Declipment of charges

1980: THROUGH A GLASS GRIMLY

Reginald Herbold Green

No worst, there is none, litched past pitch of grief. More pangs will, schooled at forepangs, wilder wring.

-Gerard Manley Hapkins

The Rising Storm

To be optimistic about South development or North-South relations in January 1980 is to put it mildly - difficult and, more to the point, counterproductive. Once again many of the root causes are either Northern or, at the least, largely external to the most affected Scuthern peoples, polities and economies. Further, many are in no normal sense economic nor even - except on the most sweeping of definitions - political economic.

A sense of disquiet began a decade ago with the breakdown of the monetary world the dollar built (and demolished), grew with the 1973 industrial recession - oil price increases - food crisis, receded slightly in the partial return to normalcy in OECD in 1975-77 and the generally good 1975-78 world harvests, advanced steadily over 1978-79 as the North's growth, monetary, employment and inflation trends worsened. In 1979 the emergence of a physical oil crisis, the deepening recession, a series of political shocks (from the fall of longstanding dictatorships, through the continuing horrors of Indochina and the rising fires in Southern Africa to the invasion of Afghanistan) and a growing sense of the powerlessness of states to control events or leaders to see a passable way forward have radically worsened both the situation and the way it is perceived. The repeated references to and denials of 1929 parallels - whatever their detailed objective validity - point both to a mood and to a system perceived to be in radical disrepair.

Against this backcloth, North-South perceptions and negotiations have acquired a certain unreality and a certain irrelevance. Arguments about restoring a modified Old International Economic Order or creating a New International Economic Order have come to be rather detached from the present reality of a virulent, advancing New International Economic Disorder. The triumphal notes of the free trade march in the Tokyo Round of the General Agreement on Trade and Tariffs sound hollow when the reality is the advance of the New Protectionism (as sketched in the GATT Secretariat's own bulletins and press releases). It is a little late to be debating reform or reconstruction as if the 1980's were the 1960's.

The North at Bay

The OECD states increasingly perceive themselves as prisoners of forces they cannot manage. The NIEO drive is not one of those forces - with the single exception of oil, that challenge is seen to have been beaten back. The central perceived economic problems are dominantly domestic and North-North.

Failed growth, rising inflation, falling investment, basic monetary and financial instability, huge (and unpredictable) trade imbalances, threats to free trade (and therefore, employment and export led recovery) are the critical issues. The grim jest by a financial analyst that in 1980 the UK would achieve the three 20's (interest rates, inflation, unemployment) illustrates the dimensions of the problem as does the fact that only the third of the 20's looks relatively unlikely for 1980 even though all three are quite unknown in the post 1945 years.

The interlocking problems are no longer seen in the same terms as in 1969 or 1974. Refining demand management seemed adequate in 1969, a brief period of restraint and regrouping followed by a return to 5% growth and full employment was the standard goal of OECD member states in 1974 (and one at least briefly achieved in Federal Germany, Japan and - on the output side - the USA). Demand stimulation was a good thing; the problem was how to manage it to avoid a new cutburst of inflation. The idea of an escalating set of barriers to trade seemed farforched.

As 1980 begins the view however worded in most OFCD states is that demand, any kind of demand is a bad thing. The seriousness of the calls for productive investment is belied by policies pushing interest rates to levels making long term productive investment unsound except in special cases or on the assumption of permanent 20% annual inflation. Depress has replaced deflate as a slogan. Static or falling absolute output and rising unemployment for an indefinite period are accepted as the price of averting "something worse". No credible map of when or how the economies will emerge to what is on offer.

Real alarm exists as to the stability of the banking system with the German, British, Italian, and US second line bank debacles of the mid 1970's seen as a minor prelude not evidence that a crisis could be contained. These fears are exacerbated by a renewed frenetic flight from most major currencies into others and from all currencies into speculative holdings not just of gold and (oddly) silver (diamonds seem to have gone out of speculative fashion) but of an odd array from copper wire bars through postage stamps to matchback covers with the 1975 commodities and real estate collapses as reminders of how destabilizing this quest for the el dorado of a safe, profitable, inflation-proof dugout is.

The Lights Are Dimming

The energy crisis has taken on a new form-albeit this is not yet fully or widely perceived. There is a physical shortage of oil-OPEC members could not meet demand at any "plausible" price level. The "cartel" is no longer functioning as such because posted price setting now restrains rather than sustains prices. The limited results of energy saving/producing measures over 1973-78, the inability (as well as unwillingness) of the new Iran to maintain Pahlevian export levels, and the unattractiveness of exchanging oil for rapidly eroding fiscal assets have created an infinitely more intractable situation than that of six and a half years ago. It is exacerbated by very real opposition to either of the only two alternative power sources really relevant to the next two decades power needs (atomic energy and coal, both polluters and both killers, the latter at much higher day to day levels and the former with greater catastrophic potential) as well as by the vested interests, complexities and sheer inertia confronting any massive short run energy saving campaign.

Two further elements reinforce the feelings of impending disaster and of inability to do more than limit it. Both - like the energy crisis - illustrate changed perceptions in these cases of technology. These can be headlined "The Long Cycle" and "The Micro Chip Monster". The first is the revived belief that beneath short term business cycles are longer term ones related to technology/investment and that 1945/70 (like 1895/1920) was a 25 year upswing with 1970/95 (like 1920/45) a downswing. This approach has popular and academic, Keynesian and Marxian variants - it is much more seriously considered than twenty five or even five years ago. The micro chip is the symbol of technological job destruction at a rate making substitution of new jobs impossible (whether because of investment requirements, demand patterns or both). This is not self evidently a correct view - at least beyond the very short run - major innovations' direct and indirect job creation potential has tended to be radically underestimated and in the 1960's the micro chip would have been seen as another step to the promised land. However, the present perceptions are both gloomy and - at least in the short run - may be self fulfilling.

The Center Cannot Hold

Economically and technologically the most severe "threat" from the periphery is that of energy supply and price. That this "threat" is now largely a matter of physical scarcity, secondarily a matter of the unattractiveness of financial assets in comparison to oil in the ground and only tertiarily a matter of cartels and politics is not clearly perceived. The fear that oil is a symbol of future coal, uranium exide and metal cartels exists. Again the root problem is dubicus physical ability to supply albeit, except for coal and uranium exide, the problem will only become acute if the industrial economies return to moderate or rapid growth which (for better or for worse) is not an immediate prospect.

However, the sense of being isolated in a hostile world marked by unpredictable, inscrutable, irrational "revolts of the outlands" is not limited to for in 1979-80 even uniquely dominated by forecommon of the mounting savagery of the new 40 Years War in Indochina; the sudden collapse of a series of "stable" autocracies in the Caribbean and Central America; the following of the fall of the Shah by a maelstrom appearing to throw up a Savonarolite center of authority and an impotent state apparatus; the smouldering near (or emergent?) conflagrations of Southern Africa; the movement of the USSR into the voids left by Salazar and the sometime Conquering Lion of Judah; the maked Soviet invasion of an Afghanistan held (if tenuously) by a Marxist-Leninist regime clearly friendly to the USSR the list is long and alarming even to the most plegmatic.

The events are not all of a kind-tears for the House of Somoza or root and branch criticism of the new regime would seem almost as singularly out of place as any defence of either Kampuchean regime or of Barbrak Karmal and his puppeteers. Three noxious tyrants-Bokassa, Macias, Amin-have gone. Much as one may query the bona fides of Dacko (and his puppeteers), the good faith of Nguema II (the nephew, advisor and successor), or the ability and honesty of many of the Binaisa government-those changes are a step away from naked barbarism and brute anarchy. But to draw a generally positive picture requires either an overriding belief that "worse is better" or a remarkably assiduous and inventive search for silver linings.

As Viewed From The East

The outlook from vantage points in socialist Europe is virtually certainly almost equally disquieting. The post 1970 international economic crisis has not left the industrial socialist economies unscathed. Coming at a time when the results of forcing growth by brute increases in fixed investment were already running down, it has led to near stagnation. Poland, Hungary and Czechoslovakia are in the midst of "sustained stagnation", external balance crisis and threats of substantial unemployment. Even in Moscow - until 1978 at least the last outpost of the faith in "growth-manship" of the 50's and 60's - the continued failure to get the economy moving again has become a dominant concern and one to which answers are not on offer.

Nor can one seriously suppose the "outlands" look very friendly viewed from the Kremlin. It was an article of faith that when the Great Helmsman and his Coxswain (Mao and Chao) were gone, China would return to the fold. Then China, the Korean Democratic Republic and Vietnam would stand astride Asia as bastions and exemplars of the Marxist-Leninist road to progress.

The fall of the Shah is doubtless welcome - xenophobic milleniarism in Iran and an upsurge of anti-Western (and in this context Marx and Moscow are West) fundamentalism are rather different matters. Nationalist Marxist or Marxist-Leninist states are hardly unmixed blessings (the USSR is rather unused to fractious allies) and dependent leaders who upset balances and seem rashly adventurist to the point of losing control are as welcome to Moscow (Amin) as they used to be to Washington (Ngo).

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And Tell Sad Stories of the Death of Kings

This is hardly a setting in which cooperation in Third World development or willed alteration of international economic structures in a semewhat problematic quest for new common interests are likely to have much political, popular or intellectual priority or appeal in the industrial economies (including the socialist ones). When one believes his own house to be in flames he is unlikely to spare many thoughts for his neighbour's cries of "fire", especially if he half (or more) suspects him of arson.

The dominant industrial world mood and rallying cry on the aconomic front is clearly "batten down the hatchas". Limiting the decline in output per capita, keeping unemployment below 10%, manhandling inflation back to single figures, shoring up the banking system, averting a North-North trade war, averting energy starvation have priority. Existing external cooperation programmes are seen as of lower priority than one year (much less five years) ago except, perhaps, in "eccentric" countries like Sweden and Norway. New initiatives can gain a serious hearing only if they can be shown to have real relevance to tackling domestic industrial economy and North-North problems or defusing perceived regional time bombs (e.g. perhaps, a Zimbabwe land purchase fund).

To say this is not to endorse or to justify but to set out the backdrop against which, and the arguments in the teeth of which, any defence of present, let alone proposals for new and expanded North-South cooperation must proceed. To pretend otherwise is to deny reality and to reduce the already limited chance of having any impact.

The Uncertain Trumpets and the Delayed Calls to Arms

Two major documents have or are about to appear with strategies for international economic change. Both are the product of hard headed (in at least one case critics would say hard hearted) persons; both consciously seek for realism and practicability (in both cases critics will castigate for timidity). But grave doubt must exist that in 1980 either will be seen to relate to present discontents as opposed to offering too late - ways of averting their rise or stirring calls to a 1970-78 battle that has been lost by default.

The Interfutures Report to CECO (Mastering the Probable Managing the Unpredictable) is a sober analysis of the problems, challenges and possibilities confronting neoliberal capitalism/conservative social democracy in the core OECO polities over 1980-2000. It repays reading over 400 dense and none too well organized pages. Most of it does deal with North-North and domestic North issues. Eut because of this it does propose major North-South changes.

These are of five types: trade liberalization and selective production decentralization to create a strong "global middle class" of economies; food security (in production, stocks and availability to victims); energy security (including power source development in poor oil importers); access to finance for the emergent "middle class" polities and to concessional transfers for the remaining poor periphery; embodying these changes institutionally in ways giving more states a perceived stake in the functioning of the reformed system. This is, clearly, not NIEO; but equally clearly is not nothing. A cynic could call it a global variant of "Dismarkian social democracy" and an optimist a first step towards a process of achieving relative equity and safety nets in the global and in peripheral economies.

But, this was already the message of much of the Trilateral Commission literature. Trilateralist intellectuals in office have been quite unable to translate that analysis into practice. 1980 is a less propitious time than 1977 was. Mill Interfutures be heard as more than a quavering, off key trumpet calling a deserted army or seen as more than a lamentably late documentation of what would have been workable in 1973-74 had it been set out then (together with a description of the road to 1980 if "things" were allowed to drift)?

The Brandt Commission Report seems, even before its formal launching, to be in grave danger of proving an even leakier vessel than the long sunk Pearson Report. This is not to denigrate the Commissioners or Secretariat - the report does analyze 1960-1979 cogently and propose changes relevant to overcoming 1960-79 challenges in ways which would appear (or appeared six months ago) just within the limits of the practicable and offering perceived benefits for most polities and sconomies, industrial and peripheral. Pearson did not really do that in respect to 1945-60, its analysis was shallower and its prescription "more of the same" - a desperate attempt to fight back

a growing disbelief in the 1950-60 growth and aidmanship approaches. But at the present moment it is a very real question whether the Report will be heard as more than wishful thinking or its proposals for change seen as more than notes for the agenda in 1987 (or 1997) "when the current crisis is past".

Trade liberalization, credit to sustain industrial economy exports to South and assist global reflation, sharply increased concessional finance, major monetary/financial overhauls are not exactly what industrial economy politicians, central bankers, trade union leaders or domestic market oriented businessmen wish to hear today. Their costs look high; certain and present; their potential payoffs hard to quantify, uncertain and in the nebulous by and by. This may very well be a false perception; but those who believe that will have their work cut out to get a serious hearing let alone achieve implementation of any significant portion of the proposals.

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Reaping the Whirlwind

When in 1973 a Third World Finance Minister speaking at the Fund/Dank Annual Meeting and commenting on that year's monetary, financial and energy crisis accused the industrial capitalist economies in the words "For you have sowed the dragon's teeth and we now reap the whirlwind", he may have been guilty of some degree of hyperbole. But for an increasing array of Third World countries it is undeniable that the 1979-80 harvest is whirlwinds and that many of the dragon's teeth are not of their sowing.

Industrial economy deflation/depression is choking off increases in manufactured exports for established NICs (Newly Industrialized Countries) and threatens the emergence of new NICs including countries which have painfully retooled their economies for that role. Equally depression cum inflation at the centre means rapidly escalating capital and capital intensive intermediate goods import prices and slowly rising primary commodity export prices for another group of peripheral economies.

Petroleum price increases have been massively more crippling to a broad range of Third World economies than to the industrial ones. A 1972 pretroleum bill of 19% of expert earnings escalated to 45-59% in 1980 despite quantity decreases with a petroleum use makeup that is 50-65% public transport, 20-30% electricity and industry and $7\frac{1}{2}\text{-}15\%$ domestic and cars is only too common. For the not inconsiderable number of peripheral states who have not been able to reduce (or have had to increase) food imports even during the globally relatively favourable 1975-75 crop years, that erosion of general import capacity out of expert earnings is almost equally serious.

Over 1973-78 massive commercial credit flows - and the short lived, partial 1976-77 industrial world recovery - masked the desperate nature of the basic balance of payments gaps of a majority of the peripheral economies. Now both prudence and credit regulation threaten the continuation of that flow when the gap has widened radically - probably doubled over 1977-80. The lessons of Zaire as seen by bankers may include pumping good money after bad to avert open default by a major debtor, but they also include ultra caution in new loans to those not already insolvent and deeply in debt to the banks. Indeed, even apparently good credit risks -e.g. oil bottomed Nigeria - are finding loans notably harder to come by than a year or two ago and international banks expect this process to continue with the marginal borrowers being virtually squeezed out whatever terms they would accept.

In any event for at least two score countries, 5 year loans at 15% can hardly be supposed to be more than a very partial, very brief stopgap. Even assuming a rollover of principal and availability of new credit, such finance within five years would double the annual deficit to be financed. Only most implausible (or special case) export growth projections would make such a course seem more than a brief staving off of disaster. Yet, with concessional finance contracting in real terms, buying six months at this price has increasingly come to be seen as a "least bad" option.

Fragments of a Pattern

The exact nature of the crises varies from state to state. Its form and symptoms vary with the economic strategies pursued and political economic stances taken. But portents of impending disaster barring radical global economic environmental changes (in addition to national action) are only too common. As a "random" sample take Sri Lanka, Zaira, the Philippines, Tanzania and Swaziland.

Sri Lanka: Sri Lanka's attempt to switch to an inegalitarian, incentive based, foreign finance backed, export growth fuelled strategy is not a success. The payments position is somewhat better-more aid, remittance increases from artisans and professionals abroad (ironically badly needed at home), some improvement in tea, rubber, coconut prices and pricing basic consumer goods imports out of the market for wage earners. Goods are more available in shops-because fewer people can afford them. Employment in construction and distribution has risen. The government recurrent deficit has been out-via food subsidy outs which have increased malnutrition and related diseases as well as infant mortality.

But, the free trade zone is a near failure in its own terms - employment and export gains are minimal and not growing rapidly. Import liberalization has meant a net reduction of employment and self employment in production of goods. The poor are growing poorer - the precarious minimums of consumption, health and education won over 1948-1965 and barely sustained since are rapidly being eroded. If the promised manufactured export beem (originally supposed to be in garments) does not come off, both discontent and the incentive for repression will rise rapidly in what has - despite its communal struggle - been to date Asia's one practising social democracy with a functioning liberal, open and semi-participatory system.

Philippines: The Philippines fare no better. Their break for raw capitalist accumulation in the wake of TNC raw material and manufactures development has faltered. With present trade prospects it is almost a certainty that in two years it can be said to have failed. Increased inequality, increased malnutrition, single minded concentration on exports (including rice exports while dietary deficits rose), desperate wooing of investors (at almost any price in concessions as to wages, profits, taxes, sovereignty) have failed.

Repression in the Philippines is not a threat but an old and increasing reality. So is resistance and challenge, e.g. the conservative Cardinal Sin has placed the Catholic Church (85% of Filopines are Catholic) on record that ending martial law is now a moral issue. President Marces promises to do so in eighteen months if the global economic situation has radically improved.

Zaire: Zaire remains a polity, a society, an economy in the process of disintegration. Up country a drum of motor diesel costs £600 at the official exchange rate (£150-175 at the "parallel market" rate). Rubber takes a year by river from plantation to Kinshasa arriving rotten and thus going into Zairois tyres which fail at 3,000 to 10,000 kilometres. (The river fleet bobs rusting at the idle repair yards.)

A secretary or a doorkeeper receives a wage which just covers the cost of communal taxi fares (32 buses are operative in a city of 3,000,000 souls). A secondary school teacher's salary covers his house rent and (some say or) manioc for a family of four. And the official preaching is wage restraint. And there is surprise that the secretary charges for each page typed, the doorkeeper for each entry chit, the teacher for each "additional" lecture (including those on the set exam questions).

Export earnings are diverted before reaching Zaire so nullifying the IMF's fiscal vicercy in Kinshasa. The foreign banks are not paid but luxury imports wend their way to shops. Maize for the starving of the Das Congo cannot be afforded, Marcedes can.

One may well question further consortia to shore up this deliquescent system. However, Zaire is bankrupt (and bankrupt as much because the lenders were madly imprudent as because the state had illusions of grandeur) - without major initial assistance (and a copper price of at least £1500 a tonne) there is no way any leadership could begin to claw back from the quicksands engulfing Zaire.

Tanzania: Tanzania's international balance position is incredibly bad even in contrast to 1974-75 let alone to the levels achieved in 1973 and 1977. As a direct result everything operates inefficiently-spares for lorries, pasteurizers for breweries, tallow for scap are missing and domestic production that is achieved is often nearly impossible to move promptly to markets.

Food production is a bright spot (a 15 year 3-4% growth trend, large surpluses of several crops in 1979 despite bad weather) but without the transport to move it, the warehouses to store it, the facilities to export it, now is also a serious problem even if a less alarming one than the 1974 fears of famine. Foreign exchange and price management still works but barely given quite intolerable pressures. Unemployment is still low, urban-rural terms of trade are better than a decade ago as is the degree of inequality, 1975-1978 real growth averaged at least 5%. Serious Party and state efforts to restore balance and increase efficiency exist. But with finance for at test 2/3 of minimum 1980 imports projectible, the prognosis is hardly promising.

Certainly there are special factors. Had Amin not invaded (or had Tanzania simply repelled Amin and he remained passive) the external halance position would have been merely very serious a la 1974 and the government recurrent budget in surplus. One cause of the payments gap is the fifteen year stagnation (at best) of physical export quantities as a result of a lack of coherent policy attention. (+3 to 4% annual growth in domestic food and a -1 to 2% in other crops over 15 years speak clearly as to where rural emphases and incentives lay despite critics who argue too much export and too little food emphasis.) But Amin was none of Tanzania's making. And at 1972-3 terms of trade exports would cover at least 75-80% (not 50%) of minimum import needs which with existing programme and project funding would leave a difficult and tenuous balance not a yawning gap.

Swaziland: At first glance Swaziland appears a success. From insignificance in 1950 its economy has burgeoned on iron ore, asbestos, meat, citrus fruit, wood pulp and sugar (the last four owing much to early, massive, systematically pursued CDC efforts). To date it has avoided being sucked into the Southern African firestorm—the careful maneouvreing that from the days when Mi'ner was played off against Kruger has preserved at least a modicum of space and freedom for Swazis is still in business even if the prospects for its continued viability are obscure. While inequality and unemployment are rising (as are food imports), they do not appear to be explosive social or political issues today or in the short run.

But that picture is already a fading snapshot of the past. Since the sugar boom broke in 1975, Swaziland's real import capacity has steadily declined. Exports normally exceeded imports through 1975, by 1978 imports were over 4/3 of exports with no reason to expect a trend reversal. The iron ore has run out and except perhaps for sugar the other exports have plateaued. Only major new mineral provings (much larger than the 2 million tonnes a year of coal in sight) or - more plausibly - major, irrigation based agricultural breakthroughs can restore growth, right the growing payments. imbalance, allow servicing of the rapidly rising external debt, create adequate employment/self employment in agriculture, cure the rising food deficit. The price tag on the dam, reservoir and irrigation aspects alone of such a strategy is probably at least \$500 million (say twice Swaziland's GDP) - a magnitude beyond domestic accumulation or normal external financing. The way ahead is visible - and under detailed study but the financial readblock at present threatens to be insurmountable, expecially as Swaziland is classed as a 'middle income' country not eligible for concessional finance while the probable internal rate of return on the proposed development strategy seems to be of the order of 10% and thus incompatible with 15% loans.

Once More Into The Breach?

The "North-South dialogue" in its present form seems remarkably abstracted from the backdrop sketched. To call for a renewed rallying round the existing proposals, a new charge for targets set in 1970 (remember Development Decade 2?) or 1974 is in danger of bringing echos not of Agincourt but of the Charge of the Light Brigade.

There are a number of reasons for this:

- a) the North's belief it has repulsed the 1974 NIEO challenge at little cost to itself and can afford to stonewall;
- b) the South's growing belief the North will not negotiate in good faith and responds only to crisis creation;
- c) the North's increasing concern with its internal problems;
- d) the South's increasing desperation at the course of events over the past two years,
- e) the very different North and South perceptions of the causes of turbulence in Southern Africa, the Middle East, Central America and therefore of whose duty it is to do what;
- f) the failure of the Group of 77's Arusha Programme of Action which sought to set cut a limited, practicable, North-South mutual interest set of targets and to use them to help move UNCTAD and GATT debates from immobilism at the level of principles to practical negotiations on initial measures;
- g) the North's (rather startling) perception of the Programme of Action as not representing a basic change from earlier proposals and its (less surprising) doubts as to how existing fora could negotiate complex packages even were the best will and most tangible gains from success on offer;
- h) the bathetic first drafts of Development Decade III strategy from the Dube Committee which seem to have neither learned from nor advanced on its two stillborn predecessors;
- i) the failure of the Non-Aligned and 77 in their late 1970 programmes for action and agendas for negotiation to achieve a sense of immediate relevance to North problems or any evident modality for operational negotiations adequate to achieve or less bored and dismissive response than greeted the Arusha Programme of Action.

Forums for What?

There is no lack of forums in which a new start could be made - if there were a compelling set of proposals giving a broadly agreed sense of direction, of priority and of initial, attainable measures. To cite a few:

- The United Nations Special Session to debate the Third Development Decade (whether in terms of the Dube Committee Report, the Committee of Development Planners proposals, the Non-Aligned or 77 Programmes, the Brandt Commission Report, or 777);
- 2) The UNCTAD Board on Trade and Development which has had most of the major substantive areas debated around at Manila referred to it because not even paper agreement was reached at the last UNCTAD;
- 3) GATT which, with the Tokyo Round behind it, could concentrate on controlling and limiting the New Protectionism, reducing built-in discrimination against South exports, restoring a positive impetus of two way, rapid trade growth to ease national economic adjustment requirements;
- 4) The Development Committee of the Bank/Fund which could analyze and propose on how the global credit mechanism (private, international agency, bilateral) could be altered/harnessed to lessen the intolerable external balance strains on the South, reduce the risk of massive defaults (a very real spectre in the North), increase North exports to the South out of excess capacity, increase South self sufficiency in food and energy (reducing demands on the North and pressure on globally scarce supplies), create a breathing space to allow immediate adjustments and to discern longer term strategies for restoring some form of global economic advance.

The difficulty is not lack of forums. It is not even lack of ideas. It is partly lack of seeing how negotiations could lead to agreed action. But primarily it is a lack of South proposals seen as relevant by the North and of any serious North proposals at all (presumably because the North, in general, does not view North-South and domestic South problems as coming high enough on its priority list to justify the effort?).

The current mood can be put politely as "sauve qui peut" and more pithily as "each for himself and the devil take the hindmost".

Quo Vadis?

This paper doubtless appears singularly unhelpful in the sense of lack of proposals for action. This is not a measure of either the author's believing them to be unimportant or having no ideas on the subject. However, those ideas are not new and appear at present to be quite unlikely to be seen as of the least relevance to present priority discontents by the vast majority of North decision takers. To repeat them would, therefore, give any reader sympathetic to them the illusion that a viable agenda for negotiation in the 1980's fore was to hand or nearly so. That is not the case.

The course of the 1960-80 development dialogue is now agonizingly evocative of East Coker:

Twenty years largely wasted...

Trying to learn to use words, and every attempt
Is a wholly new start, and a different kind of failure
Because one has only learnt to get the better of words
For the thing one no longer has to say, or the way in which
One is no longer disposed to say it. And so each venture
Is a new beginning...
There is only the fight to recover what has been lost
And found and lost again and again: and now, under conditions
That seem unpropitious.

This is not intended as a counsel of passive despair. Rather it is a warning that neither elaborating the desperate difficulties of much of the periphery nor repeating the proposals of 1974 or 1978 seems likely to be of much value, however real the former and whatever the underlying validity of the latter. What line of argument would make action on the North-South front (however defined, articulated or divided) seem of relevance and of priority to North decision takers and publics? That is the most urgent and immediate question.