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## Editorial

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UNCTAD (vnktad) [Origin obscure, poss.fr. *unct* obsol. chiefly Sc. to anoint, to smear with oil, to exhibit soothing complacency of speech or conduct, fr. Lat. *unct-* p.pl. stem of *ung(u)ere*, to smear, etc. So F. *onction* (12th cent.); Ital. *unzione*; Sp. *uncion*; Pg. *unção*, etc.: -*ad*, feminine patronymic or poetic fantasy; cf. cyclades, dryad, Iliad, Lusiad, Dunciad] n. 1. (Obsol). One of the early global rites held regularly before establishment of Universal Benevolent State. Similar to Olympiads, except that form of competition emphasized rhetorical rather than athletic prowess, and rules of competition were less clearly formalized. 2. Any gathering at which hostility is veiled by expression of high-minded sentiment, and constructive action thwarted by passage of elusive resolutions. Cf. *unctadery*, a form of rhetoric, involving liberal use of certain characteristic words ("comprehensive", "integrated", "urgent", "should", etc.) particularly associated with such gatherings.

(Source: *Oxford English Dictionary*, excavated, reconstructed and revised edition, Peking, The Enlightenment Press UBS 103 (A.D. 2176))  
Jokes, I suppose, especially elaborate bad jokes, are a sign of nervousness. And one does feel nervous about UNCTAD IV.

In the last 12 years the environment scare, the resource scare, our inability to take a grip on inflation without plunging the capitalist world into its first serious post-war recession, have made us somewhat less optimistic than we were in 1964 about mankind in general. And the experience of three UNCTAD conferences has taught us to be less hopeful about *their* potential achievements in particular. One hesitates to be too hopeful. There are some promising signs (for example, resolutions of the Seventh Special Session a good deal more encouraging than the outcome of the Sixth; the substantial preparation by the UNCTAD Secretariat of the groundwork for workable institutions) but still one hesitates to hope for too much. One of the points which Reginald Green makes in his contribution is that perhaps we do our hoping and despairing about the wrong things. It is the grand conferences which get reported, but the committees and working parties they set up—the committees where the operating details of new institutions are settled—which can really push mankind a little further on the road towards rationality and, if brotherhood

is too much to hope for, at least greater recognition of mutual interest.

Which is not to say that the tone set, and the guidelines laid down by the big-occasion conferences are unimportant. That is why the composition and weight of Britain's delegation which Judith Hart discusses in her article is a matter of considerable moment, and why the nature of the "British position" which is packed into those official briefcases is of great concern to those of us who believe, with UNCTAD's Secretary General, that UNCTAD IV can be a crucial test of the world's ability to order its affairs with regard to the interests of all its citizens. One would hope that if, as she suggests, a Minister goes to Nairobi it should be one who sees the importance of UNCTAD in that light, not one whose departmental duties predispose him to see it primarily in the light of short-term anxieties about Britain's balance of payments.

It is certainly true that the language of confrontation is a good deal more strident today than it was at the time of the first UNCTAD meeting. Dudley Seers argues in his contribution that the old First World and Third World categories are no longer the economically relevant ones. He is surely right, but false consciousness or not, the *sense* that outside the Socialist world, the great overall division is that between the developed world and the developing seems still to be a strong one. And in those dichotomous terms the shift in the international pattern in the world over the last decade may be seen (comfortingly, if one takes a long enough perspective?) as analogous to the shift in class relations in Britain between, say, 1890 and the 1920s. The Victorian age when charity was deferentially accepted by the deserving poor has gone. There is talk of organising voting majorities, seizing control of the central institutions, asserting collective economic power in general strikes. With the academic support of the so-called dependency theory of underdevelopment, as it spreads from Latin America to the rest of the Third World (and the universities of the First World too), more and more representatives of the developing countries are prepared to place the *whole* blame for their poverty on an unfair international economic system which exploits them. (As if better terms of trade, the curbing of the multinationals and free transfer of more appropriate technology would solve all their internal

problems too—of low savings ratios, population growth, low levels of technological expertise or entrepreneurial initiative, or whatever they are.) And the rich country reaction: “how dare they question the justice of our privileges” becomes more strident. American Secretaries of State have often behaved as if they felt that in all international forums they were entitled to unwavering support for US policy from any recipient of US aid. It is only recently that a Secretary of State has openly declared that to be a reasonable policy principle (at least as far as concerns voting in the UN).

That there are many *shared* interests across the lines of confrontation—that many international games are not zero-sum games—is the point made by Richard Jolly: the stake we have in avoiding recession and unemployment makes a regulated stability of major items of world trade well worth paying for in significant transfers of wealth to the poorer countries. It remains true, of course, that all negotiation involves a mixture, or an oscillation, between confrontation and co-operation, between the attempt to coerce and the attempt to reach compromise agreement. Hence it is in a sense a false dichotomy to ask: can the poor countries improve their terms of trade only by the confrontational tactics of the producer cartel, or are negotiated agreements between producers and consumers the only way ahead? It may well be, as Hanns Maull argues, that in the long-run even the oil producers cannot dispense with the co-operation of consumers, but there can be little doubt that the unilateral flexing of their OPEC muscles was the only way they could have achieved a sudden quadrupling of oil prices—and immeasurably improved their position in eventual negotiations. How much clout developing country producers of other commodities are likely in fact to be able to wield is the subject of the contributions by Hanns Maull and William Page. Paul Streeten reminds us that this is not simply a datum. Producer power *is* something which can be increased by taking thought—by institutional devices such as diversification funds which can serve to enhance loyalty by making rule-observing virtue more profitable. The need to devise such institutions, the technical expertise which their creation and maintenance requires, suggests the need, as Reginald Green and G. K. Helleiner argue, for a developing countries’ OECD, a secretariat which can ensure that as the new rounds of issue-specific negotiations proceed, the case for the developing nations does not go by default. The creation of such a secretariat would also incidentally mean that the UNCTAD secretariat could not only be, but also be seen to be, the

servant of the world community. Reginald Green makes a telling point when he suggests that UNCTAD’s commodity proposals are frequently regarded as a set of “Third World proposals” only because there is no organisation to prepare what really would be a reasonable maximal negotiating position for the Third World.

Those commodity proposals have inevitably dominated much of the discussion of the UNCTAD agenda, and Joe Callan’s tabulation of the main positions taken on some of these issues will, we hope, provide a useful reference source. The key question—for readers of the *IDS Bulletin* at least—is how far such agreements can succeed not only in stabilising prices but also in contributing, in an orderly, non-disruptive and politically acceptable way, to the transfer of income from the richer to poorer countries. Angus Hone’s discussion of the possibilities of indexation suggests some crucial considerations. Carlos Fortin’s shrewd analysis of the limits to income transfer possibilities under the tin agreement should give the proponents of buffer-stock schemes pause for thought. As our straw poll shows, a number of people who have thought about these things see greater hope in other forms of agreement—reductions in tariff barriers, especially against processed products, codes for technology transfer, an LDC advisory service, debt rescheduling, etc. (And may the Editors take this opportunity of thanking all those who responded at such short notice to the questionnaire.)

Hans Singer also discusses priorities. His comparison of compensatory financing and buffer-stock schemes builds up a powerful case for the tactical and strategic advantages of the former. One might add, developing the analogy drawn above between the evolution of British politics in the early 1920s and recent trends in the world system, that a compensatory financing scheme, introducing an automaticity into the resource-transfer process, can hasten the transformation of aid into a redistributive world taxation system, just as internally Victorian charity has been replaced by the principle of benefit entitlements as a part of the basic rights of citizenship.

Most of our contributors are concerned to advocate and not just to analyse. (And it is, of course, as in this editorial, personal opinions which are on offer, not opinions which can be attributed to the IDS.) If more of the advice and persuasion is directed at Third World governments than at our own, this is not simply a recognition of the IDS’s intended role as a purveyor of well-meaning advice to the developing countries—a role which we are happy to supplement, especially in this issue, by acting as the mere transmitter of

the thoughts of distinguished Third World citizens to other Third World readers. It is also a recognition of the facts which Messrs Helleiner and Green describe—that the Third World *is* in greater danger of letting its own interests go by default than is the British government. The message we would convey to the British government is a simple one and implicit in the whole issue. Let that “position”, when it is packed into

the official briefcases next May, be one which recognises that UNCTAD is not merely, or even primarily, about defending Britain’s short-term interests in the footwear trade or tea prices, but has a crucial role to play in furthering our more long-term interest in creating a world whose disparities in wealth are reduced to tolerable proportions.

*R.P.D.*