose is to keep the poor in line, indeed in some cases to hamper any effective organising or broad access voicing of dissent. Poverty and constriction of dissent lead to reactions which increase the apparent need for "Lawranorder". By its own failure this approach justifies the need for its extension.

The law and order authorities usually tend to perceive the poor as hard to understand, alien and at least potentially enemies. The view is equally frequently fully reciprocated. This is not inevitable. The most frequent and most severely impacted victims of crime are poor people. Most of them do want security against crime and against violent disorder, but their agendas and still more their views of acceptable and effective means appear to diverge widely from those usually held by the state and its law and order authorities. Given these perceptions dialogue and approaching common perceptions and agendas is the exception and broadening gaps the rule to relate this pattern solely - or even primarily - to the personnel and attitudes of law and order agents and agencies is almost certainly inadequate. These agents and agencies do have a set of negative perceptions of "the poor" and of minority groups, a set of perceptions often heartily reciprocated in mirror image form by poor people and minority group members. But the basic conflict arises precisely because such a dominant share of state/poor contact is through the interface of law and order or quasi law and order (e.g. regulatory side of transfer payments and social services) agents and agencies with groups and individuals who are perceived as, perceive themselves to be and are in fact outside the main stream of society.

For these groups and their members the typical contact with organised society is often with a policeman, a transfer payment agent or an unemployment relief regulator and the typical chance for group participation a minority or a liaison or advisory committee to the police. Changing individual, agency or group attitudes may help round off jagged edges and reduce overt, violent conflict but unless the basic problem of exclusion is tackled it can do no more than that.

This point is illustrated by the campaign themes of Jesse Jackson, the 1988 U.S. presidential candidate whose approach most clearly resonated with poor people and their basic needs as they perceive them. He stressed reduction of crime (and especially drug trafficking) much more than more establishment or middle class oriented candidates. As the principal victims of both are poor people this is not - contrary to conventional wisdom (including some self chosen spokespersons of the poor) - an "anti-people" or a counterproductive stress. But he stresses it (and stressed it before he first became a candidate in 1984) as part of a general critique of exclusion of poor people from effective access to policy making and implementation at all levels, i.e. wholesale foreclosures, pockets of hopeless unemployment, cutbacks in access to services, crime and drugs are viewed and presented as parts of a whole, not as discrete, unrelated issues. It is not incidental that Jackson was poor and excluded himself nor that he is a Christian minister, both factors clearly inform his perceptions and rhetoric as well as his specific proposals.

That points to another factor - Platonic Guardianship and an all powerful social service profession under a loose accountability to the establishment framework is not a satisfactory solution. The reaction against the most technically efficient, caring and comprehensive of these systems - those of the Nordic countries - illustrates the point. "Nanny states" and "nanny social engineers" are anathema to far broader groups than the advocates of neo-liberalism. Much of Mrs Thatcher's appeal and acceptance rest on that fact. Again the problem is not one of individual attitudes or even procedural safeguards (albeit the latter are often appalling and would in respect to the normal criminal law be viewed as so totally unacceptable as to be indefensible). Rather it is one of accountability to those served as opposed to a self defined duty to account for and regulate them "for their own good".

The exclusion crisis in the Northwest is economically based, at least in its present extreme form. Poverty - especially poverty concentrated among identifiable, geographically concentrated sub-classes and social groups - excludes. The time, the money, the transport, the education and knowledge of the micro-workings of the system needed to deal with it as at least a semi-equal, the self confidence and the general social perception of the poor people as subjects like other people and not objects who are "basically different from us" are all lacking primarily for economic reasons.

To pose the problem in these terms suggests if not answers at least where one needs to look for partial answers. Without more stable and less exploitative (or better paid) employment opportunities basic change is unlikely. This is important for income reasons but also for self respect and the contacts which break exclusion and facilitate membership in bodies which do influence social and political processes. How (retraining? mobility allowances? restoring infrastructure? general employment promotion? altered labour relations approaches by all parties? lower weekly or life time working hours per employee?) is a secondary issue - the key one is whether.

Guaranteed, as of right, access to basic services and to interim income support is also crucial. Without resources the unemployed poor become isolated, alienated and increasingly less employable, while their children grow up in a world with perceptions and expectations (as well as current realities) radically divergent from those of the main stream of society.

But those two foci are not, by themselves, enough. They provide necessary conditions for poor people to organise and to speak for themselves (and perhaps to be heard) or to participate in broader groups (e.g. churches, church related ones and trade unions) in a non-marginal way. But they do not guarantee it. Here the challenge is more to civil society (including a fortiori churches and trade unions) than to the state. By definition a state is not the optimal body to cause small group and community initiatives - its duties are to respect, to facilitate, to listen and to respond.

III

The Global Economic Mechanism as Transmission Belt

Before looking at the even starker positions of increasing poverty in the South it may be useful to look briefly at the global economic mechanisms which, in large measure, link the two as well as providing a major stimulus to hard hearted (albeit arguably soft headed) neo-liberal political economic ethics in the North (especially the northwest). Here the treatment must be somewhat different because global economic mechanisms are not in themselves societies, politics or economic systems but are basically the manifestations, superstructures, modalities and reflections of power balances among material ones.

This is very different from saying that they are neutral or value free. Rather they incorporate the goals and values of their dominant actors. Thus their basic turning against poor people and poor countries since 1980 reflects not merely (arguably not primarily) changes in global economic possibilities or even objective perceptions of possibilities, but also (arguably primarily) the political economic ethics shift of dominant northern politics and societies. Nowhere is this more evident than in the shift in discourse from "New International Economic Order" to "international competitive efficiency" and from broadly focussed development with a rising (if secondary) theme of "absolute poverty reduction" to "stabilisation and adjustment" based on relatively unmanaged (at least by states or societies) market mechanisms. To say this is not to argue that the 1970s discourse was totally satisfactory or that none of the 1980s elements have validity, still less to assert that the 1970s approaches could have been continued in the 1980s. It is to underline that the changes are northern initiated and represent export models of domestic neo-liberal political economic strategy and ethics.

Prologue: 1945-70

In 1945-50 the main institutions of, and dominant national approach to, the international economic system were reconstructed. The occasion was the end of the Second World War. The previous systemic weaknesses whose recurrence the new order sought to prevent were those of the economically febrile 1920s and

depressed 1930s. The institutional forms centred on the World Bank, the International Monetary Fund and the General Agreement on Trade and Tariffs. International trade backed by international finance and bolstered by adjustment funding was seen as an engine of growth. Narrow economic nationalism and forcing a single economy to adjust to shocks too fast were seen as the major obstacles to the smooth running of that engine.

Clearly the approach and the main instruments were capitalist. A global economic system by definition can have only one set of global operating procedures (whatever the divergence among internal ones of national or regional components) and in 1945-50 (as indeed today) the socialist economies' share in the total of international economic transactions was distinctly a minority one. Equally the approach - or the needs as seen by themselves - of Northern capitalist economies was dominant both in terms of power and of technical expertise. They inevitably addressed these primarily to their own concerns and defined the Southern aspects of the system (growth and especially growth of trade) in terms of their own needs or of what they thought the Souths' needs were.

The absence - at least substantially by their own choice - of the Northeastern socialist economies and - not by their own choice! - the colonised territories of Asia and Africa and the partial exclusion of Germany, Italy and Japan as well as the war weakened state of continental Europe's economies made the exercise largely American-British. This exacerbated, but did not cause, the capitalist and North centric strands.

The system's basic goals were:

- a. to reconstruct Europe, initially defined as including Central Europe and the USSR albeit these were later excluded and/or withdrawn, to pre-war levels by 1960;
- b. to achieve stable growth of Northern output of perhaps 3 to 5% a year led by 4 to 6% trade growth;
- c. to reduce trade barriers and provide interim adjustment (and reconstruction) finance to facilitate the first two aims.

- d. to lay a basis (trade backed by finance) for 3% growth in South output and perhaps 4% in South (i.e. South/North) trade.

Equity and distribution were not directly addressed. This is related to an underlying belief that unemployed resources (especially people) were the greatest barrier to equity and the greatest cause of poverty and thus that economic growth was a necessary condition for any freedom to reduce poverty or increase equity and also (through employment) as being close to a sufficient condition. The equity/poverty reduction operational front was seen as primarily national with the international system's role as providing growth to make national action feasible. In the 1920s and 1930s narrow economic nationalism had in practice been primarily (or at any rate substantially) a means by which strong economies benefitted from coercing weak ones in a negative sum game with losers losses exceeding gainers gains. Thus in that context liberalised market and credit access was not irrationally viewed as equity enhancing.

That the system was imperfect and ultimately broke down is certainly true. But, compared to the 1930s and the 1980s, the striking point is how well it worked both in terms of its own goals and for most economies (even in the South):

- a. Europe required pre war levels of per capital output by the mid 1950s or even before;
- b. over 1945-70 global output growth grew to 5% or above average annual rates and international trade growth to 7 to 8% annually;
- c. tariff barriers were substantially reduced, interim finance was available; all pre-1970s shocks were surmounted without enduring setbacks to growth;
- d. South growth rose to 5 to 6% a year on output and 6 to 8% on trade backed by unprecedented resource transfers (both official and private).

In the North growth did reduce poverty and - at least to the 1960s - national measures did in almost all cases increase equity. While the Southern situation was far less homogenous or satisfactory on these counts,



improvements were won in a significant number of countries. Further where inequity increased, the reasons were usually primarily related to domestic sub-class interests allied with those of specific external actors rather than to the Bank-Fund-GATT system as such. Exploitation, neo-colonialism and neo-imperialism (or unequal exchange, adverse terms of trade and dependence) had objective, concrete economic meaning but did not overall prevent Southern growth, development and marginal dependence reduction.

The capitalist and Northern orientations of the system were marginally modified - especially in practice - but remained. Over time as the socialist and South economics grew and became more outspoken, these aspects came to be perceived as weaknesses but over 1945-70 they did not threaten the system's survival nor give rise to any strong impetus far more than marginal change.

Discourse also changed - incrementally but over time more than marginally - largely as the global economic context and perceived global economic priorities evolved. With rehabilitation complete, both internationalism (which until the 1970s was a moderately strong force) and self interest (Southern in development, Northern in continued global trade expansion) led to growing, if always secondary, emphasis on Southern development. That discourse was largely about output and trade growth not equity nor distribution. In part that represented a continued belief (correct) that growth was a necessary and (fairly evidently incorrect) a sufficient condition for poverty and inequity reduction. In part it represented a near consensus that distribution and equity questions beyond global market access and global resource transfers were properly national not international issues and (less tenably) that the international system's patterns and instruments did not significantly constrain or bias national choices on these issues.

#### The System In (Terminal?) Crises: 1970-80

In the 1970s several weaknesses inherent in the 1975-70 system interacted to produce a crisis whose 1976-79 resolution proved transitory - and a transition to disintegration. These included gradually sharpening and increasingly parallel boom and slowdown phases in most Northern economies as well as gradually deteriorating oil and food supply/demand balances. The 1972 Northern booms, 1973-74 oil price increases and 1972-74 droughts in many food

importing states determined the timing of the 1973-75 crisis. It is doubtful that they caused it.

Arguably more basic, the system was designed for US financial and economic dominance. As the North became more polycentric in production and the USA became a "normal" current account deficit country the systems functioning became less stable. Prior to 1973 fairly moderate reforms could have offset this. 1970-75 attempts were swept away by the superimposed crisis. Whether deeper "long cycle" factors were also at work or not - an area of great disagreement - the actual timing of the crisis and its intractability (after a brief surface recovery) turned on this structural archaism and the successive shocks sketched above.

On the face of it the global economy and most of the South weathered 1973-75 rather well even if with high short term costs. From 1976 through 1979 world growth of output and trade seemed to be returning to 1945-70 trends. In the South much of Latin America did badly but most of Asia and Africa returned to high output growth. However, two factors undermined stability and made the recovery very vulnerable to shocks.

These were:-

- a. Unprecedented dependence on massive commercial and quasi commercial international borrowing and lending to restore and sustain growth (notably in latin American and Africa) combined with sustained trade unbalances (with the USA, LA and SSA plus part of the socialist Northeast the chronic deficit producers and Germany, Japan and a handful of the low population oil exporters the chronic surplus amassers)
- b. unprecedented rates of inflation in most of the Northwest and much of the South (not just the traditional LA high inflation economies) combined with sluggish growth of employment and declining capacity utilisation (of labour force and physical productive assets).

When these underlying factors would by themselves have forced changes and what kind is unclear. In the event, the 1980 oil price increases triggered a new crisis and the new political economic orthodoxy as a pattern of response (or reaction) to it. That orthodoxy (plus a parallel reality of restricted

international market and finance access) marks the end of the 1945-70 system and 1970-80 attempts to reform or revive it even if the three apex institutions (Bank, Fund, GATT) are still in use in the new context. The weakening of internationalism is evident in GATT which is basically engaged in a defensive operation to limit and offset the new protectionism, in the use of the Fund (and to a somewhat lesser degree the Bank) to export most adjustment costs to the South and in the nearly complete collapse of support for major UN bodies as form or channels for major co-operation or even growth restoring ventures.

### Questions of Discourse in the 1970s

In the 1970s international economic discourse changed, albeit briefly and in a tentative, soon to be reversed way. The brief increase in relative South bargaining power led to pre-negotiations as well as dialogue on a New (actually Reformed) International Economic Order. The actual proposals sought to update the 1945-50 model to accommodate 1975 realities (as they were then perceived) and to reduce structural elements which favoured the North over the South. While most true of the "global statesmen" variants - e.g. Brandt et al - this was also inherent in the much more radical Algerian and Group of 77 variants. The Northern response was Fabian - conceding a few minor points and delaying. Where this might have led without the 1980 crisis is unclear. After 1980 NIEO as proposed and articulated was inevitably and inherently dead (Brandt II - Common Crisis is really crisis management not systemic reform oriented), because the system it sought to reform was at best moribund and there was no longer a growing stream of gains to re-distribute.

In parallel there was an increase in concern about employment, equity and poverty. In the North this often took the forms of reaction against the costs of growth and of consumerism and of the championing of ecological concerns and alternative life styles. In the South it was focused more on how to reorient growth to include poor people in production and in access to basic services. In both cases the slow growth of employment (including productive self employment), the persistence of poverty (pocketed in the North, massive in much of the South) and the post 1965 tailing off of tendencies to lessening inequality of income distribution underlay much of the argument.

The most elaborate formulations were "absolute poverty eradication" (Bank) and "basic needs" (ILO). Both, as presented, stressed basic service access increasing the quantity and quality of productive employment (including self-employment) of poor people and other measures (e.g. land reform) to increase production by poor people as the central means to achieving poverty reduction, lesser inequality and higher growth. Both were highly technocratic as printed (the ILO's formulation was inherently radical politically but this proved impossible for a major global agency to present overtly) and tended to draw both right and left criticisms to a high degree and at best moderate centre left support. In the event both were aborted as major initiatives by the 1980 crisis and its aftermath, albeit their addressing the problems of poor people arguably is even more relevant to a low growth period and their main elements began to re-emerge in new formulations as a challenge to the new political economic orthodoxy by the mid 1980s (under academic, South and secondary UN agency - e.g. IFAD, UNICEF - auspices).

Their Northern articulations were very weak in the 1970s. Growth and transfer of resources were still seen by most as the way to overcome poverty and the anti-growth, upper middle class ecologist and new life style strands put off both the establishment and most groupings of workers and poor people. Given what the achievement of 0, negative or very low growth over 1980-85 actually meant in the North (as surveyed earlier), the Northern as well as the Southern aversion to 0 growth approaches can in retrospect be seen to have been well founded.

It would be wrong to claim that these trends in discourse, dominated international economic dialogue or resource transfers, still less international economic transactions and praxis in the 1970s. Specific, marginally changed, mutual (or exploitative) self interest items dominated all three as in 1945-70 or, for that matter, 1980-87. But these trends did exist, seemed to have some momentum and for a time marginally influenced resource allocations. Unlike the 1975-8? ongoing dominant variant, they might do so again because the collapse of the 1945-70 system arguably makes them more not less relevant whereas the present discourse has reached an operational as well as (more than) an intellectual dead end in respect to reality in most of the South. In retrospect the 1970s were probably the high noon of discourse oriented at steady cumulative marginal reforms aimed at a structural change toward greater stability through greater equity. (That was

the trade-off - some sought primarily the equity and some basically the stability.) With hindsight it is clear that this pattern of discourse was too late and too leisurely. In the 1990s it can be revived but - because of intervening economic deterioration (and growing, mistrustful economic nationalism and regionalism) - only if total change is faster and individual changes perceived as more radical and structural.

#### 1980-1988

Since 1979 both North and South have entered into depression but only the North and a handful of Southern economies have emerged since 1983 into moderately sustained but not very rapid (by 1945-70 standards) growth. World trade after stagnating and even falling in the early 1980s now seems to be on a 4% annual growth trend and global output growth on a 2.5 to 3% one (ahead of population growth in the North, India and China but not in most of the South).

The length and depth of the recession turned primarily on the Northern policy response. Controlling inflation was given primacy and - except in the USA - government budgetary restraint was a main instrument. High interest rates and a variety of policies to facilitate or cause real wage erosion were present throughout the North - except in France's brief go-it-alone dash for recovery after President Mitterrand was first elected. Inflation certainly was controlled. This is not surprising as real wages were held relatively constant or declining while real government spending (except on welfare, debt service and in the USA) also stagnated or fell and unprecedentedly high real interest rates plus low demand growth choked down investment. Thus commodity prices were forced down in both real and nominal terms - a factor accounting for perhaps a third of the fall in inflation.

Output per capita growth went negative and with it that of world trade, while Northern unemployment rose to average at least 10%.

The impact on the South was massive. Apart from the speedily eroded oil price boom of 1979-80, commodity prices declined dramatically from 1979 through 1986 with a brief spurt in 1984 and perhaps a bumping along the bottom in 1987 and very partial recovery in 1988. For example, Africa's export earnings which exceeded \$90,000 million in 1980 fell to under \$50,000 million in 1986 - a per

capita decline of over 55%. Combined with low quantity growth (as a result of Northern importer recession to 1983 and subdued growth, protectionism and services oriented growth patterns since), these disastrous terms of trade shifts initially led to reduced growth and massive external borrowing. To the North they meant exporting perhaps a third of the cost of their deflation to the South; just as after 1973 they exported much of their higher oil price bill to the South through higher export prices.

Export debt service became increasingly burdensome as real interest rates rose from negative in the late 1970s to perhaps 20-25% when measured in terms of (falling) Southern commodity export prices out of whose proceeds they had to be serviced. In any event, in 1982 the commercial bank credit window closed to all but a handful of Southern states. The occasion was the Mexican crisis, the cause the growing realisation that with stagnant world trade and falling commodity prices the loans were no longer safe or even serviceable except out of new loans. Since official loans and grants at best stagnated in real per capita terms while export credits fell and World Bank lending/IMF drawings by no means made up the slack, both massive import (and output) cutbacks and massive arrears afflicted most South economies - albeit not China and India nor, except very briefly, the "four tigers" of Asia (South Korea, Singapore, Taiwan and Hong Kong). While some countries have staged brief recoveries, sustained growth has proven to be beyond the grasp of most.

The mid-1980s recovery has special features both explaining its partialness and leading to doubts as to its future longevity and as to what will follow it. A huge USA budget deficit (Keynesian reflation gone mad albeit created by the failure of the Laffer school of "supply side" economics which posited tax reductions as the highroad to rapid real tax revenue growth) restored USA demand and growth. It also caused massive rises in USA imports from the North, fuelling OECD recovery. The massive resultant external deficit replaced the South as the main user of international credit; a result facilitated by the high USA interest rates maintained to offset the budgetary looseness with monetary restraint and thus keep demand and inflation under control. This pattern of recovery probably limited revival of South commodity exports and prices (as the USA's propensity to import them is relatively low) and maintained high global interest rates. It also poses threats to the sustainability of the recovery because USA fiscal and external deficits on this scale are so psychologically threatening over time as to be

non-maintainable without a crisis and USA borrowing to cover trade and savings gaps at recent past rates is already eroding faith in its creditworthiness.

Whether the devaluation of the USA \$ (over 60% since early 1985) and budgetary measures in the USA can reduce both gaps gradually but steadily and substantially is unclear. If they do not, a major global economic crisis - with a longer, deeper depression than 1979-83 - is probable. If they can, there will be global stagnation unless other Northern economies' growth picks up at the same time. The late 1987 near collapse of capital markets is evidence of how doubtfully these problematics are viewed by many holders of wealth and economic power; their rapid temporary resolution to the near euphoria of the Toronto Economic Summit in mid-1988 demonstrates how febrile opinion (and how uncertain and kaleidoscope short term reality) has become.

For the South the prospects are even more uncertain, but also on balance less promising. 1988s commodity price recovery is against the past or projected trend. Neo-protectionism (largely via non-tariff barriers) is still on the rise and, if the North goes back into a recession, could become a tidal wave. The debt burden now exceeding \$1,000,000 million principal; \$175,000 million annual service costs and \$50,000 million net outflow annually to the North is unabated and ways of managing it unresolved despite some interesting Latin American initiatives and some signs its Sub-Saharan African component may be significantly eased by Northern action. At best on present trends, 1988-93 will be much like 1983-88, i.e. on average falling South output per capita except in China and India (admittedly a massive exception in human terms).

"To him that hath shall be given, from him that hath not even the little which he hath shall be taken away" is a New Testament quotation. It is not, however, usually perceived as Christianity's political economic morality. What it is dangerously close to being is a description of 1983-1988. And much of the taking was done by Northern action. Demand control depressed Southern commodity prices and thus the cost of Northern imports. The insistence that debt be rescheduled (rather than restructured or reduced) cost South economies and people dearly in output and employment but protected (at least for a time) Northern bank profits albeit it reduced their exports. Neo-protectionism as exemplified by the tightened Multifibre (textile/garment) Arrangements - slapped ceilings on "too competitive" Southern (and Northeastern) products - but not on Northern ones: to the benefit of high cost Northern enterprises

(and to be fair their workers) and to the detriment of South producers (and their workers) and low income Northern consumers. Are these actions and their consequences purely technical, ethically neutral, morally easy to justify? "Each for himself and the devil take the hindmost" is emphatically not a Biblical text.

#### Neo-Liberalism: The Rise and Fall(?) of the Export Model

From 1979 the nature of the discourse turned from development, equity and redistribution to stabilisation as a precondition for regained growth in the South. From 1981 it turned in large part away from discourse with, to lectures at Southern countries, a pattern exacerbated by external debt and payments arrears crises. From 1985 there have been some changes in this pattern but rather uneven and tentative ones.

The dominant Northern contribution to the discourse has been an export variant of the new political economy ("neo-liberalism" or "Thatcherism"), a variant it should be noted more purist and harsher than attempted at home. The key word has been "conditionality" and the key institutional channel - and means of providing a spurious ethically neutral front the International Monetary Fund at points assisted (and at points opposed) by the World Bank.

Cutting public expenditure, reducing real wages and job security, increasing exports (and frequently reducing imports), eliminating subsidies (especially on basic food albeit also on fuel and, via the exchange rate, general imports), running public enterprises on pure profit maximisation bases or privatising them, radically reducing most types of economic intervention even when carried out by market management: these are the hallmarks of export model neo-liberalism. State non-intervention per se is not a hallmark. Pushing wages down while freeing prices; pushing the cost of foreign exchange up while ending drug or food subsidies; pushing the interest rate up while contracting expenditure on public services are not aspects of non-intervention but of a specific "hard headed" (and many would say hard hearted) interventionism.

The proposals - more accurately conditions - represent in some cases a crusade more than a managerial reform advisory programme and - as presented - have little in common with dialogue. They do represent what the decision



takers of elected Northern governments believe to be right at home, however, so that in that sense the argument that they were designed to impoverish the South or to prevent its development were and are largely subjectively unfair. Whether the imposition of these policies as preconditions for rehabilitation credits and the suspension of the latter if the former are breached will objectively impoverish majorities and block development in many Southern countries is another matter.

As in the North, neo-liberalism has tended to prefer throwing the rulebook at problems rather than throwing money and argued that the primary causes of the victims' plight were their own actions. Concessional resource transfers stagnated (fell in real per capita terms and relative to need). Trade barrier erection grew and even quite mild (and arguably mutually valuable) trade market management measures such as UNCTAD's Commodities Programme were scuttled. Similarly South opinion on how to overcome their crises was not canvassed and, in general, South counterproposals were not welcome. The carrot of more economic support has been very much less emphasised than the stick of reducing it in respect to conditionality whether formally in IMF negotiations or de facto in the Multifibre Arrangements renegotiations.

The questions which arise in respect to the neo-liberal export model include:

1. are its effects in the North such as to make its importation elsewhere desirable?
2. is its lack of concern with "the poor" socially, politically or humanly tolerable where poor people are in large majorities and have survival margins far narrower than in the North?
3. are the parameters of the model adequately adapted to individual national contexts before drawing up prescriptions?
4. is the North and Northern controlled financial institution dominance sought by the neo-liberal export model orthodoxy acceptable technical assistance, dangerous Platonic Guardianship or a new colonialism?

These are general issues quite independent of the merits or demerits of particular policies or packages in particular countries over defined periods. Most of the individual policies are, in fact, useable in a broad range of different political economic approaches. For example, most (including selective privatisation) appeared in Lenin's New Economic Policy which may be a rather closer ancestor of at least some aspects of Soviet, Hungarian, Chinese and even Algerian reform programmes than neo-liberalism.

The edges of the crisp clear vision of the export model have become somewhat blurred and chipped. Growth has been reinstated as a short (as well as a medium) term necessity and indeed as essential to the survival of neo-liberal reformism. This has, in fact, paralleled a similar mellowing in the North where, with inflation under control, growth promotion (and even reduction of unemployment) is back on the agenda. In practice other "conditions" are often not fully met even in full-fledged Bank-Fund-Donor Group backed programmes. Neither, it must be added, are what the Bank thinks to be the minimum net North to South transfers to make the programmes viable and sustainable. Whether this results from contextual flexibility, ideological non-homogeneity among funders and/or an attempt to achieve step by step "creeping conditionality" is less than clear and perhaps not uniform from case to case.

Since 1985 the discourse has changed back toward a dialogue - both among Northern actors and between them and the South. Four themes have re-emerged:

1. employment and production by poor people as a central means to economic as well as social progress;
2. basic needs (including goods and basic services) as a test of development;
3. "human investment" (education and training plus water and sanitation) as crucial to improving present and future productivity;
4. participation and accountability as necessary elements in national and global policy formulation as well as implementation.

This shift has been sparked by some South governments, intellectuals and bodies (e.g. the South Commission) as well as by some international agencies

(e.g. UNICEF, ILO) and some Northern intellectuals. It appears to have been given greater impetus by the massive Northern human reaction to the 1984-85 African famine. It is of course, at least broadly consonant with emergent stands in ecumenical movement thinking on economics and has, in some cases, been influenced by churches and Christian action groups.

Verbally - and in some cases operationally - this approach, termed "Human Dimension" at the 1988 United Nations Economic Commission for Africa conference has gained substantial acceptance especially as to its second and third themes. How much of the verbal endorsement is serious and will become operational on more than an add-on "Bandaid" or "Christmas tree trimming" scale remains unclear. The "Human Dimension"/"Right to Development" approach's basic contradiction with the priorities and overall approaches of the new political economic morality has not yet been fought out and the results when it is are problematic.

#### IV

#### The South In Agony: Indigenous Elites and Export Models

The South is much less homogenous than the Northwest (or for that matter the Northeast). This is true of developed productive forces per capita which are on average low, but in at least three Southern countries (Kuwait, UAE, Nauru) are at the top of world tables and in a quarter are above the \$1,000 per capita line at which it should, technically at least, be practicable to provide universal access basic services and move moderately rapidly toward ending absolute poverty. Equally its present political economic strategies vary widely as does the degree and nature of emphasis on the human condition of poor people.

Further, the two largest Southern states - India and China - a third of the world's and half of the South's people have experienced quite different trends since 1980 than the majority of Southern states and economies. In both cases - especially China - achieved levels of productive forces per person have risen. While in both cases - again especially China - inequality in distribution of ability to produce and of incomes has risen, the position of most of those people in or near absolute poverty (a clear majority in the case

of India) has not in general worsened and in significant cases (e.g. Kerala, West Bengal, several Chinese provinces) has improved both as to earned income and access to basic services.

That said, the record of the 1980s has been disastrous for a very large majority of countries and about half of the absolutely poor people in them. All but a handful of African (including North African), Latin American, Caribbean, and Pacific as well as several Asian states (notably the Philippines, Vietnam, Laos, Kampuchea, Burma, Bangladesh, Afghanistan and at least for poor people Pakistan and Sri Lanka) have experienced growing economic agony and show few, if any, signs of achieving sustained rehabilitation and recovery.

That agony has been more severe and more generalised than that of the economies or the poor people in the North - or even the border areas of the Mediterranean (e.g. Portugal, Greece, Turkey, South Italy and pre-industrial regions of Spain). For this there are six main reasons:

1. the impact of international economic environment changes on Southern economies is on average much greater than on Northern and they lack the access to external credit and to domestically oriented demand stimulation necessary to buffer themselves against these shocks (with India and China the notable exceptions);
2. further, the margins above breakdown and the room for resource re-allocations within these economies are lower because they are poorer in resources per person, in flexibility of production and in both state and enterprise institutional capacity;
3. as a result of which the possibility to avoid cuts in basic services or to provide unemployment/production disaster relief beyond bare survival levels is very low even with the strongest political will to do so; which
4. simply does not exist in a majority of South states in which political, economic and military elite groups (sub-classes) are stronger and more committed to the pursuit of "what we have we hold" than in many Northern states;

5. so that the domestic, as well as the external, context confronting most poor people in most South states has been distinctly more adverse than in the Northwest and Northeast;
6. in addition to which their initial positions - and therefore their margins above immiseration and death as well as their ability to claw back to less impoverished lives after shocks - were absolutely much poorer.

#### In The Calmer 1970s

This was not the general picture in the 1970s. In that decade as in the 1960s output per person in the South rose about 3% a year and most economies and a majority of the people of the South (including or excluding China and India) shared in that growth - even if usually very unequally. Even so a substantial - and absolutely growing - number of very poor households (in some countries a majority of the people) did not benefit or become absolutely worse off.

Except in about half of Sub-Saharan Africa and a handful of other Southern economies food production per person rose in both the 1960s and the 1970s. Malnutrition and hunger declined much less than these data might suggest but that related primarily to inadequacy of "entitlements" (i.e. ability to produce or to buy out of income or access to assistance) not to physical unavailability of food.

Access to basic education, health, pure water supply and sanitation increased - often admittedly painfully slowly and/or from very low levels. Life expectancy at birth rose (even if it remained very uneven by economic status) while infant mortality rates declined significantly in almost all countries, albeit SSA with the highest initial levels also, on average, achieved lower proportionate declines.

The dominant policy perspective was growth and modernisation. Not the simplistic growth of undifferentiated GDP or modernisation of all technical and social parameters beloved of economic or scientific technocrats. Decision taking groups are virtually universally more concerned with specific growths and modernisations which strengthen, consolidate and/or broaden their support

base as well as increasing their ability (whether by votes, passive support or force) to see off actual or potential rivals. At that level - national decision taking groups - putting poor people first was rarely a policy objective. Neither, in a majority of cases, was deliberate selection of policies to hinder them. Redistribution was - in a majority of cases - seen as from "trickle down" (i.e. making ever broadening minorities prosperous so that their additional demands for goods, services and labour would trickle down to help the poor).

In fact trickle up worked more pervasively than trickle down - although the latter was not negligible in all cases, the much touted "informal sector" when healthy clearly did benefit substantially from growth in numbers and incomes of "modern sector" wage and salary earners and prosperous "green revolution" farmers frequently (e.g. in the Punjab) did hire more landless or near landless workers and pay them marginally more. Over the period there was growing attention (as cited in earlier sections) to redistribution out of and for growth with employment growth, land reform and basic services usually perceived as the focal instruments.

Except in extreme cases (e.g. the Philippines, almost unique in its region for secularly falling average small peasant net incomes and urban real wages as well as at the bottom of share of GDP spent by the state on education, health and other social services) elites were willing to back trickle down and even modest allocations out of growth to poor people. What - as the 1980s were to make clear - few decision taking coalitions were either willing or able to do was to redistribute at the expense of making large numbers of their key supporters (or potential ousting groups such as the uniformed services) substantially worse off.

The external influences - while viewed, rightly, as relatively negative at the time - were benign compared to the 1980s and were then - in retrospect wrongly - seen as shifting in the South's favour. Rapid world economic expansion did carry exports of many South economies up albeit except for oil and briefly beverage exporters few South primary commodity producers shared significantly in this buoyancy after 1972. External resource transfers were high (from export credit and commercial bank sources as real "aid" per capita continued the stagnation/slow decline pattern of the 1960s. Thus imports adequate to sustain growth were accessible to most South economies. In this context

external policy advice often paralleled (up to a point) national growth and modernisation strategies and so long as an economy did not get into massive external payment difficulties it was rarely pushed very hard or with major impact on its basic strategic choices (or its levels of oppression or corruption). Certainly this context did little to reduce dependency (indeed helped make it look attractive or at least bearable to elites) and disguised the urgent need to do so that the import constrained 1980s were to reveal. But neither did it prevent it - the choice of extreme and un-eroded external dependency really was in large part a national elite one as the contrary (i.e. more dependence reducing and/or inward oriented) example of, e.g. India, Brazil and Tanzania do a good deal to demonstrate.

#### Into the Tempest of the 1980s

The 1980s have seen output in the South grow at 3 to 4% a year overall but excluding India, China and the four East Asian nic's at well under 3% on average and in some years at less than 0%. Falls in per capita output of 15% or more are common in Latin America and the Caribbean; 25% is not uncommon in Sub-Saharan Africa. Arguably inequality has not grown as fast as in the 1970s but there is scant comfort in that because it represents the pushing of vulnerable people below any reasonably estimated poverty line and the erosion from modest middle class to impoverished of millions of households. Certainly the numbers and proportions of Southerners outside India and China existing in absolute poverty have risen.

Food production lagged - especially in most of SSA which has experienced particularly severe and extended drought cycles - so that increased physical scarcity interacted with reduced "entitlements" to increase levels of malnutrition. In a significant number of South countries average food availability per person is below that needed for an adequate diet, which means that even with totally even distribution nutritional security could not be provided. The foreign exchange constriction throttling many South economies - notably those in SSA and other very poor ones - means that the domestic supply/nutritional security gap cannot be closed by commercial imports but only by food aid. While food aid has risen in the 1980s it is rarely a speedy or dependable and never a fully adequate means to achieving or restoring food security.

Access to basic services has contracted absolutely in some cases, stagnated in others and in all but a few countries grown less rapidly than in the 1970s. The quantitative growth was usually equal to or below that of population and hides radical deterioration in serviceability (e.g. 25% of rural water units non-operational at any one time is very common) and of quality (e.g. missing teachers, texts, furniture, drugs). In many countries - not all (e.g. Mexico) low income - the fall of the infant mortality rate appears to have halted or been reversed and the same is presumptively true of life expectancy at birth.

It is harder to make any general statement on policy perspectives. Growthmanship and modernisation are by no means defunct. Neo-liberalism, sometimes (e.g. Chile) in very extreme forms, has indigenous as well as external roots. In addition basic minima targeted, faute de mieux import substitution/dependence reduction or moderate reformist strategies have become more, not less, common perhaps as a result of clearer realisation that in most of the South high growth rates are not attainable and in their absence trickle down works so badly as to lead to explosive socio-political or even military tensions which a survival oriented decision taking group must seek to assuage whatever its socio-economic orientation.

There is a distinct problem in assessing policies in the South perceived or presented as neo-liberal. Some genuinely are - e.g. Chile, Pakistan. Others are fairly clearly better seen as analogous to Lenin's New Economic Policy - e.g. Algeria, Angola and perhaps China. Yet more are presented quite differently, or at least with different emphases, to domestic non-neo-liberal and external neo-liberal auditors - e.g. Mozambique and Tanzania (in these cases the domestic gloss is the nearer to reality).

The reasons for this are three-fold:

1. most South states adopted strategies in the 1970s which whatever their appropriateness then are not practicable in the 1980s and were slow in realising how major were the changes needed and slower still in acting on them;



2. as a result external support or at least acquiescence has tended to be vital to launching and, especially, to sustaining any type of economic stabilisation, rehabilitation and restructuring strategy; and
3. with reduced state resources came a need to prioritise (including dropping less key interventions) and to reduce bureaucratic control mechanisms (which are rarely resource efficient when numerous and detailed).

The first and third points do naturally lead to greater use of markets and prices (but including managed as much as free ones), to redirection and concentration of state roles and to seeking to reduce overall resource use and to increase the quantity of desired outputs (whatever they may be) secured from any level of resource inputs. While neo-liberalism would result in such actions so would almost any other coherent economic strategy albeit the specific goals, allocations and priorities might differ very widely.

The second factor has a parallel influence on programme presentation. In order to secure external support any sensible South country is likely to cast its programme (whatever its actual content) in terms or with verbal emphases likely to reassure neo-liberal institutional and governmental perceptions. In the same way even if more recent emphases on "human face" aspects of adjustment are in some cases (by North countries and global financial institutions as well as South would-be recipients) more apparent than real, they do seem to have a capacity to raise funds and they do at times win leeway on policy changes desired or opposed for quite different reasons.

The external economic environment of the 1980s has been and remains bleak for most of the South (China, India and the Asian nic's largely excepted). World trade growth has been low and for primary commodities very low while North import restrictions discriminating against South exports have proliferated cancerously. Primary product terms of trade by 1986 were at their worst levels since the 1930s except for oil which itself had lost all of its 1979/80 and most of its 1973/74 gains. Voluntary lending by commercial banks had virtually ceased, export credits fallen drastically and real aid transfers stagnated or (excluding food aid) fallen. As a result the real resource flow was from the poor South to the rich North. Finally external policy advice was (even from countries which did not practice it at home) pervasively

neo-liberal and backed by only lightly veiled warnings that if it was not accepted and acted on neither debt rescheduling, IMF drawings nor bilateral and multilateral development finance would be forthcoming or would at the least be substantially reduced. Criticism by donors of marked inequalitarianism (e.g. in Malawi and the Philippines) was not unknown but was usually very low key and was virtually never backed by threats to reduce resource transfers.

### The Political Economy of Devastation

War and development are usually linked either via a global disarmament dividend or national reallocation of military expenditure to civil uses. The implications of militarisation are usually treated in terms of human rights other than economic ones, i.e. the rights to life, freedom of person and freedom of expression and organisation. These approaches - even in sum - are not complete and the first two miss the nature and scale of the impact of actual war on development.

The military expenditure bill, the direct damage to property, the direct loss of life but above all the consequential loss of national output and of life are on a scale and of an intensity that political economy let alone economics has not taken into account. In the nine independent countries of Southern Africa for example the loss of output over 1980-88 is of the order of \$50,000 million or twice the total actual 1988 output while in two countries - Angola and Mozambique - the actual 1988 national production will be half or less what it would be without war. Indeed even in Tanzania and Zimbabwe which have had very little conflict on their own soil the direct military bills (and the lives lost in support of Mozambique) and their impact on public services, investment and production over the last eight years add up to half a year's output.

In Mozambique and Angola at least 1,500,000 persons are now dead who would have been alive without the South African direct and proxy wars of aggression. Direct deaths in action are the least part of this appalling total. Starvation as a result of destruction of rural security to produce or to transport has cost over 200,000 lives and murder by the armed bandits of Renamo and Unita over 300,000. But the largest single source is infants and

young children killed by the combination of malnutrition, weakening of medical services - especially in rural areas - and curtailment of immunisation and of rural water supply. The bitter title of the Mozambique video "Killing The Dream" is a stark summary of the impact on development, however defined.

Southern Africa is not unique. Civil wars in Uganda have been as destructive and deadly as have the civil and regional wars of the Horn of Africa (Ethiopia, Somalia, Sudan) and of Chad. Nor are open massively destructive wars - including civil wars it is obscene to term "low intensity conflict" - Nicaragua, El Salvador, Guatemala, Peru, Lebanon, Iran, Iraq, Afghanistan, Burma, Vietnam and Kampuchea immediately spring to mind. On a basis comparable to that used in respect to Southern Africa the economic loss and death toll in the Gulf War would be even larger albeit perhaps less omnipresent because war has not brought insecurity throughout the country nor generalised economic collapse.

#### War is different

The macroeconomic and human costs of defence budgets, border clashes and riots are simply not of the same order of magnitude as those of actual wars - international, regional or civil. This not to underestimate the former's potential burden on development but to assert that in a poor country without peace there cannot be development. Whether this makes national reconciliation, regional harmony or winning a genuine war of national survival essential depends on the context - Mozambique, Ethiopia/Eritrea and Kampuchea all require peace but by what means in what structure of external relations would appear to vary widely.

The cost to development goes beyond what can be estimated even in terms of lost output and destroyed lives. The near total relocation of policy and personnel priorities and the resultant weaknesses on the civil side are massive especially when policy making capacity and personnel are very scarce. Angola is a dramatic example. The state which could plan and execute the strategy that defeated South Africa's full armed might before Kuito Canavale and can keep supersonic jets flying and supply lorries rolling cannot keep main relief convoy routes or the vehicles to use them in good working order nor train or even pay a living wage to its front line health and education

workers. That is not a paradox, it is cause and effect when national survival in war is the over-riding priority.

Similarly deaths alone do not enumerate shattered lives. Even in Botswana - a Southern African state raided less than most by South Africa - the Anglican Archbishop of Central Africa has repeatedly stressed from personal observation the widespread traumatic effects on the children of Gaborone. In Mozambique up to 500,000 children have suffered serious injury, crippling from illness, loss of relatives, severe traumatic shock, combat trauma (especially among those kidnapped to fight by the Armed Bandits and trained to kill) or a combination of these. Even in the narrowest economic sense such lasting human crippling, like the policy attention and personnel eaten up by war have a major negative impact on both short and long run development possibilities.

Clearly war is not properly treated as a branch of economics nor even of political economy. But the persistent failure to analyse the economic and political economic effects of war systematically - as one does those of droughts, floods, terms of trade - is a major failure in economic work relating to development. So is the parallel and only slightly less pervasive national failure to account specifically for war cost constraints in planning and programming and even on occasion to treat the military and economic aspects of war separately and in parallel - a way to ensure losing on both fronts. In countries like Mozambique and Angola every aspect of the economy and the society is integrally affected by war and cannot be understood or acted upon without understanding and analysing that brutal fact.

The struggle for development cannot be postponed until after the struggle for peace. Even in contexts as terrible as that of Mozambique the two need to be pursued together. Survival matters - for the dead there is no earthly future chance for empowerment or development. Therefore food security (including production by poor people) and basic medical service access matter. So does rehabilitation where possible - e.g. in the Mozambican and Angolan districts now cleared of armed bandits and among displaced people in urban or other 'secure' areas. The same applies to education and to organisation as long term requirements for empowering development. Even in the physical and macroeconomic fields - e.g. the main transport corridors and the budgetary

plus industrial sectors in Mozambique - there are possibilities for development which can be acted on even during the armed struggle and probably must be if the war is to be won.

#### Room For Manoeuvre - Are There Alternatives?

In the North it is clear that there are alternatives to the neo-liberal political economic creed and to the exclusion of large minorities from economy, society and polity which it breeds. In the South it is clear that real resource constraints are much more binding and that what is possibly rapidly and relatively easily (at least in pure resource cost terms) in the Northwest is rarely directly relevant or attainable except over decades. The Northeast would appear to be in an intermediate position - glasnost in the USSR is clearly not able to date to deliver either substantially faster growth or more goods and services to people rapidly; the resource constraints on Poland and Rumania are even tighter and even Hungary and the German Democratic Republic's economies appear to display a degree of fragility and rigidity which poses very real limits on short run changes.

Even less poor South economies - e.g. Argentina, Mexico, Jamaica - have been unable, in practice, to avert severe worsening of the human condition of the poor majorities of their populations since 1980. This holds true since the restoration of democracy in Argentina and under both a human condition oriented (if arguably accident prone and resource allocation priority incoherent) government and a neo-liberal one in Jamaica. Malaysia which - for whatever reason - gave high priority to universal access to health and education, support - including new land - for smallholders and rising real wages has in recent years faced increasing difficulties in carrying that policy forward and has - as a direct result - reverted to a less open polity, a more class (as well as community) divided society and a clear retreat from democratic practice within the rule of law. More generally lower growth and especially decline in real resources available per person, while not necessarily increasing inequality, has increased the determination of the unpoor to hold on to what they have, reduced the allocations of resources to increase access by the poor and their overall human condition and, because their levels above misery were already so low, ground down most heavily on poor people including members of vulnerable groups pitched into poverty.

With that record it is safe to say that the prospects for empowerment of poor people to produce more or for their full access to basic services are poor in almost all - and negligible in under \$500 per person production - Southern countries without output growth significantly above that of population. From that it is easy - even tempting - to jump to the conclusion that neo-liberalism focussed on growth first is the only alternative in the South even if that is not the case in the North. That elision conceals three fallacies:

1. that human condition deterioration has been uniform in the South or that it has been determined only by degree of economic unsuccess;
2. that there is only one way to restore - or to maintain - economic growth and that it is centred on freeing markets and rewarding those who have for getting more;
3. that the politics of neo-liberalism - once imposed - are such as to make likely a medium term structural change toward social, economic and political participation and a priority for (as opposed to for squeezing) the poor.

The deterioration has not been uniform by country, by sector or by growth rate. Whatever its value as a corrosive of over-centralised, under-competent bureaucracies and their methods, neo-liberalism is most unlikely to maximise growth in small, poor countries. The reasonably to very successful cases - measured on output growth related to public policy - have with the exception of Hong Kong all been highly state interventionist economies/polities even if with a significant range of differences in form and breadth of intervention. The argument that economic success automatically lays the way for socio-political structural transformation has little Southern evidence to back it. The most convincing case would perhaps be South Korea but that restructuring remains partial and problematic and can hardly be said to have been easy or peaceful.

Some Parts of Some Alternatives

It has already been noted that the two largest poor countries - India and China - have not fared worse economically since 1980. Equally both have sustained higher than typical South resource allocation priorities toward production and access to basic services by poor people and have made some gains on these fronts. In the case of India this has come against a background of massive inequality and of absolute poverty which has fallen only when - e.g. Kerala, West Bengal - state government orientation toward poor people has complemented national policies which at least created an economically and politically compatible (and perhaps conducive) setting.

In Botswana a small, fragile, vulnerable economy has been able to maintain high growth. Despite its leadership being drawn largely from a rather small, rather rich ranching bourgeoisie, it has used the massive surpluses from diamond mining (75% captured by the state) to move rapidly to universal access to basic health, education and poor water and to raising decent wage employment in Botswana so one Botswana household in 3 now has a member earning there versus one in 30 at independence. In addition the right to food - by employment for wages for food and by free distribution to vulnerable group members - has been firmly established as a basic priority for state underwriting (and largely achieved). Self-organisation and participation are possible - indeed encouraged - within a functioning democratic system. True, much of this record depends on economic luck and a conservative fiscal policy but the priority for the human condition and in particular for achieving at least minimum socially acceptable standards for the minimum human condition of poor people is an equally necessary condition.

Costa Rica has endured one of the sharpest declines in national purchasing power in Latin America - largely related to the coffee price collapse and external debt levels. But to a large extent it has been able to shield basic services and at least selective minimum consumption level support from any comparable erosion. Here too self-organisation and participation within a functioning democratic context have survived - indeed, despite their limitations, are probably the most successful in Latin America.

South Korea and Singapore - both conservative, authoritarian, exclusionist polities with very deep distrust of self-organisation by poor people,

unionists, students or anyone else - have maintained both growth and priority in resource allocations to provide universal access to basic services and to reduce the incidence of absolute poverty. Basic health and more than basic education access is near universal; land reform in South Korea and its urban analogue - effective access to affordable decent housing - in Singapore remain real and operational priorities; real wages (while unduly and inequitably low, especially in the case of South Korea) have risen fairly rapidly with only brief and reversed downward deviations.

Zimbabwe - despite a war bill running close to 5% of GDP and a heritage of brutally fought out divisions - has maintained a growth trend well above that of population and is approaching universal access to basic services. Consumption standards of poor people have fared less well but a quarter of rural households (mostly previously very poor) have been empowered by state action to make rapid gains and basic survival needs are met in the case of major drought disasters. Zimbabwe has limited freedom to organise and political openness because it is in a state of defensive war against South Africa and with a deeply divisive regional (and communal) political cleavage. With the merger of the two dominant parties, self-organisation and political participation (which were constrained not suppressed) are likely to have much broader freedom of action.

Tanzania's economy was swamped by the Amin invasion and its aftermath (including diversion of attention from economic issues over a vital 18 months), drought, terms of trade collapse and painfully slow reorganisation of economic strategy to deal with them (in part a result of the high degree of openness and consensus-seeking in the political process). Real incomes and real provision of basic services declined sharply over 1980-1983 (albeit less than in the typical SSA country). But the minimum wage, real grower prices and access to basic services (virtually 100% for education, 70% for health and 40% for pure water) were cut less than average and from 1984 onward were increasingly defended or in the second and third cases bit by bit restored because the political priority for the poor remained dominant. In addition the economy was turned around and grew steadily from 1984 on absolutely and beginning in 1986 per capita (i.e. before external backing for the stabilisation and adjustment strategy). Self-organisation and participation are politically encouraged - if rather uneven in practice for a variety of reasons - and the high turnover of political office holders in competitive



elections implies a functioning democratic system.

These examples do not provide complete answers - even for the countries cited, let alone for export/import use or universal generalisation. They do provide indications of where answers may be found and do demonstrate that room for manoeuvre exists even for very poor countries. They lend no support to the contention that "there is no alternative" nor to the lesser proposition that neo-liberalism is the most economically efficient (let alone socially supportive or poor person helping) political economic strategy.

#### International Organisation Deviants and Shifts

The 1980s have been characterised as a period in which international organisation prestige, programmatic capacity, intellectual leadership and North governmental support eroded or imploded. Certainly the ILO retreated into a protective low profile role - albeit it did not change its principles or broadly human condition oriented focus and began to reassert them more forcefully after 1985, UNESCO took refuge from harshening realities in escalating rhetoric and FAO's habitual inability to grapple with the realities of food security (at any level) and the productivity of the rural poor became more acute (especially in relation to Africa).

The IMF and - for a time - the World Bank endorsed neo-liberalism and sought to enforce it with conditionality in relation to financial flows (their own and other) taking scant regards for social fabrics or the human dimensions of programmes for poor people. The newest UN specialised agency - WIPO - became increasingly a policemen (or protection racket) for major owners of intellectual property raising and limiting access to it. UNEP lapsed into nearly unfunded ineffectiveness despite an apparent rise in environmental concern, while UNCTAD's long retreat from relevance to basic international economic relations issues (in fairness a retreat imposed in large part by the USA, UK and Federal Germany) threatened to become terminal.

But there were and are exceptions. Some agencies swam against the tide with at least enough success to demonstrate that for them too, room for manoeuvre did in fact exist.

WHO's articulation both of universal access basic health services as a primary priority and of practicable, cost efficient means to attaining them dates largely to the 1980s. So does WFP's broadening of its horizons beyond short term survivalist food aid toward a greater integration of that role with human rehabilitation and support for development.

IFAD was exceptionally vulnerable both because its financial base was heavily dependent on the evanescent and transitory 1974 and 1980 oil booms and because its focus on how poor people could be empowered to produce more suddenly became practically - if not rhetorically - very unfashionable in the North. It survived financially (even if with cuts) and maintained its focus while slowly building up its operational and analytical capacity as well as reducing its intellectual and project design dependence on the FAO and World Bank.

The most startling transformation - and success in raising its profile and resource collection to support that transformation - was that of UNICEF. Its low key, traditional approach to child welfare was transformed into an articulated, prioritised, phased "child survival revolution" (with substantial participation by people built in) which demonstrably accelerated immunisation, oral rehydration, primary health care and falls in rates of infant mortality. Even more dramatically it focussed on women's self-organisation, economic empowerment and labour load reduction as vital to child welfare and on "adjustment with a human face" and the "human condition" as essential to creating macroeconomic contexts in which productive empowerment of and service access by poor people, households, communities and countries vital to answering the questions as to quality of infant and child life beyond survival could be answered positively. Finally, in Children on the Front Line it tackled the impact of apartheid in articulated economic and human terms related to its mandate on behalf of children but with brutally frank attention to political and military contexts and the need to change them.

Nothing could have appeared to be more out of line with the economic, political or international organisation attitudes of the early 1980s. But over that period UNICEF - counting special programme and joint project support - quadrupled its resources and probably altered Northern and Southern perceptions of priorities enough to account for at least twice as much again via programmes and budget augmentations with no institutional links to UNICEF. (Selling Christmas cards and appealing to government goodwill turned out to be

positively correlated to taking a high profile and to making carefully reasoned analysis and proposals even when it knew these would be unpopular in many 'donor' circles.) More surprisingly in what has been billed - overbilled but nonetheless not inaccurately billed - as a head on political economic strategy and ideology battle with the IMF and World Bank, UNICEF - at the most cautious estimate - is far from having been driven from the field.

In fact UNICEF's re-raising of the basic human needs and employment standards with tighter analysis and new titles has proven to be a catalyst and rallying point at a time when the failures - or at the very least the limitations - of the neo-liberal orthodoxy were becoming apparent and its high intellectual gloss was beginning to wear thin. Verbally at least "human dimension" has few enemies - the Fund and Bank endorse it openly as do almost all Northern governments. The Bank's Vice President for Africa can say - and mean - that economic adjustment which rends the fabric of society is unsustainable, and - by implication at least - inconsistent with development.

Implementation is another matter. Resistance by neo-liberals and growthmen is stronger and empowering poor people to produce more is particularly badly articulated, acted on or funded (as are the principles of self-organisation and participation by poor people). This is particularly true of the Fund and certain bilateral agencies. But even practice, and certainly the intellectual climate in which pressure for changing it operates, is distinctly - even if unevenly and partially - different from those of 1981-1984. Room for manoeuvre and room for internationalism do exist - provided that they are backed by reasoned analysis, careful articulation, records of at least partial success and a significant number of political actors (not necessarily initially including the strongest).

#### Quo Vadis - The Roles of Churches

Southern Churches' record on development thinking, debate and praxis is very mixed but on the whole relatively low level, low key and low impact. That reality needs to be recognised before it can be changed.

Neo-liberalism (and only slightly less exclusionist and anti-poor variants of growthmanship) do have deep roots in some Southern Churches. Christianity is

by no means more a faith of the poor, let alone one whose institutional structures are controlled by the poor, in the South than in the North. Certain Churches - notably but not only certain North American sired evangelical churches - have a similar impact by determined apoliticism in favour of authoritarian regimes even in states such as Guatamala and South Africa.

More generally many Churches have limited direct involvement in conceptualising, articulating or operating development and self-organisation/empowerment with the poor. This is less true in areas in which the leap from charity and support to empowerment and development is shorter - e.g. medical care, disaster relief, food aid, protection of human rights from egregious abuses - and more generally there are a growing number of exceptions, but exceptions they remain.

Similarly the depth of Church understanding of development goals, constraints, processes and implications remains distressingly unprofessional in a majority of cases. There is no reason to suppose the Lord is better served by sloppy development economies or social policy formulations than by sloppy theology or fund management. There is every reason to suppose Christian influence on dialogue informing macroeconomic and macropolitical policy (at home and internationally, in secular fora and in interaction with Northern Churches) would be more effective if based on more cogent and professional analysis and understanding. This does not imply seeking to replicate the whole economic structure of universities and governments - the Good Samaritan for example was quite capable of knowing what he could and must do and when to turn to the specialised services of the innkeeper and the physician.

The same holds in respect to Christian action. Development projects and support for self-organisation by the poor need faith, hope and love but also knowledge of social, political, educational and business realities. Faith is indeed required to move mountains but so is earth moving technology and equipment - at least a shovel and perhaps something larger.

In this respect the increased - if uneven - inclusion of socio and politico economic issues (however titled) in theological education and the creation of a growing number of development articulation and operation courses and programmes for both ordained and lay, full time and community based personnel,

is a hopeful sign. So too is the broadening willingness of some Churches in all parts of the South to speak out cogently on issues which a decade ago would have been shelved as 'too political' or 'too technical'. This trend is evident nationally, within global confessions and in the Ecumenical Movement. An interesting variant is the joint approach of the Councils of Churches of the SADCC Member States to their Nordic counterparts parallel to their governments' actions in the Nordic-SADCC cooperation arrangements. Development, human condition and the price of Pretoria's war on its neighbours were central to those consultations with the focus on what the Nordic Churches could and should do, especially as part of Nordic societies and countries.

No general prescriptions for Southern Churches are possible any more than for Southern states. Contexts differ as do the starting points of the Churches. One crucial difference is whether the Christian community is a majority, plurality or very large minority (as in Latin America, the Caribbean, the Pacific, the Philippines, much of Sub-Saharan Africa) or a small minority (most of Asia, the Middle East, the Mahgreb, some of SSA).

In general, however, there are several relatively common features which place even greater responsibility on most Southern Churches to speak out, to influence and to act than on most Northern ones:

- a. voluntary organisations capable of facing up to larger and more complex institutions are usually thinner on the ground (especially in Africa) and more in need of supportive empowerment;
- b. Church or church related communication channels are much more prominent among non-governmental ones than in the North;
- c. successful demonstrations that empowering the poor to produce and to take part in providing and directing basic services are workable are needed - not least to encourage as yet unorganised poor people;
- d. in less open social and political contexts Churches and their leaders have greater freedom to speak and to act than other unofficial organisations or individuals and on occasion can raise protective umbrellas under which the latter can survive and develop. Even in

non-Christian societies direct suppression of Churches is - for whatever reason - less readily applied than of students, peasants, trade unionists, political protest or human rights bodies.

To be fully effective these approaches often need Northern Church support - as Southern government initiatives often need Northern government support. While the Northern Church record (both Northwest and Northeast) on sharing, listening and following - as opposed to conditional giving, preaching from afar and insisting on the 'right' to lead - may be better than that of Northern governments, it is flawed by the same defects. Both Southern evangelism to the North and Northern attention to beams (as well as - or before - motes) are needed, not least a broader understanding of what human condition problems of the South and how the North 'contributes' to them are.

## V

### What Alternatives?

Demonstrating the limitations and defects of the new political economic morality and of its policy prescriptions is certainly possible. They have:

1. increased - or at best done nothing to reduce - human vulnerability, misery and absolute poverty;
2. placed burdens disproportionately on poor people (minorities in the North, majorities in the South) and distributed benefits (including both profits and tax reductions) disproportionately to rich people (minorities in both cases);
3. rejected human welfare and mutual obligation as primary tests and duties of political economic policy, states and societies in favour of individualistic maximisation of market (and tax reduction) gains and voluntaristic charity;
4. blamed the losers for their losses, conveniently overlooking the role of the policies which deny them access to employment and services;
5. raised unemployment, dislocation and related transfer costs while

reducing - at least in the North, in the South they were always negligible - the level of 'benefits' (i.e. partial damage compensation) per recipient because they have raised the numbers of unemployed or low income employed so dramatically;

6. in many cases reduced the level of output and its growth by pushing unemployment up and capacity utilisation down, partly through creating an incentive structure in which financial operations are usually more profitable than production.

That is a fairly damning indictment whether viewed from a theologian's, a trade unionist's, an unemployed person's or a professional economist's perspective. But, by itself, it is not enough to win either dialogues or policy struggles let alone to create a more humane political economic ethics. To do that requires demonstration that there are practicable alternatives.

#### How Did We Get Here?

There is something to be said for looking quickly at what factors in 1945-79 led to neo-liberalism's triumph. "I'd like to help you out, show me how you got in" may be part of a relevant approach.

In the Northwest the post-war structures were specifically and consciously designed to guard against a repetition of 1930s inefficiencies (notably human unemployment, capital underutilisation and competitive protectionism) and gross poverty. In fact they did rather well in respect to those tests.

But over time rigidities (by no means solely in respect to job security and/or mobility albeit these are the ones most often cited whereas non-entrepreneurial enterprise managers and overspend - overkill defence budgets are less often indicted) did reduce ability to respond to shocks and see that resources were optimally employed as well as employed. Inflationary pressures did tend to grow and it would be idle to contend that full employment in the context of antagonistic wage bargaining plus relatively low public sector efficiency in getting desired outputs with minimum necessary use of real resources (a classic Marxian as well as capitalist yardstick) did contribute to that result. Finally safety nets for unemployed did reduce the

degree of commitment to full employment by the late 1970s as opposed to the late 1940s.

In the South again the concerns were to avoid reruns of the 1930s (or in Latin America the 1920s) when output had been virtually stagnant. Therefore growth was perceived as the overriding goal and access to net resource transfers from the North as a necessary condition to achieving it. Equity - or even ending absolute poverty - was usually perceived as a secondary, a long term or a non-goal.

Here too compared with the 1925-45 and 1980-88 records, or with what was thought possible in 1945-50, the results on both growth and resource transfer targets were impressive. Predictably those on equity, access and poverty were much less so.

Arguably this model did not break down in most of the South - it was knocked down by the post 1980 exogenous shocks. Certainly the most widely raised challenge before then - inequity - was not one which was aimed at achieving neo-liberalism. Inefficient economic management (from the point of view of growth maximisation or the welfare of poor human beings, albeit not necessarily from that of rich decision takers) did exist. In some cases it led to direct economic collapse - e.g. Argentina repeatedly, Ghana after 1972, Burma - but in most what it did was increase dependence on resource transfers and vulnerability to exogenous shocks more generally.

In the Northeast the aims again related to avoiding repetition of the 1930s and were a triad: defence against external invasion, high growth from high investment and employment and providing at least some floor to access to basic services and consumer goods. Evaluated in those terms the model worked - albeit decreasingly well in growth terms after the late 1960s.

Here too economic inefficiencies built up increasing inertial power. Commandism (as opposed to managed markets) whether centralised or decentralised became increasingly costly in output terms as the economies became more complex. Related to this, quality and innovation - as opposed to maximum quantity of investment and employment inputs - were under-rated or even opposed.



But in this region an interlocking set of political inefficiencies became increasingly counter-productive socially and politically - especially as growth declined and the 1930s spectres faded from memory or were seen as permanently overcome. Authoritarian commandism and limits on freedom of expression, organisation and participation (whatever the case for or against them in 1945-50) came to have massive and rising social, political and economic costs. Solidarity in Poland is a clear product of these factors which are rather lucidly formulated in Secretary Gorbachev's 19th Party Congress address of June 1988.

In this case however, it would almost certainly be a mistake to see the emerging forces as neo-liberal in any sense directly analogous to the Northwest or as externally imposed as in much of the South. Given the starting point, movement toward managed markets in the Northeast (except perhaps Yugoslavia) has relatively little in common with early 1980s USA or UK shifts. Nor are the glasnost themes in perestroika neo-liberal; in practice capitalist state operation of the neo-liberal creed seeks to reduce both access to information and freedom of expression. What may be common is a failure to guard against erosion of the living standards of poor and vulnerable people and a failure to recognise that even in technical economic terms the efficient answer to reducing specific employment which is not productive is to create a macroeconomic context - by specific investment, targetted incentives, more general demand creation, retraining and mobility/bridging support payments - which allows re-employment in more productive activities.

Against this background it is possible to look at the three regions potential for alternatives more fruitfully.

#### Efficiency Considerations in the North(west)

In respect to the North (Northwest) part of the answer, as demonstrated above, is that the resources for alternatives do exist or could readily be mobilised by reducing constrictions on demand and capacity utilisation. The arguments that this could not be done consistent with adequate incentives, stable prices or external balance are inherently suspect. The more rapid is growth and the less government resources are eaten up by unemployment compensation, the

easier it should be to develop viable incentive structures - for poor, middle income, and working rich people. The 1950s and 1960s after all exhibited high growth with incentive structures more attractive to the less rich - and less so to the more rich - than the 1980s. While it is perfectly true that cutting demand and putting capacity out of use and people out of employment can reduce inflation, such action is neither a necessary nor a sufficient condition (in her first term Prime Minister Thatcher's policies raised inflation so that for that term she had the highest total inflation of any British Prime Minister since the Napoleonic Wars). Further, because it cuts inflation by deliberately wasting resources, it is inherently inefficient on purely technical economic grounds. The 1980s record - even in the North - on external balances (or more accurately gross imbalances) is the worst in this century which suggests that neo-liberalism in practice is counter-productive on this front.

Improved efficiency of resource utilisation - i.e. increased production or of increased socially desirable production - is possible. Public infrastructure and middle and low income housing are increasingly inadequate and increasingly often decrepit because of inadequate maintenance. Increased expenditure in these sectors would have clear economic and social pay-offs. It would also have a general demand stimulatory, unemployment cost reducing and tax revenue increasing impact.

The barrier to such a course of action usually cited is either that the inflationary consequences would make it unsustainable or that private sector led growth would be better. It is perfectly true that managing supply/demand balances to avoid excessive inflation poses real problems. However, methods other than unemployment boosting/real wage cutting packages have worked before (e.g. 1955-1970) and, with the same ingenuity and political will mobilised as have been applied on behalf of neo-liberalism, presumably revised or new forms could be made to work again. The "private is better" argument presumably is an alternative to the inflation one - if high demand growth and full employment lead inexorably to high inflation, it matters little whether the demand and employment growth are public or private sector catalyzed. What better may mean is unclear. Opinion polls suggest most people would rate better public health services, schools, sewers and highways above more consumer goods and those who rank better housing high on their priority lists are a very substantial proportion. In any case the production involved is at

first largely by private enterprises in the construction, engineering and building materials sector (all markedly depressed in the 1980s) as well as in, e.g. publishing, paper and pharmaceuticals and then via spread effect in other goods and services producing sectors. Unless public enterprises are dominant, most production and employment gains will be private sector. To argue that the gains are bad because used to increase public or communal goods when majorities of people apparently feel otherwise is to deny, not to affirm, consumer sovereignty and freedom of choice.

In short, efficiency in the sense of fuller use of resources (allocating to unemployment is not efficient by any normal test) posits expanded production. In turn expanded production can be used to raise the incomes and living standards of poor people and to reduce the now growing gap schematised in the phrase "private affluence, public squalor".

#### In the South

The southern situation is more complex. In a minority of states the resources for acting to provide universal access to basic services and to move much closer to full employment or self-employment of poor people at levels of productivity adequate to provide decent incomes do exist and the problems of strategic political economic change are analogous to those of the North. In rather more the resources could rapidly be generated if production, employment and capacity utilisation were not artificially depressed. In both of these categories the global economic context - particularly market access, terms of trade and debt service burden aspects - is frequently a genuine constraint.

However, a broad group of countries face very clear objective real resource constraints even if they can reduce under-utilisation of existing productive capacity and operate in a less unfavourable global economic context. This group includes not simply the World Bank's low income category but much of the lower middle income. It is a combination of low achieved output per capita, distributional and/or institutional structures exceedingly difficult to alter rapidly and - even more - to replace with smoothly running new ones and/or war which typify and constrain this group. Nepal, Haiti, Bolivia and Burkina Faso are cases in which the dominant factor is low achieved productive capacity. The Philippines, Sierra Leone, probably Jamaica, possibly Peru (despite

partial land reform) and arguably at least central and northern rural Senegal (the 'great' irrigation schemes and "Islamic brotherhoods" dominated areas) illustrate the second. Kampuchea, Uganda, Angola, Zimbabwe and Colombia are examples where without war the present and prospective situations would be totally transformed. In several countries low production and war (e.g. Tanzania, Mozambique) and in others all three factors (e.g. Sri Lanka, Malawi, Ethiopia, Sudan) are almost equally important and interact to constrict resource availability.

Equally the political economic strategies and ethics of the South differ more than those of the Northwest. As orthodox growth maximisation strategies have - with exceptions, e.g. South Korea, Taiwan, Singapore - faltered, neo-liberalism has gained an indigenous Southern base (interestingly more widely among intellectuals than officials or politicians). Either because growth constraints are tighter and all groups' margins narrower or because many decision takers place less stress on avoiding unrest and more on their or their own supporter sub-classes' short term gains than in the North, Southern neo-liberalism is even harsher in its impact on the poor than is Northern.

Because of the conditionality approach some states have 'adopted' or 'adapted' neo-liberalism as a survival tactic without any genuine conviction in its political economic ethics or, in some cases, its main policy instruments. This can result in broken backed programmes lacking any real domestic staying power, e.g. Zambia, Somalia; in austerity with growth biased against poor people, e.g. Ghana over 1983-85; or in precarious balance between selective use of some instruments seen as appropriate for reasons beyond neo-liberalism but in the service of a more growth, basic service and poor people's incomes focused strategy, e.g. Zimbabwe, Mozambique, Tanzania.

In a final group of states one can hardly style the prevailing official political economic strategy or ethics as neo-liberal but as either palpably unsuccessful and inherently implausible (e.g. Burma), strongly elite gain - or defence - focused (e.g. South Africa) or nakedly kleptocratic (e.g. Sierra Leone, Zaire). The results tend to be even worse for poor people and vulnerable groups than under neo-liberalism.

A political economic alternative cannot resolve the externally based wars nor do more than make solutions to civil ones less hard to sustain once achieved.

Nor can it provide complete - let alone rapid - answers to most deep-seated institutional constraints.

Civil conflict usually does have an economic exclusion component and rebuilding after a war on a no losers, no winners is far easier if resource availability rises (a point relevant to the remarkable success of Nigerian reconciliation and reconstruction after the crushing of Biafran secession). Political economic strategy and ethics are, therefore, relevant to winning a sustainable peace.

Similarly most institutional barriers have economic elements - whether best characterised as exploitation and exclusion or in more defensive terms varies - and can be surmounted only by radical political economic restructuring (e.g. land reform), by major political economic measures to bypass them (e.g. elements of agrarian reform other than land reform) or both together (e.g. land redistribution followed by broader agrarian reform). The short run resource availability impact of such measures is variable and problematic, especially if they are not dominated by ones which bypass the obstacle. New production growth may lag old production loss for purely technical and learning time reasons. Holders of wealth are likely to panic and hoard or export their assets (as has happened on the hundreds of billions of dollar scale from the South especially in Latin America other than Brazil). Further, the Northern global political economic world view regards radical change as, at best, dangerous and adventurist and, in general, likely to harm its interests in the South. That perception virtually guarantees at least some resource transfer and market access losses. The Northeast is not immune to this outlook, but lesser direct economic interests in the South and the fact that governments taking radical steps have often replaced ones strongly hostile to it temper its application.

Broadly, however, the same resource use, allocation and productive efficiency case for shifting from neo-liberalism holds true in the South as in the North(west). First, present strategies clearly increase waste of human resources (i.e. labour power) and of created resource (i.e. capital stock) utilisation. Second, allocational efficiency in physical as well as human terms appears to be subject to improvement, e.g. primary health care saves many more lives than hospitals but the latter typically use 4 to 7 times as many resources. Third, the productive efficiency of empowering poor people

via relatively small asset (including knowledge) injections or redistributions and manageable institutional shifts is often - not always - high.

The problematic cases are ones in which moderately high real resource growth, moderately universal basic service access and moderately secure provision of incomes above the absolute poverty line to poor households have been achieved but within highly hierarchical, non-participatory and - at least subliminally and whenever dissent surfaces - repressive socio-political matrices, e.g. South Korea, Taiwan, Singapore. Here political economy as such may not take one very far. The problems in these cases do appear to be much less centrally material (in absolute and even relative terms) than elsewhere. However, increasing dissent over and struggle against social or political exclusion is very production inefficient as, in most cases, is its suppression by pure force. Therefore political economics - even independent of judgements on the nature of a socially or politically just society, which in practice are made in political economics and by most political economists - does counsel that socio-political participation and access as well as the traditional political and civic human are economically efficient in most circumstances and especially (perhaps universally) in the medium and long term. What it cannot do is assert that they are always necessary (or sufficient) conditions for rapid economic growth including making poor people less poor. Taiwan, Singapore, South Korea and, at least until the late 1970s, the German Democratic Republic are pretty clear contrary examples.

#### Northeast Variant

In the Northeast the political economic strategy in question is not neo-liberalism. Indeed nowhere are some of the policies contained in (but not relevant only in the context of) neo-liberalism more likely to have beneficial results. An example is more use of markets, with varying degrees of management, in substitution for administrative orders, non-market rationing and markets so tightly rigged as to be pure accounting devices with no independent allocational or cost control functions. The strategy put in question is authoritarian, centralised commandism prone to suppression of, not dialogue with, differing opinions even in non-political areas.

The human objections to this system are probably not primarily in respect to its failure to address production by poor people or universal access to basic services. On those counts its performance over 1945-1979 varied from moderate through impressive. Nor has inegalitarianism of income and access to goods and services by itself - as opposed to as one major facet of a hierarchical, exclusionist structural pattern - been at the centre of criticisms.

However, the driving force behind glasnost/perestroika and its relatives clearly is economic unsuccess (perhaps one reason it is least welcomed at political level in the German Democratic Republic with its higher and less stagnant per capita level of productive forces). The increasing complexity of the economies, the success in reducing unemployment to near 0 combined with high women's labour force participation and low population growth rates and the unfavourable global economic context have created production crises in most of the Northeast - perhaps most starkly in Poland (where the public health service is near collapse) and Rumania (where fuel and even staple food availability have become seriously fitful and inadequate). Thus the reasons - at least at the political and production decision taking levels - for seeking greater openness, flexibility and participation are primarily economic and the social, organisational, intellectual and political rights broadening proposals are seen primarily as instrumental. That fact does not mean they are not genuine (perhaps au contraire) nor any less humanly valuable.

However, the economic payoff barriers, especially in the short run may be quite high. Transition from commandism to markets will involve mistakes and learning time lags prior to significant growth. It will also create losers in positions allowing them to mount, at the least, passive and inertial resistance which will raise costs and slow gains. Access, judgement by productive efficiency and reduction of bureaucratic arbitrariness are inherently unwelcome to a majority of any nomenclatura class.

From a human condition perspective a somewhat different set of costs are more immediately crucial. Because there is a labour shortage combined with overstaffing, mobility of labour involving retrenchment is essential. If production pickup is slow and retraining inadequate or transitional costs (including relocation) are left to lie on the backs of the retrenched and first time job seekers, then a poor unemployed class analogous to that of the Northwest may be created. Given the greater workplace/service provision

interaction in the Northeast, this class could well have its access to basic services (especially health, housing, continuing education) jeopardised. That, rather more than the fact that some people will become rich, explains part of the very real worker scepticism about glasnost/perestroika.

#### What Is To Be Done? Roads Back and Forward

To will an end is - if serious - to will a means or a set of means adequate to achieve that end. To make the human condition integral and central to economic recovery and development requires a comprehensive political and socio economic strategy encompassing at least eight elements:

- a. recognition that people matter and are both the subjects and ends of and the main means and actors to attaining stabilisation, recovery and renewed development;
- b. understanding that throwing away much of any economies' most basic factor of production - the labour of its people - as many modernisation and narrow stabilisation strategies do by excluding the poor and vulnerable, is economically wasteful and inefficient;
- c. acting on the reality that marginal rates of economic as well as social return from enabling poor people to produce more are often high. The real problem often is making small, contextual, poor people centred projects visible to central decision takers and credible to bureaucrats and analysts - and then altering regulations to be compatible with the potential beneficiaries - with or without direct state support - implementing them;
- d. comprehension that health, education and pure water are not merely human and social goals (basic as that point is) but are important to maintaining present and raising future economic productivity and to making possible fuller participation in production, especially by women who are the chief victims of illiteracy and the human beings on whose backs falls the burden of fetching water and caring for the sick;



- e. focusing on employment and production, not subsidies and relief; e.g. through public works programmes to relieve drought or seasonal income losses;
- f. articulation of short term priorities to lay foundations for long run sustained development; e.g. in Sub-Saharan Africa applied, field tested, peasant user friendly, producer cost effective agricultural research begun now to make it possible to sustain 5% agricultural growth in the late 1990s. Until then input restoration, infrastructural rehabilitation and generalisation of best known farmer or (more rarely) off-the-shelf research techniques can restore 4 to 5% output growth - but not beyond;
- g. political as well as economic awareness that participation in production by poor people is crucial to underpinning their survival and to the improvement of their human condition. Without it their social and political participation will remain limited and perpetually at risk;
- h. comprehension of the extreme economic inefficiency of rending the fabric of society - strikes and riots, go-slows and loss of morale, steadily growing grinding poverty and recurrent economic disasters without human rehabilitation are devastating in narrow economic as well as social, political and human terms.

The poor and the vulnerable are not amorphous masses; they are groups of human beings. To fail to see what their needs are as perceived by themselves is to exclude them. To suppose their needs and capabilities are uniform is to render many people invisible.

In no case have these errors and blindnesses been as common or as persistent as in that of women. Most women especially but by no means only in the South - e.g. Secretary Gorbachev's address to the 1988 Party Congress and the conclusions of the Assemblies of the Women's Decade - are excluded or invisible but also over-burdened and under-assisted. The basic barriers to economic as well as human development posed by the excessive workload most women bear are rarely recognised clearly. For example, in Africa, the implications of the gender division of labour in agriculture are yet to be taken account of by agricultural research and extension. These are central elements in any serious effort to improve the human condition. After all over

half of Africa's people are women and they care for children, tend sick people, collect water and fuel and produce most of the food. How to address them is not simple and varies from context to context. But three elements are crucial:

- a. universal access - to literacy, to basic education, to primary health care, to pure water, to agricultural inputs, to fuel - is disproportionately beneficial to women because when access is limited they are disproportionately deprived of them;
- b. serious attention must be addressed to reducing women's workload - e.g. in the South by closer water and health facilities, by programmes (e.g. immunisation) reducing child illness, by improving technologies relevant to female tasks (e.g. food processing, moving water and fuelwood as well as food production);
- c. women should be centrally involved in planning and taking decisions about projects and programmes which will primarily affect them, e.g. rural water supply and maintenance, sanitation, food crop research and extension in rural areas; housing, education, health, community development, child care, employment and self-employment generation in urban.

#### Questions of Method

To will a strategy should lead to addressing questions of method. To cross a river requires a bridge, a raft, a boat, a tunnel or a ford (or perhaps a very good swimmer!). The same is true of economic recovery and development strategies giving central priority to the human dimension.

It should be accepted that three of the goals of standard neo-liberalism - including orthodox stabilisation and structural adjustment strategies - do matter. They are incomplete rather than irrelevant or inherently in the wrong direction. More production is crucial. But in addition more of it must be by poor people. Reduced external and fiscal imbalances are necessary - but priority should go to increasing supply and especially not cutting uses important to the poor and vulnerable. Bad policies and restrictions

inhibiting production and especially disempowering poor people organising to better their own human condition should be done away with, but not in any false faith in the perfection of markets or of universal goodwill on the part of the powerful and rich.

But those elements are not, by themselves, enough. More are needed. These include priorities in government expenditure which include and move toward universality, e.g. more primary and preventative health care relative to hospitals and more food availability to poor people (through their own production or earning incomes adequate to buy it). That in turn requires much more emphasis on increased productive employment and self-employment.

The importance of moving to universal access to basic services has already been underlined. With it goes development of basic survival, disaster period support and rehabilitation mechanisms. Disasters, including unemployment combined with a necessity of relocating and retraining to regain employment, will recur; the question is how to minimise their human damage and to speed the progress of rehabilitation - neither of which national nor (a fortiori) international disaster relief mechanisms have done very well to date. Again closely linked is acting on the perception that environmental and ecological protection is vital to the future human condition of poor people as well as the amenities of less poor. Millions are being condemned to life sentences of poverty and to early deaths by the present pace of environmental degradation and destruction. The greenhouse effect (unrelated to the present author's residence but rather to fuel, to combustion, to airconditioning and aerosol propellant wastes which alter the upper atmosphere in ways increasing global temperatures) threatens rich and poor people and countries alike. But, as global food shortages bite hardest on the already malnourished and containing rising ocean levels is more manageable in cost terms in London than - say - Rio de Janeiro or Dar es Salaam, it threatens poor countries more and poor people in them most of all.

Population levels and growth rates can have severe negative impact on both external environments and the human condition. (Read the Old Testament on the hills and mountains of Lebanon and the Holy Land and compare with present ecological realities.) Empowering human beings to choose family sizes and to space their expansion is important. But "population policy" is a poor entry point into the development debate.

Historically population growth has fallen in one of three contexts:

1. "Malthusian disasters" - war, pestilence, starvation.
2. Highly authoritarian (and often brutal) coercion.
3. When infant mortality rates fell, general nutritional and consumption levels rose, education (especially for women) became nearly universally available, old age security became less uniquely dependent on having many living children at that point in time.

The first two contexts are clearly morally unacceptable - at least in the context of the present paper. The third (which applies at household, sub-class and geo-graphic subunit as well as at national level) is acceptable but turns not primarily on "population policy" as such but on broader development strategy and praxis.

These priorities require both production and government spending. Budgetary balance should be restored and sustained primarily by increasing revenue. Domestically more production can allow more tax revenue and more efficient and progressive tax systems. But many Southern countries in at least the short run need additional external support. Additional support which meets the tests that accepts the primacy of national goals, respects the knowledge and judgement of their peoples, can be used to meet their requirements for improving their own human condition through their economic recovery and development and is provided in a context within which Southern peoples and states can hold its Northern or multinational agents accountable.

This conceptualisation is not - especially in this full-blooded and consistently articulated a form - dominant anywhere today. But neither is it absent or simply the importation of an external intellectual fad. In fragmentary forms, diverse formulations and different degrees of comprehensiveness and forcefulness it is both widespread and gaining ground from farmsteads to capitals, from the excluded to the intellectuals, from the marginalised to the powerful and in commitment and praxis as well as principle and prose. The United Nations Convention on the Right to Development is in this context. So are at least some major strands in the ongoing dialogue in

the USSR. The African Khartoum Declaration of March 1988 on the Human Dimension, since endorsed by the OAU Summit, does embody priorities and perceptions which were not equally prominent even three years ago and however wide the gap between affirmation and action the movement is on both fronts not just affirmation.

## VI

### Quo Vadis?

Where now? Is the Human Condition/Right To Development formulation a rootless intellectual abstraction? A Eurocentric fad? A secular theology inconsistent with a Christian perspective? These are all serious questions since if any the answers are in the affirmative it can hardly constitute a valid alternative to the new political economic ethics, at least for the Ecumenical movement.

The pure intellectual abstraction charge is moderately easy to refute. Especially in the case of the Khartoum Declaration it is clear that quite concrete (even if limited and scattered) successes of new directions - as well as on even more than an abiding sense of failure of old - lay behind its drafting and adoption. Similarly its - perhaps understated - inclusion of participation, accountability and self-organisation flowed not merely from reaction against kleptocracy and oppressive exclusion but from achievements by women's, peasants', trade union and Church groups at various levels from village to national.

At international institutional level, the most integrally concerned agency has been UNICEF. Its involvement began with the realisation that quite specific, relatively low cost measures could radically reduce infant, young child and maternal mortality. In the course of promoting, supporting and empowering the "Child Survival Revolution" at national, village and slum level, it became involved with issues of participation and accountability. Equally it was forced to confront the contexts of primary health care, of pure water, of basic education, of nutrition and of production by poor people which integrally affected the family and community contexts in which poor household infants, children or mothers did or did not survive and develop. The

intermediate level (e.g. Children on the Front Line confronting the impact of South African apartheid and aggression on children and their societies and Adjustment With A Human Face, basically a critique of neo-liberalisms's human impact) and the general (e.g. its coordinating role in respect of the Rights of the Child proposed covenant) very much flow from the primary one of contextual praxis in saving the lives of quite specific human beings in quite specific places at quite specific times.

Nor is it an approach without roots. Both the older human rights tradition with its stress on freedom of association and of accountability and the newer Right To Development one with its focus on the right to participate equitably in production and its distribution as well as in access to basic services lie behind it. Accountability, stewardship, listening to the voices of poor people, not sending the poor empty (in body as well as mind or spirit) away, equitable distribution and redistribution are all themes in both the Old Testament and the Gospels. Indeed while its modern formulations are usually secular or universalist, the Western human rights tradition clearly originates from Christianity (even if many churches and many Christians at many times and in many places have not been faithful to it).

Perhaps because the Human Dimension/Right to Development approach has more Southern input than most political economic presentations aspiring to global relevance, it at least partially transcends two Eurocentricities of older, global forum human rights formulations. At least implicitly - and in the case of production by poor people rather explicitly - it rests on the basis of mutual rights and duties, not of freestanding rights without obligations. This is globally and historically the more normal formulation (e.g. the African Charter is of rights and responsibilities, the Lockean social contract is a nonsense unless rights and responsibilities are seen as mutually created). Second, it avoids the very Western, rationalist perception of individuals having rights as atomic fragments outside their relations with each other and with society (e.g. the African Charter relates to persons, peoples and states; for that matter so does Locke's social contract.) The concept of persons as children of God and, therefore, as necessarily both siblings and in human relations with each other in society is a more classic Christian one than the intense individualism of the Enlightenment and/or of Neo-Liberalism.

Economically it is the formulation - and perhaps the interlock with human rights - which is new rather than most of the elements. Many of these were clearly posited in the 1970s discourse on development in relation to the South and in the 1930s (e.g. New Deal) and 1940s (e.g. Beveridge Plan) discourse on and reconstruction of social and economic relations in response to the Great Depression of the 1930s. But as noted above these strands were not new then. They go back to classical political economists and not least to Adam Smith's linking of the well-being and sufficiency of people with the wealth and greatness of nations. And again the biblical concept of stewardship (which was certainly not presented as antithetical to production) and the Schoolmen's work on economic justice together with the somewhat weaker Aristotelian formulations are older still.

Three basic objections can be raised:

1. this approach has nothing particularly Christian about it;
2. it is a marginalist one which cannot lead to revolutionary restructuring of economy, polity or society;
3. the degree of generality is so high as to raise serious doubts as to applicability.

In one sense the first criticism is both valid and a strength. Both elements in the traditions of other religions and of secular humanism are quite consistent with the Human Dimension/Right to Development approach. That - always assuming it is consistent with Christianity - is a strength, not a weakness. To be able to work with persons of goodwill of other or of no faiths toward common objectives is, particularly in the social and political spheres, both a goal and a necessity in the perception of the Ecumenical movement.

In a second sense the statement is true but less relevantly so than it may appear. The economic theses and formulations are not distinctively Christian and much of the analysis and many of the instruments could be used in the service of very different political economic values and ethics. True. But Christianity (at least since theology for better or for worse ceased to be the Queen of the Social Sciences) does not claim that economic analysis as such is

a branch of theology nor that such analysis - at least to the extent it explores and identifies relationships within actual temporal reality - is inherently different for Christians and for others. There is no serious modern body of distinctively Christian economic analysis and the record of specifically Christian policy formulations (especially at macro or global levels) leaves a good deal to be desired both theologically and economically - perhaps because, as the Ecumenical movement has usually contended, these are not primarily strengths or duties of Churches or theologians. The Christian concern with economics surely is primarily political economic - about values by which to test political social and economic realities and trends and about guidelines for, or directions of action to struggle toward, less imperfect attainment of those values.

On that test the preceding formulation is within the Christian tradition from the Jubilee Year and the Parables through the Schoolmen and John Wesley to Archbishop Temple's commission on unemployment of the 1930s and its successor on inner city immiserisation of the 1980s. They are in the same directions in which the main current of the Ecumenical movement's political economic critique and reformulation has been moving over 50 years - justice and production, growth and equity, empowerment and stewardship.

The argument that concentration on the Human Dimension/Right to Development is marginalist and reformist is at the level of principle almost certainly as misconceived as is the argument that the Gospel message is one of docility and submission to powers and principalities in this world to attain salvation in another. ("Pie in the sky by the by" fits oddly with "Lead us not into temptation but deliver us from evil" unless the latter is interpreted very narrowly and very much outside the context of the Garden of Gethsemane.)

The principle of accountability is revolutionary - at least to any authoritarian state or official. The principles of universal access to basic services and of the right of poor people to be/become empowered to earn/produce a decent income or to be supported by society if this cannot be done are revolutionary. So is restoring human beings and the impact of policies, institutions and processes on them as the yardstick for measuring and for blessing or damning these policies, institutions and systems. Taken seriously and to its logical conclusions, the formulation is intensely radical and revolutionary - as is the Gospel message.



True it is quite possible for this formulation, like any other to be misused. 'Black beans and football stadia', 'full employment, highways, autos and secret police', 'universal primary education and universal thought control' are perversions which can, and will, be devised by the ingenious minds of powers and principalities and their propagandists. More dangerously there will be cases in which genuine commitment to much of the approach will - wrongly - be seen as justifying delaying or suppressing other elements (e.g. production and participation in decision taking by poor people and/or women and/or minorities, full and effective accountability delayed in the cause of centralised universal access and employment strategies) or in which elements of the formulation are used quite generally but within a much more authoritarian and exclusionary framework (a critique which has been made, in at least some cases with reason, in respect to glasnost/perestroika and its relatives in the socialist industrial Northeast).

But those dangers and perversions face any formulation and any attempt to progress socially, politically, economically or spiritually. Constantine 'saw' a fiery cross in the sky and used it most effectively to reduce tensions within and increase the military striking power of a state whose correspondence with the Gospel message was not very evident. The persecutions of Jews, the trial of Galileo for heresy, the subservience and obsequious 'service' of some Churches of all traditions to clearly anti-Christian (in the fullest sense) states all indicate that these particular dangers are as real within Christianity as beyond it.

What is valid is that the Human Dimension approach sets standards other than maximum economic progress (whether growth or steady state). That is, perhaps ironically, as inconsistent with mainstream Marxian analysis as with mainstream bourgeois formulations. Mahalanobis and Feldman models like Ricardian and Turnpike Theorem ones do place production first and its uses (beyond feeding back into more production) last. However, that is to suggest that the approach is radical and structural not that it is reformist and marginalist.

It is true that the formulations usually presented do not posit a big bang after which all is well and all live happily ever after. But neither any serious reading of historical reality nor of the Gospel message do so either.

There may well need to be major (how revolutionary depends on the initial conquest) changes of perceptions early on. Even here Saint Paul's Damascus Road conversion is an atypically sudden case; Saint Augustine's and Saint Francis's for example were much longer and more cumulative, though no less total, conversions. But action and especially the impact of that action is virtually always slower and built upon the consequences over time of large numbers of events and challenges. Saint Paul, for example, did not create his churches or the gentile Church overnight - indeed his initial actions were of reflection and of going to Jerusalem to meet the original apostles and their flock.

The human dimension by definition exists within history. To a Christian the struggle for justice exists within history. The human dimension approach is, realistically, likely to make uneven progress, to achieve only partial gains, to suffer repeated setbacks, to require reformulation to meet changing contexts. So too the struggle for justice in history - from the Old Testament Prophets to date - has been marked by partial and temporary triumphs and by repeated and devastating setbacks. Even in theological principle, full justice cannot be achieved within history; the Christian duty is to struggle toward as little imperfect an approximation as possible.

The critique of over-generality is valid if the formulations of - e.g. - The Khartoum Declaration or the Right to Development - are to be seen as instantly applicable national and village 5 year plans. But that was hardly the intention of their authors. They are intended to lay down a foundation of goals, principles, yardsticks and directions to inform and guide subsequent building. Almost any major formulation in social science or political economic praxis shares that characteristic. Ricardo's Principles, for example, do not actually advert to any specific cases, nor do the main analytical sections of Keynes' General Theory, but it would be decidedly rash to argue that they did not relate to reality, influence the way their readers (and the much more numerous readers of glosses on them and of proposals derived from them) perceived reality nor lead (for better and for worse) to quite concrete actions and consequences.

Faith in the City - or at least its analysis and advice to society and the state - can in a sense be counterposed to the two more general formulations. It is more concrete, more contextual, more specific action oriented. That is appropriate - its context is the reality of exclusion in 1980s England and its purpose to inform a process of changing these realities. Even it does not set out concrete step by step, comprehensive policy and programme packages. To do so in one volume would have been impossible as well as somewhat pointless for a study intended to set goals and standards and to inform and influence change rather than to be a formal budgetary action submission. But, in a global context Faith in the City is, of necessity, a part of a broader whole. London of the 1980s is not Khartoum; nor is Khartoum the same as Warsaw nor Warsaw as Quezon City. Nor are cities the same as impoverished rural areas and among them the hill farmers of Wales, the bankrupt sharecroppers of Appalachia, the isolated drought-stricken women of Upper East Ghana and the erosion and encroachment threatened 'tribal' farming communities of the Luzon Cordillera have very distinctive characteristics as well as basic similarities. Both the general and the contextual are needed and in addition an iterative and a dialectical interaction among them both vertically and horizontally.

To argue that the Human Dimension/Right to Development formulation is a new Christian economics would be absurd. The issue is whether it is consistent with the Gospel message in a way neo-liberalism's New Political Economic Ethic is not.

Similarly to argue that it conveys a message that will rapidly transform the world is to overestimate the power of intellectual perceptions and the degree to which physical and socio political reality are speedily malleable. The issue is whether it contains a useful set of yardsticks, of approaches and of standards for evaluating existing and changing realities and for influencing the process of change.

Nor is it very sensible to claim that this approach is, as yet, a unified polished body of political economic thought and praxis. It is not and the fate of precise predecessor formulations (e.g. Basic Human Needs) counsels against placing much faith in the durability of its specific rhetoric as opposed to the more enduring values and approaches (e.g. those of Basic Human

Needs) it seeks to embody. What it does seek to establish - and the present author would assert succeeds in establishing - is that free markets by themselves do not make free men, maximize production nor contribute to the greatest attainable improvement in the human condition and that there are alternatives.

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