

Has Europe Fallen out of Love with the Rest of the World?

Louis Emmerij¹

Introduction

Dudley Seers was usually a step ahead of everybody else when it came to identifying emerging issues; he also had an eye for talent. He wrote one of the first books on Cuba in the early 1960s and 20 years ago brought together a remarkable group of young people at IDS. He argued early on that the economic and social development path followed by the Western world was a special case that probably could not be generalised and followed by the rest of the world. He dethroned GNP before most others by emphasising employment creation, poverty eradication, income distribution and, indeed, cultural factors. He brought development studies back home by emphasising the centre-periphery within Europe. He pleaded against paternalism and, towards the end of his life, against development assistance, which led to his posthumous book on *The Political Economy of Nationalism* in which he supported an extended European nationalism and a more polycentric world.

Dudley Seers was, above all, a 'provocateur', or, as a Dutchman, should I say that he was a 'provo', in the sense in which we used that term in the 1960s. That is, he was someone who provoked the established order, including by 'teasing bureaucrats', but who did not limit himself to criticism but also came up with positive alternative suggestions. For example, he was not exactly tender towards the concept of basic needs as it was launched in the middle of the 1970s, although he himself in a 1969 paper, 'The meaning of development', actually wrote: 'To be enough to feed a man, his income has also to cover the basic needs of clothing, footwear and shelter'. Add to this his interest in the employment problem and in equality of income, and one has all the ingredients of someone who has been trying to identify, and to deal with, issues of poverty and basic needs throughout his life.

It is also of interest to note that many of the things he stressed in the early 1970s have become quite relevant as policy prescriptions for our own countries today. For example, those who adhere to the current economic and financial orthodoxy ought to heed what Dudley Seers wrote in 1970 on the Colombian

employment programme: 'To cure the unemployment crisis requires a fundamental rethinking of development. Nor is it enough to accelerate growth'. Dudley was, by the way, also one of the first to draw attention to the fact that an unequal income distribution was both import intensive and labour extensive. The Ceylon mission of 1971-72 launched the idea of a national youth service with the rate of pay related to *age* rather than to the level of education. This is echoed in Europe today in discussions of lower entry salaries for young people in order to provide more employment opportunities in general.

His awareness of this was no doubt one of the reasons for his growing interest in European problems, although it took quite some zigzagging before he finally made his point of view on nationalism, and extended European nationalism, perfectly clear. One wonders whether the Dudley Seers of 1982 would have worked for ECLA, for the ECA, ODM or ODA and, I dare to ask, would he have set up the IDS?'. There are only ten years between his reference to Gunnar Myrdal, who warned that the establishment of the national welfare state here would turn the attention of the public in the rich countries inwards, making them less interested in the welfare of the world as a whole, and his remark that: 'The more concessions that are made to Southern Europe, the fewer can be made to other continents. The effect of greater self-reliance in Europe could be to stimulate national and continental self-reliance elsewhere'. The two statements say more or less the same thing, but Dudley Seers' attitude was critical with respect to the former, and favourable with respect to the latter!

As my title indicates, I shall concentrate here on those aspects of Dudley Seers' work and thinking related to Europe. To many, his provocative ideas on aid, his outbursts against paternalism and in favour of nationalism, came as a surprise. But Dudley was always an iconoclast. As he wrote at the end of his preface to *The Political Economy of Nationalism*:

I feel fortunate in being old enough to remember the 1930s. This was a decade with which the 1980s is in many ways all too comparable, but they both show one great merit: the current decade, like its forerunner half a century earlier, forces one to question all kinds of conventional ways of thinking.

¹ President, OECD Development Centre, Paris. I thank Giulio Fossi and Keith Griffin for comments and Richard Jolly for background information.

I. The European Periphery and the Political Economy of Nationalism

I suppose that Dudley's thinking about Europe started taking a different shape when he became the first President of the European Association of Development Institutes (EADI). He set up the so-called European periphery study group and, at IDS, he took on a leadership role concerning 'underdeveloped Europe'. His plea in favour of bringing development studies back home encountered many doubters and opposers, as can easily be understood. For example, the debate at IDS between Ron Dore and Dudley Seers remains vivid in my memory. Ron Dore urged a continuation of concentration on Third World problems and, having made his point, immediately left to study structural change in the textile industry in Bradford! Dudley, in contrast, argued passionately against the paternalism of studying Third World countries, saying that we should concentrate more on our own back yard, and immediately left for Heathrow Airport to fly off on a Third World mission! So much for the passions!

In the many EADI meetings which Dudley attended, he discovered that 'among Europeans there is an ease of communication that transcends deep ideological differences and which must have its roots in the common history and culture of Europe, especially in a basic humanism'. That was one important discovery. A second discovery he made at the end of his life when he was working on his book *The Political Economy of Nationalism* is that the connecting thread in his work had been nationalism and that he had been fighting the sacred cows of so-called progressives, especially the internationalists, for some time already. Once you realise this, many things fall into place, including his early article on 'The limitations of the special case', in which he emphasises the dangers of naively transferring analytical models from the special case of developed countries to the rest of the world; also his emphasis on the common flaws in neoclassical and Marxist doctrines because 'both fail to take account of non-material motives, especially nationalism'; and his pointing to the importance of cultural and social coherence when it comes to countries and to national feelings in countries. He noted everywhere a widespread, if covert, hatred of the whites. This was one of the reasons why he concluded that we should give up the neoclassical system, give up interdependence, because 'this imposes on us the acceptance of an increasing flood of manufactures from Japan and the NICs' which, in turn, will perpetuate the chronic unemployment which we have experienced for the last ten years in Europe.

Dudley Seers envisaged a more self-sufficient and enlarged EEC which he expected would help to build a

world of self-sufficient regional blocs. He sensed that with his emphasis on nationalism he was embracing a notion and a concept that has been associated traditionally with the right, and is anathema to liberal neoclassical economics, as well as to mercantilism and Marxism, all of which favour interdependence. He became interested again in the Prebisch doctrine that led to widespread acceptance in Latin America after World War II of industrial protection in order to ease the balance of payments constraint on growth.

The concept of a polycentric world consisting of relatively self-reliant blocs also led Dudley Seers to his violent criticism of the Brandt Report in his article 'Muddling morality and mutuality'. He questioned the Report's emphasis on the South's need of finance. According to him, in most countries of the South, needs are above all political, administrative and managerial, and 'it is no service to their people to pretend otherwise'.

He claimed that the interest of the North was treated cursorily in the Report: 'In order to draft a negotiable international compact, the last people you need are internationalists because they are atypically optimistic about the possible strength of appeals based on human solidarity'. He ended his article in a characteristic way: 'What a pity that the substantial resources that went into the Brandt Report were not used for a professional study of how the conflicting interests of the First, Second and Third Worlds could be reconciled'.

Dudley Seers made an attempt to transfer the core-periphery concept to Europe. He defined the core as suppliers of capital and technology, of tourists also, and of absorbers of migrants. In three points he sets out the analogy of the European periphery with developing countries. First, the criterion for judging policy is *not* whether it will accelerate growth, but structural change, especially reduction of regional inequalities. Second, it is dangerous to treat symptoms as if they were basic problems. Inflation in the periphery is due to *structural* causes. Third, nationalism must be seen as a constructive force for peripheral countries. He noted that the EEC has started to absorb its periphery: Ireland, Portugal, Spain, Greece have all become members of the European Community. He asked whether there could be a correlation between that effort and a relative lack of European presence in the rest of the world? He thought that any expansion of the EEC would have major political consequences on the world as a whole: 'Presumably an enlarged EEC would not be very outward looking. Redistributive systems inside European nations have been developed to some extent at the expense of international redistribution'. He then made the final jump and concluded that maybe the EEC is an attempt towards self-reliance, including with respect to the two superpowers. The crucial

question then becomes whether a Eurocentric scenario could be combined with a constructive approach to relations with the Third World: 'Perhaps the most constructive European policy for the 1980s would be to allow developing countries to solve their own development problems'. However you turn it, the inescapable conclusion he drew was that the corollary of growing self-reliance elsewhere is a greater degree of self-reliance in Europe itself and, of course, vice versa.

In the end, therefore, we find Dudley Seers in favour of a world system based on regional blocs with much more trade within each of the blocs than between them; opposed to a neoclassical system based on political and military intervention and aid programmes; and very much in favour of a reinforced and enlarged Europe which would have much more political visibility on the world scene.

II. The Global Village versus Regional Blocs

I would now like to examine and to comment upon three aspects that derive directly or indirectly from Dudley Seers' point of view on European nationalism and self-reliance:

- (i) a global international division of labour versus regional self-reliance;
- (ii) the question of whether Europe should stop concessional capital transfers to the South; and
- (iii) European agricultural and food policies.

1. A global international division of labour versus regional self-reliance

What Dudley Seers said in his writings towards the end of his life was that the global, one-world international division of labour ought to be discontinued and that we should move towards more continental, regional divisions of labour. Although the industrialised countries have become much more inward-looking today than, say, 15 years ago, everything we hear — whether this be about the international debt issue or about the Uruguay round with respect to international trade — is based implicitly on a continuation of the global international division of labour. Calls for collective self-reliance have, in the past, come mainly from a handful of intellectuals in the South.

But the remarkable thing today is that we see pointers in the direction of collective self-reliance, or a more regional division of labour, in the rich countries and, more particularly, in Europe. I have been able to detect three such movements, albeit of very different natures and 'bien étonnés de se trouver ensemble'. The first can be found within the current economic and financial orthodoxy that has been in power since the beginning of the 1980s. Indeed, the emphasis on putting our economic house in order through

reindustrialisation, and in general through economic and technological restructuring, has been accompanied by a call for protectionism. In other words, in Europe today there is a tendency to ask for economic restructuring behind protectionist barriers using a variation of the infant industry argument. Now, when one mentions 'protectionism', many will express doubt. But when one mentions 'collective self-reliance', many will tend to agree. Nevertheless, these are two sides of the same coin.

The second group can be found in the various Green movements in European countries. These groups favour a development approach by the rich countries which is not only environmentally-friendly and energy-extensive, but also more employment-intensive. Arguing in favour of a more employment-intensive production process implicitly means opting for a more self-reliant, a more autonomous development path on the part of Europe.

A third, much smaller group, of which Dudley Seers was a representative, argues in favour of European nationalism with a strong political connotation, where European countries would focus relatively more on their own region and disengage somewhat from the rest of the world.

Many of us have instinctive doubts about such an approach, among other things because it would go against the legitimate interests of developing countries that have a comparative advantage in labour-intensive production processes. Others see clear advantages. The principal of these is that a more balanced world development pattern could emerge than the one which is likely if the current economic and financial orthodoxy continues in force. I myself sometimes fear that if we continue as we are, the first world crisis of the 21st century will be caused, not so much by differences in income, but rather by differences in lifestyles: the North working less and less with extremely high productivity, and the South working harder and harder to meet its basic needs.

From time to time, Dudley Seers wrote to his friends about dreams he thought he had. Normally these 'dreams' were even more provocative than the kind of things he worked out during his awakened state. As I fell asleep over one of Dudley's more boring pieces — oh, yes, he was sometimes boring, particularly when he wrote about the European periphery — I had a 'dream' that I was writing a letter to my grandson who had just been appointed Minister of International Economic Relations. We would be well into the 21st century by then. When I woke up I could still remember the following passage:

As you know, the crisis that occurred around 2030 was due mainly to the growing and still increasing differences in income, and particularly in lifestyles, between the Alpha and the Beta worlds. The Alpha world consists largely of those countries which

some 50 years earlier had belonged to the OECD. During the 1980s and in the aftermath of the Great Depression, the Alpha countries made a clear choice to intensify an already highly-technological society and to reduce drastically the working week. All this was done behind protectionist walls which, during the 1980s and 1990s, enabled those countries to adapt their economic and technological systems. When the protectionist walls were torn down early in the 21st century, the world was confronted with an awe-inspiring economic machine. A number of countries from what used to be called the Third World were able to align themselves with the Alpha countries and adopt a similar lifestyle. The Beta countries, i.e., the remaining former Third World countries, found it almost impossible to climb out of the Great Depression of the late 20th century; for the majority, in fact, it proved to be impossible. Those countries were then forced to adopt a variant of what used to be called the 'basic needs model', putting emphasis on appropriate technologies to create employment opportunities for the larger part of their populations. The jobs created in this way were not very productive however; incomes were low and the goods produced were monotonous and lacking in fantasy and creativity, although they were of acceptable quality.

Strange as it may now seem, we were well into the 21st century before people became aware that this could give rise to a dangerous and unexpected gap. Although in the 1950s and 1960s many economists had warned about the so-called income gap, it now became clear that a new gap was appearing, namely, between lifestyles. What had happened? In the Alpha world, the enormous increase in labour productivity caused by the huge wave of technological innovations introduced on a large scale from the second half of the 1980s onwards, meant that people had to spend less time in the labour market to earn a living. As a result, most individuals in the Alpha countries had far more leisure time, the organisation of which actually became a branch of industry. The contrasts, as regards the situation in the Beta world, grew greater: people had to work longer and harder to earn their living, with only the prospect of a miserable existence ahead of them. The crisis of the 2030s is a direct consequence of this contrast, which has become ever more glaring: in fact, it is the first world crisis to be neither purely economic nor military in nature. It has been caused rather by a collision between different social systems. In other words, although our present crisis naturally has an economic background, it is due principally to the fact that in our world a relatively small group of people can indulge in a luxurious, colourful and almost exhibitionist lifestyle, while in the rapidly

growing (in terms of population) Beta world, people can hardly keep their heads above water.

Clearly, such a dichotomy in world development is conceivable if the current economic and financial orthodoxy continues into the future. But it could also materialise and, perhaps with a greater probability, if the global international division of labour were to be discontinued; financial flows diminished; international trade between North and South decreased; and if the world exploded into regionally self-reliant blocs. European nationalism could work more in favour of Europe than of developing countries, with the same self-defeating consequences as a continuation of present trends in the longer term.

2. Should Europe stop concessional capital transfers to the South?

Let me start by saying that this is a slightly strange question now that we are in the presence of so-called negative transfers from the South to the North. Between 1982 and 1984 Latin America alone transferred \$100 bn to Northern banks. One could argue therefore that since the beginning of this decade, to all intents and purposes, one can no longer speak of net capital flows from the industrialised countries to the developing world. But is that not an argument for stepping up development assistance and, indeed, an argument for a worldwide Marshall Plan along the lines, for example, of the Brandt Report which Dudley Seers despised so much? It could, of course, also be an argument for debt forgiveness.

I myself have argued in the past in favour of a very much stepped-up transfer of public capital from the North to the South. I distinguished three groups of developing countries, namely, the newly industrialising countries (NICs), the low income countries (LICs), and the middle income countries (MICs). For the first category, international trade and access to the markets of the North would be the most important policy instrument. For the low income countries, development aid is still very important. But for the middle income countries, an additional instrument should be designed. In other words, what I thought then was that the most important thing that Europe could do for the NICs would be to open up its markets to their products, rather than to put up protectionist barriers as is the case at present. The most important policy instrument for the LICs would be for European countries to concentrate all their development aid on that particular group of countries. My proposal for the middle income countries was to set up a European programme for the stimulation of international demand, and this inevitably implied a stepped-up transfer of resources from Europe to these countries. This was to be done *in addition* to what is happening in terms of international trade and aid.

Of the many criticisms that one can levy against such a

proposal, two stand out. One is the argument that there was already a *private* Marshall Plan in the 1970s, namely, the important sums of money, mainly from OPEC countries, which were recycled by the Northern banks to the South. That is, of course, true, but has now become part of the problem rather than part of the solution. Indeed, it is the unprecedented increase in rates of interest which has caused the international debt problem to continue, and to shake the economic and financial world. It is precisely for this reason that an injection of *public* capital with a very low rate of interest, if any, is essential. The second criticism, which is the one Dudley Seers used, argues that such programmes perpetuate unequal developmental paths within countries and dependency relations between the North and South. In his *The Political Economy of Nationalism*, Dudley did not see any welfare ground for aid: 'Aid would merely allow governments to continue oil-intensive and socially-divisive growth policies and maintain fascist-type systems; it also allows them to service their debts . . . and it would help them subsidise their onslaught on European markets'. He argued further that it would help local elites to maintain their Western lifestyles and political control, and that such an approach lacks any moral content. His main hope, which he couched in the form of a conclusion, was that 'the survival of this system (the neocolonial system based on a global international division of labour) may no longer be in the interests of many in the industrialised countries who find it means heavy outflows of capital, growing volumes of imports of manufactures and increasing competition in the world market'.

This is a bagful of arguments: development aid maintains dictatorial and immoral regimes, it helps the developing countries to out-compete the old industrial nations, it maintains high unemployment in our countries, it draws out our scarce capital resources which we can use very well within our own borders. I must admit that this line of argument sometimes takes on a defensive tone: the old nations are being pushed into a corner by the young and dynamic developing countries, and hence we had better withdraw and look after ourselves.

One implication of this discussion concerns whether world economic recovery should be sequential or simultaneous. In other words, should economic recovery start in the North under the assumption that once the OECD countries begin to expand the rest of the world will automatically catch on, or should we make every effort for world economic recovery to occur simultaneously, in the North and in the South? Current policies are working implicitly along the lines of the sequential choice. The North is still seen as the locomotive which, once it starts moving, will carry along the rest of the train. But it may be that the train will be empty or partially empty. For example, given

the state in which sub-Saharan Africa finds itself, it is not self-evident that it will be able to catch on once the OECD countries are on the move again.

Although I am hesitant, I am closer to favouring a simultaneous world economic recovery rather than rely on the locomotive theory. At the same time, I plead in favour of Europe playing a much more important role in world development, whether based upon regional divisions or not, for reasons which I shall explain shortly.

The basic question is, of course, whether there really is a contradiction between European nationalism and world-wide involvement? Dudley would say 'yes'. I would say 'no'. For example, a transfer of capital resources does not necessarily mean a greater degree of dependency. This is entirely a question of how those resources are used in the South; the degree of automaticity of the transfer; and the conditionality imposed by the North. All of this can change in the future. There is nothing that changes faster than the political base or feasibility.

In order to make things even more complicated, let us look at the agriculture policies in OECD countries in general, and in Europe in particular.

3. Agricultural policies

In agriculture, we are facing today a worldwide crisis. The Common Market countries with the Common Agricultural Policy (CAP) are at the centre of the crisis. Increases in farm output in European countries, combined with saturated levels of consumption, have led to lower imports and subsequently to the piling up of surpluses, for which takers are increasingly hard to find. We have seen the pathetic spectacle of fierce agricultural trade competition between Europe, the United States, Australia, Canada and, for example, Argentina from the Third World. It is to a large extent due to the CAP that the real export price of wheat stands at a 50-year low. Maize and barley are fetching less than two-thirds of their early 1986 prices. What is more, a good many deals are being made at special, even lower, prices. Sugar is struggling a little above its historic low of 1985, and is still substantially below production costs in even the most efficient countries. Traditional export markets are disappearing both in Eastern European countries and in Asia. Indeed, countries like India, China and Indonesia are now self-sufficient in food, at least at the global level, and are no longer importing agricultural products. The growing dependence of exporters on certain markets goes some way to explain the bitter competition that has ensued. Have we not seen ridiculous confrontations between Europe, Canada, the United States, Australia and Argentina in order to supply our comrades in the Soviet Union with wheat far below production costs? The causes of this agricultural disaster in the OECD

countries are clear. Demand for farm products in European countries is flat. This is due both to the saturation of per capita consumption and the low level of population increase. Consumption within Europe will not rise very much more than 0.5 per cent a year. The countries of Eastern Europe have managed to cut back their imports by increasing their own output. Third World countries, particularly in Asia, are continuing to modernise their agriculture: farming techniques are being improved, yields are rising and investment continues. Obviously, in many developing countries, food needs are far from being met but, because of the inadequate incomes of substantial portions of the population, these needs cannot be translated into effective demand.

Third, alongside static demand, *supply* continues to grow some two to three times faster than outlets. Why has supply taken no account of the stagnation in demand? Why have people laboured to produce products that are becoming harder and harder to sell? The answer has to do with the objectives that European governments have set for their agricultural policies. The enormous subsidies to allow farm incomes to move forward have blocked any vigorous action on prices. And so we are faced with a situation which was beautifully described by *The Times*: 'Consumption up 0.5 per cent; production up 2 per cent; result: misery!'

The policies pursued to date have certainly achieved some positive objectives: regular and abundant supply has been secured, technical advances have spread, farms that seemed likely to vanish have been kept going and have even been made more productive. But the perverse effects of these policies are also very clear. Apart from the international complications which I have mentioned, budget spending on agriculture has reached alarming levels: it has more than doubled since the start of the 1980s and, in some cases, represents as much as one-quarter of the value of final production and nearly one-half of agricultural gross value added. On top of this comes the cost to consumers of excessive prices: the burden on consumers is of much the same order as public spending although, of course, with substantial differences from one country to another. Public expenditure and cost to the consumer was estimated at over 100 bn ECUs as long ago as 1981 for the OECD countries as a whole. Today's figure (1987) will be rather closer to 150 bn ECUs. Certainly, there are better things to do with the consumers' and the taxpayers' money than to finance the production of commodities that can only go into storage and then be sold off cheaply. This is especially true when the sacrifices made do not produce the desired results in terms of the social objectives of agricultural policies. Indeed, the large producers grow wealthier and the small ones relatively poorer. This social polarisation

adds to the growing malaise in agricultural communities.

But how must the Common Agricultural Policy be adapted if we are to do away with the global international division of labour and organise the world in more or less self-reliant continental blocs? One of the severe criticisms levied against the Common Agricultural Policy is precisely that it is not only extremely expensive for the state and for the consumer, but also very disadvantageous for the developing countries. Indeed, the much cheaper agricultural products of the Third World are not allowed to penetrate the European bastion. This would probably continue and would be a negative point in the new trend. On the other hand, European farm products are being dumped on the markets of the developing countries — through food aid programmes and other devices — thereby risking the ruin of local production! Stopping this would therefore be a positive point of the new trend. On balance, Europe would still have an agricultural policy that is high-cost and high-price; it would continue to close its borders to agricultural products from the South; it would supply less food to developing countries. Who wins? I'm not sure at all!

III. The Role of Europe in World Development

Europe is rather passive when it comes to a number of crucial political areas such as international financial and monetary policy, and rather contradictory in other areas, such as the Multifibre Agreement and agricultural policies. Both through its financial and economic policy and the Common Agricultural Policy, Europe has a deflationary influence on world development: passive, contradictory, deflationary: Europe behaves as if 'it has a beautiful future behind it'.

The population of the EEC countries is larger than that of the United States and more than twice that of Japan. The national product of the EEC is two-and-a-half times that of Japan, and comparable to that of the United States. Greater Europe, defined as West, North and Southern Europe (excluding Turkey), has a population of 360 mn. East and Western Europe (without the Soviet Union and Turkey) contains more than 460 mn people! The EEC is an economic superpower and Greater Europe would be an economic and demographic giant. Europe, however defined, could play a stimulating and balancing role in world development in many areas:

- (i) Europe could, and should, make a much more active contribution to economic recovery worldwide. Its economic and financial policies are passive, and to a certain extent, exploitative.

- (ii) Europe could, and should, have a much more active policy towards the international debt crisis and, more generally, with respect to international financial and monetary policies.
- (iii) Europe could, and should, adopt a more important and substantial role with respect to its relationship with different groups of developing countries.
- (iv) Europe could, and should, be more consistent in its attitude concerning liberalisation of world trade. The Multifibre Agreement shows what a difference exists between words and deeds.

What are the explanations for this passive and timid role which Europe plays on the world scene? The easy answer is that there is so much disagreement between European countries, with one or two of the more important ones objecting to any initiative that goes in the direction of a more active and worldwide role. But that cannot be the whole answer. There must be other more subtle and, perhaps, more profound reasons for this.

In the first place there is, of course, the economic and, in particular, the very difficult employment situation within Europe. To a large extent one can now speak of a psychological crisis, a crisis of confidence in the future. If Europe is an economic and demographic superpower, it acts rather like a political dwarf.

Secondly, and more generally, one can observe a change in public opinion within European countries. Public opinion polls place problems of unemployment, terrorism and pollution much higher on the agenda than problems that relate to international economic relations, including development co-operation. There is therefore a general shift in public opinion which is now much more preoccupied with internal matters than with more distant problems.

Thirdly, there exists a difference of opinion about the policies that will truly meet European interests. There exist deep differences in views about international economic relations and which *national* decisions must be taken in order to improve these in the next few years. Such differences of insight and of opinion concerning the best way to serve the national interest were also obvious at the beginning of the 1930s before the new Keynesian orthodoxy established itself. Then, as now, economic factors are stressed. The crisis obviously cannot be overcome through economic measures alone: political initiatives are much more important, and these are completely absent.

Fourthly, there are practically no initiatives with respect to Eastern European countries. Anyone who visits these countries regularly knows the ardent desire people there have to relate to their counterparts in Western Europe. That feeling is not at all reciprocal. Here again, Western Europe acts like a cool

cucumber, showing very little political initiative, if any. I must commend Dudley Seers here, because he was one of the few who saw the need to make a move towards closer relations with the Eastern European countries.

Finally, Europe maintains its special relationship with the Lomé countries, thus sustaining an ambivalence with respect to Europe's relationships with other countries in the developing world.

Worst of all, Europe has no political vision. In the 1930s, the vision of forward-looking people was the realisation of democracy, of the welfare state, and of greater European economic integration. Today, such a vision should be about the bridging function of Europe in order to achieve greater international solidarity through the development or elaboration of a European monetary and financial policy; through active contributions to world development; through an active policy with respect to liberalisation of world trade, etc. The political feasibility and basis of all this looks very dim. But, as Bruno Kreisky said recently:

During my long political career, I learned one thing above all: in politics, as elsewhere, ideas have to be formed and propagated long before the time is mature for their implementation. Then, one day, comes a moment when they can be put into practice in one form or another. Much of what was thought and dreamt about in the 1930s came true only after the Second World War.

Concluding Remarks

I do not think one can say that Europe has fallen out of love with the rest of world. It has become impotent, hopefully temporarily! Dudley's remedy to that unhappy state is to suggest a LAT relationship (living apart together). I differ with him in one respect and agree with him in another. I agree that Europe should use its economic power and political genius to better advantage. Europe should also try to expand into a Greater Europe which does, indeed, make it a more self-reliant entity. Where we disagree is about the use of this more self-reliant Europe. Dudley, towards the end of his life, wanted to go quite far in terms of diminishing economic, political and cultural relationships between the different regional blocs. I believe that a greater Europe with political vision should, on the contrary, have a much more active policy with respect to world development, including opening more widely its market and the transfer of capital resources, provided Europe abandons its paternalistic attitude and allows developing countries to make independent use of the resources that are put at their disposal.

As Dudley's successor to the Presidency of the European Association of Development Institutes, I

know that we would have a pretty intense discussion, were he here. I am not sure, however, whether in the end there would be a large area of disagreement between us. As a born provo, he would have wanted to give the impression that a substantial difference

remains, but deep in his heart I know that he would not have wanted a potent Europe to turn its back on the future which, to a large extent, lies in the developing countries.