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INTRODUCTORY NOTE

One of the major objectives of the Third System Project organized by IFDA is to try and give a voice, in the development discussion, to those who are never or rarely heard, even though it is they who are primarily affected by the decisions taken in their names.

Some 300 institutions, ad hoc groups or individuals - two thirds of which are in the Third World - presently participate in the project through one of its 118 activities or through various contributions to the IFDA Dossier. This suggests that a start has been made in reaching at least a few unheard voices.

This issue presents, in this connexion, a paper describing a survey undertaken in India with a view to throwing some light on the participation of Indian non-governmental organisations (NGOs) in development. A questionnaire sketching out the main features of the Plan of Action for the Establishment of the NIEO, briefly describing IFDA and asking questions about the interests, activities and potential of NGOs in development was sent to 1,400 NGOs and 160 public institutions with which they cooperate. Two thirds of the former and three quarters of the latter have replied.

The purpose of this note is not to repeat what Dr. J.S. Szuszkiewicz, who designed and carried out the survey, writes in his paper, but rather to draw attention to a major conclusion: citizen groups in the Third World do exist, and they are both eager and able to participate directly in the development effort. This constitutes in fact an invitation to planners and administrators to listen to the people and work out ways and means to facilitate their involvement in development action.

The issue also carries four papers - on Canada, Switzerland, Sweden and France - which, together with that on the export of repression technology to the South, illustrate the present sad state of North-South affairs. On the other hand, Enrique Iglesias' social development suggests that the 'mission' is possible.

If, as we believe, development deserves its name only if it is development of, for and by people, there is no other possibility to move ahead than to rely on people. The Indian NGOs reaction shows that there is indeed a way.
BUILDING BLOCKS

A BALANCE SHEET OF THIRD WORLD - CANADA RELATIONS: SUMMARY ANALYSIS AND POLICY PRIORITIES */

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Abstract: This balance sheet of economic relations of Canada with the Third World provides a candid analysis of direct private investment in the Third World (the "challenge of the transnationales"), of food, aid (including concessional development assistance), technology and agricultural relations, of trade in manufactures and commodities, and monetary/financial issues. The analysis confirms that Canada - like other industrialized countries - is torn between helping to maintain the global status quo, with its grave imbalances and obstacles to development, and working towards a more equitable and more basic reorientation of its relations with the Third World. Above all, the failure of comprehensive analysis and policy development for change is underlined, and an increasing role of the Third System in preparing for change is recognized.

*/ Copies of the full study plus annexes can be obtained from North-South Institute.

BILAN DES RELATIONS CANADA-TIERS MONDE: UNE ANALYSE SOMMAIRE ET PRIORITÉS POUR L'ACTION*/

Résumé: Ce bilan des relations économiques du Canada avec le Tiers Monde offre une analyse franche des investissements directs du Canada dans le Tiers Monde ("le défi des transnationales"), de l'alimentation, de l'aide (y compris l'aide à des conditions préférentielles), de la technologie, du commerce des produits manufacturés et des matières premières de même que des questions monétaires et financières. L'analyse confirme que le Canada, comme d'autres pays industrialisés, est partagé entre le désir de maintenir le status quo global, avec ses déséquilibres croissants et les obstacles qu'il met au développement, et le souhait de contribuer à une réorientation plus équitable et plus fondamentale de ses relations avec le Tiers Monde. Par dessus tout, le manque d'une analyse d'ensemble et d'une politique de développement est souligné, de même que le rôle du Tiers Système dans la préparation du changement.

*/ Copies de l'étude complète et ses annexes peuvent être obtenues à l'Institut North-South.

(Resumen español: página 15)
A Balance Sheet of Third World-Canada Relations:
Summary Analysis and Policy Priorities
by The North-South Institute

The North-South Institute's detailed "balance-sheet" of Third World relations with Canada has been designed to shed light on the net benefits accruing to both Northern and Southern partners in several different functional relationships and issue-areas. The "balance sheet" was so constructed as to extend back into the web of interests, pressures, counter-pressure, and processes which determine national responses to articulated Third World needs and demands. A special focus was main-tained on the performance and potential of the actors of the non-governmental, non-corporate "Third System" in shaping Canada's answer to established positions of the "New International Economic Order" and, where they diverge, to the requirements of alternative development strategies.

The analysis confirms that Canada, more than most of the industrialized nations, is torn between the global status quo and a basic re-ordering, in terms of both its concrete national interests and an even more fundamental national self-image and identity. While special ethnic, regional and governmental features undoubtedly complicate the Canadian tapestry of internal interests and pressures, the composite picture, in a highly permeable Western society, probably yields valuable models and comparative insights.

The Failure of Analysis

A central, unifying feature of Canadian responses to the Third World in a multiplicity of areas lies in the failure to generate comprehensive, integrative analysis of the Canadian position. The fields of international commodity trade, the "tying" of bilateral development aid to Canadian procurement, the surveillance and direction of transnational business activity, and the management of science and technology policy provide notable instances where the failure of analysis leads to a paralysis of policy-initiative. In this state of attentisme it is seen that maximum scope is left to the free play of established market power, internal and transnational, and that Canadian negotiating positions slip readily into the comfortable, familiar lock-step of the Western bloc, whether or not this fairly reflects the reality of even short-term Canadian interests.

Even in instances where Canadian policy has demonstrated unusual responsiveness — two examples are in the relief of aid-related debt and early movement on the Common Fund for commodities — it is striking that Canadian initiatives were not based on any exhaustive assessment of the issues but on strong political, diplomatic and, (in the case of the Common Fund at UNCTAD IV) non-governmental impetus to show a responsiveness closer to that of the "like-minded" progressive countries of Scandinavia and the Netherlands. All of these examples of limited analysis are explored further below and in depth in the Canadian balance-sheet study.

Although its principal ramifications were not "North-South" in character, mention should be made of one atypical field where Canadian policy-analysis seems to have been exhaustive and the pursuit of Canadian objectives has been shrewd, coherent and single-minded. This is the area of law of the sea negotiations where, over years of sustained bargaining, Canadian representatives have succeeded in balancing and harnessing the whole range of internal interests and securing national benefits unmatched by any other country. Although this noteworthy exception could not be
considered at length in this study it is indicative of the latent capability for analysis in the country and of its preparedness, (in the view of critics at home and abroad), to maximize national interest without much regard to special Third World or global stakes. It can be suggested as well that this case gives warning of how effectively the potential of the Third System can be harnessed, neutralized or co-opted to basically narrow national purposes.

For the loosely-knit, if not atomistic, non-corporate and non-governmental sector which has yet to be shaped into a coherent "Third System", the vacuum of policy-analysis represents both an opportunity and a crisis. The opportunity exists in a liberal and politically-variegated system to generate or stimulate forceful new approaches capable of leapfrogging the deadlock of established interests. The crisis arises from a calcified tradition of restricted access to government information, leaving non-governmental networks constantly exposed to problems of misinformation and flawed credibility. In turn, the insulation of democratic leaders and decision-makers from varied sources of information policy-options compounds their own vulnerability to inadequate or single-source inputs.

Direct Foreign Investment: The Challenge of the Transnationals

This complex of problems is perhaps best illustrated by Canadian approaches to transnational corporate enterprises operating from a Canadian base. As the fifth largest home-country for direct investment flows to the Third World, and simultaneously having the world's most heavily foreign-permeated investment structure at home, one would expect to find in Canadian policy some coherent guidelines for safeguarding and maximizing national interests in these relationships. In fact, Canada's own practices and procedures, which amount in effect to a kind of "code of hospitality" for foreign investors, still provide only the most fragmentary information on their activities and very limited control. Meanwhile, the operations of Canadian-based transnationals in the Third World can be initiated, managed and terminated with barely any reference to the Canadian state.

Canada is inextricably intertwined in the international investment network. The stock of foreign investment in Canada (C$ 39.8 billion in 1977) ranks it as the leading host to foreign equity capital, while Canadian investment abroad of C$ 10.5 billion (1975) places Canada among the major exporters of foreign investment. The Third World hosts 23% of Canadian foreign investment, most of it in non-manufacturing sectors, with Brazil and the Caribbean area accounting for the largest shares.

The distribution of the benefits between Canada and the Third World host countries of these investments is impossible to establish with precision. The current perception of the impact of the export of capital on the Canadian economy and on domestic employment is founded on narrow (albeit important) balance of payments considerations alone. Such a foundation is patently inadequate for the task of understanding and (if necessary) monitoring or controlling the activities of the enterprises involved. A definitive appraisal requires, inter alia, a full picture of intra-firm transactions, of profit, dividend and interest flows, and, more generally, a national disaggregation of the firms' global activities, an amalgam of information which is at present accessible to only one party, the transnational itself.

After decades of inconclusive official, academic and non-governmental discussion of these issues it seems that only shocks or crises, usually in the form of dramatic and damaging illustrations of transnational corporate power, will be enough to bring home the recognition that the modern transnational enterprise, "Canadian" or foreign,
has brought with it a huge challenge to the policy makers and negotiating mechanisms in government.

Canada is far from unique in its persistently piecemeal and hesitant policies toward foreign investment and its global regulation. Although these policies are indisputably influenced by the prominence and persuasiveness of transnational business interests, an important factor in the official Canadian approach appears to be a lagging understanding of the full implications of the growth and mutations of the transnational form. A radical improvement of the quality of information and analysis on the activities of transnationals would equip decision-makers to formulate coherent and effective policies both at home and in international discussions. In parallel, wide access to this information would relieve the Third System of the immense burden of trying to alert the whole society to the importance of the transnational phenomenon, often relying only on the evidence of its most abusive manifestations.

Food and Agriculture: Trade, Aid and Development

In the complex of issues surrounding world food supply, trade and security, Canada is a major power internationally and has a wide range of intricate relationships with different Third World countries. Here, the balance of benefits in the relationships is an especially volatile issue, touching as it does the vital interests of a well-organized and vocal agricultural sector in Canada, and the survival and self-reliant development of the poor in the Third World.

Greatly increased self-sufficiency in food supply is fully recognized in Canadian official statements as the only long-term hope for overcoming continuing world hunger and malnutrition. By definition, of course, the central strategy and impetus for such self-sufficiency must be generated within the Third World. Even recognizing this fact, however, concrete Canadian policies and practices still do not reflect a consistent emphasis on the promotion of agricultural development and self-reliance in the Third World.

The most direct, if not the most important, Canadian instrument for affecting the agricultural capability of Third World countries is the official aid programme. Canadian support of multilateral agricultural research and production assistance has been vigorous, and has been complemented by a heavy emphasis on agriculture in the work of the International Development Research Centre. In spite of a stated priority on rural and agricultural development for at least a decade, however, less than 24% of Canadian bilateral aid goes to the direct promotion of food production. Analysis indicates that the continuing difficulty in improving this performance toward the international target of one-third of aid expenditure, has several causes, some short-term and procedural, and some deeply-rooted in the traditional character of bilateral aid programmes.

One important factor is the "tying" of aid to the provision of Canadian goods and services, a requirement which shapes a series of decisions in the aid process and almost uniformly militates against greater involvement in grass-roots agricultural development efforts under unfamiliar tropical conditions. Since there seems to be little hope of the early loosening of these "tying" conditions, or of greater "multilateralization" of Canadian aid, the most promising direction for Canada to increase its direct aid to food production seems to be in augmenting "programme" and "line of credit" assistance to those Third World governments which themselves give high priority to domestic food production and are prepared to allocate internal and external resources accordingly.
In the area of direct food aid, which has in recent years accounted for roughly 20 percent of total Canadian development assistance, doubts about the balance of benefits between "donor" and "recipient" come into sharpest relief. Almost all studies of donor behaviour in food aid have documented the predominance of "surplus disposal" over "need" in the determination of the types, levels and conditions of food distribution programmes to be mounted. Figure 1 traces, for the 1970-77 period, the perverse relationship between global need, (as reflected in rising food prices), and food aid supplies by all "donors," including Canada.

In general, food aid is one of the issues of controversy between articulated Third World demands and the priorities of alternative, more self-reliant development strategies. While Third World spokesmen have fairly consistently pressed for higher levels of concessional food supply (albeit with important provisos such as much greater use of multilateral channels), more and more concern has been expressed about the potential disincentives of food aid to indigenous food production, and the perpetuation and reinforcement of cash crop dependence in developing countries. Developmentalists are thus moving to de-emphasize ongoing food aid activity, while underlining the need for strengthened food security systems to guard against the inevitable cyclical and regional shortfalls of food supply. In the current context, the kinds of quantitative commitment sought by Third World representatives can probably still be justified, but donors are in the position of having to balance these immediate supply needs against international provisions for security and incentives for indigenous production in Third World countries.

Canada was widely applauded at the time of the World Food Conference for its multi-year pledge of specific and substantial quantities of food aid. This pledge was given at a time when commercial sales opportunities were very attractive and when dollar-level pledges were being eroded by rising prices, so it was seen as a very forthcoming Canadian response to the perceived crisis in world food supply. It is noteworthy that voluntary agencies of the "Third System" in Canada had mounted a large-scale and effective lobbying campaign to help achieve this result.

Since that time, the pendulum of official and public opinion has swung. Although the cushion of world food reserves remains perilously thin, there is no sense of crisis and, instead, a determination exists to avoid excessive or perennial dependence on food aid. After commissioning a major interdepartmental review of food aid, the federal Government has still been unable to arrive at a firm long-term approach but has established a new Centre within the aid agency to monitor and plan these programmes. It is significant that when overall cutbacks were imposed on CIDA in mid-1978, Canada's Food Aid Convention pledge was an easy target for reduction — from 750,000 to 600,000 tonnes annually. The voluntary sector has also shifted substantially away from support of food aid. The stance of the important inter-church and Canadian Council for International Cooperation coalitions to this form of assistance is now almost uniformly critical and hostile.

On the other side of the ledger, it has been revealed that the vested Canadian interests in food aid programmes are less powerful than might be anticipated. Farmers themselves are generally not vigorous advocates, deriving only some two percent of their total income from food aid spending and being sensitive, from their own experience, to the possible damage resulting from food imports. Nevertheless, traditional support and pressure for food aid is kept alive by farm organizations, political representatives, and marketing boards with their advocacy usually in inverse proportion to the health and market prospects of their particular agricultural sector or region.
Figure 1

Food Aid: The Price Connection
(cereals from all sources. *)

INTERNATIONAL WHEAT PRICES**

$U.S./ton

FOOD AID FROM ALL SOURCES

*excludes the Soviet Union food aid loan of 2 million tons of wheat to India, 1973/74, repayable in kind.

**FOB U.S. Gulf, No. 2 Hard Winter (Ord.)

If improved measures for global food security are seen as an appropriate way of countering cyclical and regional food shortages, and avoiding the dangers of long-term dependence on food aid, it is in the negotiation of food security plans where Canada's vital interests as a major food exporter come most strongly to the fore and into conflict with the immediate goals of the Third World bargainers. In the international wheat negotiations, Canada, as a producer, has been concerned with maintaining its commercial markets, prices and earnings, without having to bear an excessive share of stabilization costs. Like the U.S., therefore, Canada has differed with importers, including Third World countries, on the size and pricing of reserve stocks and on cost-sharing and special dispensations for unilateral stocking by Third World countries. The Canadian position has been tough, and talk of a "wheat cartel" has been kept alive as a threat in the event that the multilateral negotiations fail to achieve satisfactory results.

The issue of wheat reserve negotiations has received very little attention from the voluntary sector in Canada, probably because it is too complex to engender widespread interest. Meanwhile, farm organizations, though not opposed to reserves in principle, are extremely vigilant to protect their members' interest - they are extensively consulted both in Canada and, as observers, at the actual negotiations.

One final area of importance in food and agricultural relations is that of Third World food exports to Canada. The overall import flow of processed foods and beverages, (which is still less than that of Canadian exports in these categories to the Third World) is governed by many of the same considerations affecting access for processed and manufactured goods more generally. It is especially interesting, however, that special sectoral and regional interests, although narrow, come strongly into play to obstruct access for such products as fruit and vegetables, sugar and vegetable oils, and that the diffuse pressures of consumers and developmental spokesmen are rarely, if ever, a match for them.

Trade in Manufactures: The Third World, Competitor and Customer

It is only with the emergence of Third World countries as a force on the international trade scene in recent years that the inevitability and powerful implications of a new international economic order have begun to be brought home to thoughtful Canadians. Some have so far seen only the competitive impact of "low cost" imports, mainly from semi-industrialized countries, on some of the labour-intensive sectors and less-developed regions of Canada. Still other observers are slowly coming to recognize that Third World markets are of substantial global importance, especially for a trade-dependent nation with only a small assured market of its own and a neighbouring super-power shaping much of its economic system.

Taken together, these trends, and the need to re-examine traditional Canadian trade and industrial policies should provide the basis for searching discussion of Third World-Canada trade prospects. So far, in fact, the lively Canadian debate among advocates of "continentalism", "technological sovereignty", and "import substitution" strategies has given only incidental attention to the actual and potential impact of Third World countries as competitors and customers. These trade relations have thus usually been left in the much more short-term framework of industry-by-industry problems or as a subordinate issue in the multilateral trade negotiations under the auspices of GATT.

On the import side of the trade balance sheet, Canada's practice with respect to Third World exporters has been fairly typical of the industrialized countries. In spite of early recognition of the importance of the "trade-not-aid" measures in the 1970 foreign policy review, precious little progress has been made in improving market access for Third World countries or initiating the industrial restructuring
which would make such improved access politically and socially acceptable. Instead, Canada, like other industrialized countries, has consistently resorted to the defensive protectionist response, which, though invariably presented as "temporary" or "transitional", in fact tends to become entrenched because there are not adequate constructive adjustment measures available to substitute for this protection.

For a variety of historical and other reasons, Canada's imports of manufactured goods from Third World countries represent a more modest share of total imports (3.4%) than they do in the other major industrialized Western countries. However, Canada's Third World imports are more heavily concentrated than the OECD average in traditional labour-intensive consumer goods, with the result that the impact of this competition falls most heavily on Canada's own least-favoured regions, workforces and industries. Thus, in the field of textile and clothing trade, after Canada had been relatively restrained in applying import controls over the first few years of the Multi-Fibre Arrangement (MFA), domestic criticism and concerted pressure from business and labour ultimately became irresistible and a much tougher line was initiated in 1977.

The barrage of domestic criticism reveals a startling and significant gap between prevailing Canadian and foreign perceptions of the balance of benefits in trade relationships and policies. The general Canadian assumption has been that this country alone has been playing by the "rules of the game" and carrying more than its share of the "burden" of low-cost imports - critics at home refer to "boy-scoutism" and "naiveté". Seasoned outside observers, meanwhile, bemoan a new Canadian narrowness and reticence to provide multilateral leadership, with one U.S. official stating that a Canadian position in the recent GATT talks, (with particularly adverse effects on the Third World) was "just another example of how Canada refuses to accept the doctrine of equal pain in these negotiations."

Overall, a detailed examination of Canadian responses to Third World demands for improved trade access and preferential treatment reveals a record not far removed from the OECD norm, although Canada's trade regime has generally retained unusually high tariff "peaks" while relying less than most OECD countries on non-tariff barriers.

As distinct from the perceived defensive Canadian interest in "protecting" the home market from Third World products, the Canadian record in capturing a share of growing Third World markets is markedly less successful than other Northern exporters. The analysis of evolving trade flows shows that Canada's export "basket" to the Third World tends to be directed toward the slowest-growing markets and characterized by a product concentration in goods with the slowest growth in trade. Whatever the reasons or cures for the relatively laggard Canadian performance in taking up commercial opportunities in the Third World, it is clear that so far this lack of "return" seriously inhibits greater responsiveness to Third World needs for import access.

The input of non-governmental groups into Canadian trade policy is clearly influential and well-established, dating from the heavy role played by the Canadian Manufacturers' Association as early as 1879 in establishing the high-tariff "National Policy" which has set the basis for Canadian trade regimes ever since. One survey of significant Canadian corporations revealed that at least half are involved in direct communications or representations at the Federal level and 85% are represented through business or trade associations. Such cross-sectoral ("horizontal") and sector specific ("vertical") associations are seen to possess most of the pre-requisites for long-term success as interest groups: solid memberships, funding and staffing; continuity of representation and contacts with officialdom; and the ability to conduct low-key public-relations campaigns. Most of the associations represent both transnational and smaller-scale firms, although a new grouping, the Canadian
Federation of Independent Business, is providing especially vigourous representation to the small business sector, and the very large manufacturing and resource firms tend to maintain an independent lobbying capability. Trade policy remains a major focus for many of these organizations and it is clear that the domestically-oriented (and protectionist) or exporting groups, are much stronger than those with an explicit and organized interest in imports. This characteristic, in combination with structural protective biases in Canada's trade policy machinery, has had a pronounced impact in limiting access for Third World imports.

Organized labour, in Canada, remaining consistently sympathetic to the broad objectives of the New International Economic Order, has increasingly resisted the growth of imports in sensitive sectors, citing concerns for equitable "burden-sharing" and international labour standards. The consumer interest in import-access has been fairly steadily voiced by its voluntary sector representatives, but rarely as a top-priority or concerted concern. Finally, the voluntary agencies and other groups concerned with education in the "development community" in Canada have a significant history in relation to trade access issues. Some of the groups were energetic and imaginative in response to many of the earliest trade demands voiced through UNCTAD, and a measure of research animation and lobbying activities was set in motion. However, frustrated by the dearth of progress, troubled as to the distribution of trade benefits in poor countries, and perhaps blocked by the complexity of the issues and conflicting interests, the voluntary sector has paid less attention to trade questions in recent years.

With such complex webs of vital interests and powerful actors in play, little progress on improving trade access for Third World countries is likely in Canada until an adequate set of adjustment policies is in place to ease the transition for the workforces, communities and firms affected. Both because of the inescapability of competition and the spiralling economic cost of protectionism and economic stagnation, such comprehensive policies are beginning to be debated seriously in Canada for the first time. By the same token it is clear that the required change, already retarded for more than a decade, will only gradually begin to right the imbalances in the accounts of Third World-Canada trade.

Trade in Commodities: Producer or Consumer Focus?

Raw materials in total account for 51 percent of Canada's exports, with the eighteen original commodities of UNCTAD's integrated programme being responsible for 6.5 percent of the country's total export receipts. It would thus have been logical to anticipate enthusiastic Canadian participation, or at the very least lively interest, in the Third World's campaign over recent years for a better deal for commodity producers.

In fact, while the non-governmental development community has promoted greater general awareness and discussion of commodity trade as the centre-piece of North-South political bargaining, the real character of individual commodity markets and Canadian interest in them have remained the preserve of industry interests and of a very narrow sector of governmental and academic specialists. Major issues have arisen over the past decade in commodity markets of vital concern to Canada, but no coherent policy linkages have emerged between the different sectors of problems involved. While bargaining hard for an international grains agreement, (or a producer-only arrangement, if necessary), Canada still hangs back from active cooperation or interchange with other copper producers, while the country's bargaining strength in this market erodes steadily.
On the issues of seabed mining, Canada's influential advocacy of gradual resource-exploitation has also served to protect the parallel interests of other land-based producers, particularly those producing nickel. At the same time, the Canadian Government seems unwilling to accommodate (or even effectively anticipate) shifts of transnational nickel investment to the Third World, shifts which have recently engendered growing fear and serious hostility in the Canadian communities and workforces affected.

As an industrial nation, Canada undoubtedly shares the legitimate concerns of other consumer-nations in international commodity negotiations, but has been unwilling to distinguish enough between such legitimate concerns and feeble ideological resistance to change. In areas other than grains trade, Canadian spokesmen are still content to engage in "free market" rhetoric, which the real predominance of intra-firm and oligopolistic trade has long ago invalidated. Concern continues to be focussed on such issues as growing Third World competition for Canadian processors of commodity imports, although serious analysis demonstrates that adjustment in these areas would be a relatively minor problem.

It seems clear that the confusion and inconsistency in Canadian positions is heavily influenced by the country's intimate overall economic ties with the principal consumer-nations, and the dominant position of consumer-country transnational firms in the sectors involved. Foreign controlled enterprises, for example, in 1972 accounted for 20.5% of shipments from Canadian nickel and copper mines, and for 79% of those from iron-ore mines, another field where closer Third World-Canada cooperation has been strongly advocated by some. Even where direct industry ownership of commodity firms does not inject foreign priorities into Canadian decision-making, Canadian attitudes and negotiating positions are inevitably shaped by the tightly-woven web of cross-border relationships between commodity-consuming industries. With 50% of Canadian manufacturing industry being foreign-owned, (and, perhaps, especially vulnerable to dislocations and head-office decisions) it should come as no surprise that the responses of Canadian business and labour to commodity agreements, greater Third World processing, etc., are often indistinguishable from those of their counterparts in other Northern countries.

The Third World's concerted advocacy of an "Integrated Programme for Commodities" and the "Common Fund" has not yet been sufficient to bring about any large scale re-thinking of Canadian and global interests in commodity trade, nor the emergence of any sustained "Third System" lobby within Canada. However, in combination with rising Third World competition, the international discussions have slowly made the Government more aware of the Canadian stakes and moved the Federal Cabinet to demand from officials at least a coherent statement of Canadian commodity policy. Meanwhile, the amount of study devoted to these issues outside government has also increased substantially, and can be expected to exert more pressure as competitive problems deepen.

Science and Technology for Development: Beyond "Transfer"

As a country with relatively weak indigenous scientific and technological capabilities, heavily reliant on imported technology, skills and know-how for industrial growth, Canada has in recent years been involved in a lively debate about the use of science and technology for its own development. Technology has been described by the Science Council of Canada as "the weakest link" in Canadian manufacturing and industrial prospects, a special Committee of the Senate has studied the issue extensively throughout the decade, and it was the focus of a heated conference of the Federal and Provincial Governments in late 1978.
While there are therefore certain parallels between the Canadian situation and that of many Third World countries, these similarities have very rarely been translated into common perceptions or positions in international discussions. Furthermore, as a substantial net importer of science and technology itself, Canada has been only a relatively marginal factor in the overall flows of North-South technology trade and transfer.

A clear strength of Canadian performance in the past decade has been the establishment and maintenance of the International Development Research Centre (IDRC) as an internationally-directed body which places primary emphasis on the development of indigenous research capabilities in Third World countries to permit them to grapple with their own development problems. The Centre's activities extend to both the natural and social sciences with particular emphasis to date on agricultural and rural development problems. With an annual budget of $40 million, added to Canada's relatively generous support of the international agricultural research centres and other multilateral initiatives, Canada emerges as one of the strongest supporters of research in relation to its total development cooperation spending. Perversely, however, the pioneering venture of IDRC may have created some difficulty in integrating essential research and development components into CIDA's programmes and projects. There seems to be some tendency to assume that development related research is a specialized and segregated activity being well-handled by the experts. Such an assumption is, of course, alien to the holistic, integrative and "appropriate" approach to science and technology which recognizes that, to serve development, scientific and technological capabilities must take firm root in the country concerned, and be thoroughly linked to the needs and capacities of its people. The reintegration of development research and development cooperation is a challenge of the first priority as Canada examines its position for the UN Conference on Science and Technology for Development.

Between the science and development communities a similar segregation persists, reflecting faithfully the continuing "mystification" of science and technology in Canada's own culture. Although a few voluntary groups are actively engaged in promoting or supporting "appropriate technology" with domestic and foreign applications, there is only a very limited total capacity in the voluntary and scientific-professional sectors to conceptualize or influence national approaches to science and technology for development.

Beyond the explicit instruments of technology transfer for development, it must be recognized that Canada is on balance a small commercial exporter of technology to Third World countries. With respect to Third World negotiating objectives in areas such as the code of conduct and patent reform, the Canadian position has tended to be passive and ambivalent probably reflecting a combination of this small North-South surplus for Canada or the characteristic shared ethos of the dominant technological powers.

If one includes in the accounting of South-North flows the "reverse transfer of technology" represented by the "brain drain" from Third World countries, then Canada is revealed to be a major net beneficiary. UNCTAD has calculated that Canada, the third largest recipient of skilled Third World immigrants, gained an imputed capital value of $11.5 billion in the period 1963 to 1972. If this is weighed against the total of official development assistance disbursed during the period, the "brain drain" provided at least a crude net benefit of $9.2 billion to Canada. The impact of the "reverse transfer of technology" has, of course, never been viewed in these terms in Canada, although the steady increase of "third country training" has been designed to help stem the flow. At the same time the Canadian "Third System", in particular, is challenged to devise and advocate balanced
national policies when narrow and discriminatory practices such as the setting of
differential fees for foreign students are spreading through several provinces.

Monetary Issues and Debt: The Bankers' Balance Sheet

In the nineteen seventies, with spiralling payments problems, triggered
by commodity and oil price increases and recessionary slumps in earning opportuni-
ties, the monetary and debt problems of Third World countries have periodically
come to the forefront of international discussion. However, international mon-e-
tary relations, banking and debt continue to be extremely complex and arcane issues,
and the role of these links in Third World-Canada relations is not widely under-
stood.

The debt relief issue of recent years has been one where real differences of
interest emerged early among different groups of Third World countries, with im-
portant impacts on the negotiating responses of Northern countries. As the home-
base of a substantial international banking community, Canadian policy with respect
to commercial debt has always been influenced by the determination of private bank-
ers publicly to stand by the inviolability of outstanding obligations or, in the
face of unavoidable default, to negotiate terms of rescheduling in private. In
fact, this kind of approach to the handling of commercial debt problems, with some
modifications, has basically satisfied most of those Third World countries with a
significant commercial debt concern since they feel a continuing stake in com-
mercial credit worthiness. With Canadian bank holdings of Third World debt roughly
estimated (in mid-1978) to be at least $3 billion, and with the existence of an
extensive web of Canadian banking operations in Third World countries, it is not
surprising that the Department of Finance, the lead department in these areas,
remains conservative and unlikely to welcome any substantial change in the laissez
faire approach to commercial debt problems.

The Canadian Government has, however, been involved in the various "clubs"
organized to negotiate the terms of official outstanding debt of selected Third
World countries. In these instances, Finance officials and the other creditor
agencies represented, are said not to consult ex ante with Canadian commercial
creditors since there is considered to be some element of competition in securing
the most satisfactory terms for rescheduling.

For no clear reason, the same broad lines of approach applied to commercial
and non-aid-related debt relief also seem to have been typical of the responses
to early calls for generalized relief of the poorest countries' aid debts. Only
after considerable interdepartmental pressure, and inputs from parliament and
outside researchers, was the Government finally willing to countenance the cancel-
lation of the limited aid-related debts of the poorest countries, in the final
stages of the Paris Conference on International Economic Cooperation, when posi-
itive initiatives were badly needed. Because of the relative generosity of Canada's
aid lending terms, this particular problem was not a major one and is unlikely
ever to recur.

Traditionally, Canada has exercised an influence in international monetary
affairs out of proportion to its strict stake in these global issues. The country
also shares some important objectives with the Third World in monetary reform,
such as the replacement of gold and other reserve currencies by the SDR as the
major international numeraire and reserve asset; the enhancement of IMF lending
facilities; and the enactment of special measures to improve facilities and repre-
sentation for Third World countries. On other issues, however, the Canadian posi-
tion has tended to resist Third World demands: Canadian policy favours flexible
exchange-rates for the major currencies; Canada remains skeptical about the SDR-aid "link" and adheres to a very rigid perception of the IMF as a provider of balance of payments assistance alone. With Government expertise and influence localized in the Department of Finance and the Bank of Canada, and non-governmental input to date restricted to fairly narrow concerns of the private banks, the need for expanded Third System study and debate is a pressing one.

Concessional Development Assistance

International development assistance, or "foreign aid" continues to receive a disproportionately large share of Canadian attention and opinion on Third World-Canada relations, and to be mistakenly viewed as a purely one-way flow of resources, providing "benefits" to "recipients" through "sacrifices" on the part of "donors". Gradually the more complex balance of actual benefits in the aid relationship has emerged more clearly, through a number of quantitative and qualitative measures, reflecting both Third World needs and demands and the accepted experience of the donor group and the international community.

Even if "aid" is substantially less important than other relationships, for a country like Canada, it is still the most important instrument explicitly concerned with promoting or supporting development in the Third World. Fundamental shifts in the Canadian approach to the quantity or quality of "aid" may therefore signal vital trends in Third World-Canada relations generally.

The volume of Canadian aid expenditure over the past fifteen years has almost doubled as a proportion of Canadian GNP, but the effort, and official commitment have waxed and waned constantly over this period. While never binding itself to reach by a specific year the Pearson Commission's target of .7% of GNP, the Canadian Government has been unequivocally pledged to move steadily toward it. It seems clear that the present precipitous slide in allocations could lead to the unspoken abandonment of that goal. The development assistance programme is now seen as a major government expenditure whose effectiveness is subject to question by every sector of opinion, including the committed "development community."

The voluntary agencies in the development field, the core of a national "development constituency", have not been a potent force in determining the overall volume of official aid in recent years. Preoccupation with their own programmes (supplemented by government funding), doubts about the actual benefits of official aid and the fiercely individualistic character of the voluntary-agency community, have all impeded concerted policy action and have left the key influence on aid budget-setting to officials and ministers, with little input from non-governmental groups.

Like others, even some of the voluntary agencies have been tempted to view the increased "quantity" and improved "quality" of Canadian aid as alternatives rather than as compatible and complementary objectives. In a period of austerity, of course, such an "either-or" assumption can be fatal for an aid budget competing with other government and social priorities.

On the traditional "quantitative" yardsticks of aid performance, the Canadian record has been better than the donor average, but there are now strong indications that policy could shift to attempts to extract greater short-term benefits for Canada. Specifically, the movement to give priority to the basic needs of the poorest groups and countries could be slowed, or partially reversed, to give greater attention to the middle-income countries considered to be of much greater commercial interest to Canada. In line with such a shift, even the financial terms of Canadian
aid, which have been mainly "near-grant" soft loans, would be tightened up for these more commercial purposes. With pressures to add or retain "middle-income" recipients, additional obstacles are placed in the way of the essential concentration of Canadian aid effort, already dispersed over an unmanageably large number of countries. The benefits which could be reaped from concentration, with increased field capability, would lie in improved effectiveness and greater cooperation with selected governments which are themselves committed to more just development patterns.

Unfortunately, another Canadian interest in greater concentration of aid has begun to emerge in recent discussion. For the first time, there is some official sentiment, (reflected publicly in work of the Economic Council of Canada), that Canadian aid can and should be used consistently to exert political "leverage" over recipients. While not unknown in past Canadian programmes, (and now partly motivated by a desire to promote the observance of human rights), some of this new political interest in aid seems to signal the accession to "great power" status and values in the aid field. It seems to aim at a shift in the political benefits of aid to Canada from those of long-term good-will and international cooperation to a much more immediate focus on usable "credits" in Canada's political and commercial accounts with developing countries.

This same growing concern for a balance-sheet "return" on aid is also evident in two other areas: the continuing insistence on the "tying" of aid to Canadian goods and services, and new pressures to reduce the share of Canadian aid directed to multilateral agencies and programmes. In the case of the "country-tying" of aid, where Canada ranks as a laggard ninth among the Western donors in the quality of its efforts, it is noteworthy that policy can be steered by the most short-term benefits (even with disproportionately high indirect costs) or in fact by disproved but ingrained popular assumptions about benefits. The most glaring problem here is Canada's refusal so far to "untie" its aid for Third World countries other than the recipient to bid on projects under the Canadian bilateral programme. After pledging to do so "immediately" in its 1975 Strategy for International Development Cooperation the Government has steadily backed away from even this modest liberalization under active pressure from a limited business lobby. The success of this campaign in obstructing a firm government commitment, (even while evidence has emerged steadily on the high costs of tying to recipients and its very limited and short-term economic benefits to Canada), is evidence of the power of even a poorly-armed business lobby in times of domestic economic austerity. Meanwhile, the tying approach seems more and more to interfere with the implementation of the substantive Strategy, which emphasizes "basic needs" and grassroots activities for which Canadian goods and services may often prove inappropriate or overpriced. The refusal to untie for Third World procurement is also embarrassing evidence of unwillingness to use even available instruments to promote the development of production and trade within the Third World itself.

The new interest in reducing the multilateral share of Canadian aid is generally linked to the concern for both economic and political returns from aid expenditures. In the past, Canada has consistently been one of the mainstays of support for multilateral aid efforts and a significant influence among donors for growing contributions with minimum strings attached. Even without the impact of cutbacks in the aid budget, the opposition of business critics, (against this form of "untied" aid), and "influence"-minded foreign policy planners was already pressing for some reduction in the multilateral share. Canada achieved the Pearson Commission's recommended minimum multilateral contribution of 30 percent early in the nineteen-seventies and reached a level of half Canada's total aid disbursements in 1977, an exceptional year for several reasons. With the very limited success of Canadian suppliers in
procurement under these programmes (in relation to Canadian contributions) and the recognition that Canada's influence over their direction was small, such pressure was predictable. However, in a situation where the aid agency must undergo harsh, general cutbacks, and where bilateral, voluntary agencies and industrial cooperation programme all have relatively well-established constituencies, inside and outside bureaucracy, fighting to preserve their share of the budget, multilateral programmes are uniquely and dangerously exposed. The effectiveness of multilateral development programmes in general is by no means established in the public mind, and in some important circles there is an undocumented assumption that they are necessarily more bureaucratized than are direct bilateral schemes. As in the case of U.N. peacekeeping activities and international trade negotiations, multilateral aid obligations will now test the depth and desirability of Canada's post-war commitment to multilateral cooperation. The forthcoming Sixth Replenishment of the International Development Association (IDA), the "soft-loan" window of the World Bank, will be a key and influential bell-wether of Canadian directions.
Footnotes

1
The Canadian Importers' Association, for example, is somewhat derisively referred to by many in the business community as the "foreign manufacturers' association". The retail sector, a huge employer with a strong interest in import availability has still not achieved commensurate influence on these questions.

2
Since 1975, in fact, serious studies have been carried out, within government and elsewhere, but their results have been downplayed or concealed by government. Media and public attention have also increasingly focussed on the negative impact of tying.

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BALANCE DE LAS RELACIONES CANADÁ - TERCER MUNDO: UN ANÁLISIS SUCINTO Y PRIORIDADES PARA LA ACCIÓN

Resumen: Este balance de las relaciones económicas entre el Canadá y el Tercer Mundo es un análisis franco de las inversiones directas del Canadá en los países del Tercer Mundo ("El Desafío de las Transnacionales") en materia de alimentación, ayuda (incluyendo la ayuda bajo condiciones de preferencia) tecnología, comercio de productos manufacturados y materias primas. El análisis trata también cuestiones monetarias y financieras. Se confirma que el Canadá tal como otros países industrializados, se encuentra escindido entre, por un lado su voluntad de conservar el status quo global, con los desequilibrios cada vez mayores generados por este y los obstáculos al desarrollo que él crea, y por otro lado un deseo de contribuir a la reorganización en forma más equitativa y fundamental de sus relaciones con el Tercer Mundo. Sobretodo se enfoca la ausencia de un análisis de conjunto y de una política de desarrollo y se insiste sobre el papel del Tercer Sistema en la formulación de alternativas.

*/ Ejemplares del trabajo completo y de sus anexos pueden pedirse al Instituto North-South.
RELATIONS ECONOMIQUES SUISSE-TIERS MONDE : BILAN, PERSPECTIVES, PROPOSITIONS DE CHANGEMENT

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Résumé: Cet article décrit les principales caractéristiques de l'économie suisse, ses ramifications internationales en termes industriels, financiers et d'invisibles et montre d'importants facteurs d'interdépendance avec le Tiers Monde. Les auteurs examinent les perspectives de l'économie helvétique et suggèrent les éléments d'un scénario alternatif de développement économique du pays.

Ils pensent que l'économie suisse est tertiairisée, surconcentrée, hautement transnationalisée, qu'il s'agisse de l'industrie, de la banque ou des assurances, ce qui accroîtra sa vulnérabilité à l'avenir. Les relations commerciales avec le Tiers Monde sont très importantes (23% des exportations totales sont dirigées vers le Tiers Monde) et s'effectuent au profit de la Suisse. Le Bilan des services est encore plus déséquilibré en faveur de la Suisse tandis que celui des revenus en capitaux fait apparaître un important surplus. Le surplus commercial et l'énorme surplus de la balance des paiements en général s'opposent clairement l'aide publique au développement, qui n'a atteint que 0,19% du PNB en 1977 (les flux commerciaux avec le Tiers Monde ont atteint la même année 3,14% - et encore la plus grande partie de ceux-ci n'ont-ils que peu de rapport avec le développement). Le scénario dominant des relations économiques futures entre la Suisse et le Tiers Monde est analysé d'une manière critique, et un scénario alternatif est esquissé, basé sur un ralentissement de l'internationalisationet de la concentration de l'économie et sur une redistribution graduelle des facteurs de production en faveur d'un type de développement plus domestique et comptant davantage sur les ressources du pays lui-même. Les changements structurels en Suisse doivent tenir compte des graves déséquilibres dans les relations économiques avec le Tiers Monde.

SWISS - THIRD WORLD ECONOMIC RELATIONS: BALANCE SHEET, PERSPECTIVES, PROPOSALS FOR CHANGE—*

Abstrat: This paper describes the main characteristics of the economy of Switzerland, its international ramifications in terms of industry, international finance

* An annex to this paper with more details and in-depth analysis can be obtained from IFDA on request
and invisibles, and shows the important interdependencies with the Third World. The authors examine the future perspective of the Swiss economy and show elements on alternative scenario of economic development in Switzerland.

It is felt that the Swiss economy is becoming tertiary, overconcentrated and highly transnationalized, in terms of both manufacturing and banking (as well as insurances), which are likely to be making it increasingly vulnerable in the future. Commercial relations with the Third World are very important (23% of total Swiss exports are directed to the Third World) and, also, very one-sided in favour of Switzerland; the balance of services with the Third World is even more one-sided, while the balance of capital revenues shows a vast surplus. The trading surplus with the Third World, and the enormous balance of payments surplus in general, is in complete contrast with Swiss ODA which has reached 0.19% of GNP in 1977 (total flows to the Third World have reached 3.14% in the same year most of which may have a doubtful development value). The dominating scenario of future international relations of the Swiss economy is criticized, and an alternative scenario is presented, based on slowing down internationalization and concentration of the economy, and on a gradual redistribution of production factors in favour of a revival of a more internal and more self-reliant development of the Swiss economy. Structural change in Switzerland should take account of the grave imbalances which exist in its economic relations with the Third World.

RELACIONES ECONÓMICAS SUIZA - TERCER MUNDO: BALANCE, PERSPECTIVAS, PROPUESTAS PARA UN CAMBIO*

Resumen: Este artículo describe las principales características de la economía suiza, sus ramificaciones internacionales en términos industriales, financieros y de invisibles, demostrando importantes factores de interdependencia con el Tercer Mundo. Los autores examinan las perspectivas de la economía helvética y sugieren elementos para un escenario de desarrollo económico alternativo.

Los autores piensan que la economía suiza, sea en el campo de su industria, de la actividad bancaria o de los seguros, es del tipo terciario, superconcentrada y fuertemente transnacionalizada, lo que no dejará de aumentar su vulnerabilidad en el futuro. Las relaciones comerciales con el Tercer Mundo son muy importantes (23% de las exportaciones se destinan a países del Tercer Mundo) y se hacen con ventaja para Suiza. El desequilibrio de la balanza de servicios es aún más favorable para Suiza y la balanza de capitales registra un excedente importante. El excedente comercial y el enorme excedente de la balanza de pagos, en general contrastan claramente con la ayuda pública al desarrollo del Tercer Mundo, que no alcanzó ni el 0.19% del PNB en 1977 (en ese mismo año los intercambios comerciales con el Tercer Mundo llegaron al 3.14% - y en su mayor parte tenían poco que ver con desarrollo). El escenario dominante en las relaciones económicas Suiza-Tercer Mundo es analizado críticamente y se propone un escenario alternativo, basado en la reducción del ritmo de internacionalización y concentración de la economía, y en la redistribución gradual de los factores de producción en beneficio de un desarrollo más bien doméstico, que se apoyara de preferencia sobre los recursos propios del país. Los cambios estructurales en Suiza deben tener en cuenta los graves desequilibrios existentes en sus relaciones con el Tercer Mundo

* Un anexo de este documento, con un análisis más detallado del tema tratado, se puede obtener pidiéndolo a la FIPAD.
Philippe BERBERAT et Hilmar STETTER

RELATIONS ECONOMIQUES SUISSE-TIERS MONDE : BILAN, PERSPECTIVES, PROPOSITIONS DE CHANGEMENT. *

BILAN

L'économie de la Suisse présente deux caractéristiques majeures : son appartenance au groupe de tête des nations industrialisées et son intégration poussée à la division internationale du travail (DIT). Cette intégration implique une forte dépendance à l'égard de l'économie mondiale et de son évolution.

Quelques chiffres démontrent le rôle important de la Suisse dans l'économie mondiale. Bien que petite par sa population (67ème rang) et sa superficie, elle occupe par exemple la vingtième place de la production industrielle dans le monde, la douzième par sa participation au commerce mondial et la quatrième sur le plan des investissements directs à l'étranger (en chiffres absolus). Elle occupe également la deuxième place mondiale selon le produit national brut (PNB) par habitant. Et d'après la Banque nationale suisse, sa place financière est une des trois plus importantes du monde.

Comme celle d'autres pays industrialisés, l'économie suisse est dominée par le secteur des services et le secteur de l'industrie qui représentent respectivement 49,3% et 43,6% de la population active (1977). L'importance du secteur agricole baisse constamment. Bien que le taux de chômage aujourd'hui se situe au-dessous de 1%, on ne peut pas dire que l'économie suisse ait été épargnée par la crise des années passées. Ainsi, entre 1973 et 1976, l'économie a perdu plus de 300'000 postes de travail, ce qui équivaut à environ 12% de la population active. Mais cette perte a touché surtout les travailleurs étrangers provenant de la périphérie européenne, qui ont dû quitter le pays et qui, comme beaucoup de femmes et de jeunes, ne sont pas inclus dans les statistiques officielles de chômage.

Les branches les plus importantes du secteur secondaire, par leur contribution au PNB, sont celles des machines et appareils, de l'industrie chimique, de l'horlogerie, des textiles et de l'habillement. L'industrie a fondé son développement sur une spécialisation poussée et sur l'exportation. Pauvre en matières premières, la Suisse s'appuie sur les industries lourdes des pays environnants. La Suisse produit des biens semi-finis, des biens d'équipement et des biens de consommation à forte valeur ajoutée.

*/ Le groupe remercie tous ceux qui, au cours d'un séminaire tenu à Berne, le 30 mars 1979, ont bien voulu apporter des remarques et des suggestions. Elles ont été très utiles dans la rédaction de ce document.
**Ramifications internationales**

Les ramifications internationales de l'économie suisse sont très nombreuses avant tout avec les autres pays industrialisés; elles s'étendent sans cesse. En 1977, la part des biens et des services exportés s'élevait à 42,3% du produit intérieur brut (PIB).

Traditionnellement déficitaire, la balance commerciale est, depuis 1975, à la suite de la stagnation des investissements et de la consommation, presque équilibrée. Les surplus de la balance des services et de la balance des revenus de capitaux entraînent donc un excédent de la balance des paiements.

L'industrie manufacturière dans son ensemble exporte environ 80% de sa production. L'orientation de la production vers le marché mondial est très frappante dans certaines branches. L'industrie horlogère vient incontestablement en tête avec plus de 95% d'exportations. Le 90% des colorants et des produits pharmaceutiques sont exportés. Alors que la production en Suisse est de plus en plus dirigée vers le marché mondial, la production à l'étranger, par des filiales de sociétés transnationales suisses, gagne constamment en importance.

Les investissements directs suisses ont en effet fortement augmenté depuis les années 60 et devraient avoir atteint 55 milliards de francs à fin 1977. Les investissements directs suisses à l'étranger se concentrent actuellement sur la chimie, l'alimentation, la construction de machines et appareils (80%) et géographiquement dans les pays industrialisés (90%). On peut estimer à 2/3 environ la part des investissements directs à l'étranger émanant des six plus grandes firmes suisses. La Suisse joue aussi un rôle important dans le commerce de technologie : par le nombre de brevets déposés par million d'habitants, elle se place au deuxième rang mondial.

La place financière joue un rôle prédominant sur le marché des euro-monnaies. Les opérations fiduciaires, la gestion de fortunes et les opérations d'émission montrent également que la place financière suisse remplit une fonction de plaque tournante. Les opérations internationales, dominées par trois grandes banques, ont augmenté fortement depuis les années 60. À l'étranger, les banques suisses détenaient, en 1977, un total de 180,3 milliards de francs d'avoirs et 144,7 milliards d'engagements. La même année, le PIB s'élevait à 145,6 milliards de francs.

Les compagnies d'assurances suisses sont également très actives sur le plan international. Elles encaissent plus de la moitié de leurs primes à l'étranger (c'est-à-dire environ 8 milliards de francs). Elles détiennent également une grande fortune à l'étranger (environ 15 milliards de francs sur un total de 35 milliards de francs).
Une concentration croissante

L'économie suisse se signale également par une concentration croissante de la production de biens et de services au sein de quelques entreprises transnationales. En ce qui concerne le chiffre d'affaires en 1971, les 50 plus grandes firmes contrôlent plus de la moitié (54,7%) de la production industrielle nationale (en Suisse et dans les filiales à l'étranger). Ce phénomène de concentration semble se poursuivre.

En ce qui a trait au secteur bancaire, le degré de concentration atteint apparaît dans le classement des établissements selon leur bilan : ainsi le 2,6% de tous les instituts bancaires ont une somme de bilan supérieure à 1 milliard de francs et représentent 77,8% de l'ensemble des bilans. Les trois plus grandes des 550 banques opérant en Suisse totalisent 42,2% de l'ensemble des bilans (ces chiffres n'incluent pas les affaires fiduciaires).

Les affaires d'assurances sont également fortement concentrées : les trois plus grandes entreprises couvrent plus de la moitié du marché total.

Rôle de l'État

La Suisse étant un état fédéral, la politique économique est à la fois du ressort de la Confédération et des cantons. Ces derniers ont par exemple leur propre politique budgétaire, fiscale et de l'emploi. Les communes détiennent aussi certaines compétences économiques. La Confédération a toutefois reçu les attributions les plus importantes; elle peut en outre exercer des pressions, notamment par le jeu des subventions.

Le principe de la liberté de l'industrie et du commerce limite à son tour considérablement le pouvoir de l'État (Confédération, cantons, communes). La Confédération ne peut intervenir que lorsque la Constitution le mentionne expressément (le Parlement déroge parfois à cette règle grâce à une clause d'urgence).

Il faut savoir enfin que les principaux partis politiques sont représentés au sein du gouvernement suisse (Conseil fédéral). Le pouvoir législatif est formé par deux chambres dont les compétences sont égales (l'une représente les citoyens et l'autre les cantons). La formulation de la politique économique est donc le résultat d'un processus complexe de prise de décision, ce d'autant plus que les principaux groupes d'intérets (associations professionnelles, syndicats, formations politiques, instances cantonales, etc.) sont d'abord consultés. Il s'agit de réaliser le consensus le plus large possible. Le résultat ne modifie généralement guère le statu quo.

Face à une économie caractérisée depuis des décennies par un processus accéléré de concentration et d'internationalisation, les mécanismes de décision politique apparaissent donc trop faibles. On constate une osmose croissante entre les pouvoirs publics et

Relations économiques Suisse - Tiers monde

Un trait saillant du bilan de ces relations apparaît dans la disparité entre l'excédent considérable que réalise l'économie privée et le montant dérisoire de l'aide publique au développement (APD).

L'administration fédérale n'établit pas de balance des paiements effectués entre la Suisse et le Tiers monde. Différents recoupements montrent toutefois que cette balance est fondamentalement déséquilibrée.

Considérons tout d'abord les trois principaux types de transactions courantes: commerce, services et revenus de capitaux.

- En 1978, le commerce s'est soldé par un excédent de 6,0 milliards de francs. Aucun autre pays de l'OCDE ne fait état d'un pareil déséquilibre : selon les derniers chiffres disponibles (1977), la Suisse vient au premier rang des exportations par habitant (plus de 1'500.--), mais au neuvième rang des importations (environ 700.--). Il convient toutefois de préciser que certains produits primaires nous parviennent du Tiers monde après avoir été transformés dans les pays industrialisés et ne sont donc pas comptés dans les exportations des régions d'origine. Malgré tout, en 1978, la part des exportations destinées au Tiers monde (9,6 milliards de francs) représente 23,0% des exportations suisses, alors que les importations (3,6 milliards de francs) s'élevaient seulement à 8,4% des importations globales.

- La balance des services est encore plus déséquilibrée : la Suisse est le pays qui exporte, en valeur, le plus de services par habitant et elle réalise, dans ce domaine également, un solde actif avec les pays du Tiers monde. En l'absence de statistiques officielles, on estimait ce solde à 570 millions de francs en 1974.

- Il faut également tenir compte de l'important excédent de la balance des revenus de capitaux (rapatriement de bénéfices, intérêts des crédits à l'exportation et autres capitaux, en particulier les emprunts). En 1974, le solde était estimé à 800 millions de francs, mais il a certainement augmenté fortement depuis lors.

Après avoir constaté cet excédent considérable de la balance des transactions courantes, auquel correspond un flux financier du Tiers monde vers la Suisse, tentons d'évaluer la balance des capitaux.
- Les seuls chiffres fournis par l'administration fédérale concernent les sorties nettes de capitaux privés recensés pour le Comité d'aide au développement (OCDE) ainsi que leurs montants cumulés. Ces dernières années, les sorties nettes ont augmenté fortement pour atteindre 3,14% du PNB en 1977 (4,8 milliards de francs).

* L'accroissement des crédits à l'exportation garantis est important puisqu'il est environ de 2,2 milliards de francs en 1977, ce qui représente une augmentation de 400% par rapport à l'année précédente.

* Les investissements directs sont restés plus ou moins constants entre 1975 et 1977 pour s'élever à environ 500 millions de francs en 1977. Le stock des investissements directs était à fin 1977 de l'ordre de 4,6 milliards de francs, soit environ 10% de l'ensemble des investissements suisses à l'étranger (un demi-milliard en Afrique, 3,4 milliards en Amérique latine et 0,7 milliards en Asie).

* Le marché suisse des capitaux privés a contribué, en 1977, pour une somme de 2054 millions de francs aux organismes de financement multilatéraux et aux pays du Tiers monde. Le marché suisse des capitaux représente notamment la quatrième source de financement de la Banque mondiale (total fin 1977, 3,2 milliards de francs).

- Ces mouvements et les montants cumulés sont contre-balancés par d'importants flux provenant du Tiers monde. Les revenus de capitaux ont déjà été mentionnés plus haut (balance des transactions courantes). Il convient de relever ici les placements effectués par les pays du Tiers monde, sans oublier les capitaux de fuite. L'on ne connaît pas les flux annuels. La somme cumulée des capitaux placés en Suisse aurait atteint 22 milliards de francs à fin 1977 (les capitaux provenant des pays de l'OPEP ne sont pas compris). La part des capitaux de fuite n'est pas connue.

Face à l'excédent considérable résultant de la balance des paiements, l'aide publique au développement (APD) est dérisoire. Elle s'est élevée à 286 millions de francs en 1977, soit 0,19% du PNB. La Suisse, l'un des pays les plus riches du monde, se situe ainsi à l'antépénultième rang des membres du Comité d'aide au développement (CAD) de l'OCDE. Ceci alors que les recettes fiscales suisses découlant de ces exportations vers les pays du Tiers monde, selon des estimations, atteindraient dix fois le montant de l'APD de la Suisse. Relevons toutefois la décision du gouvernement suisse de relever progressivement les prestations officielles (elles devraient atteindre 0,25% du PNB en 1981). On est très loin de l'objectif de 0,7% que l'Assemblée générale des Nations Unies a imparti aux pays riches !
La parcimonie de la Suisse se justifierait-elle (l'argument est fréquent) par l'importance des investissements directs, des crédits à l'exportation et des prêts ? A notre avis, la modestie extrême de l'APD suisse ne peut être compensée par les exportations de capitaux privés. Tout investissement direct ne correspond pas, par exemple, aux besoins spécifiques du Tiers monde. La technologie complexe des firmes étrangères supprime souvent davantage d'emplois traditionnels qu'elle n'en crée de nouveaux. En outre, l'investissement privé n'augmente pas forcément la capacité des peuples du Tiers monde à prendre en main leur destin. Il n'est enfin pas exclu que le rapatriement des intérêts et bénéfices atteigne ou même dépasse encore aujourd'hui les exportations de capitaux privés, comme des estimations internationales le laissaient supposer en 1974.

L'industrie suisse d'exportation profite indirectement des emprunts lancés par les banques de développement : même lorsque la Suisse n'en est pas membre (Banque mondiale notamment), ces institutions autorisent son industrie à soumettre des offres. Il en résulte d'importants débouchés pour les biens d'équipement, dans le cadre de projets industriels et énergétiques notamment. Il semble bien que les achats financés par l'Association internationale de développement (IDA) dépassent en général les crédits accordés par la Suisse. Dans le cas de la Banque mondiale, les ventes varient de 60 à 90% des emprunts souscrits en Suisse.

Ce bilan montre que l'économie suisse profite en premier lieu des relations avec le Tiers monde. Il s'agit très vraisemblablement d'un apport au revenu national suisse unique en son genre. On a estimé en outre, en 1974, qu'environ 100'000 emplois directs et 100'000 emplois indirects étaient assurés par les exportations vers le Tiers monde. A cela s'ajoutent les bénéfices supplémentaires des entreprises et les recettes fiscales de l'Etat.

PERSPECTIVES

Quels processus d'adaptation amèneront-ils l'économie suisse à redéfinir sa position dans le cadre de la division internationale du travail et à modifier sa structure économique sur le plan national ? Dans la discussion actuelle, deux évolutions possibles apparaissent : la pensée dominante postule une intégration accrue à la division internationale du travail existante, alors que certains groupes proposent une alternative favorable à l'instauration du Nouvel ordre économique international (NOEI) sur le plan international et au renforcement de l'économie intérieure et de la sécurité du plein-emploi en Suisse.

Perspective dominante

La littérature existante au sujet des perspectives de l'économie suisse est dominée par un courant de pensée qui tient pour acquis que l'économie suisse n'échappera pas à une intégration accrue à l'économie mondiale. Ce courant est défendu par les publications de milieux économiques. Il bénéficie également de l'appui de nom-
breux économistes et de celui de l'Etat, dont la politique économique libérale passe pour la mieux adaptée aux conditions nationales. Ce courant de pensée considère l'économie d'exportation et la place financière comme l'épine dorsale de l'économie et de la prospérité suisses.

Selon la perspective dominante, un certain nombre de facteurs ont déjà provoqué dans l'économie suisse une accélération des changements : la hausse importante du cours du franc suisse (compte tenu de l'évolution des monnaies des partenaires commerciaux les plus importants), la réduction des barrières douanières, la compression de la main-d'œuvre étrangère, l'augmentation des importations, entre autres en provenance des pays d'industrialisation récente. Ces facteurs conduisent, sur le plan international, à une augmentation des prix d'exportation et à une réduction de la capacité concurrentielle des industries situées en Suisse. En outre, le marché intérieur traverse une longue période de stagnation - de telle sorte qu'il ne saurait stimuler la croissance - et les pouvoirs d'intervention de l'Etat dans le domaine économique sont extrêmement limités, autant sur le plan national qu'international, comme nous l'avons déjà mentionné. Dans une large mesure, l'économie suisse doit donc sa croissance à la libéralisation des échanges internationaux.

Dans ce courant de pensée, on peut toutefois distinguer deux tendances : les optimistes prévoient une adaptation aisée de l'économie suisse; les pessimistes soulignent, en revanche, les difficultés du processus.

Selon les premiers, l'ajustement est en cours et sa réalisation ne nécessite pas de transformation fondamentale du système. L'internationalisation se poursuivrait donc. L'augmentation des exportations de biens et services traduirait une extraversion encore accrus de l'économie.

Cette perspective implique une grande capacité concurrentielle de l'industrie suisse et de nouveaux débouchés à l'étranger. Comme on ne s'attend guère à une forte croissance des livraisons suisses aux pays industrialisés, il faudra se tourner vers une prospection accrue des marchés existants dans le Tiers monde et vers une recherche plus intensive de nouveaux marchés. Jusqu'à aujourd'hui, les débouchés se concentrent néanmoins sur un nombre restreint de pays, qu'ils appartiennent à l'OPEP ou qu'ils se soient engagés, ces dix dernières années, dans une industrialisation accélérée et extra-vertie. La Suisse doit ainsi s'implanter de façon optimale sur certains marchés très particuliers. La livraison de biens relativement peu sensibles au niveau des prix ou du moins concurrentiels en raison de leur spécialisation apparaît comme une condition nécessaire.

Les produits fabriqués en Suisse et destinés à l'exportation contiendront une part accrue de recherche et de savoir-faire; la production continuera à se spécialiser; en outre, la fabrication ne
sera concurrentielle que par de plus grands investissements de rationalisation et une productivité accrue. Les exportations suisses relèveront ainsi d'une technologie de pointe.

Ces produits seront le fruit de méthodes intensives en capital, ou tout au moins comprendront une part élevée de travail qualifié, et plus ils nécessiteront une grande quantité de services complémentaires. Avant tout, ce sont les biens d'investissements et les biens de consommation de luxe qui répondent à ces conditions. Par contre, les biens de consommation de masse ne devraient plus être concurrentiels, car ils présentent souvent des caractéristiques technologiques anciennes et standardisées, généralement liées à une part importante de travail non ou peu qualifié. La localisation de la production de ce genre de biens en Suisse devrait s'avérer de moins en moins rentable. L'industrie suisse cherche donc à s'intégrer à la DIT de telle sorte que sa production de pointe soit localisée en Suisse, alors que la production de masse intensive en travail se déroule à l'étranger, pays du Tiers monde compris, où les coûts sont moindres et où l'on trouve une main-d'œuvre plus avantageuse.

La variante optimiste considère que l'attrait de la place financière demeurera aussi longtemps que la stabilité économique et politique de la Suisse justifiera cette confiance et que, par conséquent, le franc suisse se maintiendra à un cours élevé.

Selon cette hypothèse, les principaux agents de l'adaptation seraient les grandes banques et les sociétés transnationales, dans un système économique international où l'activité commerciale et financière se dérouleraient avec le moins d'entraves possibles.

Certains milieux ne partagent pas cet optimisme craignant que l'intégration accrue au marché mondial ne soit pas en mesure de susciter les adaptations nécessaires de l'économie suisse et qu'une intervention plus marquée de l'État et des cantons soit nécessaire. Dans la perspective d'une internationalisation accrue de l'économie, ce courant de pensée pessimiste entrevoyait des difficultés de deux ordres. D'une part, l'ordre politico-économique international serait plutôt défavorable à la réussite de l'adaptation structurelle. Sur le plan commercial, on mentionne le danger de protectionisme accru pour le commerce international. Dans le domaine monétaire, on pourrait voir apparaître des distorsions, par exemple du fait de l'inflation, de l'endettement international ou d'interventions statiques sur le plan politique.

D'autre part, l'environnement international défavorable et la prépondérance d'une économie extravertie peuvent accentuer les facteurs de récession. Il n'est pas sûr que le développement des industries d'exportation et des grandes banques soit à même d'absorber la main-d'œuvre libérée par les petites et moyennes entreprises qui n'auront pas pu s'adapter. La stratégie d'exportation pourrait d'ailleurs rencontrer des difficultés sur le plan monétaire. Comme nous l'avons déjà relevé, le cours élevé du franc ne favorise pas la capacité concurrentielle des produits industriels fabriqués en Suisse.
Critique de la perspective dominante

Considérons de plus près le recours privilégié aux seules impulsions extérieures dans ses effets sur la structure et le développement économique de la Suisse, plus particulièrement sur les relations entre le secteur industriel et celui des services, ainsi que sur les possibilités d'emploi offertes à la population active. Ce processus, avec sa concentration sur une production intensive en technologie, crée des problèmes pour les petites et moyennes entreprises. En plus de la disparition des avantages de leur localisation en Suisse, elles souffrent du phénomène de la concentration et du transfert passif (leur production est supplantée par la production importée).

Dès lors, une économie très extravertie, dont seuls les centres de décision, d'administration et de recherche demeurent en Suisse, implique des déséquilibres conduisant tôt ou tard à un problème d'emploi.

Car la tertiarisation dans le secteur industriel et un secteur des services en constante expansion ne peuvent absorber la force de travail libérée par le secteur industriel productif. Le maintien d'une telle tendance à la tertiarisation de la structure économique signifie que la Suisse serait de plus en plus amenée à assurer un rôle de centre international de services dans le cadre de la division internationale du travail.

Le volume de l'emploi offert par les transnationales stagne en Suisse depuis plusieurs années. Les produits d'exportation seront de plus en plus fabriqués à l'étranger. Et les flux inverses de capitaux résultant de transferts de production contribueront au cours élevé du franc suisse. Ce cours élevé posera encore plus de problèmes aux petites et moyennes entreprises produisant pour le marché intérieur. D'autre part, la fonction de la place financière en tant que plaque tournante des transactions internationales et l'engagement des grandes banques à l'étranger gagneront en envergure.

Les coûts économiques et sociaux de l'adaptation seront supportés par la main-d'œuvre peu qualifiée - avant tout les femmes et les étrangers -, par les régions économiquement faibles et par les petites et moyennes entreprises. Il ne devrait pas être possible de réinsérer dans ses anciennes activités la main-d'œuvre licenciée dans les régions ou dans les professions vulnérables et de trouver assez d'emplois pour les jeunes.

La perspective dominante conduit donc finalement à une adaptation structurelle qui renforcerait le secteur international. La Suisse continuerait à occuper une position dominante au sein de l'économie mondiale et maintiendrait des relations économiques inéquitables envers les pays du Tiers monde.
Il faut dès lors présenter une alternative visant un ordre économique mondial plus équitable et solidaire et évitant les risques de concentration des moyens de production, de tertiarisation, de sous-emploi inhérents à la réalisation du scénario dominant. Les conditions permettant d'atteindre cet ordre doivent être mises en place. Aussi une intervention étatique plus marquée dans le processus d'adaptation structurelle devient-elle nécessaire. La Suisse doit contribuer à mettre en place des structures internationales impliquant des relations économiques symétriques et solidaire entre pays industrialisés et pays du Tiers monde, dans le cadre du NOEI.

Bien entendu, une politique économique autonome de la Suisse n'est que partiellement possible vu la forte imbrication avec les autres économies industrialisées.

Les groupes qui revendiquent une telle alternative à la politique économique actuelle font partie du tiers-système. Ils souhaitent d'abord que la tendance à l'internationalisation soit freinée et remplacée par des relations économiques avec l'étranger mieux contrôlées. Mais ils revendiquent surtout une politique active dans le domaine de l'économie intérieure. Ceci afin de promouvoir une structure économique équilibrée et équitable qui assure le plein-emploi et le bien-être de la population, sans rester un havre pour les capitaux de fuite et les activités incontrôlées des sociétés transnationales.

PROPOSITIONS DE Changement

Tenant compte du bilan des relations économiques entre la Suisse et le Tiers monde et des perspectives, nous tenterons de définir certaines recommandations. Celles-ci visent à influencer certains éléments de la politique actuelle des autorités suisses et à esquisser des alternatives propres à surmonter les obstacles structurels à l'instauration d'un nouveau type de relations - plus équitables - entre le Tiers monde et la Suisse.

Il nous paraît tout d'abord opportun d'énoncer clairement sur quels principes ces recommandations se fondent et quels types de changement elles peuvent susciter.

Principes
La troisième décennie internationale de développement visera l'instauration du NOEI. Cette restructuration devrait assurer la satisfaction des besoins essentiels de l'homme, l'équilibre homme - nature et la "self-reliance" aux plans international, national et local.

La "self-reliance" implique premièrement un renforcement de la confiance des peuples du monde entier et en particulier de ceux du Tiers monde dans les valeurs de leur propre tradition et dans leurs propres capacités et, deuxièmement, de plus larges possibilités d'autodétermination.
Comme le gouvernement suisse le précise lui-même *, "l'autodétermination ne doit pas signifier autarcie économique ni isolationisme politique. Elle exprime la conviction que chaque développement doit s'inspirer des forces intérieures et que des impulsions venues de l'extérieur seront d'autant plus utiles qu'elles seront mieux adaptées aux conditions économiques et culturelles existantes. La "self-reliance" exprime finalement une opposition à toute dépendance unilatérale, que ce soit à l'intérieur de certains pays ou sur le plan des relations d'État à État".

Donc, pour être fructueuse à long terme, une coopération au développement nécessite d'une part l'instauration de relations adaptées aux conditions économiques et culturelles des pays du Tiers monde, et d'autre part, l'établissement de relations symétriques entre des partenaires égaux. Or nous constatons entre la Suisse et les pays du Tiers monde des échanges inadaptés et inégaux. Le réaménagement des relations requiert des politiques économiques et de coopération conformes à un des principes fondamentaux de la politique extérieure suisse : la solidarité.

Grâce à la loi fédérale sur la coopération au développement et de l'aide humanitaire internationale, la Suisse possède un instrument qui lui permet d'établir des relations économiques extérieures adaptées, symétriques et solides.

Types de changement proposés

En vue d'instaurer de telles relations, divers types de changement sont nécessaires. En ce qui concerne la politique suisse, on peut distinguer deux groupes d'actions :

- Le premier groupe vise à ralentir la tendance actuelle à l'internationalisation, à la spécialisation et à la tertiarisation croisantes de l'économie suisse. Il s'agirait également d'entraver la concentration des entreprises industrielles transnationales et des banques;

- Le deuxième groupe d'actions doit permettre une redistribution dirigée des facteurs de production. La main-d'œuvre et le capital doivent ainsi être engagés d'une manière productive dans le cadre de l'économie intérieure.

En Suisse, les agents de ces mesures sont l'État, l'économie et les citoyens. L'État qui a jusqu'à maintenant poursuivi une politique économique libérale se doit d'intervenir plus activement, en s'assurant que l'activité économique privée soit conforme aux buts de la coopération au développement. L'économie elle-même doit faire preuve d'esprit d'innovation et choisir les investissements qui garantissent le succès, même dans des conditions différentes. Finalement, les citoyens peuvent également contribuer, par de nouvelles habitudes de consommation et une conscience accrue, à ce que leurs

conceptions d'un autre développement influencent le style de vie quotidien et les débats politiques.

Ces deux groupes d'actions se rapportent aux niveaux international, régional et national des relations économiques.

- Sur le plan international, la Suisse peut consentir aux changements nécessaires à l'amélioration de la position du Tiers monde au sein de l'économie mondiale, conformément à un NOEI équitable, basé sur des relations économiques symétriques entre le Nord et le Sud. Les adaptations structurelles nécessaires en Suisse pourront être prônées par l'Etat.

- D'après les principes de la "collective self-reliance" (autonomie collective), les relations économiques régionales dépendent des décisions des pays en développement eux-mêmes. La Suisse devrait, dès lors, encourager des relations économiques favorisant la stratégie "d'autonomie collective" du Tiers monde.

Mais la stratégie "d'autonomie collective" fournit également à la Suisse des idées d'actions économiques susceptibles de freiner la tendance à l'internationalisation et d'augmenter la demande intérieure. Relevons notamment la possibilité d'une coopération entre les petits pays européens en vue d'élargir leur autonomie face au poids des grands blocs économiques ou de certains États.

- Pourtant une stratégie "d'autonomie collective" et l'instauration du NOEI n'établiront des relations économiques symétriques que lorsqu'existeront des structures politiques fondées sur un partage équitable du pouvoir économique à l'intérieur des divers États.

Recommandations

Les mesures proposées doivent permettre de corriger l'extraversion excessive de l'économie suisse et d'assurer une croissance plus équilibrée et orientée vers le plein-emploi.

Les changements de politique doivent toucher en priorité la place financière suisse. Surdimensionnée, elle doit perdre de son attraction internationale. Sa fonction de plaque tournante sera réduite par un afflux moindre de capitaux internationaux, et en particulier des capitaux de fuite du Tiers monde. En outre, le Tiers monde devra bénéficier d'allègements et de remises de dettes significatifs. Finalement, le contrôle de la place financière est également possible par une meilleure transparence des affaires et des ramifications internationales. Les opérations des banques à l'étranger ne font pas l'objet de statistiques suffisantes. En outre, la Suisse ne publie pas de balance officielle des transferts de capitaux avec l'étranger.

Les activités des sociétés transnationales doivent être réglementées ainsi que le transfert de technologie et les investissements. Le droit concernant les brevets, favorable à l'industrie suisse, doit interdire toute pratique restrictive envers le Tiers monde. Les conditions d'implantation antisociales de beaucoup de centres de pro-
duction du Tiers monde (bas salaires, activités syndicales limitées, pollution de l'environnement illimitée), exploitées par des sociétés transnationales, sont à remplacer par des investissements dans le Tiers monde qui favorisent une stratégie de développement tenant compte entre autres des besoins des populations concernées.

Les nombreuses ramifications internationales de la Suisse sont également favorisées par un système juridique libéral. Dès lors, des dispositions plus sévères doivent être introduites dans le droit des sociétés, des cartels et dans le droit fiscal. Une harmonisation fiscale doit être recherchée tant sur le plan international que national. Finalement, l'entraide judiciaire internationale doit être élargie, en particulier aux délits fiscaux et monétaires.

En ce qui concerne les relations commerciales, il faut penser, en plus d'un accès élargi à nos marchés, à un office spécial de promotion des importations en provenance des pays du Tiers monde. Il s'agit de réduire le solde positif de la balance commerciale de la Suisse avec ces pays, en augmentant notamment les importations de biens transformés.

Sur le plan des exportations, il s'agira d'étudier comment la Confédération pourrait subordonner leur promotion à la politique de développement. Les ventes d'armes devraient en tous cas être totalement interdites.

Tournons-nous maintenant vers les mesures visant une économie intérieure plus équilibrée qui contribuerait davantage à maintenir une certaine production destinée au marché intérieur et le plein-emploi. Tout d'abord un certain nombre de tâches nouvelles pourraient grandement contribuer à l'amélioration de notre cadre de vie, telles les économies d'énergie, le développement des sources d'énergie renouvelables (énergie solaire, biogaz, etc.), la protection de l'environnement, l'assainissement des villes (restauration de vieux quartiers, développement des transports publics, etc.), des services sociaux décentralisés et la réduction de la durée du travail. Ici, l'esprit d'entreprise et d'innovation pourrait se révéler, créant par là-même de nouveaux emplois. Encore faudrait-il que l'Etat mette en place un cadre favorable à la réorientation de l'économie intérieure vers une plus grande autonomie.

Ensuite, une politique active dans le domaine de la restructuration devrait viser l'allégement des contraintes subies par certaines branches industrielles. Il conviendrait principalement de donner les moyens aux entreprises de branches récessives, particulièrement dans les régions économiquement faibles, de se lancer dans de nouvelles activités dynamiques, ce qui éviterait également aux travailleurs de quitter leur région. Les pouvoirs publics pourraient prendre quatre groupes de mesures :

- Soutenir massivement la mobilité professionnelle - en particulier des jeunes et des femmes - en reconnaissant leur droit au travail et en élargissant les possibilités de reconversion professionnelle.
- Lancer des programmes de soutien à l'innovation technologique et à l'investissement beaucoup plus importants.
- Promouvoir un cadre économique favorable à l'action des petites et moyennes entreprises en leur accordant des avantages financiers suffisants (une réduction des charges fiscales pourrait, par exemple, servir à encourager la création de nouveaux emplois).
- Faciliter d'une manière générale les démarches administratives et l'accès à l'information (campagne de promotion des chambres de commerce, etc.).

Il est clair que la réalisation de cette alternative se heurterait à des obstacles politiques. En effet, bien qu'elle n'implique pas de dirigisme, l'alternative proposée comporte, dans le cadre ultra-libéral actuel de l'économie suisse, une intervention plus active des pouvoirs publics.

Il est probable que les bénéficiaires de l'ordre actuel s'opposent à un partage équitable des coûts d'une telle restructuration. Dès lors, il appartient aux groupes sociaux défavorisés ou concernés, par exemple jeunes et femmes à la recherche d'un emploi valable, travailleurs de branches ou de régions en difficulté, de réaliser le sort peu enviable qui les attend s'ils ne se mobilisent pas à travers des associations d'intérêts, des syndicats ou des partis politiques.

L'annexe de ce document, et une analyse plus détaillée du thème traité ici, peut être obtenu à la FIPAD.
Abstract: The structure of the Swedish economy and the prevailing pattern of its relations with the Third World - particularly in those areas in which Third World demands have been strongly articulated - are described in this paper. It shows that the extraordinary affluence of Sweden and its relatively important role in the international economy are recent phenomena. Trade links with the Third World have in the past played a small part in the Swedish economy, and Third World trading partners of any size are still few. A substantial part of trade with the Third World occurs between Swedish companies and their Third World subsidiaries. On the other hand, Swedish private investment in the Third World has gained in importance in recent years; like Switzerland, Sweden now has a substantial transnational dimension in its economic relations with the Third World. The paper also examines Swedish tourism, immigration policy and aid. The Swedish aid programme has been built and expanded mainly on the basis of international solidarity; its disbursements have increased rapidly in recent years and reached 0.99% of GNP in 1977. While 1976 in government has not led to a change in aid levels or in aid motivation, some changes in allocation have occurred. In examining the relatively progressive Swedish positions with regard to the demands of the NIEO, the paper concludes by posing the question whether the increasing internationalization of the Swedish economy and the increasing competitiveness of some Third World trading partners might not eventually be perceived as a threat to Swedish interests and lead to a shift in the balance of its Third World relations.
RELATIONS BETWEEN SWEDEN AND THE THIRD WORLD

1. A balance sheet?

Relations between Sweden and the Third World (TW) prevail in many different fields. Goods flow in both directions; capital moves to the Third World for investments and aid, whereas dividends and royalties return; people travel to the Third World as tourists, businessmen and technical assistance personnel, and immigrants often well-educated, come to Sweden to work.

It would be interesting if relations in all the different fields could be described in a uniform manner and combined into a balance sheet in order to enable a calculation of the cost and benefits involved to be made. However, the yardstick according to which these amounts should be valued has not yet been invented.

This paper, will thus not aim at exploring how much Sweden, on balance, is benefitting from its relations with the Third World, but rather attempt to describe the prevailing pattern of relations and, particularly in those areas in which Third World demands for changes have been strongly enunciated.

After some remarks on the structure of the Swedish economy and descriptions of Third World relations in different fields, measures taken by the government to respond to Third World demands will be looked at.

2. Relations with the Third World

2.1 Some remarks on the Swedish economy

At the time the colonial powers were racing for the last unconquered parts of Africa and Asia, Sweden was herself a developing country. Inability to feed its population forced a substantial emigration, particularly to North America. Industry and infrastructure were built up with foreign capital.

The extraordinary affluence currently recorded is a recent phenomenon. The end of the second world War found Sweden in a privileged position. An intact industry stood ready to deliver goods required for the reconstruction of Europe. Everything that could be produced could also be sold.

Though minor recessions occurred, the whole post-war period up to the early seventies, may be described as a long boom. By 1975 Sweden's population of eight million enjoyed an average per capita income of about US$ 8,150, which was second only to Kuwait and Switzerland (1). Moreover, the distribution of income is comparatively even in Sweden.

The traditional base of the economy, wood and iron ore, do still play an important role in the economy. However, industries based on the processing of these raw materials and particularly, the engineering industry now are the cornerstones of the economy. A considerable part of production is sold abroad, about 40 per cent of total industrial output.

2.2 Trade links

Trade with the Third World has traditionally played a small part in total trade. Imports from TW countries were restricted to commodities unavailable from the larger and more closely located trading partners, such as tropical fruits and vegetables, especially coffee, and minerals such as copper.

But things do change. During the seventies trade with TW countries has increased substantially in value. The increase of oil prices do of course explain a lot of that increase but far from all.

In 1971 Sweden bought goods from abroad for about US$7 billion. In 1975 the amount stood at US$19 billion which represents an increase of 171 per cent. During the same period TW imports increased from US$0.7 to US$2.6 billion, i.e. with about 250 per cent. That meant that the share of TW imports in total imports increased from 10.5 per cent to 13.5. (See table 1 in the appendix).

As regards the composition of imports, it is interesting to note that the TW share of imports of machinery (SITC 7) and other manufactures (SITC 8) increased substantially from 1971 to 1976.

But, TW trading partners of any size are few. In 1976 imports from the ten largest TW exporters to Sweden made up about 70 per cent of Swedish imports from the Third World. Most important of these were oil-exporters such as Saudi Arabia, Iran, Nigeria and United Arab Emirates. NICs such as Brazil and South Korea were also among those as well as coffee-exporting Colombia and China.

The share of TW export in total exports increased from 9.4 per cent in 1971 to about 14 per cent in 1976, an increase from US$0.7 billion to US$2.6 billion.

Swedish exports to Third World countries are dominated by industrial products, especially machinery and transport equipment (SITC 7). The share of such exports in total exports to TW countries was about 64 per cent in 1971 and around 73 percent in 1976. (See table 1 in the appendix).

Exports to Third World countries are distributed among a larger number of countries than imports. The ten largest markets absorbed about 56 per cent of total TW exports in
1976. Most important of those markets were Brazil, Saudi-Arabia, Iraq and Iran.

In 1976 seven per cent of TW imports originated from recipients of Swedish bilateral aid and 11 percent of Swedish exports to TW countries were sold to aid-receiving countries.

The extraordinary high share of machinery in total exports to TW countries is partly explained by the substantial trade between Swedish companies and their subsidiaries in TW countries. It has been estimated that about 30 per cent of total TW exports refer to such intra-industry trade. In the case of Brazil the share is estimated at 80 per cent (1).

2.3 Private investments

In 1974, Swedish companies had almost 1,800 foreign subsidiaries, about 500 of which were manufacturing companies. Those manufacturing companies employed upwards of 200,000 persons, which was roughly 20 per cent of total personnel strength, i.e. both in Sweden and abroad (2). The value of production in those subsidiaries was equivalent to about 40 per cent of Swedish exports. That puts Sweden on a level with Switzerland and the Netherlands as one of the world's most multinational countries relatively speaking. Still, Swedish direct investments account for only two percent of total foreign investments in the world as a whole and only one percent of foreign investments in the Third World (3).

Expansion of the activities abroad have, during recent years, been much stronger than in Sweden. During the period 1960-1974 employment in Swedish industry stagnated, whereas employment in Swedish subsidiaries abroad expanded by about one hundred percent. Comparing foreign investments with the growth of investments in Sweden, one finds that whereas in Sweden gross investments exclusive of housing have risen by 65 per cent (in current prices) over the five-year period 1972-1977, foreign investments have grown by about 125 per cent during the same period.

Most of Sweden's foreign investments are made in other industrialized countries. However, the share of private foreign investments in Third World countries has increased substantially during recent years. In 1972 thirteen per cent of the total amount of request for foreign investments authorized by the Central Bank concerned investments in TW countries. In 1976 that share had risen to 19 per cent and in 1977 to 22 per cent (4).

1. Ekdahl (1978, p 26)
2. Meyerson (1976), p 17
3. Ekdahl (1978), p 38
Investments in TW countries are concentrated to a small number of countries. About 70 per cent of total assets in Swedish foreign investments in the Third World are located in Argentina, Brazil and Mexico. Investments in Latin American countries have also grown very fast. Whereas investments in TW countries in total rose by 280 per cent during the period 1972-1977, they rose by about 1,000 per cent in Brazil during the same period.

So far the urge to capture new markets seems to explain most investments in TW countries. No doubt, the high tariff barriers and strong incentive for local production in many Latin American countries have precipitated Swedish investments there. The considerable increase of Swedish investments in Latin America was also matched by a decrease of the Latin American share of Swedish exports to developing countries (1). The bulk of the investments are made by companies producing products for development of infrastructure, such as telecommunication, transport equipment and electricity production.

Investments to utilize lower production costs abroad is not a salient feature of Swedish foreign investments. Production abroad for re-export to Sweden is so far negligible.

Very little research has been made in Sweden on the profitability of investments abroad and the transfer of resources from subsidiaries to parent companies. One study made in the early seventies indicates that profitability on average was higher in foreign subsidiaries than in the parent companies, which in turn were more profitable than Swedish industry in general (2). As regards the flow of resources from foreign subsidiaries, the Central Bank records the inflow of earnings on foreign investments. Such earnings have increased from about US$95 million in 1973 to about US$175 million in 1977 (3). Those figures indicate that profits made abroad are either reinvested or brought home through other means since those earnings do only represent some two per cent of the book value of foreign investments.

If profits transferred correspond to the location of assets abroad of Swedish subsidiaries, only about US$25 million would derive from investments in Third World countries.

2.4 Aid

The volume of aid has increased rapidly during recent years. According to OECD, ODA disbursements reached 0.99 per cent of GNP in 1977, which was the highest ratio recorded

1. Swedenborg (1979), p 381
2. Swedenborg (1973), p 105
3. Sveriges Riksbank (1979)
by any of the present DAC members during the last 15 years (1). Furthermore, the aid programme is characterized by high concessionality and a concentration on very poor recipients.

Multilateral aid accounts for about one third of total ODA. About one third of the multilateral aid is channelled to IDA and nearly 25 per cent to UNDP.

The foremost official motive for the aid programme is to strengthen international solidarity and to contribute to peaceful development. Aid should thus assist the recipient countries to achieve economic growth, economic and social justice, democratic development and political independence.

Other motives for aid, such as security motives, have hardly occurred in the public debate. However, other objectives for aid, such as promoting Swedish commercial interests through the aid programme has been discussed and advocated inter alia by representatives for Swedish industry. Such discussions have so far had little impact on the aid programme. They could, however, gain influence since increased activities in the TW may be seen as consistent with the industrialization objective of the Lima Declaration.

Why then has Sweden been able to build up a comparatively large aid programme mainly based on international solidarity?

No doubt there was a strong opinion in favour of that during the most rapid expansion phase. That phase occured during the late sixties and early seventies. Also, there is no doubt that a progressive Third World policy has fitted Sweden's foreign policy profile very well.

Although the parliament has agreed on the basic principles for the aid programme, the choice of recipients has often been subject to much debate. Particularly the conservative party has objected to allocation of aid to socialist countries. Aid to such countries did however increase substantially during the social democratic regime. Following their loss of power in the 1976 election, only minor changes have been made of the programme. Aid to Cuba will be cut. According to the government, that is due to the fact that Cuba does not belong to the poorest group of countries on which Sweden has decided to focus its assistance.

By 1977 the list of recipients included 20 countries, over half of which in Africa, six in Asia and, outside those continents, only Cuba and Portugal (2). (The programme to Portugal is also to be phased out). Vietnam, Tanzania and India are the most important recipients. (For further details see appendix 2).

1. OECD Development Cooperation (1978), p. 144
2. Sweden's Policy for International Development Cooperation
About two thirds of the bilateral programme to recipient countries is allocated to financial assistance, ten percent to technical assistance and 25 percent to procurement of goods and services. As indicated above, the bulk of the bilateral aid is untied. Only 14 percent is formally tied. But, recipients often procure equipment in Sweden. Therefore the actual amount used for purchases in Sweden is estimated at 30 per cent (1).

2.5 Tourism

Vacations abroad is one way in which the Swedes increasingly have materialized their high standard of living. According to statistics compiled by the World Tourist Organization, WTO, about 70 per cent of Swedish tourists' travel abroad take place in developed countries in Europe. About four percent travel in other developed countries, seven per cent to Eastern Europe and 18 per cent in the Third World. If developing countries in Europe are excluded, the Third World share decreases to three percent only.

As travel increases the amount of foreign exchange spent abroad by tourists has also increased. In 1973 it is estimated that the Swedes spent about US$0.75 billion. In 1977 that amount had increased to US$1.3 billion. The inflow to Sweden amounted to US$0.46 billion. On the assumption that tourists spend an equal amount on each trip in each country, it may be estimated that about US$0.2 billion was spent in Third World countries 1976.

2.6 Immigration

Immigration to Sweden has increased rapidly during the post-war period. At its beginning, Sweden had a very homogenous population and except for the Lapps and small finnish-speaking groups in the north, no language problems prevailed. Today, it is estimated that about 1 million persons of a total population of 8 million are immigrants or persons born to immigrants. The number of languages spoken in the country is estimated to about 70. Courses in Swedish for immigrants are given on more than 50 languages (2).

In the fifties immigration was encouraged due to shortage of labour. Later, when employment creation became a problem restrictions on immigration were imposed. Nowadays, priority

1. Ekdahl (1978), p 54
2. Sö P 1 1978:15

* These figures about the percentage distribution have to be taken with reservation. They are based on information supplied by different countries on the nationality of their visitors. For some countries which certainly receive a lot of Swedish tourists no information is available.
is given to political refugees. However, when looking at statistics over immigration one finds that a substantial number of immigrants come from other Nordic countries. That is explained by an agreement on a free labour market a main consequence of which is a major influx of persons from Finland. In 1976, almost half of the immigrants came from other Nordic countries, whereas about 18 per cent came from TW countries.

In general, public opinion has a rather negative attitude towards immigrants. Public authorities have therefore taken pains to produce information about the contribution of the immigrants to society. Such studies show clearly that immigrants work longer hours, are more seldom ill and avail themselves of less social benefits than the Swedes do in general.

Assuming the immigrants contribute just as much as the Swedes to GNP, their contribution would in 1976 amount to roughly US$9 billion. Remittances from immigrants to their relatives abroad amounted to US$0.07 billion the same year.

3. Sweden and the New Order

Following the Sixth Special Session of the UN General Assembly, when the NIEO was decided upon, Swedish politicians have repeatedly affirmed their support of the NIEO in international as well as national fora. However, in view of the far-reaching changes which the TW actually are aiming at, one may suspect that verbal support of the NIEO does not easily lend itself to transformation into real action. That will be demonstrated by a brief look at actions taken by the Government in response to some of the crucial demands, viz. the right to own one's resources, to trade freely and to get paid.

3.1 Sovereignty over natural resources

At the Sixth Special Session many countries submitted explanations of vote concerning the formulations in the Declaration on sovereignty over natural resources. Many may have felt that they had to, since failure to do so could be interpreted as a tacit agreement to nationalizations. Sweden did not submit any such explanation but has, on the other hand, never explicitly supported a nationalization policy.

3.2 Trade liberalization

Swedish preferences for developing countries were introduced in 1972. In 1977 they were extended and at the same time duties were abolished on a few tropical products such as coffee. Thus, over 90 per cent of Swedish imports from the developing countries and 99 per cent of imports from the less developed countries were imported free of duties.
The government is in favour of prolongation of the GSP system beyond the envisaged ten year period which will come to an end 1981. However, they maintain that it is not feasible to extend the system to all products which the developing countries wish to export. Products such as shoes and textiles will continue to be excluded. No doubt, the Swedish shoe, textile and garment industries have experienced serious import competition during recent years. However, most of the Swedish shoe and garment imports come from the EEC and EFTA countries whereas imports from the TW are still small.

3.3 Commodities

The Integrated Commodity Programme has been far less controversial in Sweden than the measures aiming at liberalization of trade with manufactures. Secure access to minerals unavailable in Sweden to reasonable prices is no doubt of interest to the Swedish economy. Thus, Swedish support of commodity agreements has been active and the Government has contributed about US$1.4 million to the recently established Fund.

As regards efforts to stabilize export incomes, Swedish activity has been low. According to the Government such measures should be complementary to other commodity measures only.

3.4 Code of Conduct for Linear Conferences

It is indeed rare that the Swedish Government has completely refused to accede to a demand from the Third World. The Code of Conduct for Linear Conferences is however one such case. Vital Swedish interests could be threatened if the code were ratified. Swedish shipping has so far earned valuable foreign exchange and since it is mainly geared at cross trade it could be hardly hit by the proposed division of the market among different groups of countries.

However, the initial firm stand against the code now seems to soften as the EEC countries appear prepared to accept the code with certain exemptions.

3.5 Financial and monetary matters

Sweden has actively supported attainment of the 0.7 percent target for aid and improvement of the conditions, such as untying and increase of the grant element. In fact, it has been pointed out by Swedish representatives to the other DAC Members that unless they improve their conditions, Sweden may encounter difficulties in continuing her comparatively generous aid programme much longer.

As indicated above, the Swedish one percent goal has been reached. About 85 per cent of the aid is untied, the grant
element was 99.8 per cent in 1977 and all aid to least developed countries is given as grants.

Sweden was also first to respond to the demand for writing off debts. That initiative has later been followed by actions by most industrialized countries. While Sweden wrote off about US$ 0.25 billion, the total amount written off is now estimated to US$4.5 billion.

A fundamental demand from the TW concerns security and continuity in financial flows. The Swedish position as regards "automatic" transfers via allocation of Special Drawing Rights is that the matter should be reviewed by the IMF itself, an institution in which the TW demands hardly have any chance of being acceded to in view of the present design of the decision making machinery.

However, there is a growing awareness of the ever-increasing interdependence between the industrialized countries and the Third World. This has manifested itself in serious efforts to find a formula for massive transfers of resources to the Third World.

4. A shifting balance?

The most important steps taken so far in order to assist the TW countries in improving their position are in the field of aid. Deepening and widening of contacts between the TW and Sweden have in some quarters been contemplated as an alternative to closer contacts with other industrialized countries—a means of securing a more independent position. However, economic realities, or maybe the fear of a shifting balance, implying that the TW could become a threat to our own interest instead of a partner with which mutually beneficial contacts could be developed, appears to have prevented further steps to be taken in that direction.

Paradoxically, while Sweden's integration into the world economy has increased substantially, public opinion does not appear to have realized that conditions outside our own country do concern us. Our international solidarity seems to be shallow and therefore fragile. When so little has been done to the benefit of the TW during a period of prosperity, it may be doubtful if we will even manage to maintain small concessions made, should the economic situation threaten to become even more complex and unfavourable.
Table 1: Swedish Imports/exports in 1971 and 1976 classified by commodity category (SITC).

<table>
<thead>
<tr>
<th>SITC Section</th>
<th>1971</th>
<th></th>
<th>1976</th>
<th></th>
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<tbody>
<tr>
<td></td>
<td>% distrib. of</td>
<td>Share of TW imports/</td>
<td>% distrib. of</td>
<td>Share of TW imports/</td>
</tr>
<tr>
<td></td>
<td>total imports/</td>
<td>exports (%)</td>
<td>total imports/</td>
<td>exports (%)</td>
</tr>
<tr>
<td></td>
<td>exports (%)</td>
<td></td>
<td>(%)</td>
<td></td>
</tr>
<tr>
<td>0. Food &amp; live animals</td>
<td>8.7 / 2.4</td>
<td>30 / 2</td>
<td>7.3 / 2.2</td>
<td>36 / 9</td>
</tr>
<tr>
<td>1. Beverages &amp; tobacco</td>
<td>1.1 / 0.1</td>
<td>6 / -</td>
<td>0.8 / 0.1</td>
<td>6 / 2</td>
</tr>
<tr>
<td>2. Crude materials</td>
<td>4.6 / 18.2</td>
<td>18 / 3</td>
<td>4.1 / 15.5</td>
<td>13 / 4</td>
</tr>
<tr>
<td>3. Mineral fuels</td>
<td>12.2 / 0.9</td>
<td>37 / -</td>
<td>17.6 / 1.5</td>
<td>40 / 1</td>
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<tr>
<td>4. Oils &amp; fats</td>
<td>0.6 / 0.3</td>
<td>10 / 30</td>
<td>0.3 / 0.2</td>
<td>19 / 43</td>
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<tr>
<td>5. Chemicals</td>
<td>8.6 / 4.0</td>
<td>3 / 8</td>
<td>8.1 / 5.0</td>
<td>2 / 7</td>
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<tr>
<td>7. Machinery &amp; transport</td>
<td>30.8 / 42.2</td>
<td>0.2 / 14</td>
<td>31.1 / 44.2</td>
<td>0.8 / 23</td>
</tr>
<tr>
<td>equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Miscell. manufactures</td>
<td>11.4 / 5.5</td>
<td>8 / 3</td>
<td>11.7 / 6.1</td>
<td>15 / 5</td>
</tr>
<tr>
<td>Total</td>
<td>100 / 100</td>
<td>/ 9</td>
<td>100 / 100</td>
<td>/ 14</td>
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</table>

Source: OECD Trade by Commodities (1971) and (1976).

Appendix 2

Development Assistance Fiscal Year 1977/78

(Appropriate US$ million)

<table>
<thead>
<tr>
<th>Contributions to International Development Assistance</th>
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<tbody>
<tr>
<td>UNDP</td>
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<tr>
<td>IDA</td>
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<tr>
<td>Other multilateral contributions</td>
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<tr>
<td>Sub-total</td>
</tr>
</tbody>
</table>

Bilateral Development Cooperation through SIDA

<table>
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<th>Recipient countries</th>
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</thead>
<tbody>
<tr>
<td>Emergency aid</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>Sub-total</td>
</tr>
</tbody>
</table>

Information in Sweden

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<th>Administration</th>
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<tbody>
<tr>
<td>17</td>
</tr>
<tr>
<td>806</td>
</tr>
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</table>

Percentage distribution of aid to recipient countries fiscal year 1977/78

<table>
<thead>
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<th>Vietnam</th>
<th>Ethiopia</th>
<th>Sri Lanka</th>
<th>Cuba</th>
</tr>
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<tbody>
<tr>
<td>19.9</td>
<td>4.0</td>
<td>4.0</td>
<td>2.0</td>
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<tr>
<td>Tanzania</td>
<td>15.4</td>
<td>4.0</td>
<td>2.0</td>
</tr>
<tr>
<td>India</td>
<td>13.7</td>
<td>2.8</td>
<td>1.7</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>6.3</td>
<td>2.8</td>
<td>1.7</td>
</tr>
<tr>
<td>Mozambique</td>
<td>5.7</td>
<td>2.8</td>
<td>0.9</td>
</tr>
<tr>
<td>Zambia</td>
<td>4.6</td>
<td>2.3</td>
<td>0.6</td>
</tr>
<tr>
<td>Kenya</td>
<td>4.6</td>
<td>2.3</td>
<td>0.6</td>
</tr>
</tbody>
</table>

Total: 100

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Suite de la page 1

s'est développé principalement sur la base de la solidarité internationale; ses dépenses ont augmenté rapidement ces dernières années et ont atteint 0,99% du PNB en 1977. Alors que le changement de gouvernement en 1976 n'a pas apporté de changements dans le niveau ou les motivations de l'aide, certaines modifications se sont produites dans son orientation. Examinant les positions relativement progressistes de la Suède en ce qui concerne les revendications du Tiers Monde, "l'article conclut en se demandant et l'internationalisation de l'économie suédoise et la compétitivité croissantes de certains de ses partenaires dans le Tiers Monde ne finira pas par être perçue comme une menace pour les intérêts suédois et conduire à des changements dans les relations entre la Suède et le Tiers Monde.}
DOCUMENTATION

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MATÉRIEL

UNE FRANCE NOUVELLE: SES ORIENTATIONS DANS SES RAPPORTS AVEC LE TIERS MONDE

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Langue originale: Français


A NEW FRANCE: THE ORIENTATIONS OF ITS RELATIONS WITH THE THIRD WORLD

Abstract: A colloquium on "France and the Third World" was held at the University of Paris-VIII Vincennes from 25 to 27 September 1978 under the auspices of the Association of Third World Economists. It was attended by more than two hundred participants from France: academics, researchers, trade union officials (CFDT, CFTC, FEN), militants from the French Communist and Socialist Parties, and members of CEDETIM; and by about forty participants from other European countries and the Third World. The main themes discussed included: industrial and commercial policies, raw materials, immigration, aid, debt and the monetary system. The rapporteurs on these themes, in the order listed, were Professors M. Beaud, G. de Bernis and C. Palloix - for the first theme - J.M. Chevalier, A. Cordeiro, J. Masini and S. Brunhof. Two members of the collective which organized the colloquium summarize here the main lines of the discussion on the first three themes,
as well as on the NIEO. Their synthesis shows the possibilities for action by union and party militants of the left, without evading the contradictions which arise in the relations of these with their Third World "brothers". A dossier entitled "L'impérialisme français" based on the proceedings of the colloquium appeared in *Le Monde Diplomatique* (November 1978), and the colloquium papers will be published by Presses Universitaires de Grenoble in September 1979.

**UNA NUEVA FRANCIA: LA ORIENTACION DE SUS RELACIONES CON EL TERCER MUNDO**

Resumen: De 25 a 27 de Septiembre de 1978 tuvo lugar en la Universidad de Paris-VIII Vincennes, un coloquio sobre Francia y el Tercer Mundo. Organizado bajo los auspicios de la Asociación de Economistas del Tercer Mundo el reunió a más de doscientos universitarios, investigadores y miembros responsables de los sindicatos franceses CFDT, CGT y FEN, a militantes del Partido Comunista y del Partido Socialista francés y a miembros del CEDETIM, bien como a más de cuarenta participantes de otros países de Europa, Asia, Africa y America Latina. De los principales temas abordados destacarán: políticas industriales y comerciales; materias primas, inmigración, cooperación económica, deuda y sistema monetario. Los relatores sobre estos temas fueron, por orden, los Profesores M. Beaud, G. de Bernis and C. Palloix — sobre el primer tema — J.M. Chevalier, A. Cordeiro, J. Masini and S. de Brunhof.

En el presente trabajo, dos miembros del colectivo que organizó el coloquio, resumen las grandes líneas de la discusión sobre los tres primeros temas citados, y sobre el NIEO. Esta síntesis demuestra la posibilidad de una acción social y política, sin esconder las contradicciones en las relaciones de los miembros de sindicatos y partidos políticos de izquierda de los países industrializados con sus "hermanos" del Tercer Mundo. Basándose en los trabajos del coloquio, "Le Monde Diplomatique" de Noviembre de 1979 publicó un "dossier" titulado "L'impérialisme français". Además los documentos del coloquio serán publicados por "Presses Universitaires de Grenoble" en Septiembre de 1979.
UNE FRANCE NOUVELLE : SES ORIENTATIONS DANS SES RAPPORTS AVEC LE TIERS MONDE

Le diagnostic est sans ambiguïté : le capitalisme français reste un impérialisme. Pour certains, ce terme est flou ; pour d'autres, il relève plus du discours militant que de l'analyse rigoureuse. Précisons donc : c'est un système politique, économique, culturel, donc aussi militaire, qui permet de prélever un surplus de valeur des classes ouvrières et des paysanneries des pays où il continue à exercer sa domination directe ou indirecte.

Du fait de son histoire, l'impérialisme français possède sa zone d'influence privilégiée : les DOM-TOM d'abord (auxquels doit être reconnu, sans aucune limitation, le droit à l'autodétermination ou à l'indépendance) ; l'Afrique francophone ensuite où, avec l'implantation des groupes miniers et industriels, les ventes d'armes, l'enchaînement par le crédit, les multiples formes de "coopération", les interventions militaires, etc., s'épanouit le néocolonialisme. Ailleurs, les groupes français ne sont présents qu'à l'abri de la domination d'un autre impérialisme le plus puissant : l'américain.

Car l'impérialisme français fait partie d'un système impérialiste mondial dominé par la puissance américaine. Au sein de ce système, il occupe une place seconde, avec un autre impérialisme déclinant (le britannique) et deux impérialismes vivaces (japonais et allemand). Il est de plus en plus dans une situation de dépendance : les groupes industriels français s'allient de plus en plus aux groupes américains (nucléaire, informatique, et automobile) ; c'est même le cas des groupes financiers : Suez allié à Morgan, Lazard et Paribas à la Bank of America, Empain-Schneider à Westinghouse lequel reste dans l'orbite de Mellon. L'industrie française est plus pénétrée par le capital étranger que l'industrie allemande et infiniment plus que l'industrie japonaise (laquelle l'est relativement peu). Dépendance aussi pour l'approvisionnement en pétrole, qui l'oblige à faire des acrobaties au Moyen-Orient ; dépendance encore pour l'uranium enrichi, pour l'approvisionnement en aliments pour le bétail, pour les télétransmissions par satellites, pour l'accès aux banques de données, pour le lancement des satellites, etc.

L'impérialisme français, à la fois secondaire et dépendant, n'a plus dès lors comme issue, s'il ne veut pas être condamné au déclin (compté tenu notamment de la poussée des peuples et pays du Tiers Monde) qu'à accepter le rôle de relais : par exemple c'est à travers IBM France qu'IBM est présent dans nombre de pays d'Afrique, d'Amérique Latine et d'Europe ; en 1975, les banques américaines ne détenaient directement en Afrique que 5 succursales, mais à travers leurs filiales en France, elles détiennent désormais environ 500 filiales ou succursales en Afrique.

Ce rôle de relais ne se limite pas à cette dimension strictement économique, mais s'étend aux domaines politique, diplomatique, et, bien sûr, militaire.

Pour tous ceux qui continuent à penser qu'une amélioration de la qualité et de la
sécurité de la vie, que des progrès dans les domaines de la liberté, de la démocratie, de l'équité passent par une avancée vers le socialisme, et donc par une rupture avec le capitalisme, une conclusion s'impose : la nécessité absolue, pour cela, de rompre avec l'impérialisme. C'est-à-dire, d'un côté, de reconquérir une marge de manœuvre minimale par rapport à la puissance américaine ; de l'autre, de rompre avec toutes les formes de prélèvement et d'exploitation des peuples.

Pour y parvenir, l'idéalisme ou la bonne volonté ne suffisent pas. Car le système capitaliste mondial a créé une situation dans laquelle malgré les liens fondamentaux de solidarité qui les unissent, existent des contradictions entre les travailleurs de France et les classes exploitées du Tiers Monde. Une négociation de nature différente devrait alors s'engager entre un gouvernement de gauche en France (ou d'autres pays capitalistes) et les gouvernements du Tiers Monde, et d'abord ceux porteurs des aspirations révolutionnaires de leurs classes ouvrières et de leurs paysanneries. Il s'agirait de définir ensemble les principes et le contenu d'une Charte de coopération antiimpérialiste qui, dans les différents domaines (énergie, produits de base, développement, spécialisation industrielle et agricole, science et technologie), fixe les objectifs, élabore les étapes, décide des mesures immédiates, et cela en tenant compte à la fois des situations et des intérêts des peuples et des classes productrices de tous les pays concernés.

Ce projet peut se préparer dès aujourd'hui par le renforcement de la solidarité et des actions anti-impérialistes. Un certain nombre de propositions se sont dégagées des travaux du colloque. Nous en présenterons ici celles concernant :

- La politique industrielle et commerciale ;
- Les matières premières ;
- L'immigration et les travailleurs immigrés ;
- Le Nouvel Ordre Economique International.

I. PROPOSITIONS EN MATIÈRE INDUSTRIELLE ET COMMERCIALE

A. Propositions d'action immédiate

Il faut faire toute sa place à l'action syndicale, et cela à quatre niveaux :

(a) Celui des firmes transnationales elles-mêmes. Quelques syndicats internationaux regroupent déjà des travailleurs européens, des travailleurs américains et à un moindre degré, des travailleurs du Tiers Monde. La principale difficulté, ici, est d'expliquer en quoi les luttes menées dans une usine française peuvent concerner les luttes menées dans une autre usine de la même firme dans le Tiers Monde, ou en quoi les premières sont concernées par les secondes. Le combat syndical rejoint ici le combat politique anti-impérialiste pour le droit véritable à la liberté syndicale dans les pays du Tiers Monde, et pour la préservation et l'extension des droits syndicaux dans les pays capitalistes. Il existe sur ce point un terrain où les luttes pour les mêmes droits (inexistants ou menacés) traduiront sur le plan de la conscience politique les bases objectives de la solidarité des travailleurs du monde, inscrites dans le développement du capitalisme.

(b) Celui des secteurs ou des branches qui sont directement marqués par le redéploiement industriel. La principale question, ici, est d'apprécier les
consequences des differentes fillieres de developpement des forces productives, et de savoir quelles peuvent etre les influences des luttes conjuguees en France (ou dans d'autres pays capitalistes) et dans le Tiers Monde sur le choix de ces fillieres et leurs consequences.

(c) Au niveau national, l'action syndicale se manifeste sur differents thèmes :

. Lutter en France meme contre toute action syndicale conduisant a la division de la classe ouvriere ;
. Refuser la remise en cause de ce qui a ete conquis par les travailleurs francais, sous le pretexte de la crise mondiale ;
. Lutter pour un nouveau type de developpement conforme a la fois aux besoins des travailleurs des pays capitalistes avances et des peuples du Tiers Monde ;
. Expliquer sans relache aux travailleurs francais les justes luttes menees par les peuples du Tiers Monde, et lutter pour que leurs victoires soient payees sur le profit, et non sur le niveau des salaires, en particulier lutter contre toutes les formes de protectionnisme qui ne peuvent que diviser les travailleurs et accroitre les profits.

(d) Enfin, l'accent a ete mis, au cours du colloque, sur l'importance de l'action regionale, en particulier au niveau europeen pour :

. Empêcher que l'impérialisme francais ne trouve une alternative a ses faiblesses en se fusionnant dans l'impérialisme europeen ;
. Contrecarrer directement cet impérialisme europeen qui ne peut qu'aggraver l'exploitation des peuples.

Plus largement, on a évoqué - sans qu'il soit possible de revenir, dans les limites de ces dossiers, sur tous problemes que cette question soulève - l'unité d'action à l'échelle de la "classe ouvrière mondiale", concept avancé par les professeurs G. de Bernis et Christian Palloix, qui suppose une uniformisation croissante des revendications des classes ouvrières du Tiers Monde et des pays capitalistes avancés, dans le cadre du processus inachevé de la mise en place des mécanismes globaux et transnationaux des grandes firmes industrielles.

L'action syndicale n'est pas la seule. Au niveau politique, le colloque affirme la necessite d'un soutien permanent aux actions des peuples qui veulent se libérer de l'imperialisme, en particulier lorsque le gouvernement francais est directement engage. Il souligne, en outre, la necessite de denoncer systematiquement tous les aspects imperialistes de la politique francaise :

(a) Denonciation du contenu imperialiste des relations directes entre la France et les pays du Tiers Monde, ce qui implique en particulier :

. Une reorientation de la cooperation ;
. L'affirmation du droit à l'autodétermination ou à l'indépendance des DOM-TOM ;
. L'arrêt des ventes d'armes.
Denonciation de l'insertion de la France dans le réseau mondial de l'impérialisme. Celle-ci se manifeste dans l'accueil réservé aux investissements étrangers, dans la politique de redéploiement, dans la politique d'exportation à tout prix. Le colloque n'a pas réussi, en revanche, à trouver un accord sur la question européenne en fonction des analyses théoriques différentes des participants.

Denonciation du contenu impérialiste des positions de la France au sein des organisations internationales, qu'elles se manifestent dans des organismes de gestion de l'impérialisme que sont les institutions financières et monétaires internationales, ou dans des conférences internationales où les pays impérialistes se refusent à toute négociation sérieuse et véritable avec les pays du Tiers Monde sur un Nouvel Ordre Économique International.

Affirmation de la solidarité avec l'ensemble des travailleurs originaires du Tiers Monde (voir infra, section III).

B. Propositions d'une autre politique de coopération

Trois points essentiels méritent d'être ici rapportés.

1. La nécessité d'une Charte de la coopération élaborée en liaison avec les pays du Tiers Monde ayant une stratégie d'indépendance nationale. Cette charte doit en particulier exprimer une rupture radicale avec l'impérialisme, c'est-à-dire l'arrêt des prélèvements de valeur sous forme de surplus du travail, de rente, ou de plus-value en provenance du Tiers Monde. Ceci devrait se traduire par une augmentation notable des prix des matières premières et la suppression du prélèvement de la rente.

2. Une telle rupture doit cependant respecter deux conditions:

- Elle doit se faire dans des conditions telles qu'en bénéficient des peuples du Tiers Monde, et non des bourgeoisies qui en profiteraient pour se renforcer (voir infra section IV).
- Elle doit se faire sans casser le fonctionnement de l'appareil productif français qui priverait les travailleurs français de leurs moyens de vivre, ce qui implique des délais aussi courts que possible, mais qui permettront les transformations structurelles nécessaires.

Il est donc nécessaire qu'une négociation ait lieu, ce qui soulève le problème de savoir avec qui négocier. Or, beaucoup de gouvernements du Tiers Monde ne représentent que les intérêts des bourgeoisies, alliées souvent aux intérêts impérialistes, et qui contrôlent les organisations syndicales lorsque celles-ci existent. Le colloque souhaite approfondir ces difficultés et ce problème dans des discussions et recherches communes avec l'Association des Economistes du Tiers Monde (AETM), notamment. Ceci concerne le point de savoir avec qui négocier, mais aussi selon quelles modalités.
3. Un gouvernement décidé à rompre avec l'impérialisme, devrait rompre avec la pratique constante de celui-ci de choisir sa politique extérieure en fonction des nécessités internes de l'économie. Un autre comportement consisterait à se donner à la fois des contraintes internes en fonction de l'emploi et des contraintes externes en fonction des exigences d'un Nouvel Ordre Économique International, de les rendre compatibles grâce à une politique qui définirait à la fois :

- Un nouveau type de croissance 1/ ;
- Un nouveau type de relations internationales.

II. PROPOSITIONS DANS LE DOMAINE DES MATIÈRES PREMIÈRES

A. Le premier problème, souvent posé par les pays du Tiers Monde, et auquel une réponse claire doit être apportée, est celui de la revalorisation du prix des matières premières. Les régimes et structures de classes sont fort différentes d'un pays du Tiers Monde à un autre : il est donc difficile d'affirmer une solidarité globale entre tous les États - notamment dans le domaine des prix - solidarité qui serait fondée sur le caractère uniformément progressiste de leurs revendications. Toutefois, il est important de rechercher les conditions de base d'une solidarité indispensable qui, malgré ses ambiguïtés, reste fondamentalement dirigée contre l'impérialisme.

Le colloque est parvenu à une première conclusion que le prix international d'un produit doit être tendanciellement représentatif de ce qu'il faut dépenser soit pour renouveler ce produit, soit pour fabriquer un produit qui lui est substituable, dans le but de répondre à une demande sociale et aux besoins internes de développement 2/.

Ce principe, qui paraît valable au niveau international, doit être nuancé lorsqu'il s'agit de la gestion et de la valorisation des richesses d'un pays donné, dans son cadre national. Chaque pays doit alors pouvoir déterminer son rythme de production, en fonction de ses objectifs de développement à long terme; il détermine par là même, la valeur qu'il accorde à ses ressources naturelles, conformément au principe de la souveraineté nationale sur ses propres richesses. Il serait d'ailleurs souhaitable que ce second principe soit pris en compte dans la fixation des prix internationaux.

Ces deux principes doivent être affirmés, mais toute revendication sur la revalorisation du prix des matières de base devra remettre en cause, au même moment, non seulement la structure de répartition de la rente afférante à chaque produit, mais aussi la structure de répartition des revenus internes à la France (ou à d'autres pays capitalistes avancés).

B. Une seconde ligne d'action, plus difficile parce que souvent illusoire, viserait à assurer un meilleur contrôle des firmes transnationales, et d'abord en

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2/ Intervention du professeur Sid-Ahmed Abdelkaker, de la SONATRACH, au cours du débat en commission.
exigeant d'elles - sous forme bilatérale ou multilatérale - des informations réelles concernant leurs conditions d'approvisionnement et leurs coûts.

c. Une troisième ligne d'action consisterait à encourager la signature d'accords d'État à État de façon à limiter les effets du jeu individualiste des firmes cherchant, par tous les moyens, à réaliser des profits à court terme. De tels accords sont revendiqués par plusieurs pays du Tiers Monde. Ils ne sauraient en aucune façon être considérés comme des remèdes miracle, mais ils rendraient possible, à plusieurs niveaux, la réduction des déséquilibres.

Des accords de ce genre, qui supposeraient le libre choix des partenaires, constitueraient des cadres à l'intérieur desquels seraient organisés les échanges de personnes, de biens et de services, sur la base du respect des principes de la souveraineté et de l'intérêt mutuel.

Dans le cas de la France, ces accords permettraient, en outre, d'utiliser de façon plus efficace les vecteurs publics existants et d'exercer un contrôle plus réel sur les firmes transnationales. Les "transferts" de technologie, enfin, pourraient être assurés sur des bases autres qu'exclusivement commerciales et concurrentielles, conduisant à un véritable transfert du contrôle et de la maîtrise de processus technologiques.

III. PROPOSITIONS CONCERNANT LA POLITIQUE D'IMMIGRATION

Un consensus assez large a été obtenu pour affirmer la nécessité de mettre en avant le mot d'ordre de l'égalité de droits entre travailleurs nationaux et immigrés, d'en faire un axe important de la lutte à engager, en particulier contre le racisme et le chauvinisme qui tendent à s'accroître. Ce mot d'ordre doit s'accompagner d'un corpus d'autres revendications suivantes :

A. L'affirmation du droit d'expression et d'association pour les travailleurs étrangers, avec la conséquente abolition des décrets d'avril et de septembre 1939 sur les associations dites "étrangères" et la levée des limitations apportées au regroupement de travailleurs étrangers dans les associations du type 1901. Il ne serait pas question d'autonomie d'organisations de travailleurs immigrés sur le terrain syndical, personne n'ayant défendu cette position lors du débat sur la "reconnaissance de l'autonomie des organisations de travailleurs immigrés". Selon les défenseurs de cette autonomie, celle-ci porterait seulement sur le terrain des luttes hors entreprises et spécifiques à la condition de travailleur immigré et étranger.

B. Quant aux droits politiques, on pouvait, au cours du débat en commission, distinguer deux positions opposées : l'une défendant l'acquisition de droits passifs et actifs sur le plan électoral (ceci jusqu'aux élections présidentielles de 1981), l'autre centrant l'exercice de ces droits, prioritairement, sur le pays d'origine. Il semblerait que si la seconde position relève de la solidarité objective entre travailleurs, la première se comprend à partir des liens entre droits politiques et droits sociaux, dans le cadre de la citoyenneté nationale. Les travailleurs immigrés étant partie prenante de ces droits sociaux, il serait nécessaire que les droits politiques ayant trait aux lieux de résidence, à la vie hors entreprises soient pris en compte au niveau des municipalités, à l'instar de ce qui se fait déjà en Suède.
C. L'affirmation de la "liberté de circulation et d'établissement" a suscité de sérieuses réserves de la part des organisations syndicales et de leurs représentants au colloque. Si cette revendication, à court terme, semble d'emblée non adéquate, à long terme et dans le cadre d'un réaménagement des rapports bilatéraux et multilatéraux de la France, il faudrait tenir compte d'une priorité d'objectifs, en particulier ceux d'une planification démocratique. Tant que subsisteront les écarts de développement inégal, une telle revendication suscitera des réserves. D'autres l'ont maintenue, mais en l'assortissant de son corollaire nécessaire : le droit de vivre et de travailler au pays.

IV. LE NOUVEL ORDRE ECONOMIQUE INTERNATIONAL (NOEI)

Le colloque n'a pas manqué d'analyser les ambiguïtés qui sous-tendent la lutte pour un Nouvel Ordre Économique International. Quel que soit le domaine abordé, celui-ci est susceptible d'interprétations progressistes, ou réactionnaires, car ce mot d'ordre traduit un rapport de forces entre pays du Tiers Monde et pays impérialistes - assez décisif pour l'imposer, mais encore trop fragile et fluctuant pour en faire le contenu.

Quelques exemples le montrent. Les "transferts" de technologie répondent bien aux besoins d'industrialisation du Tiers Monde. Mais ils transmettent aussi de nouveaux liens de dépendance laissant échapper tout un ensemble de branches au contrôle national, surtout dans des pays où l'industrialisation a connu un rythme rapide (Mexique, Brésil, Corée du Sud, etc.).

Encore plus frappant est le cas des matières premières. Quelques grandes firmes transnationales contrôlent les principaux minerais stratégiques (la bauxite, le cuivre, etc.) à tous les stades de l'extraction, de l'exploitation et de la commercialisation, selon une intégration verticale1/.

Les rythmes de production agissant sur les prix mondiaux, sont déterminés moins en fonction de la demande mondiale qu'en fonction du maintien et du relèvement du taux de profit, surtout en période d'inflation et de crise. Ces phénomènes "invisibles" aggravant les transferts de surplus au détriment des pays du Tiers Monde, creusent davantage les écarts et inégalités de développement entre eux.

Le processus transnational des grandes firmes exerce, en outre, des effets de dislocation des structures néo-coloniales et dépendantes de ces pays. Il en résulte que les pouvoirs politiques des bourgeoisies locales, menacées par le mécontentement populaire, se désétablissent d'eux-mêmes, amenant celles-ci à chercher à réajuster et à renégocier leurs liens de dépendance.

Faut-il pour autant rejeter le mot d'ordre du NOEI pour insister sur la nécessité de restructurations internes du Tiers Monde? Le colloque semble ne pas le penser pour les raisons suivantes :

. Les revendications du NOEI, si ambiguës soient-elles, font ressortir la nécessité de transformations internes dans les pays du Tiers Monde et dans les pays impérialistes pour mettre fin au contrôle de l'économie mondiale par

les monopoles transnationaux.

Elles font éclater les contradictions internes des pays du Tiers Monde. Elles amènent les bourgeois locales à se démasquer par des reculs ou concessions, sinon les capitulations, qu'elles font devant les "assauts" de l'impérialisme (refus de négocier, mesures dilatoires ou de diversion, concessions mineures ou de forme, etc.), ou encore, au mieux, à se "radicaliser", ce qui aura pour effet de les rendre davantage comptables devant leurs peuples.

Elles soulignent que des mesures économiques prises par les bourgeoisies locales, même les nationalisations, sont inefficaces si elles ne s'appuient pas sur des pouvoirs politiques nationaux ayant rompu tout lien ombilical avec les puissances impérialistes. Elles ne prendront tout leur sens et ne s'approfondiront qu'appuyées par une progression, assortie d'étapes décisives, vers une indépendance et une liberté de décision réelles par rapport au système impérialiste mondial.

Une France qui s'engagerait dans la transition au socialisme, reprendra donc sur des nouvelles bases la lutte pour un Nouvel Ordre Économique International. Mais elle lui donnera une dimension qu'elle n'a pas pu avoir jusque-là. Chacun des succès de cette lutte se traduira alors inévitablement par un renforcement de l'indépendance nationale de la France et des mouvements de libération (politique, économique et culturelle) du Tiers Monde.

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Abstract: A conceptual framework of the environment within which alternative development strategies may be considered is developed in the paper. The operational definition of the environment of any human system (person, group, society, mankind) requires the adoption of a point of view, the adoption of a level of detail or resolution, and the specification of the level of aggregation of the human system under consideration. Unless those conditions are fulfilled, the term "human environment" may be ambiguous or even meaningless. The human environment can be classified according to different legitimate criteria, and it is neither reduced to the biophysicochemical nor to the concept of nature. The inclusion of the social components in the concept is logically and epistemologically necessary. Variability in the precise contents of the term environment among societies is a natural consequence of the diversity in the objective and subjective components of the human environment. A conceptual framework characterizing the human environment at different levels from the individual person to mankind, and including the meaning of self-reliance and human adaptness in relation to the environment, is proposed. The application of this framework to the consideration of development strategies at the national level allows the identification of features critically linked to environmental consequences, in relation to the physical environment of the society, the external environment, and the environment of the human subsystems composing the society. It is shown that it is feasible to assess the potential environmental impacts at the generalized level of development strategies, well above the usual level of individual development projects, and that satisfaction of human needs and harmony with the environment cannot be separated conceptually or strategically.

1/ A 13-page summary paper (in both English and Spanish) of this project, along with two technical annexes (in English) entitled The biological concept of environment (77 pages) and Quotations concerning environment and some related concepts in ecology (78 pages) are available from the Bariloche Foundation. Work is also in progress on methodological lessons to be obtained from an analysis of a set of case studies.
Resumen: En este trabajo se desarrolla un marco conceptual del ambiente para la consideración de estrategias de desarrollo alternativas. La definición operativa del ambiente de cualquier sistema humano (persona, grupo, sociedad, humanidad) requiere de la adopción de un punto de vista, de la adopción de un nivel de detalle o resolución, y de la especificación del nivel de agregación del sistema humano considerado. Salvo que se cumplan estas condiciones, la frase ambiente humano puede ser ambigua e incluso carente de significado. El ambiente humano puede ser clasificado de acuerdo a diferentes criterios válidos, y no se reduce a lo biofísicoquímico ni al concepto de naturaleza. La inclusión de los componentes sociales dentro del concepto es necesaria tanto lógica como epistemológicamente. La variabilidad del contenido exacto de la palabra ambiente entre diferentes sociedades es una consecuencia natural de la diversidad tanto de los componentes objetivos como subjetivos del ambiente humano. Se propone un marco conceptual incluyendo la caracterización del ambiente humano a diferentes niveles desde la persona individual hasta la humanidad, así como el significado ambiental de la autodependencia y la adaptabilidad humana. La aplicación de este marco conceptual a la consideración de estrategias de desarrollo de nivel nacional permite la identificación de los aspectos vinculados críticamente a consecuencias ambientales, en relación al ambiente físico de la sociedad, al ambiente externo, y al ambiente de los subsistemas humanos que componen la sociedad. Se muestra la factibilidad de evaluar los impactos ambientales potenciales al nivel general de estrategias de desarrollo, muy por encima del nivel usual de proyectos individuales de desarrollo, así como que la satisfacción de las necesidades humanas y la armonía con el ambiente no pueden ser separadas ni conceptual ni estratégicamente.

Un resumen de este proyecto (de 13 páginas en Inglés/Español) acompañado por dos anexos técnicos (en Inglés) titulados The biological concept of environment (77 páginas) y Quotations concerning environment and some related concepts in ecology (78 páginas) están a la disposición de los interesados en la Fundación Bariloche. También prosigue el trabajo sobre lecciones metodológicas a sacar del análisis de un conjunto de casos concretos estudiados.
Abstract: A number of elements would support the proposal of the 21-country Arab region as an eligible case for collective self-reliance (CSR): a common language and cultural heritage, an expression of political solidarity and will for unification, substantial human, natural and financial resources unevenly distributed such that no single country is resource-rich in all three important areas, and an increasing dependence on the Centre and especially on the stability of the international capitalist system. Considered elements of differentiation also exist: population and geographical size, per capita GNP and type of socio-economic system. These may feed competition and ineffective use of resources if States continue the traditionally "separate" country development strategies, characterised by Centre-dependence, elitism and inequality. Such national features need, however, not be unduly significant in a new strategy of endogenous, self-reliant, just and participatory development. Past integration attempts have been ineffective. Cooperation and integration measures and the plethora of institutions for implementation, evidence a faulty approach to integration based on facilitating trade between externally dependent countries.

A new strategy will demand a clear political choice, protracted struggle at all levels and calls for people's participation in its definition and implementation. Important and feasible areas of collective self-reliance in the Arab region lie in food production, science and technological cooperation, Arab multinational ventures and cooperative buying arrangements. To succeed these must be backed by detailed studies and a political will to implement.

L'AUTONOMIE COLLECTIVE: UNE POSSIBILITÉ RÉELLE POUR LE MONDE ARABE

Résumé: Un certain nombre d'éléments rendent possible l'autonomie collective ('collective self-reliance') des 21 pays du monde arabe: une langue et un héritage culturel commun, l'expression d'une solidarité politique et d'une volonté d'unification, des ressources humaines, naturelles et financières réparties inégalement et de telle sorte qu'aucun pays n'est bien doté dans les trois domaines à la fois, de même que la dépendance accrue à l'égard du centre et en particulier de la stabilité du système capitaliste international. Parmi les différences figurent le poids démographique et la superficie, le produit par tête et les systèmes socio-économiques. Ces derniers éléments peuvent contribuer à la concurrence et à la mauvaise utilisation des ressources si les États poursuivent les stratégies conventionnelles de développement nationaux séparés, dont les
caractéristiques sont les dépendance à l'égard du centre, l'élitisme et l'inégali-
ité. Ils n'avaient cependant pas grande signification dans une nouvelle
stratégie de développement, comptant d'abord sur les propres forces de la
société qui s'y engageraient ('self-reliant'), endogène, juste et participatif.
Les efforts d'intégration passés se sont révélés inefficaces.

Les tentatives de coopération et d'intégration, ainsi que la pléthore institution-
elle révèlent en fait la faiblesse d'une démarche basée sur la simple expansion
des échanges entre pays dépendants.

Une nouvelle stratégie requiert des choix politiques clairs et implique une lutte
prolongée à tous les niveaux et la participation des masses dans sa définition et
e sa mise en œuvre. Des domaines importants se prêtant à la 'collective self-
reliance' dans le monde arabe sont la production alimentaire, la coopération
scientifique et technologique, des entreprises multinationales arabes et des
structures d'achat coopératives. Le succès exige des études détaillées et une
volonté politique d'action.

LA AUTONOMIA COLECTIVA : UNA POSIBILIDAD REAL EN EL MUNDO ARABE

Resumen: Un cierto número de elementos hacen posible la autonomía en el mundo
árabe: entre ellos un idioma y una herencia cultural comunes; la expresión de
una solidaridad política y de una voluntad de unificación; recursos humanos,
naturales y financieros repartidos desigualmente y de tal forma que ningún país
puede a la vez todos esos recursos; el aumento de la dependencia con respecto
al Centro, sobretodo dependencia respecto a la estabilidad del sistema capitalista
international. Las diferencias son: el peso demográfico, la superficie, el pro-
ducto per capita, y los sistemas socio-económicos en los varios países. Di-
ferencias que pueden sin duda conducir a la concurrencia entre países árabes y al
errado uso de los varios recursos, si los Estados adoptan estrategias convencionales
para fomentar desarrollos nacionales separados, dependientes del Centro, elitistas
y desiguales. Sin embargo tales nacionalismos no tendrían significado en el marco
de una nueva estrategia de desarrollo que contara en primer lugar con las propias
fuerzas de la sociedad que la adoptara ("self-reliance"), una estrategia endogena,
justa y participativa. Los esfuerzos de integración anteriores quedaron sin
efecto, y las tentativas de cooperación y de integración, bien como la plébora
institucional revelan la debilidad de una política basada únicamente sobre la
expansión del comercio entre países dependientes.

Una nueva estrategia política requiere elecciones políticas claras y hace necesaria
una luta política a todos los niveles, bien como la participación de las masas
en su definición y su promoción.

 Dentro del mundo árabe los campos importantes en que se podría practicar la
"collective self-reliance" serían la producción alimenticia, la cooperación
científica y tecnológica, las empresas multinacionales árabes y las estructuras
cooperativas de compra.

El éxito exige estudios minuciosos y voluntad política de acción.
Ahmed A. Shalaby

THE ARAB WORLD: AN ELIGIBLE CASE FOR COLLECTIVE SELF-RELIANCE

I. FOREWORD

The purpose of the present paper is to demonstrate the necessity for a shift towards an independent development strategy in the Arab world at both country and regional levels, and to point out some general directions for action towards such a shift. At the country level, development efforts over the past two decades may be characterized as largely dependent, elitist and unequal. At the regional level, the Arab people share a common language and cultural heritage, express a feeling of political solidarity and common purpose, and possess most of the elements necessary for independent development at the regional level. However, all past efforts at economic integration have been ineffective, in spite of the existence of very elaborate governmental and non-governmental institutional arrangements for integration, unparalleled in any other Third World region. We conclude that the failure of the integration effort is not so much due to the lack of proper institutional arrangements, but to a faulty strategy grounded in total dependency on the Centre - politically, economically and culturally. This dependency is manifested at the country and regional levels.

We argue for a fundamental shift in development strategy at the country level towards self-reliant, participatory and just development. However, no single Arab country possesses all the necessary pre-requisites for independent development, in separation from other Arab countries. Thus, there is a need for Arab collective self-reliance to make self-reliance possible at the national level, and to help create a viable and independent Arab nation in the longer term.

A call for an Arab development strategy based on self-reliance and collective self-reliance would fall in the realm of wishful thinking if it is not based on a firm perception of the necessity for long-term struggle against national and international forces which support and benefit from the present patterns of dependency.

The concept of collective self-reliance

Collective self-reliance involves movement in two directions: intra-Third World cooperation and Third World solidarity vis-a-vis the Centre. On the first level, we note that a national self-reliant strategy requires varying levels of delinking from the Centre. This may impose severe sacrifices on the country adopting such a strategy, whether in meeting the immediate consumption needs of its people or in obtaining the necessary resources for accelerated development of its productive capacities. These sacrifices may be very serious - almost unacceptable in small resource-poor countries. Here, collective self-reliance emerges as a way out of these difficulties. It involves expanding horizontal intra-Third World links to the mutual benefit of all.

On the second level, i.e. solidarity vis-a-vis the Centre, it should be noted that in their struggle for total decolonization and in their more immediate struggle to get a better deal in their relations with the Centre, Third World countries need to maximize their political and economic power. To the degree that these countries succeed in collectively mobilizing their potential sources of power, they will succeed in modifying the international order to their advantage.
There are significant possibilities for collective self-reliance at the sub-regional, regional and Third World levels. Efforts at the three levels are likely to strengthen each other and have to be pursued simultaneously. However, it seems reasonable to hypothesize that since the degree of economic and cultural homogeneity is likely to be greater at sub-regional and regional levels, collective self-reliance at these levels is likely to be more operational and to go deeper than overall Third World collective self-reliance. Arab collective self-reliance is a case in point.

II. THE ARAB WORLD: FACTORS OF HOMOGENEITY AND DIFFERENTIATION

The Arab world is a geographically continuous area - interrupted only by Israel - bound by the Arab Gulf in the East, the Atlantic Ocean in the West, the Mediterranean Sea in the North and the Indian Ocean in the South. It constitutes 21 countries, all of which have sea outlets. The area is rich in mineral resources, the most important of which is oil concentrated mainly in the Gulf area, Algeria and Libya.

First and foremost among the factors that make for the homogeneity of the Arab world is the Arabic language, which has continued to be the vehicle of Arab cultural interaction for centuries. Unlike the case in many Third World regions, the Arabic language has never been replaced by the languages of colonial powers. Until today it continues as the language of culture, science and administration. All literate Arabs, from Bahrain to Casablanca, write and read the same language. There are some variations in local spoken dialects, but even most of those are understood across the Arab region.

Closely related to the common language is a common Arab culture. Whether in literature and poetry, or in cultural forms such as cinema and theatre, the audience is spread all over the Arab world. Continuing a long tradition, the everyday movement and interaction of Arab artists, intellectuals, journalists, teachers and workers across the region is a fact of life. As a matter of fact political boundaries, as such, never existed in the Arab world before colonialism; people travelled freely within the area for centuries. Fortunately, the colonial history of the Arab area is relatively short; some countries suffered from it only for the period between the two World Wars while others, like Saudi Arabia and Northern Yemen, never experienced it at all. As a result - with the exception of settler colonialism in Algeria and Palestine - European colonialism did not result in a serious discontinuity in the history and culture of the Arab people. Even in the above two cases, the people of Algeria succeeded in their way of liberation and engaged in an active Arabisation campaign, while the Palestinian people are among the most dynamic forces in Arab cultural and political life.

On the political level, there is a feeling of solidarity and common purpose among the Arab people which extends back in history at least to the time of the rise of Islam. In modern times the struggle against colonialism has contributed to this feeling of solidarity, which expressed its material manifestation during the early anti-Zionist struggle in Palestine, the 1956 Suez War, the Algerian war of liberation and the 1967 and 1973 Arab-Israeli Wars. Actually, the political unity of the Arab world - either federal or confederal - has figured as the prime target for several nationalist pan-Arab political parties or movements like the Baath party, Nasserism, and the Arab Nationalists Movement. The idea of Arab unification has never been formally rejected by any Arab government, almost all of them at least paid lip-service to it.
This strong latent political will for unification was behind the establishment of the Arab League, the proliferation of its organizations and the political grouping of Arab governments in various international fora. It is also behind the proliferation of non-governmental inter-Arab organizations involving trade unionists, professionals, and artists.

On the economic side, the Arab area as a whole possesses substantial natural, human, and financial resources which may provide a solid base of independent, self-centered development. These resources are unevenly distributed in the area. Some countries are rich in mineral resources, others are rich in skilled human resources, while still another group has a largely untapped agricultural potential. No one country has all the necessary resources for an overall balanced development. This state of affairs provides a good potential for complementarity and collective self-reliance among the Arab countries - if they opt for collective endogenous Arab development. However, this same condition may be a factor of envy and competition if they opt for "separate" country development and increased integration with the Centre.

On the other hand, the Arab world constitutes a microcosm of the Third World from the point of view of the existence of several factors normally considered as elements of differentiation among these countries. In terms of population, Arab countries vary from 228,000 in Qatar to 40 million in Egypt; in geographical area the countries range from 663 sq. km. in Bahrain to 2.5 million sq. km. in Sudan; the latest available per capita GNP figures range from US$110 in Somalia to US$15,480 in Kuwait.

More fundamentally, Arab countries - although all under-developed - vary considerably with regard to the level of overall socio-economic development. Needless to say such a level of development does not correspond to the GNP per capita figures, which are abnormally inflated by oil revenues in the small oil-rich - but underdeveloped - countries.

Arab countries also vary with regard to the prevailing socio-economic systems. Some adopted a laissez-faire economic system, while others opted for a more centrally directed system where the government and its public sector play a leading role in development. We should hasten to add, however, that - notwithstanding differences in ideology and the role of the public sector in various countries - almost all of them have a significant public sector. In the oil-rich "laissez-faire" Arab states, the public sector plays a dominant role in the modern sector, especially in both extractive and manufacturing industry.

III. ARAB INTEGRATION EFFORTS SINCE 1945: HISTORY AND EVALUATION

In 1945 the League of Arab States was established by seven Arab countries. Fifteen others, including the Palestine Liberation Organization, joined later. The League was formed as a regional organization aimed at facilitating cooperation among the member states. The establishment of the League was a relatively weak expression of the tide of the Arab peoples' struggle against colonialism, the resistance against the then emerging Zionist enterprise, and the emerging pan-Arab movement.

The Arab league - even though it was a manifestation of an emerging Arab national-

list movement - tried to emulate the newly formed United Nations made up of
countries with divergent nationalities, interests and outlooks. Thus, the League fell far short of the original hope of the pan-Arab nationalists. Those countries that were more eager to increase the pace towards Arab unity formed the Council for Arab Economic Unity, outside the framework of the League, though remaining members of the latter. It is important to note that the movement towards Arab economic integration is closely related to the political pan-Arab movement. It is viewed as the material base for Arab unity.

In the following, we discuss first the inter-Arab cooperation and integration measures, then the institutional structure built to undertake the implementation of these measures, and finally we assess the results of these efforts.

A. Cooperation and integration measures and agreements

This is not the place for a comprehensive review of agreements and measures taken by Arab countries in the last 30 years. Highlighting the significant ones will suffice. Until 1964, Arab countries concluded several preferential trade and payment agreements, mainly bilateral. But these agreements had very limited impact on the inter-Arab trade. In 1964, an agreement was reached between five Arab countries: Syria, Iraq, Kuwait, Jordan and Egypt, to establish an Arab common market. Later, Yemen joined in 1967 and Sudan in 1969. At present, only three countries are bound by the common market agreement: Iraq, Syria and Jordan. The agreement was obviously an ambitious attempt to emulate the European Economic Community. The results were, however, very meagre.

Traditional trade-facilitating agreements which were effective in increasing trade among highly developed European countries are hardly relevant to Arab countries which suffer from distorted, uneven and dependent development. Firstly, these agreements merely enhance fundamental economic forces which push towards the transnationalization of capital and, secondly, they are powerless to change the fundamental dependency relationship embodied in the present unequal division of labour. As a result and after all attempts to liberalize inter-Arab trade in the last 30 years, such trade suffered a relative decline from 7.2% of total Arab foreign trade in 1965 to 4.4% in 1973.1/

Partly as a result of the failure of trade liberalization measures, the current trend in inter-Arab economic efforts is for the establishment of Arab joint ventures. This is presented as a move towards productive integration instead of commercial integration. However, it may be justifiable to express the following doubts and reservations about this new "slogan":

- Much of the new investments are concentrated in the financial sector (development funds, investment banks, insurance companies, etc.), with very few physical production projects.
- These projects are conceived in the absence of an overall conception of planned Arab integration.
- Many of these projects suffered from the inadequacy of non-existence of feasibility studies, thus many projects have existed only on paper for several years.

1/ Abdul-Wahab H. Rashid, *Arab Economic Integration*, (Kuwait, Arab Planning Institute, 1977).
B. Inter-Arab institutional structure

Arab cooperation and integration efforts in the last 30 years were accompanied by the creation of a very extensive web of institutions at both governmental and non-governmental levels. This institutional structure is probably unparalleled in any other region. We believe that the apparent ineffectiveness of Arab integration efforts lies, not in the lack of certain institutional forms, but rather in the faulty development and integration strategies. Of course, these faulty strategies were reflected in many cases in the creation of inappropriate institutional forms, hence a shift in strategy will naturally result in a serious overhauling of the institutional structure entrusted with implementing the new strategy. However, the existence of these extensive inter-Arab institutional links, especially at the non-governmental level, can be turned into a useful base for Arab collective self-reliance. The following is a summary view of the most important inter-Arab institutions.

a) Inter-governmental (all countries):

1. Arab League
   - Council
   - Economic Council
   - General Secretariat
   Established in 1945
   Political body
   Members are Finance and Economy Ministers
   Technical and supporting services

2. Specialized agencies:
   - Industrial Development Centre
   - Agricultural Development Organization
   - ALECSO
   - Arab Monetary Fund
   Research, training & technical services
   Research and dissemination of information
   "Arab UNESCO"
   "Arab IMF"

3. Infrastructure and services federations
   Include: mail, communications, maritime transport, broadcasting, etc.

b) Inter-governmental (limited membership):

1. Arab Common Market
2. Organization of Arab Petroleum Exporting Countries (OAPEC)
   Present members: Syria, Iraq & Jordan
   Has made pioneering and seemingly successful efforts in the field of joint Arab ventures

c) Non-governmental:

1. Economic
   - Joint venture enterprises
   - Sectoral industrial federations
   - Sectoral services federations
   More than 100 enterprises
   Include: iron & steel, textiles, fertilizers, etc.
   Include: chambers of commerce, insurance and banking.

2. Non-economic
   - Professional federations
   - Trade union federations
   Include: journalists, lawyers, physicians, etc.
   Includes sectoral federations and the General Federation for Arab Workers.
C. A critical overview of Arab development after 1945

In order to understand and evaluate Arab integration efforts since 1945, we have to analyze development strategies and their results at the country level, since the history of the period is one of separate development in each country - even if it is influenced to varying degrees by inter-Arab efforts at cooperation and/or coordination. In other words, Arab integration efforts, both theoretically and practically, are governed by local development strategies.

National development strategies in the Arab countries during the last 30 years - notwithstanding limited attempts at economic independence and greater equality of income distribution in some countries during parts of the above period - may be characterized as largely dependent, elitist and unequal.

Dependency involves economic, cultural and political aspects. Economically, most Arab economies are submitted to the dominant international division of labour where they specialize in producing primary commodities needed at the Centre, while they depend on the Centre for both consumer and capital industrial goods and, recently, food. Imports from abroad have been expanding extremely rapidly, both in absolute value and as a percentage of GDP, especially after the boom in oil prices in 1973. For example, imports as a percentage of GDP was 44.5% for Iraq (1975), 37.1% for Libya (1974) and 33.7% (1973) for Algeria. Furthermore, most Arab countries depended to a large extent on foreign sources to finance their development - whether in the form of foreign aid or foreign investment. Both foreign aid and foreign investment tend to favour dependence on foreign technology which is often inappropriate to local development needs. Culturally, the ruling elites imposed on the Arab people the most superficial aspects of European civilization, in the name of development and modernity, to the effect that the chances for the maintenance and revitalization of local cultures were reduced. Galal Amin puts it this way:

"(An) apt description of Arab governments is that they have all become "modernizers". The features which they have in common have led not so much to the reduction of poverty as to its modernization, to the creation of a façade of modernity behind which the majority of the population continues to lead virtually the same way of life".2/

In all Arab countries, it can be said that the "development" effort is led and controlled - by and large - for the benefit of an elite. Even in countries where landlords and tribal chiefs were deprived of political power, they were replaced by a new, albeit larger, elite - mainly military officers. Even when the ruling elite - as in the case of Egypt after the 1952 revolution - made serious attempts at achieving a more equal distribution of income, the masses had very little to do with actual decision-making processes. In most countries the masses lacked the political organized power and, in many cases, the necessary consciousness to influence the course of events.

In reviewing Arab countries' performance in the area of income distribution, Galal Amin reaches the following conclusions:

"Twenty years ago, the two main sources of income inequality in the Arab world were the domination of foreign economic interests and inequality of land ownership. (...) since then, Arab countries have succeeded in reducing the strength of these factors, but new ones have been working with increasing force towards greater inequality. Of these factors, the most important seem to be the increase in oil revenue, the growth of government bureaucracy and a government bias against agriculture",3/

It is reasonable to argue that Arab integration efforts may be evaluated on the basis of two criteria: the extent to which they contributed to enhancing development at the country level, and the extent to which they increased interdependence among the Arab countries. First, we have seen above that the history of Arab development in the last 30 years has been one of separate country development. Furthermore, the results are far from satisfactory. Second, we have shown that inter-Arab trade remains marginal. Moreover, Arab countries' dependence on the Centre is proceeding at a much faster rate than any Arab economic interdependence. The recent boom in oil prices has only contributed to deepening the dependence of the Arab world, and creating a new form of dependence, originating from the accumulation of large financial assets in the Centre. Such accumulation makes the welfare of Arab countries dependent on the stability of the international capitalist system.

IV. TOWARDS AN ALTERNATIVE SCENARIO: A SELF-RELIANT ARAB DEVELOPMENT STRATEGY AND ARAB COLLECTIVE SELF-RELIANCE

In terms of national development strategy, we criticized past development strategies as dependent, elitist and unjust. The antithesis of this strategy is a self-reliant, democratic and just development strategy. However, a self-reliant strategy at the level of each Arab country in isolation from the others faces serious difficulties which are bound to impose severe restrictions on both consumption and production growth. In small oil-rich countries, growth possibilities will be limited by the lack of a diversified resource base, the shortage of manpower and limited market size. In the poorer countries, growth will be limited by the same factors in addition to the lack of capital resources. Thus, collective self-reliance emerges as a way to enable Arab countries to implement self-reliant development strategies at the national level, achieve a higher growth potential than with separate development, and avoid some of the severe sacrifices imposed by autarchic development.

An Arab collective self-reliance strategy would be built on:
1. increasing inter-Arab economic, cultural and political interdependence;
2. enhancing collective independence from the Centre; and
3. expanding links with other Third World countries for mutual benefit.

If we take seriously the goal of total development for the benefit, and with the effective participation, of the deprived majority of Third World people, we should realize that it requires a process of total decolonization as well as a process of internal national struggles in Third World countries. Thus, the goal will not be achieved by one-shot-measures, such as declarations and negotiating conferences.

The required long-term two-pronged struggle at the national and international levels is not likely to result in immediate or continuous advances. It will, naturally, have its victories as well as its setbacks.

While it is useful and necessary to elaborate and concretize our thinking on the new participatory development strategy, we have to accept, for the sake of consistency at least, the premise that the full programme of liberation of the masses from domination by internal and international forces has to emerge and evolve from the process of mass struggle itself and the accompanying rise in mass consciousness. Thus, any guidelines for participatory development have to be tested and modified in actual mass participatory practice. Our ideas have to be tested and elaborated in practice with the masses in productive, social and political activities. Only thus can a viable, endogenous strategy be formulated and implemented.

The choice among development strategies - while not independent of our action - is not a neutral and "rational" technocratic choice. It is a choice governed by the actual conditions and forces working at national and international levels. Thus, for example, countries do not choose to delink from the Centre, or to "reinvent the wheel" as a goal in itself. They may choose to delink because the international power structure puts these countries in a self-perpetuating weak position. What is needed is to control the process of interaction between peripheral countries and the Centre for the purpose of maximizing the long run prospects of the development of these countries.

Thus, the present attempt to draw guidelines of an alternative Arab development is not designed to lull ourselves into the false belief that Arab countries can in the near future achieve a radical shift in development strategy which in turn will result in uninterrupted advance of our people's development, but rather to demonstrate the feasibility of an alternative development if and when the relevant social forces are ready to push for it. Secondarily, it is an attempt to discover the feasible steps that may be taken today - given all the national and international constraints - and which held to achieve the strategic goal of total development. This requires the definition of criteria to judge whether partial steps taken today enhance or hinder the achievement of the strategic goal.

Arab collective self-reliance may start at a modest scale with "reformist measures" but we propose, as a first approximation, two criteria to judge whether a particular measure helps towards reaching the strategic goal:

- To what extent does it help create viable long-range inter-country linkages that become hard (or expensive) to break? To illustrate, it is easier to disband an inter-country tariff agreement than to get out of an integrated industrial venture where the outputs produced in one country are necessary inputs in an important industrial activity in another country.
- To what extent does it strengthen the Arab masses collective ability to understand, articulate and defend their long-term interests?

Needless to say here that there is no static one point at which total development is achieved once and for all; what is involved rather is a move to a new, more advanced historical stage.
Probably no useful purpose can be served by enumerating possible detailed measures of collective self-reliance which can be agreed upon by Arab governments to the advantage of all. The recent history of Arab integration efforts is replete with such proposals, agreements, and institutions. Of course, many of these measures were not backed by serious and realistic studies of their feasibility and impact on the countries that participated. Sometimes they lacked the political will on the part of governments to implement. We may only denote what we consider to be important and feasible areas of collective self-reliance, subject to further detailed study and elaboration, among the Arab countries:

- Food production: Collectively, the Arab world has all the necessary resources to close its food deficit gap.
- Cooperative buying arrangements for important Arab imports, especially when Arab countries collectively account for a significant portion of the import demand for a particular product.
- Scientific and technological cooperation, at least in the field of information collection and dissemination.
- Arab productive multinational ventures, owned and controlled by Arabs based on the principle of maximizing productive links among two or more Arab countries. For example, it is more desirable to have an integrated automotive enterprise with various countries specializing in certain parts or stages of production, than having one country specialize in such industry even if the financing of such specialization is a multi-country effort.

V. CONCLUDING REMARKS

The Arab countries - collectively rich in natural resources, possessing a common cultural background, and expressing a high degree of political solidarity - after many attempts at cooperation and integration, and in spite of the existence of a web of institutions whose avowed purpose is to achieve Arab integration, did not advance very far in achieving this purpose. We argued that this failure is due to a faulty approach to integration based on facilitating trade between countries which are dependent on the outside, economically, culturally and politically. It was concluded that there is need for a radical shift in approach based on self-reliance on the country level, and collective self-reliance on the Arab level. Furthermore, it was argued that this shift is not a "neutral" choice which can be implemented simply by convincing arguments. There are some real internal and international forces behind the present dependent development strategy. These forces include, in addition to the external enemies of imperialism and Zionism, ruling classes whose main priority is to secure the continuity of their domination over their people, and all classes and groups whose interests are closely connected to the present state of dependence. It should be clear that the desired shift in strategy will require prolonged struggle at economic, intellectual and political levels.

A new self-reliant and collectively self-reliant strategy, by its very nature, calls for the participation of the masses in defining and implementing it. Thus, the main task ahead on the way to this new development strategy is to raise the consciousness of the masses regarding the desirability and feasibility of the new approach and their role in defining and implementing it.
In the following, we propose some very rough approximations of the general directions that may be taken to raise mass consciousness regarding Arab collective self-reliance:

1. Strong intellectual efforts have to be made in order to foster scientific thinking about Arab unity, a slogan so dear to most Arabs. On the negative side, two approaches to this issue should be rejected: 1) the "metaphysical" belief in the inevitability of unity without clear specification of questions, such as, for whose benefit? What are the difficulties? And what is the strategy to achieve such unity? 2) The pseudo-scientific approach emphasizing exclusively the short-run contradictions and neglecting more fundamental factors of homogeneity.

2. Given the high level of Arab peoples' interaction across country boundaries, any grass-roots thinking and practice in endogenous development at the country level is bound to have an impact on other Arab countries.

3. Communication media which already reach across Arab boundaries may be used to disseminate the new thinking. Media that can readily be used for this purpose are cinema, theatre and newspapers. All effort to vitalize endogenous Arab culture is a valuable contribution towards Arab collective self-reliance.

4. It is very important that all inter-Arab non-governmental groupings should be encouraged. These include professional and trade groupings (e.g., Arab lawyers, engineers, trade unions), youth and women's organizations.

At the governmental level, we argued that certain steps can be taken even in the immediate future which may enhance our long term goal of Arab collective self-reliance. These included collaboration in food production, cooperative buying arrangements, scientific and technological cooperation, and Arab multinational ventures. We may add here that efforts should be made to enhance Arab governments' solidarity with overall Third World demands through Third World organizations such as the Non-aligned or the Group of 77.

Collective self-reliance should be treated in a holistic manner where the whole becomes greater than the sum of the parts. All partial measures, such as sectoral or sub-regional integration, can be judged only in relation to their contribution to the larger whole - collective self-reliance for total independent development. In this way we avoid the traps of false dilemmas, such as the choice between sectoral and total integration, sub-regional versus regional integration, etc.
Abstract: The leading suppliers of military armaments also supply repressive Third World regimes and their internal security forces with equipment and services for use against their domestic opponents, sometimes circumventing mandatory embargoes in doing so. Though relatively small in value, this repression trade probably affects people's daily lives more than do transfers of military arms. This system is needed to expose this trade and to press for effective governmental restrictions on it. (For further discussion, see Klare, Supplying Repression: Washington: IPS, 1979). A first version of this paper has been published in Le Monde Diplomatique of June 1979, appearing in French, Spanish, Greek and Portuguese.

Resumen: (Ver la página 16)
I. INTRODUCTION

Since the 1960s, and especially after the four-fold 1974 increase in oil prices, arms transfers to the Third World countries have been rising at an ever-increasing rate. According to the US Arms Control and Disarmament Agency (ACDA), weapons imports by Third World countries rose by over 500% during the past 12 years, from $1.5 billion in 1964 to $9.8 billion in 1976. The resulting build-up of war-making capabilities has generated considerable concern among military analysts, arms control experts, and government officials. But while the ensuing controversy over conventional arms exports has alerted the public to the threat to world peace posed by such transfers, this debate has also served to obscure an equally serious consequence of this trade: the frightening accumulation of repression technology by anti-democratic regimes.

Most of the products sold in the international arms market are front-line weapons designed for sustained combat operations by regular military forces. Thus, according to the ACDA, Third World governments acquired some 18,607 tanks, 6,212 combat planes, 2,972 helicopters, and 21,187 guided missiles from the major industrial powers between 1967 and 1976. But besides such war-fighting matériel, these governments also acquired vast quantities of arms and other equipment intended for internal use, to maintain domestic order and, in some cases, to suppress dissident sectors of their own populations. Such social-control matériel includes: small arms and police hardware (handcuffs, billy-clubs, etc.), riot-control equipment (chemical munitions, water cannon, etc.), jeeps and armored cars, prison equipment, torture devices, surveillance gear, and computerized intelligence systems.

Many of these non-military items are used by the security forces of democratic governments for normal law enforcement purposes. In some countries, however, they are being used by undemocratic regimes to silence popular resistance to authoritarian rule, or to perpetuate the subordination of certain racial, ethnic, or religious sectors of the population. We sometimes find, moreover, that these governments are being assisted in their social-control endeavours by foreign powers which perceive a vested interest in the promotion of "stability" in Third World countries. Such assistance, which can often be traced back to the colonial era, constitutes one of the most significant and persistent aspects of the relations between the major industrial powers and their allies and clients in the Third World. And when this assistance involves the sale or delivery of social-control technology to authoritarian regimes, such transfers can be said to constitute the international repression trade.

While the repression trade can be considered a subdivision of the regular arms trade, it has a number of special characteristics which justify our treating this subject as a unique phenomenon. To begin with, this trade incorporates many devices which are not normally considered "weapons" at all, but which are nevertheless important components of the arsenal of repression. Such items include:
surveillance devices, telephone-tapping equipment, leg-irons and thumbscrews, fingerprint equipment, and computerized intelligence systems. In addition to such "hardware", the repression trade also encompasses a wide variety of "software" and services, including training and advisory services, intelligence exchanges, and political-ideological cooperation. Furthermore, while all military transfers involve some sort of government-to-government collaboration, repression transfers are especially noteworthy for the high degree of intimacy which often characterizes the relations between the security agencies of the various governments involved. Indeed, as we shall demonstrate, such collaboration is one of the principal features of the repression trade.

As is true of all arms transfers, the sale of police and repression technology can be highly lucrative for the firms involved. But when measured in dollar terms, such transfers represent but a small fraction of the revenues generated by the conventional weapons trade. If we add together all forms of repression transfers, including software, we would arrive at a total figure of perhaps $1-2 billion per year. But when we remember that for $20 million - the price of one supersonic fighter - a government can buy tens of thousands of rifles, shotguns and grenades, it is obvious that even $1 billion represents a major transfer of repression technology. And since many recipients of such hardware are engaged in a more or less continuous struggle against dissident movements, it is likely that the repression trade has a greater impact on the day-to-day lives of more people than all other arms transfers combined.

Experts agree, moreover, that the repression trade is growing daily. "There are more riots and upheavals than ever before", the president of one arms export firm told me, "and thus we are doing more and more business every year". Recent disturbances in Indonesia, Iran, Nicaragua and Turkey resulted in a surge of demand for riot-control equipment, and it is reasonable to assume that similar disorders will occur elsewhere - thus expanding further the market for such hardware. In this essay, we will examine the principal components of the repression trade and identify some of the major suppliers of such products - concentrating, because of a greater availability of data, on USA's involvement in the repression trade. But because repression sales and political developments are so closely related, it is important that we consider the underlying forces which propel such exports before examining in more detail the commodities which make up this trade and the police-industrial complex which produces them.

II. THE DYNAMICS OF THE REPRESSION TRADE

Repression transfers are not merely a casual symptom of political instability, but rather a consistent and often intentional feature of the relationship between the major Western powers and their clients and allies in the Third World. In many cases, such transfers are mandated by government policy, and even where such official authority is lacking, they represent a pre-disposition to buttress the forces of "stability" - at the expense of political freedom and human rights.

*/ The repression trade is not, of course, confined to transfers between the major Western powers and their clients in the Third World. Such transfers also take place within NATO and the Warsaw Pact, and also between the Socialist powers and their clients and allies. However, while accurate statistics are
This predisposition reflects the approach taken by more Western powers in responding to the social and political turbulence caused by economic "modernization" in the Third World. As the Third World countries industrialize and become an integral part of the world economic system, they tend to experience a succession of traumas that place enormous strains on the governing authorities. And because the Western powers believe that any erosion of government authority will impair the process of modernization, while facilitating the efforts of revolutionary and radical-nationalist groups, they tend to respond by strengthening the social-control capabilities of the prevailing regime. As noted by the Pentagon's chief military aid administrator in 1970, the underlying rationale behind USA's military aid was to help Third World nations "maintain military and paramilitary forces capable of providing, with police forces, internal security essential to orderly political, social and economic development."

On this basis, the United States provided some $62 billion in military aid to friendly Third World regimes between 1945 and 1977. This amount includes $51 billion in subsidies under the Military Assistance Program (MAP) and other grant programmes, $9 billion in credits for the purchase of American arms under the Foreign Military Sales (FMS) programme and $2 billion worth of training provided through the International Military Education and Training Program (IMET). An additional $325 million was provided to foreign police forces through the Public Safety programme of the US Agency for International Development. (See Part IV for a more detailed description of the US military and police aid programmes). And while the amounts involved are considerably smaller, the British and French governments have also provided substantial assistance to the military and police forces of friendly governments (usually those in former colonies) for much the same reasons.

Theoretically, the need for such assistance should gradually diminish as the recipient nations become less poor and thus less vulnerable to political upheaval. But history demonstrates that there is a fundamental flaw in this logic. In many transitional societies where civilian institutions are incompletely or inadequately established, the expansion of the military-police sector tends to become a self-sustaining process which gradually leads to the complete subordination of the former to the latter and ultimately - as the ruling authorities become increasingly intolerant of popular organizations - to the formation of what can be called a "strong state" - that is, a totalitarian regime which relies almost exclusively on state-sanctioned violence - or the threat of such violence - to compel obedience to government decrees.

These states often appear, at least on the surface, to enjoy a relatively high degree of domestic stability. But appearances can be deceiving: since the open expression of dissident views is prohibited, opposition groups must organize and operate in secret, and thus a placid "exterior" can conceal a very active and potentially threatening "interior". Moreover, as events in Iran demonstrate, authoritarian regimes must constantly escalate the level of domestic repression and surveillance in order to maintain the façade of stability. This process (cont.) lacking, the available data suggests that the overwhelming bulk of repression transfers involve North to South deliveries from the Western powers to friendly Third World governments. Accordingly, we will concentrate here on this major current of the repression trade. Hopefully, future research will enable us to chart the other currents with reasonable accuracy.
inevitably creates more dissidents than it eliminates, and thus, in time, the government's base of support dwindles to the army, the police and the palace guard. These governments can be said, in fact, to be in a state of war with their own population, or significant portions thereof; such a war may be declared (when, for example, a regime suspends the constitution under a "state of siege" or "state of emergency" decree) or it may be undeclared, but typically involves some sort of martial law and the conspicuous presence of security forces at all public locations.

This sort of conflict naturally generates an ever-increasing demand for repression technology. As the opposition expands and becomes more experienced in clandestine operations, traditional police methods prove increasingly ineffective and the security forces are obliged to use more and more sophisticated equipment to gain information on dissident groups. New eavesdropping and surveillance technologies must be introduced to locate opposition cells, and computers are needed to process all the data provided by spies and informers. The use of torture becomes more systematic and more scientific (in Chile, for instance, prolonged beatings gave way to the use of pain-inflicting drugs and sensory-deprivation techniques as the military junta stepped up its campaign to locate and eliminate former supporters of the Allende government). And, because the population is so united in its antag-onism to the regime, even small and peaceful demonstrations must be crushed with overwhelming force lest bystanders join in an ever larger and more threatening display of alienation.

Not only does this process continually increase a besieged regime's demand for repression equipment, but it also tends to enhance other governments' perceived interest in supplying such hardware. For, as we have seen, political warfare tends to drive more and more people into the arms of the opposition, thereby undercutting any change of engineering a compromise solution. And, faced with a choice between continuation of the status quo and a major social upheaval culminating in the rise of unknown leaders - who may or may not respect the trade and investment policies of their predecessors - most Western powers will opt for the former despite the risks involved. Thus the Carter Administration persisted in its conspicuous support of the Shah long after it had become apparent to most neutral observers that some sort of accommodation would have to be made with the opposition; and by the time Washington discovered its error, it was too late to save the Shah or to prevent the ascendency of his rivals. But despite this dramatic lesson, it is doubtful that the Western powers will discontinue their policy of supporting "strong states" in the Third World. We can safely assume, therefore, that the suppliers of repression technology will continue to prosper in the years ahead.

III. THE ARSENAL OF REPRESSION: COMMODITIES

Looking at the arsenal of repression more closely, we find a wide assortment of coercive systems permitting graduated increments in the application of violence. This spectrum runs from surveillance and eavesdropping devices to so-called "non-lethal" riot-control munitions, to torture and assassination devices, and finally to light infantry weapons. Although all of these systems are likely to be used at one time or another by security agencies, these forces tend to employ progressively more sophisticated and lethal systems as the political struggle intensifies. This escalation often proceeds in stages, as isolated incidents of resistance give way to organized opposition and government forces respond with intensified surveillance and harassment of the civil population - thereby producing
still more dissidents and thence justifying still greater levels of repression. Described below are the basic categories of repression hardware, followed by a description of repression software.

Hardware:

- Detection and surveillance gear, including eavesdropping equipment, telephone-bugging devices, night-vision scopes, and other systems for spying on suspected dissidents and recording their statements and behaviour.

- Data-processing equipment, including computerized file systems, fingerprint processing equipment, automated data transmitting systems, and other devices permitting instantaneous access to information on suspected dissidents, their friends, associated and relatives.

- Torture and restraining devices, including electronic shock devices, truncheons, thumbscrews, trauma-producing drugs, shackles, and other devices for intimidating, torturing or otherwise incapacitating known or potential dissidents.

- Riot-control equipment, including anti-riot gases (CN, chloroacetophenone, or "tear gas"; and CA, orthochlorobenzalmononitrile, or "pepper gas"), chemical "MACE" (an incapacitating agent produced by Smith and Wesson), riot batons and clubs, shotguns, riot shields and helmets, water cannon, and other equipment designed to break up and disperse large formations of people.

- Police and paramilitary gear, including small arms and grenades, jeeps and helicopters, light combat planes armed with napalm and antipersonnel munitions, infra-red detection systems, and other hardware for locating, tracking and destroying guerrilla forces in urban and rural areas.

Finally, of course, an embattled government will sometimes call out regular military forces equipped with tanks, artillery and other front-line equipment to force rioters off the streets, or to crush an incipient insurrection. So long as these weapons are used in a threatening mode, to intimidate potential insurgents, we are still in the realm of repression; once, however, these forces begin firing their own weapons, we have moved beyond repression into full-scale civil war, and thus beyond the boundaries of this study.

Software:

Not only does political warfare require a different spectrum of weaponry than conventional warfare, but also a different set of strategies, tactics and ideologies. Since political dissidents are normally indistinguishable from other citizens - except in their attitudes - repressive forces must be specially trained and organized to identify such individuals. And because rank-and-file policemen and soldiers are often recruited from the same social strata which find themselves in conflict with the government, there is a danger that such troops - if improperly or inadequately motivated - will side with the opposition in a show-down (as demonstrated by recent fighting in Iran, where many soldiers threw down their arms rather than fire on civilian opponents of the Shah). Training and indoctrination thus play a critical role in political warfare, and accordingly form an important part of the repression trade. Such "software", normally provided by friendly governments through military and police assistance programmes, can include the following:
Training in the use of arms and equipment described above, and in the techniques of intelligence-gathering.

Advisory support, in the form of police and military advisers who collaborate with local security officials in the planning, organization and execution of anti-dissident and counter-insurgency campaigns.

Ideological indoctrination, furnished in the course of training and advisory programmes.

Technical support, in the form of military missions, technical assistance field teams, and other units which provide logistical support, maintenance and upkeep of sophisticated hardware, engineering services, etc.

Private security services, in the form of guard services and intelligence-gathering, usually provided by private security firms for the protection of plants and facilities owned by multinational corporations.

Sociological and psychological research to identify the "symptoms" of incipient revolt and to develop a repertoire of short-term and long-term remedies.

Covert intervention by foreign intelligence operatives to discredit or immobilize potential opposition groups and to create alternative repressive forces (such as para-legal "death squads") to supplement the official security agencies.

These activities are obviously much harder to detect and catalogue than arms delivery programmes, but probably play an equal or greater role in the transfer of repression capabilities to Third World governments. It is obvious, for instance, that specialized training provided to foreign police and intelligence officials will have significant effect long after those officers return to their own countries. And there no longer can be any doubt that USA covert operations in Chile helped trigger the chain of events leading to the overthrow of the Allende government.

IV. THE ARSENAL OF REPRESSSION: SUPPLIERS

Having identified the major categories of repression hardware and software, it next behoves us to ask: who actually produces these commodities, and how are they introduced into the international marketplace?

In attempting to answer these questions, we must first recognize that reliable statistics are practically non-existent. Several research groups, including the ACDA and the Stockholm International Peace Research Institute (SIPRI), publish data on the international armaments trade, but these studies do not distinguish between conventional military exports and security hardware. Nevertheless, it is possible to construct a generalized picture of the repression trade from specialized reference works and from interviews with industry officials.

If we define the repression trade in the broadest possible sense (i.e., to include paramilitary and counter-insurgency gear as well as police equipment), we find that the leading suppliers are the same four countries which dominate the arms trade as a whole: the United States, Great Britain, France, and the Soviet Union. While it is impossible to provide an accurate proportional breakdown, most experts agree that the United States is the leading supplier by far, and that Britain, with a well-established security industry, comes in second. Other major suppliers besides the "big four" include Belgium, Italy, West Germany and
Czechoslovakia. And, as the accompanying roster indicates, Israel and some Third World countries - including Brazil and Argentina - have also become exporters of repression gear (Israel even exporting to the US market). Indeed, while most Third World countries are as yet incapable of producing advanced military equipment on their own, many have begun manufacturing less-sophisticated munitions, including small arms, light planes, and artillery, while a few have gone into the export business. Brazil, for instance, has sold its armored cars and counter-insurgency planes to several countries in Latin America and Africa. Thus, while the main current of the repression trade continues to flow from North to South, we can detect a growing intra-Third World trade and the beginning of a South to North trade.

While we can discern the broad currents of the repression trade, it is very difficult to obtain reliable data on individual transactions. Most governments do not publish statistics on such activities, and the companies involved tend to shun publicity. The one exception to this pattern of silence is the United States where, under provisions of the Freedom of Information Act, the author was able to acquire detailed data on security exports by the major US arms producers over a three-year period. According to documents furnished by the US Office of Munitions Control (an agency of the Department of State) these firms sold some 50,000 pistols and revolvers, 7.6 million rounds of ammunition, 156,000 tear gas grenades, and 300 armoured cars to Third World police forces between 1973 and 1976. The Office of Munitions Control also provides gross statistics on US arms exports in an annual report to Congress. According to the report for Fiscal Year 1977, the US sold some $190 million worth of police and paramilitary gear to Third World countries during that year, but no indication is made of the relative distribution between police and military forces. These statistics are, of course, quite sketchy, but they do give us some indication of the scope and magnitude of US repression exports.

Before proceeding further in our discussion of the suppliers of repression, it is necessary to distinguish between private trade in repression commodities, and governmental programmes of police and military assistance. Most of the original producers of repression hardware are private arms firms which sell to both the domestic and international markets. At the same time, some Western governments have established special programmes to facilitate the delivery of such equipment to the security forces of friendly Third World regimes. In these cases, the supplying government buys the needed commodities from domestic producers and then delivers them to the ultimate user. Although there is obviously a certain amount of overlap between private and public suppliers, it is helpful to describe each group separately.

**Private suppliers**

Even a cursory examination of the International Association of Chiefs of Police (IACP) Annual Police Buyers Guide reveals that there are thousands of firms involved in the design, production and distribution of security-related products. Some of these companies, such as Smith and Wesson, produce a wide range of products and employ their own marketing staff to promote overseas sales. Most, however, are relatively small companies which produce one or two specialized products. These companies are usually allied with wholesale distributors and export firms which assume responsibility for most of the marketing and distribution functions. Such firms, in turn, are often associated with similar companies in other countries,
permitting cross-national marketing of particular products. Together, this network of producers, distributors, and exporters can be called the police-industrial complex.

Listed below are some of the major Western producers of arms and equipment for the international repression trade. Because of the greater availability of data on USA and British firms, there is a greater abundance of listings from those countries; nevertheless, an effort has been made to identify producers in other countries, and it is hoped that further research will produce a more comprehensive list in the future.

**Small arms:**
- **USA:** Smith and Wesson (pistols and revolvers), Colt Industries (pistols, revolvers, M-16 rifles), Military Armament Corporation (submachine guns), Remington Arms (rifles, shotguns);
- **West Germany:** Heckler & Koch (pistols, rifles, submachine guns), Walther (pistols);
- **Belgium:** Fabrique Nationale (pistols, rifles, submachine guns);
- **Israel:** Israel Military Industries (Uzi submachine guns).

**Police hardware:**
- **USA:** Smith and Wesson (clubs, helmets, handcuffs, etc.), Fargo International (distributors of clubs, helmets, handcuffs, etc.), Technipol International (helmets, handcuffs, etc.);
- **West Germany:** Siegfried Peters Electronic (distributors of police hardware and riot-control munitions).

**Riot-control munitions:**
- **USA:** Smith and Wesson (CN and CS grenades, riot guns, chemical MACE), Federal Laboratories (CN and CS grenades, riot guns), Fargo International (CN and CS grenades, riot guns), AAI Corporation (CN and CS grenades);
- **UK:** Schermuly Ltd. (CS grenades, riot guns, rubber bullets);
- **Belgium:** Fabrique Nationale (tear gas grenades, rubber bullets);
- **Argentina:** Fabrica Militar (tear gas grenades, riot guns).

**Surveillance devices:**
- **USA:** Law Enforcement Associates (eavesdropping, bugging devices), Smith and Wesson (Star-tron night-vision devices), Javelin Electronics (night-vision devices), Dektor Counter-Intelligence & Security, Inc. (eavesdropping devices), Technipol International (eavesdropping devices), GTE Sylvania (intrusion detection systems);
- **UK:** Marconi-Elliott Avionics Systems (intruder alarms and surveillance radars), Rank Pullin Controls (night-vision devices);
- **West Germany:** P.K. Electronic (eavesdropping and bugging devices);
- **Israel:** Israel Aircraft Industries, Inc. (intrusion detection systems).

**Police computers and command/control systems:**
- **USA:** Rockwell International (Printrak-250 computerized fingerprint I.D. system), E-Systems, Inc. (Digicom mobile data communications network), Motorola (police communications systems);
- **UK:** Burroughs International (police computer systems), International Computers Ltd. (police computer systems), Marconi (police communications systems), Ferranti (police communications systems);
- **West Germany:** Siemens (police data-processing systems).

**Armoured cars and vehicles:**
- **USA:** Cadillac Gage (V-150 Commando armoured car), FMC Corporation (M-113 armoured personnel carrier);
- **UK:** GKN Sankey (AT-105 armoured internal security vehicle), Short Brothers (Shoreland armoured car);
- **Alvis-British Leyland** (Saracen armoured personnel carrier);
- **France:** Panhard (AML armoured car and M3 armoured personnel carrier);
- **Switzerland:** MOWAG (Roland, Piranha, and Grenadier armoured internal security vehicles);
- **Brazil:** Engesa (EE-9 Cascavel armoured car and EE-11 Urutu armoured personnel carrier).
Prison gear and restraining devices: USA: Fargo International (leg irons, shackles, prison hardware), Technipol International (leg irons, shackles, thumb-cuffs), Shok Baton Company (electric shock devices), J.M. Bucheimer Company (leather billies).

So far, we have been talking of companies involved in the production and distribution of repression hardware. As we noted earlier, however, the repression trade also involves the sale of training and other "software" systems. And while such services are usually provided by governments rather than private suppliers (see below), a number of companies are known to be active in this area. These companies include those arms producers which operate training programmes as a service for their customers, and private security firms which provide guard services and intelligence-gathering programmes for the giant multinational corporations. Smith & Wesson, for example, provides training in riot-control operations and surveillance operations at its "Smith & Wesson Academy" in Springfield, Massachusetts, while Federal Laboratories of Saltsburg, Pennsylvania, conducts seminars on chemical weapons for buyers of its tear gas equipment. Wackenhut, Inc., a major supplier of private guard services in the United States, also employs thousands of armed guards in Central and South America and provides intelligence reports on political conditions in Third World countries for its corporate clients; and Vinnell Corp. provides internal security services in Saudi Arabia. Obviously, it is very difficult to obtain detailed information on such activities, but we can be certain that as the multinationals' confidence in the ability of the CIA and the Pentagon to protect their overseas operations diminishes, they will increasingly turn to the private security organizations to provide additional protection.

Government suppliers

As we have seen, the major industrial powers generally believe that it is in their interest to strengthen the internal security capabilities of friendly regimes. Typically, such support is provided in the form of aid to a client's military and paramilitary forces, but in some cases assistance is also furnished to police and constabulary units. In the case of Great Britain and France, such aid was first tendered during the last colonial period, when indigenous police and military forces were established as a prelude to independence, and often continued afterwards under post-independence cooperation programmes.

For the two superpowers, such assistance is also seen as a necessary concomitant to extended alliance systems. As part of their global struggle, Washington and Moscow have each signed a variety of mutual defense treaties with friendly governments in the Third World; it is obvious, however, that such arrangements are only as durable as the governments which signed them. Both powers have accordingly provided assistance to the internal security forces of these regimes in order to help guarantee their continued survival. Such assistance has included grants of military and police hardware, low-interest loans for the purchase of arms, training programmes, technical assistance, and advisory support. And, of course, both countries have at one time or another committed their own forces - or those of very close allies - to the defense of embattled clients abroad.

To describe in detail all of the means by which the major powers support the security forces of friendly governments would be a difficult and time-consuming task. But because governments play such an important role in sustaining the international repression trade, it is important to give some indication of the scope of
such support. Accordingly, we will look at the world's leading supplier - the United States - and describe some of the major channels used for the transfer of security hardware and software to repressive regimes abroad:

Military Assistance Program (MAP): Provides grants of arms, ammunition, training and technical support to the armed forces of friendly regimes. Congress voted in 1974 to gradually abolish the MAP programme in favour of sales transactions; however, grant assistance continues to be provided to selected governments (currently the Philippines, Jordan, Spain and Portugal). Under US law, such aid cannot be provided to law enforcement agencies, but MAP aid has gone to paramilitary forces which perform a dual military/police function (such as the Nicaraguan National Guard), and to military forces committed to civil security duty under martial law conditions.11/

Foreign Military Sales (FMS) programme: Like MAP, the FMS programme provides arms, equipment, training and services to friendly governments - though here of course the recipient must pay for such commodities themselves. Most FMS transactions involve conventional military hardware, but at least some involve internal security hardware, such as tear gas, armoured cars, and surveillance systems. Recent sales to Thailand, for instance, include 32 Rockwell OV-10 "Bronco" counter-insurgency planes, 50 Cadillac Gage V-150 "Commando" armoured cars, and $169,481 worth of "concertina" barbed wire.

International Military Education and Training (IMET) programme: When Congress voted to phase out the MAP programme, it set up a special account for military training, which had previously been financed with MAP funds. The IMET programme provides training to military and paramilitary personnel of friendly governments at regular military schools in the United States and at the US Army School of the Americas and the Inter-American Air Forces Academy in the Panama Canal Zone. All told, the IMET programme has provided training to 491,721 military personnel from 81 countries since 1950 at a cost of some $2 billion. And while many of these training programmes emphasize conventional military subjects, they also include courses on internal security operations, urban counter-insurgency, and other topics which bear upon political warfare.

The Public Safety Program: On the grounds that police forces constitute the "first line of defense against insurgency", President Kennedy in 1961 established the Office of Public Safety (OPS) to provide arms, equipment, training, and advisory support to the civil security forces of friendly Third World governments. All told, some $324 million was devoted to this purpose before the programme was abolished by Congress in 1974. OPS funds were also used to finance the International Policy Academy (IPA) in Washington, D.C., and other training programmes set up for foreign police personnel. Over one million policemen reportedly received some OPS-provided training during the 13 years of its existence.

International Narcotics Control (INC) programme: Although Congress has outlawed the delivery of arms and training to foreign police forces through the OPS programme, it has established a special fund for the support of forces engaged in anti-narcotics operations. While these funds are supposedly used for anti-drug operations only, there is considerable evidence that INC recipients include forces engaged in anti-dissident programmes as well. In Thailand, for instance, INC aid was tendered to the Border Patrol Police (BPP), a paramilitary force which took part in the bloody invasion of Thammasat University in Bangkok during the military coup of 6 October 1976.12/
The US government also plays an important managerial role in the repression trade by regulating the volume and direction of private sales. Under current law, exporters of commodities on the US Munitions List (a roster of products considered to be weapons or implements of war) must obtain an export license from the Office of Munitions Control (OMC) before shipping such items overseas. By slowing down or speeding up the processing of these licenses, OMC determines the rate of flow of US goods entering international markets, and thus allows Washington to facilitate or frustrate deliveries to particular recipients abroad in accord with current US policy.

This managerial role becomes particularly significant when we raise the question of human rights policy. Surely, the sale of security equipment to repressive governments would appear to contradict President Carter's states commitment to the promotion of human rights abroad. Yet we find that while Carter, under Congressional pressure, has banned deliveries of repressive gear to some prominent violators of human rights (e.g. Nicaragua, Paraguay), he has accelerated deliveries of security equipment to other repressive regimes (e.g. Indonesia, Thailand, South Korea, the Philippines). And when challenged on the apparent contradiction between his words and actions, Carter has insisted that US "national security", as represented by America's extended alliance systems, took automatic precedence over human rights considerations. Thus in a message to Congress on US military export policies, Carter cautioned against imposing any arms embargoes on human rights violators on the grounds that such bans would result in "arms transfer cut-offs ... involving small countries whose individual importance for our security interests may not be great, but whose importance for our collective importance may be". Carter went on to say: "There is a risk of offending such countries, thereby incurring damage to our regional and global interests."13/7

The managerial role of the US government is also critical when we consider the implementation of United Nations-mandated embargoes on arms deliveries to South Africa and Zimbabwe (Rhodesia). Officially, the United States is committed to respect the UN embargo on South Africa (voluntary since 1963, compulsory since 1978) and on Zimbabwe (mandated in 1966); in practice, however, Washington has permitted substantial deliveries of military hardware to both countries through semi-legal or illegal channels. In most cases, these transfers involve "third country" sales of US-designed hardware by overseas subsidiaries or affiliates of US arms firms, or of "gray-area" equipment not technically covered by the UN measures. Examples of both types of transactions follow:

- "Third-country" sales: Although US restrictions on the export of military hardware to South Africa and Rhodesia apply to all US-designed goods, whether produced in the USA or abroad, the government has tended to overlook sales of US-designed equipment by companies located in other countries (usually in Europe) to the embargoed countries. Such "third-country" sales usually involve the sale of US-designed hardware under license by overseas subsidiaries or affiliates of US arms firms. Thus we find the Aeronautica Macchi of Italy (an affiliate of Lockheed Aircraft), has sold license-produced Lockheed-60 Conestoga STOL (short-takeoff-and-landing) transport planes to both the South African Air Force (SAAF) and the Rhodesian Air Force (RhAF), while Reims Aviation of France (an affiliate of Cessna Aircraft) has sold Cessna Model-337 Milirole counter-insurgency planes to the RhAF.14/ Other license-produced US equipment which has shown up in SAAF and RhAF hands include: Bell Model-205A Iroquois troop-carrying helicopters (produced by Agusta of Italy); Avco-Lycoming GSO-480 and 1GS0-540 aircraft engines (produced by...
Piaggio of Italy), and Teledyne-Continental IO-360 aircraft engines (produced by Rolls-Royce of Great Britain). When asked to explain such transactions, US officials indicate that they rely on the cooperation of the third-country governments involved to prevent such sales, and that in the absence of such cooperation there is little that they can do to stop them.

"Gray-area" sales: Although the government has outlawed the export of "major combat equipment" to the embargoed countries, it has sometimes permitted the sale of significant military support equipment such as transport planes, helicopters, computers and communications systems to South African military authorities. Such products are known as "gray-area" items because, while obviously contributing to South African military capabilities, they do not, strictly speaking, violate the original 1963 UN embargo on military equipment. During the Nixon Administration, in fact, it became the stated policy of the US Government to supply such items to Pretoria so long as an appearance of maintaining the embargo was sustained. Major equipment supplied to the SAAF in this manner include: seven Swearingen Merlin-IV transport planes, sixteen Lockheed L-100 cargo planes, and twenty-two Cessna Model-185 Skywagon liaison and reconnaissance aircraft. In response to the new mandatory UN embargo imposed in November 1977, President Carter has banned sales of any products to the South African military, but has continued to allow exports to military-capable hardware (trucks, helicopters, computers) to "civilian entities" in South Africa which could easily transfer them to military use.

These channels have also been used to circumvent the arms embargo imposed by Congress on Chile in 1976, and other restrictions on military sales mandated by US human rights legislation. Since we can assume that the arms producers will always take advantage of any loopholes in such legislation, it is obvious that government officials will determine the extent of such transactions through the exercise of their discretion in interpreting and enforcing the restrictions involved. It is necessary to recognize, therefore, that the mere adoption of an embargo will not necessarily result in the total cessation of arms transfers if key government officials are disinclined to take the kinds of steps needed to insure full compliance with such measures.

V. CONCLUSION AND RECOMMENDATIONS

As we have seen, the world-wide demand for repression technology is growing at a steadily increasing rate. Unless steps are taken by the leading producers of these commodities to restrain their exports, repressive governments will be able to acquire more and more such products in the years ahead - thus intensifying their control over subject populations and insuring that anti-dissident operations will become more systematized and violent. And, despite all the world-wide efforts that have been undertaken to promote human rights and social justice among disadvantaged populations, the balance of power will continue to favour the forces of repression.

Although this conclusion appears incontrovertible from the evidence at hand, the responsible national and international authorities have taken very few steps to rectify the situation. Despite the efforts of some non-governmental organizations (NGOs) to raise this issue at the UN Special Session on Disarmament and other UN meetings, the United Nations has still not considered any proposals for restraining the repression trade. And, as we have seen, the Carter Administration's much-
publicized human rights policy has not halted the flow of security hardware to repressive regimes abroad. Accordingly, any initiatives in this area will have to come from the public, and particularly from those NGOs concerned with human rights, development, and disarmament. Fortunately, some of these groups (particularly Amnesty International and the World Council of Churches) have begun to discuss this question and to consider ways in which non-governmental groups can take action in this area.

Before an effective programme can be devised to curb the repression trade, however, we need to know a lot more about how it is organized, financed, and managed. This essay is intended to delineate the major features of this trade, and to show how a particular country - the United States - has helped to sustain it. But there are still many gaps in our knowledge, and only by learning more about the involvement of other countries - both suppliers and recipients - can we develop a complete picture of the international linkages which underlie this commerce.

Unfortunately, data on the transfer of police and security equipment is very difficult to obtain. This is partly due to the secrecy with which most countries shroud such transactions, and partly to the emphasis placed on major weapons by those organizations which monitor the arms traffic. As a first step in combatting repression sales, therefore, we should:

1. put pressure on the industrial countries to release information on exports of police and internal security hardware; and
2. persuade groups like the Stockholm International Peace Research Institute (SIPRI) to begin collecting data on the international trade in small arms and other police hardware.

The next step would be to organize an international "clearing house" for the collection, analysis, and dissemination of timely information on repression transfers. Such an agency, ideally located within the United Nations structure, could also be responsible for researching and exposing violations of the arms embargoes on South Africa and Zimbabwe (or any other UN-mandated embargoes).

At the same time that such an information-gathering effort is set in motion, we must also launch a worldwide educational campaign to focus public attention on the repression trade. Although in most countries the press usually carries stories on major international arms transactions, very little, if anything, is normally said about transfers of police and security hardware. Thus, even in those Western countries where there is an active human rights movement, most people are unaware of the fact that their government and/or local arms merchants are supplying security hardware to repressive regimes abroad. Once this discovery has been made, however, it is often possible to mobilize public opinion against the more conspicuous repression transfers.

In the United States, for instance, public concern over reports of US involvement in torture in Vietnam and Latin America helped spark the successful campaign to abolish the Public Safety programme. Similarly, our efforts to publicize sales by US firms of police gear to Third World dictatorships has led Congress to impose new restrictions on such exports. Under the International Security Assistance Act of 1978, Section 502B of the Foreign Assistance Act was amended to include the following provision: "Security Assistance may not be provided to the police,
domestic intelligence, or similar law enforcement forces of a country, and licenses may not be issued under the Export Administration Act of 1969 for the export of crime control and detection instruments and equipment to a country, the government of which engages in a consistent pattern of gross violations of internationally recognized human rights . . . This provision was called the "thumbscrew amendment" after Rep. Don Fraser - using information provided by the Institute for Policy Studies - revealed that the Commerce Department had permitted sales of thumbscrews and other "restraining devices" to countries which had been cited for frequent human rights violations. 18/

Hopefully, as people in other arms-exporting countries learn about their government's involvement in the repression trade, they will campaign for similar restrictions. However, while such unilateral measures could have a significant impact on the repression trade, it is obvious that, given the truly international nature of this commerce, some sort of multi-lateral action is necessary to assure a substantial reduction in repression transfers. We should attempt, therefore, to have small arms and police hardware included among the items to be covered in any multilateral arms export control agreements (such as the proposed US-Soviet limitations on arms sales to the Third World), and we should campaign for the adoption of an international covenant banning the use, sale, or delivery of all torture equipment and methodologies. At the same time, we should lobby with our respective UN delegations to have the repression trade placed on the agenda of future UN meetings on disarmament and human rights. Obviously, we cannot expect immediate success in these various efforts, but by raising our concerns again and again we can create a global consciousness about the existence of the repression trade, and thus set the stage for formal action to curb such transfers.

NOTES


3/ Telephone interview with Mr. G.H. Steinemann, President of Jonas Aircraft and Arms Company, New York City, 6 July 1976.

4/ The principal sources for this study include the annual SIPRI Yearbook, published by the Stockholm International Peace Research Institute, and Jane's Infantry Weapons.


8/ From export licenses issued by the Office of Munitions Control to Smith &
Wesson; Fargo International; Federal Laboratories; Jonas Aircraft and Arms Company; Polak, Winter and Company; Cadillac Gage; Colt Industries; and Military Armament Corporation between 1 January 1973 and 1 April 1976.


10/ This list is based on the author's own files, documents provided by the Office of Munitions Control under the Freedom of Information Act (see Note 8); Police Chief, Annual IACP Police Buyers' Guide (October 1977), pp.323-45; Jane's Infantry Weapons; Jane's Weapons Systems; and the list provided in Steve Wright, "An Assessment of the New Technologies of Repression", in Marjo Hoefnagles, ed., Repression and Repressive Violence (Amsterdam: Swets & Zeitlinger, 1977), pp. 161-63.


12/ Ibid. pp. 22-25


EL COMERCIO INTERNACIONAL DE LA REPRESION : LAS TRANSFERENCIAS DE ARMAS Y EL CONTROL SOCIAL EN EL TERCER MUNDO

Resumen: Los principales proveedores de armas abastecen también a los regímenes represivos del Tercer Mundo y a sus fuerzas de seguridad interna en armamento y servicios que se destinan a la lucha contra la oposición interna a tales regímenes, y lo hacen, a veces, transgreditendo embargos legales existentes. A pesar de que su valor monetario es modesto, el comercio de la represión afecta probablemente más la vida diaria de las masas que las transferencias de armas militares. El tercer sistema puede influir en tal comercio esclareciendo y haciendo presión para que se cumplan las restricciones gubernamentales que lo limitan.
Abstract: In the superficial opinion of many people, if not most, the NIEO makes an appeal to the industrialized countries for changes in their existing economic policies in favour of the Third World. However, the Programme of Action of the NIEO, in addition to suggesting such changes, also includes a substantial number of actions to be initiated by Third World countries.

NGOs are an important factor in the economic and social development of the Third World. Depending on the nature of their activities, they do valuable research work and they have close contact with the masses and their problems. Yet, their role in development is not clearly defined. When the United Nations system calls for wider and closer cooperation with NGOs, it thinks — in the first place if not exclusively — of NGOs in industrialized countries, i.e., NGOs in a position to sponsor development projects in the Third World or to make a financial contribution in other ways. NGOs in Third World countries are stunned when they realize that, save very few exceptions, there is no place or role for them in the development activities of most United Nations agencies. In fact, the United Nations system, for various reasons, has established policy for participation of NGOs in Third World countries, i.e., NGOs which cannot make a financial contribution.

While it is obvious that a vast unknown entity that could be mobilized thus lies untapped or is not tapped in an organized and systematic way, the question must be asked to what extent NGOs in Third World countries in fact are in a position to participate effectively in development. A reply should, in the first place, come from NGOs themselves. With this in mind a survey was conducted among NGOs in India. It may be considered a pilot project. Simultaneously a more limited survey was conducted among certain government institutions. The purpose was to find out the extent to which NGOs in India are already involved in official development activities and to ascertain the opinion of competent officials in regard to the usefulness of NGO activities.

PARTICIPATION DES ONGS DES PAYS DU TIERS MONDE DANS DES PROJETS CONTRIBUTANT AU NOUVEL ORDRE INTERNATIONAL

Résumené: Dans l'opinion superficial de beaucoup, sinon de la majorité, le NIEO est un appel aux pays industrialisés pour qu'ils modifient leurs politiques économiques en faveur du Tiers Monde. Cependant, le programme d'action du NIEO inclut, en outre, bon nombre d'actions à entreprendre par le Tiers Monde.
Les organisations non-gouvernementales (ONG) sont un important facteur de développement. Selon la nature de leurs activités, elles contribuent à la recherche et elles sont en contact étroit avec les masses et leurs problèmes. Cependant leur rôle dans le développement n'est pas clairement défini. Quand le système des Nations Unies demande une plus large et plus étroite coopération avec les ONGs, il s'agit principalement sinon exclusivement des ONGs des pays industrialisés, c'est-à-dire d'ONGs en mesure d'aider un projet de développement dans le Tiers Monde. Les ONGs dans le Tiers Monde sont surprises quand elles réalisent que, sauf exception, il n'y a guère de place pour elles dans les activités de développement de la plupart des institutions des Nations Unies. En fait, le système des Nations Unies, pour diverses raisons, n'a pas formulé de politique pour la participation des ONGs du Tiers Monde, c'est-à-dire des ONGs qui ne peuvent pas apporter de contribution financière.

Bien qu'il soit évident qu'il y a là une vaste réserve pas ou peu utilisée, la question se pose de savoir jusqu'à quel point les ONGs du Tiers Monde sont en mesure de participer effectivement au développement. La réponse doit venir d'abord des ONGs elles-mêmes. C'est pour cela qu'une enquête a été conduite parmi les ONGs indiennes. On peut la considérer comme un projet-pilote. Parallèlement, une enquête plus limitée a été conduite parmi certaines institutions gouvernementales. Il s'agissait de déterminer dans quelle mesure les ONGs indiennes étaient engagées dans des activités 'officielles' de développement et de s'informer de l'opinion de l'administration à cet égard.

LA PARTICIPACIÓN DE LAS ONG DE LOS PAÍSES DEL TERCER MUNDO EN LOS PROYECTOS QUE CONTRIBUYEN AL NOEI

En la opinión superficial de muchas personas, tal vez mismo de la mayoría, el Nuevo Orden Económico Internacional representa una duplicidad o los países industrializados para que cambien su política económica de forma a favorecer a los países del Tercer Mundo. Sin embargo, el programa de acción del NOEI además de sugerir tales cambios, también incluye varias actividades que cabe al Tercer Mundo iniciar. Las ONG son un factor importante de desarrollo económico y social del Tercer Mundo. Según el carácter de sus actividades, contribuyen a investigaciones importantes y mantienen contactos estrechos con el pueblo y sus problemas. Pero su papel en el desarrollo no está claramente definido. Cuando el sistema de las Naciones Unidas demanda una cooperación más estrecha y a la vez más amplia con las ONG, se refiere principalmente, y hasta exclusivamente, a las ONG de los países industrializados, es decir a ONG en estado de ayudar o apoyar con finanzas, a proyectos en el Tercer Mundo.

Las ONG del Tercer Mundo quedan asombradas cuando se dan cuenta de que, con pocas excepciones, no hay lugar o papel para ellas en las actividades de desarrollo de la mayoría de las agencias de las Naciones Unidas. En efecto, el sistema de las NU, por varias razones, no ha formulado política alguna para asegurar la participación de las ONGs de los países del Tercer Mundo, es decir ONG que no pueden hacer contribuciones financieras.

Aún que sea evidente que aquí existe una reserva enorme que no ha sido utilizada, vale preguntarnos hasta que punto las ONG del Tercer Mundo están en estado de participar efectivamente en su desarrollo. La respuesta debe venir sobre todo de ellas mismas. Es por esto que se llevó a cabo una investigación entre las ONG en India. Podemos considerarla como un proyecto piloto. Paralelamente un proyecto más limitado ha sido llevado a cabo entre ciertas instituciones gubernamentales para determinar hasta que punto estaban ya las ONG en India ocupadas en actividades oficiales de desarrollo y para averiguar la opinión de la administración a su respecto.
I. INTRODUCTION

The Programme of Action on the Establishment of a New International Economic Order (General Assembly resolution 3202/S-VI) assigns a definite role also to the "developing countries" for the introduction of certain changes as a precondition for the establishment of a NIEO. Measures suggested by the Programme of Action include, inter alia, exploitation and marketing of natural resources; processing of raw materials in the producer developing countries; arresting desertification; setting up of new industrial capacities; vocational training; transfer of technology; research; creation of suitable indigenous technology; etc. (See Annex I).

The United Nations and its specialized agencies as well as, to a degree, national governments, never fail to stress the importance of the contribution of non-governmental organizations to economic and social development. Yet, while the involvement of NGOs with headquarters in industrialized countries is well established (by virtue of their financial strength which enables them to sponsor projects in Third World countries), the UN system and, probably, most governments, have no firm policy or concept for the involvement of NGOs located in Third World countries. There is no organized way of knowing on a world-wide (or probably even a national) basis to what extent and in which particular areas NGOs in Third World countries, where most of mankind lives, can make a positive contribution to NIEO. At present, their contributions are accidental, without global guidance, frequently without national guidance, and do not form, as they should, part and parcel of the policies and action plans of the UN system in respect of NIEO. Hence, NGOs in Third World countries complain about not being used to capacity - or not being used at all - by governments, inter-governmental organizations and international NGOs.1/

Thus, a vast unknown entity which could be mobilized for the implementation of NIEO lies untapped or, at least, not tapped sufficiently on world-wide basis and in an organized, NIEO-oriented way. However, the question must be asked: to what extent are NGOs in the Third World in a position to effectively participate in NIEO-oriented activities?

How can NGOs in Third World countries contribute to NIEO?

NGOs (including research institutions, professional organizations, voluntary agencies, trade unions, chambers of commerce, youth organizations, etc.) can influence policy-makers on all levels and enlighten the general public. They can train certain sections of the population, identify priorities and specific problems, and execute projects or programmes envisaged by NIEO, ranging from rural and secondary industries to management development to introduction of indigenous technology. (See Annex II)

1/ This has been the author's personal experience during 15 years as Director of UN Information Centres for 9 industrialized and Third World countries in four continents.
II. NGO CONFERENCE

A series of "NGO Consultations" were held in New Delhi between October and December 1978 with a view to finding ways and means of involving NGOs in development projects sponsored by the UN system. The meetings were also attended by representatives of three Union Ministries and four UN agencies or offices. The participants reached the conclusion that a joint committee, or joint committees, should be established which would evaluate NGO projects and would recommend appropriate ones for inclusion in the government's regular programme for United Nations assistance (UNDP, FAO, etc.). Follow-up actions are now in preparation.

The author of this study, who participated in the Consultations as well as in the meetings of sub-committees, gained the distinct impression that a communication gap exists between NGOs and competent government offices. While several NGOs complained about lack of government cooperation, the representatives of the Ministries could rightly point at the existing machinery for government-NGO cooperation, which however did not seem to be sufficiently known in NGO circles.

Thus, the significance of the NGO Consultations in the present context would seem to be the realization that closer contact between NGOs and government is indispensable.

III. THE SURVEY

Purpose

What do NGOs think about their own abilities and capabilities?

If NGOs are to form part of a general drive to create in the Third World the conditions prescribed by the NIEO Programme of Action, it will have to be established to what extent and in which direction they could, in their own opinion, expand their NIEO-oriented activities. India presents excellent conditions for a pilot project of this kind: it is the second most populated country of the Third World, its widely differing socio-economic conditions reflect similar conditions prevalent in many individual countries or regions of the world, and it has hundreds (if not thousands) of NGOs - from highly efficient research institutes to welfare organizations with valuable grassroot experience.

Polling

A questionnaire containing 22 questions and sub-questions was distributed to some 1400 NGOs in the major States and Union Territories (of which India has a combined total of 31). A less elaborate questionnaire was distributed to over 150 government offices, government-owned institutes, governmental councils, corporations and similar bodies. Since the main purpose of the survey was to establish the role NGOs (in India) can IN THEIR OWN OPINION play in NIEO-oriented projects, the purpose of the questionnaire sent to government sources was merely to supplement the findings and to ascertain the opinion of the authorities on the present performance of NGOs as well as on its usefulness.2/

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2/ Of the 1,400 questionnaires supplied to NGOs, 68% were returned; of the 160 sent to government sources, 75% were returned.
Most recipients among NGOs were research institutes, including some university departments, professional associations and voluntary organizations. On the government side, while a few Secretaries to a Ministry received and returned the questionnaire, most other questionnaires were returned by research institutions. The polled organizations were drawn from the following broad categories:

- integrated rural development
- small scale industries
- technology and industrialization
- management
- labour/employment
- environment protection
- social welfare
- public health
- dairy farming/animal husbandry
- family planning
- disaster prevention/preparedness/relief.

To obtain the best possible results and a picture which would reflect the situation as correctly as possible, all participants in the survey were assured anonymity.

A. NGO survey

Past and present cooperation

i) with international NGOs or UN system: Approximately 33% of the NGOs indicated that they were affiliated to an international NGO. Accordingly, almost the same number of NGOs has in the past been involved in the execution of one or more development projects sponsored by a UN agency or, more frequently, by international NGOs or development agencies of foreign governments (e.g., Overseas Development Institute, OXFAM, Commonwealth Engineers' Council, Asian Productivity Organization, International Marketing Development Institute, religious and governmental development agencies in the UK, the FRG, Holland, Denmark, etc.). These projects - mainly research work (studies, surveys, etc.) - were carried out in the field of integrated rural development, followed by industry and technology, small scale industries, management, social welfare, family planning, public health, animal husbandry and labour-management relations.

Most of the NGOs stated that they were quite satisfied with the support, cooperation and guidance they receive from their international affiliates. However, only 15% had ever been asked to advise NGOs in other countries and thus let them benefit from their own experience or expertise.

While only 22% of these NGOs are "regularly" consulted by their international affiliated or parent bodies, 38% are consulted "occasionally" and 40% "never".

67% of the NGOs have indicated that they are not affiliated to an international NGO. Thus, only very few of them ever received funds from abroad for one of their projects in India. As well, very few (1) have received guidance or other assistance from international NGOs, or (2) have been asked for advice by international NGOs (integrated rural development, technology, management development, social welfare, public health), or (3) have been asked to advise NGOs in other Third World countries (management development, social welfare, technology, rural development, public health).

ii) with government (Central, State): In spite of the common complaint of most NGOs about lack of opportunities to be involved in official development projects, in this survey only 14% of the NGOs indicated that they were "never" consulted by the authorities. 13% are consulted "rarely", 40% "occasionally", 26% "frequently"
and 7% "regularly". (However, it was left to the NGOs to determine what they considered "rarely", "occasionally" or "frequently"). The majority of NGOs (those consulted "occasionally") are active in the fields of technology, rural development, management development and social welfare. Similarly, 32% of the NGOs "frequently" participate in government development projects, 50% "rarely" and 18% "never". However, four-fifths of those NGOs seem to participate on a voluntary basis while participation of the remaining NGOs is on a commission basis.

Except for NGOs with established consultation procedures (trade unions, chambers of commerce, professional associations) only a few NGOs (in agriculture, integrated rural development and environment protection) indicated that they are being consulted regularly before a policy decision is taken. 55% replied "occasionally" and 38% "never".

Services thus rendered by NGOs seem to consist, to a great extent, of research work (studies, surveys) in the fields of small scale industries, industrial development and management development. Projects are executed also in the fields of integrated rural development and environment protection.

**NGOs and NIEO-oriented activities**

The basic purpose of this survey was to establish to what extent and in which direction NGOs (in India) can, in their own opinion, expand their NIEO-oriented activities. A negligible number of very specialized organizations saw no scope for a significant expansion of their activities. All others expressed their conviction that they should expand, though few are those who felt they could do it without governmental or international assistance (see further below).

As this is an attempt to convey the results of the survey in narrative prose rather than in charts and statistics (which would require more space, among other things) the author has to confine himself to the more conspicuous results of the survey.

**Fields of expansion**

On an average, NGOs from all categories felt their activities should and could be expanded in the following fields:

- Vocational training; information of general public; environment protection (afforestation, land reclamation, measures against water pollution and soil erosion, etc.); transfer/exchange of technology within Indian States as well as with other countries; management development; training/education (general); research and development of indigenous technology; information campaign aimed at policy-makers; promotion of secondary industries (loans, investment, technical assistance, vocational training, management training; adult education.

**Priorities**

In identifying priorities among NIEO-connected development activities, the NGOs, in their replies, produced the following priority pattern:

- In addition, a small number of NGOs felt they could not participate in the survey as they, though NGOs, are entirely financed from government sources.
Vocational training; research and development of indigenous technology; management development; exchange/transfer of technology; research; exploitation and marketing of natural resources; more technical and financial assistance; training/education (general); promotion of rural industries; land reclamation and usage of unexploited land; processing of raw materials through new industrial capacities; general information campaign on NIEO; irrigation.

The following subject matters received surprisingly low priority:

- Development/teaching of new methods in agriculture and industry; management of human resources; disaster prevention/preparedness/training (although a considerable number of NGOs is involved in disaster relief operations);
- Nutrition programme planning; prevention of growing urbanization; information of policy-makers.

It would seem to be a result - a very significant and thought-provoking, though - of the political developments in India during the past two years that family planning emerges virtually as a non-subject.

Individual priorities

Most replies were received from organizations and research institutes active in rural development, promotion of small scale industries, technology and industrialization, and management. Given below are preferences for expansion of activities of NGOs active in those four categories as well as activities to which, in the opinion of the NGOs, priority should be given:

<table>
<thead>
<tr>
<th>Rural development:</th>
<th>Priorities</th>
</tr>
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<tbody>
<tr>
<td>Expansion</td>
<td>Priorities</td>
</tr>
<tr>
<td>- Vocational training</td>
<td>- Vocational training</td>
</tr>
<tr>
<td>- Infrastructure/rural</td>
<td>- Land reclamation and usage of unexploited</td>
</tr>
<tr>
<td>development planning</td>
<td>land</td>
</tr>
<tr>
<td>- Teaching/developing of</td>
<td>- Irrigation; indigenous technology;</td>
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<tr>
<td>indigenous technology</td>
<td>environment protection; rural industries;</td>
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<tr>
<td>- Environment protection</td>
<td>exchange of technology; financial assistance</td>
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<tr>
<td>(measures to arrest</td>
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<tr>
<td>desertification, salination,</td>
<td></td>
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<tr>
<td>water pollution, soil</td>
<td></td>
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<tr>
<td>erosion, etc.)</td>
<td></td>
</tr>
</tbody>
</table>

Small scale industries:

|                               | - Research; indigenous technology;           |
|                               | management development; exploitation and     |
|                               | marketing of natural resources; processing   |
|                               | of raw materials                              |
| - Vocational training         | - Vocational training; promotion of          |
| - Development and teaching of | rural industries; exchange of technology     |
| indigenous technology        |                                             |
| - Exchange of technology      |                                             |
| - Setting up of new industrial|                                             |
| capacities (secondary       |                                             |
| industries)                  |                                             |
| - Research                   | - Information campaign on NIEO               |
| - Promotion of rural industries|                                             |
| - Management development     |                                             |
Industrialization and technology:

**Expansion**
- Exchange/transfer of technology
- Research
- Teaching/development of indigenous technology
- Vocational training
- Management development
- Exploitation and marketing of natural resources
- Information of policy-makers

**Priorities**
- Teaching and development of indigenous technology
- Exchange/transfer of technology
- Vocational training
- Research
- Management development

**Commercial management**
- Vocational training
- Management development
- Information of policy-makers
- Management of human resources
- Promotion of NIEO-oriented activities among local industries

Not less than four of the eight lists given above are topped by the subject "Vocational Training". The importance attached to this subject by most NGOs no doubt carried a message. The urgency of the matter was underlined by the figures released in March 1979 by the Indian Directorate-General of Employment and Training according to which more than 250,000 scientists, medical doctors and technical personnel in India are unemployed. "The Statesman" of 14 March 1979 commented: "While India's scientific and technical manpower ranks third in the world in terms of size, there is still a gap between jobs and the manpower available". Many of those who could find a job if they had appropriate vocational training, instead choose to study science or technology in the hope of higher salaries, a higher social status and, no doubt, with a view to finding a job abroad (and thus contributing to the brain drain). The high priority given by NGOs to vocational training points out the real needs.

Can NGOs do it?

Only 15% of the NGOs indicated that they could execute additional projects without outside help. All others felt they would need assistance, and 82% specified it as financial assistance in addition, in most cases, to training and guidance. Only the remaining 3% (active in fields such as integrated rural development, small scale industries, environment protection, management and technology) would not require financial help but guidance and training. The NGOs have expressed no strong feelings as to whether such aid or training should be provided by government, inter-governmental organizations or international NGOs except that several NGOs have excluded government aid. In general, the first preference goes to international NGOs (38%), followed by inter-governmental organizations (34%), and government (28%).
There is a wide range of areas into which NGOs, in their own opinion, could expand their activities.

B. Government survey

The questionnaire for governmental and other public institutions (ministries, research organizations, administrative agencies and councils, etc.) was less elaborate than the one prepared for NGOs. The limited purpose of this survey was to establish current involvement of NGOs in official development programmes. Recipients of the questionnaires were assured that their replies would not be presented as representing official government policy.

Existing machinery for cooperation

A number of institutions exist in India whose raison d'etre is to fund NGO projects (e.g., Central Social Welfare Board, PAOE - People's Action for Development). It is well in line with this policy that the NGO Consultations held in New Delhi (ref. Chapter II "NGO Conference" above) were attended by representatives of three Union Ministries.

Fields of cooperation

Maximum cooperation, regular or occasional, exists with non-governmental research institutions and welfare agencies in the fields of housing (urban development), cottage industries, agricultural engineering, water supply, social welfare and family planning (70% of the returned questionnaires). In most cases, NGOs cooperate as consultants or on a voluntary basis while only a few projects (e.g., agricultural engineering) are carried out on commission basis. However, many NGOs receive financial subsidies, either regularly or for specific projects in their own programmes.

It is worth noting that 40% of the governmental institutions which replied indicated that they have funds for cooperation with NGOs.

Minimum cooperation with NGOs emerges in areas such as environment protection, public administration and rural development. However, a more detailed study reveals that cooperation does exist in the individual components of what is considered as "environment protection" or "rural development", such as afforestation or cottage industries. One particular comment from a governmental source illustrates quite clearly the importance of NGOs, and thus of a third system: "NGOs are important links between public agencies and the masses. Hitherto mass participation in rural development programmes of the Central Government has been inadequate and therefore the programmes have been of limited success". This comment shows that the implementation of a national development programme would greatly benefit from well-organized cooperation between governmental and non-governmental institutions in which the latter should have a permanent and well-defined role.

Rating

26% of the replying governmental agencies have never cooperated with NGOs but thought that such cooperation would be useful. Only very few of the returned questionnaires contained critical remarks, such as "NGOs are inexperienced and are not involving the right type of expertise", or "Some are not really active".
Rating the cooperation with NGOs, 57% found it "useful", 37% "necessary" and 6% "mediocre" or "disappointing".

IV. REMARKS AND SUGGESTIONS

All participants in the survey were invited to add remarks and/or suggestions. Only very few excerpts can be given in the limited space available:

NGOs

Remarks: The 'third system' will be more economical, efficient and useful ... IFDA must be congratulated on this bold and realistic outlook ... useful for resource mobilization, pioneering and collecting of useful data ... Third system will be useful provided governments are not involved in the execution of the projects ... The survey will no doubt be useful if a positive course of action can be determined ... Cultural elevation is a must for economic, social and political stability eschewing violence and war ... The grave problems facing humanity today cannot be solved by governmental action alone. The need for a 'third system' is obvious ... Will be only too happy to cooperate ... Human values must be stressed ... Hope the survey will help draw attention to the need for financial assistance to NGOs particularly in remote rural areas ... Our culture and present social system need careful study to find out the most suitable ways in which they can cope with the modern social forces.

Suggestions: 'Third system' should concentrate on professional research and development activities in neglected areas and should avoid duplication ... Private research should receive more financial assistance ... Industrial enterprises should "adopt" villages and small scale industries ... IFDA should establish regional bodies for the formulation of policies and strategies ... More exchange of views is needed among NGOs as well as between NGOs and the UN system ... International organizations should have closer cooperation with NGOs ... IFDA may consider to set up a "talent bank" containing bio-data of experts from different disciplines as may be available around the world ... There should be a Roundtable in India on the role of the 'third system', with allocation of individual responsibilities to the various NGOs.

Governmental institutions

Remarks: NGOs are useful because a bureaucratic approach is not conducive to development programmes ... Useful for better coordination of development activities ... NGOs (in agro-industry) in general possess advanced technology and a strong marketing set-up ... NGOs can confirm practical utility of the findings of research institutes ... NGOs can convey new know-how at grassroots level in a language which people can understand ... Their enthusiasm sustains throughout a project ... (This institute) calls NGOs for regular meetings to evaluate progress and to formulate future programmes ... NGOs are in the best position to prevent rehabilitated slum dwellers from falling back in old habits ... Can make valuable suggestions and prepare useful studies ... Have been successful in getting influential people together, thus creating an awareness...

Suggestions: NGOs should conduct more research among the masses to understand their problems, which will help Government to draft suitable programmes ... NGOs should do more to educate people re environment protection, water pollution, reforestation, hygiene and economical use of firewood. NGOs are in a better
position than Government but should include more local people ... NGOs should provide feedback between development agency and beneficiaries ... Might do more in developing indigenous technology ... There should be more exchange of technology between Government and NGOs ... NGOs played a useful role in convincing villagers of the usefulness of bio-gas and new techniques. They should now cooperate with (research institutes) to help make available the right type of high quality tools to improve production, productivity ... NGOs could promote in other parts of India as well as in other Third World countries the findings of certain institutes (e.g., reclamation of salt-affected soil) and could provide relevant training ...

V. FINAL REMARKS

The question "Can they do it?" can be answered in the affirmative even without a computerized analysis of this survey. While the most important conclusion can be drawn from the areas in which NGOs in India in their own estimation suggest to expand their activities, and from their priority lists, the survey also shows that existing cooperation notwithstanding between NGOs on the one hand and Government and/or international agencies on the other, most NGOs are not yet part of a "system" and thus should form a logical and important part of the third system.

NGOs themselves have suggested that, in order to make this survey meaningful in the framework of a global system, follow-up action should be initiated on a wider basis. They could include:

- similar surveys in other countries or regions;
- discussion of the results at regional conferences and possibly on a world-wide basis so as to determine the proper place of NGOs of Third World countries in the third system.

NGOs on the whole are well aware of necessity and requirements of the NIEO. They are willing, eager and, to a large extent, in a position to cooperate. Most government institutions are, in principle as well as in practice, in favour of NGO activities (from research institutes to voluntary agencies), although a communication gap seems to prevent full NGO participation in national development projects in general as well as in NIEO-oriented activities.

Any development strategy must take into account the human resources. Hence, NGOs, particularly in India, emerge as one of the most important and powerful components of such a strategy.
The Programme of Action on the Establishment of a New International Economic Order (UN General Assembly Resolution 3202/S-VI) assigns a definite role also to "developing countries" for the introduction of certain changes as a pre-condition for the establishment of a NIEO:

a) Part I. 1(b): (All efforts should be made ...) to take measures for the exploitation ... and marketing ... of natural resources, particularly of developing countries to serve their national interests, to promote collective self-reliance among them ...

b) 1(g): To take measures to promote the processing of raw materials in the producer developing countries.

c) 2(b): ... some developing countries have vast potentialities of unexploited land which, if reclaimed and put into practical use, would contribute considerably to the solution of food crises

d) 2(c): ... measures with a view to arresting desertification, salination and damage by locusts or any other similar phenomenon involving several developing countries

e) 2(d) To refrain from damaging or deteriorating natural resources and food resources, especially those derived from the sea, by preventing pollution and taking appropriate steps to protect and reconstitute those resources

f) Part III(c) ... setting up of new industrial capacities including raw materials and commodity-transforming facilities as a matter of priority in the developing countries that produce those raw materials and commodities

g) (d): (expansion of technical assistance programmes) including vocational training and management development of national personnel of the developing countries in the light of their special development requirements

h) Part IV (a): To formulate an international code of conduct for the transfer of technology, corresponding to needs and conditions prevalent in developing countries

i) (c): ... research and development programmes ... in the creation of suitable indigenous technology.

ANNEX II

AREAS FOR THE INVOLVEMENT OF NON-GOVERNMENTAL INSTITUTIONS AND ORGANIZATIONS

The following list of possibilities of NGO involvement in the preparations for a new development strategy and in the implementation of the NIEO is by no means exhaustive:

- Information campaign (through established as well as new channels) on NIEO and related national development aspects.
- Promotion of loans for, and of investment in, secondary industries (labour-oriented)
- Campaign and training on all levels to improve public understanding and practice of hygiene.
- Vocational training and management development, particularly for new secondary industries.
- Promotion (on all levels, starting from youth and villages) or measures against pollution, soil erosion, desertification, etc.
- Promotion (on all levels) of reforestation.
- Promotion of infrastructure and other measures to prevent increasing urbanization.

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In his report to the 18th session of the United Nations Economic Commission for Latin America (ECLA), its Executive Secretary analysed the 70s - 'Culmination of a cycle, interruption and advance towards the unknown' and discussed three 'great challenges for the coming decade': 'Broadening the social impact of growth', 'Accelerating the economic growth rate' and 'Strengthening the autonomy of growth'. We reproduce here the full text dealing with the first challenge as well as that of the 'final reflections'. The full text of the report (81 pp) could be obtained, in English and Spanish, from ECLA, Casilla 179 D, Santiago, Chile.

It is a widely accepted fact that the dynamic growth of the region in the post-war period bypassed in relative or absolute terms, a sizeable part of the population.

I do not intend to dwell on this topic, which I have dealt with at length in speeches at earlier sessions. On this occasion I should merely like to recall that a recent CEPAL study, covering six countries which account for 70% of the population and an equal proportion of the gross product of Latin America, found that in those countries per capita income rose by 26% in the period 1960-1967 a figure which is certainly satisfactory. Only 10% of this growth, however, benefited those who were below a certain poverty line in 1960, while 60% of it was absorbed by the richest 20% of the population. Thus, in absolute terms the 40% of the population who were poor in 1960 increased their per capita income by only 20 dollars between then and 1970.

Furthermore, according to the latest available data, in 1970 about 40% of the Latin American population suffered from extreme poverty and almost half of these could be considered indigent. Although the incidence of poverty varied enormously from country to country, as may be seen from table 1, this percentage means that in 1970 the poor of the region numbered almost 110 million, of whom 54 million were indigent.

With all the limitations involved in making a projection, and merely in order to be able to visualize the urgency of the changes which must be made in the forms of development which have so far characterized Latin America, it may be noted that if recent trends continue, by the year 2000 the poor of our region will have increased in absolute figures, although they will represent a small proportion of the total population. And what is more serious, the income gap between rich and poor will have increased alarmingly, a fact which runs counter to basic moral principles, has

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1/ Enrique Iglesias is the Executive Secretary of the United Nations Economic Commission for Latin America. He is also a member of the Executive Committee of IFDA.
no justification in economics and constitutes an evident threat to social co-existence.

Table 1
ESTIMATES OF THE INCIDENCE OF EXTREME POVERTY IN SOME LATIN AMERICAN COUNTRIES AROUND 1970

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage of households below the poverty line</th>
<th>Percentage of households below the indigence line</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Urban</td>
<td>Rural</td>
</tr>
<tr>
<td>Argentina</td>
<td>5</td>
<td>19</td>
</tr>
<tr>
<td>Brazil</td>
<td>35</td>
<td>73</td>
</tr>
<tr>
<td>Chile</td>
<td>12</td>
<td>25</td>
</tr>
<tr>
<td>Colombia</td>
<td>38</td>
<td>54</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>15</td>
<td>30</td>
</tr>
<tr>
<td>Honduras</td>
<td>40</td>
<td>75</td>
</tr>
<tr>
<td>Mexico</td>
<td>20</td>
<td>49</td>
</tr>
<tr>
<td>Peru</td>
<td>28</td>
<td>68</td>
</tr>
<tr>
<td>Uruguay</td>
<td>10</td>
<td>-</td>
</tr>
<tr>
<td>Venezuela</td>
<td>20</td>
<td>36</td>
</tr>
<tr>
<td>Latin America</td>
<td>26</td>
<td>62</td>
</tr>
</tbody>
</table>


The other fact of capital importance to which I should like to refer is that unquestionably most of the managing cadres - in the government, professional and intellectual circles, political parties and basic institutions such as churches, the armed forces, trade unions and business associations - agree on the urgent need to tackle this specific problem with the utmost priority. This implies that there are few people who still believe that a dynamic growth process will suffice for the problem to solve itself.

Naturally enough, there are differences, sometimes profound, in the diagnoses and remedies suggested or adopted, but this overall consensus is certainly of fundamental importance, for the collective awakening to the problem is not only a new development but also the prime and most essential condition for beginning to solve it.

The nature of the challenge facing us is certainly very complex since without losing sight of the growth objective, which I will discuss later, we must find a means of achieving social justice; without renouncing the modernization of society we must give preferential treatment to the groups which have not yet benefited from technological progress; and without neglecting the excellence necessary in the training of certain groups in our communities, we must broaden and improve the system of opportunities and rewards in such a way as to involve actively large groups in Latin American society who are still excluded from the decisions which affect their living conditions.

1/ The ten countries considered account for 84% of the population of Latin America.
1. The size of the social challenges

One factor closely linked with the situations of critical poverty encountered in the regions is that of demographic trends. The projections made by CELADE indicate that although there will be a slight drop in the population growth rate from 1980 onwards, in the remainder of this century the Latin American population will increase by 75%. At the same time, migration from the countryside to the towns will continue, especially in the countries where the percentage of the population living in rural areas remains very high, and where the incidence of critical poverty is greatest. All this will increase the pressures on services and physical space in the urban zones.

Furthermore, due to changes in the age structure of the population, the proportion of the total population represented by persons of active age will increase, and this, combined with higher rates of participation by women, will generate an increase in the labour force estimated at an annual average of nearly 3%, with the total rising from 170 million in 1975 to 345 million at the end of the century.

A number of studies of the region show that if the current style of development continues unchanged, the growth rate needed to maintain current unemployment levels would be well above the rates achieved by most of the countries of the region in recent decades - rates which were actually the highest ever recorded.

The rapid growth of the labour force certainly represents an important challenge to the capacity for job creation of the countries of the region, and this challenge increases still further if it is recalled that it will also be necessary to increase the productivity and incomes of those who are currently vegetating in backward activities or are suffering from different forms of underemployment. In this latter respect, the estimates of the International Labour Office show that underemployment affects nearly 30% of the labour force. In short, the problem is not only one of reducing unemployment but also of absorbing underemployment so as ensure opportunities for productive and well-remunerated work for the entire labour force.

As will be understood, however, there are other social challenges which must urgently be dealt with, education for example. Frequent reference is made to the major advances achieved here, but the shortcomings which still exist are overlooked.

It is a fact that considerable progress has been made in increasing the access of the population to the educational system. Between 1960 and 1975, the coverage of primary education doubled in absolute terms, secondary enrolment increase five-fold and enrolment in higher education increased more than six-fold. It is also true, however, that despite the substantial effort made, illiteracy in a considerable number of countries of the region was still very high in 1970, while the average educational level of the labour force was still low and the proportion of workers without schooling was very high. This last fact is particularly important since, as may be observed from recent CEPAL studies, the great majority of heads of households in situations of poverty have three years of schooling or less. It may also be noted that the incidence of poverty drops drastically when the head of the household has completed full primary education.

The foregoing is a reflection of the fact that the proportion of students who complete the primary cycle in Latin America is still very low, although there are substantial differences between countries. A study of 18 countries shows that
around 1975 less than 50% of the students who had enrolled in primary education 6 years previously had completed the cycle, while more than half the dropouts were in the first three years of schooling and thus ran a great risk of becoming illiterates from lack of practice.

From another standpoint, the tendency towards a predominant urban labour force and the increasing numbers of persons graduating from the educational system mean that new job-seekers come up against a labour market which offers fewer opportunities than are required at nearly all levels, and this creates insecurity and frustration, among both young people with little education and those who have succeeded in completing their secondary education. Indeed, in some countries this situation is emerging even among graduates from higher education, who are not succeeding in finding jobs in keeping with their training and aspirations.

2. Mission: possible!

Although these and other related facts give some idea of the vast size of the tasks to be faced, I am convinced that these are not insuperable.

The economic growth of the region in recent decades, the noteworthy progress in technical knowledge, and the incorporation of increasingly large numbers of professionals trained in the management of public affairs constitute a group of factors which, united with a firm political will, may well remedy the social inadequacies that cause us so much concern. My optimism is thus not purely rhetorical.

Recent studies on the problem show that the additional income which would have been required around 1970 to bring the income of the poor groups up to the estimated minimum for covering the basic overall consumption budget was equivalent to approximately 6% of the total disposable income of the richest 10% of the population. From another standpoint, it would have represented about 22% of total public expenditure for the region as a whole.

These values, of course, hide wide variations between countries where the deficit expressed as a proportion of total personal income ranged from 0.6% to 20%, while as a proportion of public expenditure it varied between 3% and over 100%.

These relationships between the seriousness of the situations and the amount of national income or total disposable household income clearly shows that when a point has been reached, as has happened in Latin America, where average per capita income is four times the figure corresponding to the poverty line, the eradication of poverty appears as an economically feasible task.

If the problem is examined from the standpoint of some basic deficiencies, much the same conclusions are reached.

(a) It is estimated that between one-third and two-fifths of the population of Latin America suffers from nutritional deficiency since their calorie consumption is below the minimum requirements recommended by specialized international agencies. Taking as a reference the cost of the basket of foodstuffs used to determine the poverty

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1/ The per capita gross domestic product, expressed in dollars at that year's prices, was 886 dollars in 1970 and the estimated poverty line at that time was a little over 200 dollars.
line, it is estimated that Latin America's nutritional deficiencies represent between 1 and 2.5% of the regional gross product.

(b) As regards the educational deficit, it is estimated that the additional cost of providing six years of primary schooling for the future cohorts would amount to somewhere between 0.3 and 0.5% of the region's gross domestic product, while the additional expenditure required to finance an adequate health system would absorb 1 to 1.5% of the regional gross product.

(c) Finally, with respect to housing, it is assumed that about 1% of the gross national product would have to be transferred to the poorest families so that their expenditure on housing could be equivalent to that incurred by families whose income is equal to the poverty line.

In short, to solve those deficits would involve reassigning income amounting to between 3.3 and 5.5% of the regional total, which does not seem too ambitious an objective.

Obviously, however, it is not a question here or merely transferring income from one destination to another, or from the rich to the poor. After the financial transfer and the difficulty which by its very nature this involves - real and perhaps bigger and more complex obstacles arise. The operation really requires the transformation of some structural profiles and, in the final analysis, of the mode of operation of the economic, social and political system. Only thus can the existing distribution patterns be permanently altered, in a context of adequate productive dynamism which will guarantee higher real incomes on a stable basis for the poorer groups, without jeopardizing economic growth to the point of frustrating the income distribution attempt.

It is not surprising, therefore, that the consideration of these problems should have opened an active discussion on the nature of the policies and expedients capable of appreciably improving the distribution of the fruits of technical progress and eradicating the critical poverty scenarios.

3. Stages of a redistribution strategy

In this discussion - which is raised today in every kind of international forum - there emerge three lines of action and thinking: one deals basically with the problem of critical poverty; a second enlarges on this concern and extends it to the field of basic needs; and a third integrates those objectives and subordinates them to the formulation of a global strategy for change, capable of modifying the original bases of the situations of deficiency and inequality.

It is not possible to enter into a detailed examination of these positions, all of which are perfectly respectable. Let us merely say that from our own point of view we see no absolute contradictions between them, but only stages of a process which should integrate them according to the material, social and political conditions prevailing in each country.

We have no doubt that only a strategy which alters the structural bases and mode of operation of the global system can provide the whole answer to the complex problem we have before us. This does not mean, however, that we cannot propose and pursue
more restricted and specific aims such as those linked with the campaigns against poverty or for the satisfaction of basic needs, which will help the collective conscience to simmer and mature, and provide concrete experience that will facilitate the attainment of more ambitious goals.

Let us examine some features of these three courses of action.

(a) The critical poverty approach

It will take time for the permanently favourable effects of the radical changes which must be introduced in the distribution patterns to be felt by the poorest population groups. Therefore, it is necessary to design specific policies with a view to satisfying the most elementary needs of poor families as efficiently as possible and within the shortest possible time.

Nutrition, education, health, housing and sanitary conditions among others, are areas of intervention in which experience in Latin America has shown a greater or lesser degree of success. Notwithstanding the efforts made, these can be said to have been insufficient, both because of the volume of resources assigned to those aims and because of the relatively limited proportion that has reached the extremely poor sectors. It is therefore necessary to revise the criteria for assigning public resources, especially in the social sectors, and also to make a genuine effort to increase the taxation of those groups which have reaped most benefit from economic growth, with the object of providing the resources required to face the extreme poverty emergency.

Furthermore, the institutionality in force and the bureaucratic administrative practices are not the most suitable to take care of the poor population. This is because the decisions adopted in the social sectors are generally unco-ordinated and the "target groups" are not clearly defined. As regards the bureaucratic administrative aspects, compliance with the rules and regulations calls for educational and other conditions which are not easily fulfilled by the population which is ultimately meant to be favoured.

These assistance-oriented policies, even if their coverage increases and their implementation improves, are not of course the solution to the poverty problem but merely help to palliate its most degrading features. This is what underlies the objective of overcoming extreme poverty as the first stage of a development strategy aimed at achieving greater social equality.

(b) The basic needs approach

A second stage, which differs from the first because of its broader objectives, the means that have to be utilized and its dynamic concept, consists of the satisfaction of basic human needs. These do not refer only to the deficiencies found in extreme poverty, measured in absolute terms, but to those which, including that minimum stage, permit self-sustained development through the creation of productive employment and levels of income which permit the persons concerned to be integrated in the economic, social and political life of their national societies. In other words, besides satisfying certain minimum material needs the aim is to cover needs which, not being of a material kind, constitute essential elements of a society involving greater participation, equality and solidarity.
A first problem which arises in the satisfaction of basic needs is the choice of a criterion for defining them. Obviously, a universally valid prescription cannot be given, but the criteria should be determined according to the conditions prevailing in each country, and even within the national frontiers some of those needs will vary from one region to another. This information depends on the sovereignty of each country, a fact which must be made perfectly clear.

Once a criterion for identifying the basic needs to be satisfied and the groups to be favoured has been adopted by the political authorities, the strategy should specify the direct and indirect means for attaining the objectives. In this stage it is especially important to make sure that the policies designed to increase the income of the poor are not counteracted by a rise in the prices of the goods and services they consume, or that the productivity increments are not translated into higher monetary income. This means that the increased purchasing power in the hands of the poor will really be converted into greater permanent well-being based on changes in the magnitude and structure of supply.

In view of the limited resources of the Latin American countries, the satisfaction of basic needs should be compatible with other objectives, such as the need for sustained growth, the diversification of the production system, less external dependence in terms of both products and markets, the maintenance of certain basic equilibria and the legitimate consumer aspirations of the middle-income groups.

(c) The integrated change approach

The foregoing stages necessarily lead to a third stage, which consists of incorporating the previous two stages in a global development strategy aimed at eliminating contradictions between objectives and making the policies consistent with one another.

The choice of the two primary objectives of eradicating poverty and satisfying basic needs, in their dynamic and structural change approach, should be integrated in a strategy which will simultaneously achieve the capital formation required to sustain the expansion of productive capacity. Experience shows that the spontaneous action of market forces tends to reproduce the inequalities of the existing distribution pattern and, of course, fails to assign the resources to the production of goods and services consumed by the poorest groups because of the small percentage of income they manage to obtain. Moreover, in many cases, private investment does not respond as quickly as it should to purely economic incentives.

These considerations justify a more active participation by the State, both in fulfilling the redistribution objectives and in achieving the level of accumulation and structure of investment suited to the growth objectives and the reorientation of the production structure. This in no way implies ignoring the important role of the market; it merely points to the need to recognize that the State fulfills an irreplaceable function in a strategy which assigns priority to the eradication of poverty and the satisfaction of basic needs.

It is an empirically proven fact that the great social inequalities are linked with the structural heterogeneity of the productive systems. That is to say, the coexistence of broad informal or traditional sectors where technical progress has not yet arrived, with modern activities in which advanced technologies are used. Therefore, if it is desired to compatibilize growth with a reduction of the existing
inequalities, the expansion of the modern sectors should be able to sustain a
dynamic demand for employment, and a proportion of its surpluses should help to
raise productivity in the backward and informal activities.

Let us recapitulate: the greatest challenge facing the governments of the region
is the need to assign preferential and immediate attention to the most seriously
afflicted groups; to promote the creation of employment in order to make full use
of the labour force at sufficient levels of remuneration to satisfy its basic needs;
and to incorporate the marginal sectors in the production process, mainly through
the proper generation and channelling of investment resources.

FINAL REFLECTIONS

In closing, and as a final message from the secretariat on the occasion of the
eighteenth session of the Commission, I should like briefly to recapitulate the more
salient points of this report and draw some conclusions based on what I have just
said.

In all areas of life in the region, whether economic, social or political, time has
not passed in vain for anybody. The region's best asset is perhaps its fund of
experience - both successful and unsuccessful - which has been the fruit of long
years of travelling the difficult paths of development.

Taking stock of that experience over the last three decades leads to three major
conclusions:

The first is that during this period the Latin American economies have undergone
a dynamic process of growth and transformation. Although varying in intensity
in the different economies of the region, this process has brought about substan-
tial changes in the great majority of them. As a result, the economies of Latin
America are today very different both in size and in other structural features
from the economies of thirty years ago, when CEPAL began its activities.

The second is that in the majority of cases the benefits of this significant economic
growth have been distributed most unevenly among the different groups of society and
consequently extreme poverty still affects vast sectors of the Latin American po-
pulation.

The third is that during this period the forms of Latin America's insertion in the
world setting have changed greatly, which, as I pointed out earlier, has brought
some favourable consequences, and others less favourable.

Furthermore, it is important that it should be clearly understood that the subs-
tantial changes in the political and economic scenarios and in the workings of the
international economy, which set in at the beginning of the current decade and which
reached a peak in mid-decade with the most profound and protracted crisis the indus-
trialized market economies have known since the Great Depression, have radically
altered the external factors conditioning our development. The world economic
setting of the closing years of this decade is indeed qualitatively and subs-
tantially different from what existed at the beginning of the decade; and therefore
to the foregoing conclusions we must add some further points which need to be
better defined.
The first of these is that the three processes mentioned earlier have taken on new features, almost all of which are unfavourable. The widespread instability of the international economy and the sluggishness of the central economies have been reflected since 1975 in lower growth rates in most of the Latin American countries and a considerable rise in their foreign debt. The simultaneous rise in external inflationary pressures has also meant that at the same time the problems of income distribution have worsened in many of our countries.

A second fundamental point which should be borne in mind is the transformations which have occurred in recent years and which continue to occur in the industrialized market economies. The capacity of the central countries to respond to the substantial changes in the international monetary system, the structure of world trade and the supply of certain strategic raw materials has proved to be much more flexible and effective than that of the peripheral countries, and has taken the form of the adoption of measures and the creation of machinery of a defensive nature. As a result of these responses - whose high degree of co-ordination has contrasted with the dispersed efforts of the countries of the Third World - the influence of the central countries in the bodies responsible for establishing the modalities and machinery which will provide the framework for the workings of the new international economic order has remained very great.

A third major event of the present decade, and one of particular importance to the countries of the periphery, was the raising of the price of petroleum. This changed radically, and probably definitively, one of the essential elements on which international trade and the development of the industrialized economies had been based since the war. What is no less significant for the countries of the Third World is that this was a clear demonstration of the advantages which they could gain by taking joint action to secure better earnings for their primary commodity exports.

Nevertheless, as a result of the rise in the price of petroleum and of other changes which occurred in the international economy as well as the development of the countries themselves, the latter have tended to differ increasingly in the extent and forms of their insertion in the world economic system. The importance of this fact must not be neglected, since it represents a possible difficulty for the renewal and strengthening of economic co-operation within Latin America at a time when the adverse circumstances deriving from the slow and unsteady growth of the central economies make joint action by the countries of the region more necessary than ever.

It is against this background of the economic and social development trends of Latin America over the long stretch of growth which came to an end in the middle of the present decade, and of the many deep changes which have occurred in the world economic picture in recent years, that I would ask you to consider the following three major concerns.

1. How can the great majority of the Latin American population catch up

The first problem is to improve the distribution of the benefits of economic growth. This, as I mentioned before, is a fundamental moral imperative of development policy. The continued existence of situations of extreme poverty and even indigence affecting a large proportion of the Latin American population constitutes in my opinion the clearest and most unacceptable shortcoming of the style of development which has prevailed in the region. What is equally important is that the eradication of extreme poverty is in most of the countries of the region today a feasible objective
from an economic standpoint. Again, as I pointed out earlier, to achieve this objective satisfactorily would call for the application of systematic and coherent policies of redistribution accompanied by a high, steady economic growth rate, and thus the reduction of social inequality would go hand in hand with a considerable expansion of domestic markets.

2. How to bring new ideas into economic relations within Latin America?

This expansion of the domestic market and the foreseeable drop in the growth rates of the economies of the industrialized countries highlight the need to introduce new ideas into all levels of economic relations within Latin America. In the present circumstances, these have tended to become defensive, in the face of the unfavourable trends stemming from the international economy, and constitute a potential on which faster, steadier growth of the Latin American economies could be based.

It is important to realize that this fostering of bilateral, subregional and regional interrelations in Latin America should be viewed as a complement of, rather than a substitute for, the growth of national markets.

Thus the second major concern which I ask you to consider, one with which CEPAL has been closely associated since its inception, is that of finding the machinery and methods of attaining this objective.

3. How to transform passive insertion in the international economy into dynamic interdependence?

In a world of increasing economic interdependence, it would be unrealistic for a region whose performance has depended heavily upon trends in international trade and finance to set its sights on autarchy. Neither the expansion of domestic markets nor a greater degree of economic interrelation in Latin America should be seen as means of reducing their degree of insertion in the world economy. Quite the opposite: The export capacity of the countries of the region should increase and the vigorous process of growth and diversification of exports should be pursued. At the same time, the rising level of income of the Latin American population will swell the volume of imports.

The challenge lies precisely in thinking out how the countries of the region can make maximum use of the opportunities offered by their position in world economic flows while minimizing their negative effects; how to play an active role in the design of the rules of the game governing trade and financial flows, instead of being relatively passive participants; and how to reconcile the economic policy requirements needed to attain these objectives with those required to achieve the growth and redistribution targets.

The dialogue on the New International Economic Order begun some years ago points in this direction, and we must continue to emphasize the set of topics it comprises, and devote all our powers of imagination and negotiation to developing it.

I have ventured to single out only these three fundamental concerns. Neither their number nor the order in which I have mentioned them are the result of an intellectual whim. On the contrary, they represent the secretariat’s conviction that there is a deep interrelationship and interdependence between them. An expansion of national
markets which is not accompanied by community regional and subregional action and without a proper insertion in the world economy could result in a state of technologically-backward semi-autarchy. And an external insertion lacking these national and regional dimensions would represent an extremely vulnerable and dependent style of development.

Finally, I wish to pause for a moment to examine the implications for CEPAL of the identification of the three major concerns to which I have referred. The fact that I have limited myself to stating them and have not attempted to suggest ways of solving them is deliberate, since my main purpose is to elicit guidelines from you for our future activities.

Naturally, the secretariat has some ideas in this respect, and these are contained in the documents which we have submitted for consideration at the session. We are, however, far from understanding all the consequences and implications of the topics which I have ventured to cover in this report. Still less do we have all the answers about how the region as a whole and each country in particular can face up to these challenges in the new and ever-changing conditions characteristic of the present world economic picture.

This is, in my opinion, one of CEPAL's principal tasks in the immediate future: to re-examine our thinking on Latin American economic development and adapt it to the context of a rapidly-changing world and of a growing variety of options within the region itself. This is the challenge which the secretariat must tackle in the future, and whose dimensions and implications we hope to be able to begin to examine—at least roughly, at first—when working on a New International Development Strategy for the region.

We know what disappointment many of these exercises have caused in the past. But it is important to renew our interest, by updating the approaches to the preparation of a new strategy.

The opportunities opened up to us by the dialogue on the strategy are wide-ranging. On the one hand, we are encouraged to reflect on our own internal problems, an exercise which of course constitutes a sovereign task for each country. But the dialogue can stimulate that reflection and enrich it with the cumulative experience of each and every one of our countries.

On the other hand, the discussion of the strategy can explicitly include a constructive debate on the possibilities and limitations of regional cooperation. Thus, it can be converted into support for the political task which must be carried out in order that regional cooperation may be renewed and may thus accentuate its dynamic role in our development process.

Lastly, the discussion of the strategy will provide a further opportunity both to identify the problems of the new international economic order within the context of a broader perspective, and to establish specific goals for the international action of governments of the region.

Understood in those terms, the international development strategy should not be, as it was in the past, an exercise conceived only at the world level and from the centre of the United Nations system. This exercise, which is undoubtedly valuable,
should be supplemented by a regional view which, translating the global goals into regional objectives, will stimulate dialogue and cooperation among us.

CEPAL has always been intimately committed to this task. Today we wish to renew this commitment, placing ourselves at the government's disposal in this enterprise.

It is in this spirit and conscious of the positive contribution which this discussion could have that I venture to suggest to you all that the Commission should proclaim as one of its great tasks for the future the preparation of the Strategy for the Third Development Decade for the region.

third world is part of a large-scale project which aims to:
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- contribute to increase the knowledge on the realities and experiences of Third World countries
- promote the conscientization of Third World peoples on the causes of underdevelopment and the means to overcome it
- promote cooperation among progressive sectors in industrialized countries.

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cuadernos del tercer mundo is a monthly publication, with a circulation of 15,000 copies, distributed throughout Latin America. cadernos do terceiro mundo, our Portuguese edition, has a circulation of over 40,000 copies, distributed mainly in Africa.

third world is a magazine on the Third World, made by Third World journalists and addressed mainly to the Third World.
It is far from coincidental that the recent reaction to the traditional order has been termed the "counter-culture" rather than the "counter-economy" even though the reaction has focused to date largely on developing new forms of economic activity - communes, community groups, the arts, crafts, cottage industries and cooperatives - which are the antithesis of everything the traditional economic order has been designed to crush. For what is at stake here is nothing less than the dawning of a new age - an age in which myopic, economic values are replaced by commonsense, cultural values and the narrow perspective of economic determinism is superseded by the broader perspective of cultural humanism.

Since this is uncharted territory at present, there must be no confusion about our terms of reference. In particular, there must be no mistaking our use of the term "culture". In this context, culture is not used as a synonym for the arts or leisure-time activity. On the contrary, it is used in its full anthropological and spiritual sense to signify everything that a society believes and creates. Listen as the Prem Kirpal, former Deputy-Director of Unesco, gives us an insight into the expansive and dynamic character of culture:

"A living and vital culture is rooted in authentic and healthy traditions, has the capacity of continuous renewal and adaptation, and is developed by new aspirations and bold innovations; in this way the past, the present and the future are reflected together in that life of the mind and the spirit that is the indefinable complex of culture. The humanities and the arts, the sciences and the technologies, the network of communications and relationships, the magic of poetry and the transcendence of religion, all these spheres of action and speculation form the pattern of culture. The rich and fascinating diversity of these patterns is a precious heritage of mankind that needs to be preserved and developed!/.

There are two advantages to such an expansive and dynamic definition of culture. First, it is possible to see society as it really is - as an evolving process of interrelated aesthetic, scientific, intellectual, social, political and economic components, rather than as a static product of economic determinism. Second, it is possible to stand on the perimeter of society in order to study it with a critical eye - as an anthropologist might do when analysing different civilizations in order to see clearly their excesses and imbalances, strengths and shortcomings. When each of these advantages is carried to its logical conclusion, it is easy to see that what results is a society with a much different internal dynamic and system of values than the society that is served up by the advocates of economic determinism.

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No sooner is society viewed in these terms - that is to say, from a perspective of cultural humanism - than it is apparent that entirely new planning and decision-making processes will be required. No longer will planning and decision-making processes be designed in vertical, specialized terms to reflect the biases of modern economic systems. On the contrary, they will be designed in horizontal, integrated terms to reflect the need for input from all sectors of society. Given these new processes, it will no longer be a far-fetched idea to have artists and humanists sitting in political boardrooms, since it will be as essential to examine the aesthetic and human effects of economic and technological change as it will be to consider the economic and technological effects of cultural change. What holds true for the political process also holds true for the corporate process. Are the environmental and human effects of industrial policies any less important than productivity and profit increases? Should designers, environmentalists and citizens not also be found on the boards of transnational corporations?

Without doubt, integrative processes will slow down the pace of decision-making. But is that so bad? Which is more preferable? Is it better to have a vastly speeded-up decision-making process which steam rolls over important aesthetic, environmental, social and human issues? Or is it better to have a slowed-down decision-making process which gives careful consideration to the effects of economic decisions on people's lives, their communities and the natural environment? For more than a century, the world has been in the constant grip of one type of decision-making process. It is high time we were gripped by the other.

As this happens, the entire pace of life will slow down and assume more manageable proportions. No longer will there be the accelerated frenzy induced by modern economic systems. The challenge will not be to race through life from start to finish, to leave everything - food, projects, work and holidays - in a half-digested state. The object will no longer be to keep up with the rapid tempo of assembly-line production. Rather, the challenge will be to move at a tempo which permits people everywhere to find creative inspiration and human joy in work and leisure, to tackle every task with a sense of dedication and enthusiasm, to explore the infinite mysteries of life to the fullest and to savour every precious moment of the human experience. For, as Bergson so astutely realized, all that really happens when you double the pace of life is that you miss twice as much.

Once the pace of life slows down, obsession with quantity will turn to concern for quality. There will be less concern with inventing automated and cybernated techniques which expand the supply of uniform, plastic products and more attention given to fashioning products which have been caressed by human hands and inspired by inventive minds. It will prove easier and easier for citizens to appreciate the dedication artists and artisans have to excellence in all forms of creative endeavour. As this happens, preoccupation with mass production and measures which pollute the external environment will dissolve into commitment to artistic standards and decorative policies which adorn the external environment. Slowly but steadily the acquisitive society will yield to the aesthetic society.

Without doubt, changes in patterns of living are the key to a more human world. During the past century, life styles, particularly those cast in the western world, have exploited the environment that is external to man. We have observed what incredible demands these life styles have made on material resources and human values. Over the next century, what will be needed more and more are life styles which explore the environment that is internal to man and protect the environment.
that is external to man. This is what makes aesthetic and intellectual activities like the arts and crafts, meditation, life-long education, contemplation, conservation and spiritual renewal so essential. They drastically reduce the drain on material resources and substantially increase individual satisfaction and human participation.

It is not the intention here to pit one life style against another, to turn the world into a battleground between conservation and consumption, since that would defy commonsense which is the essence of cultural humanism. Fortunately, it is not a question of choosing one life style over another. Rather, it is a question of blending several life styles into a more humane and harmonious pattern for future living. In much the same way, it is not really a question of growth or no growth - unmitigated consumption or total abstinence. On the contrary, it is a matter of achieving a rate of total development which allows for a reasonable rate of consumption on the one hand and a sensitivity for people and the natural environment on the other hand. This is what the dawning of a new age is all about.

At this juncture, one might be tempted to ask what are the ultimate aims of this new age. In concrete terms, they include greater human fulfillment in life, more creativity in work and leisure, more human tolerance of diversity, a more attractive and less polluted environment, reduced material consumption, greater conservation of resources, more citizen participation in decision-making and firmer community control over future directions. On closer inspection, these ultimate aims of the new age turn out to be the basic objectives of an enlightened cultural policy.

Politics and the New International Order

If these objectives of an enlightened cultural policy are to be achieved, it is obvious that political systems must be evolved which can withstand the pressures of economic determinism in order to respond impartially to the real needs of people in general and communities in particular. This will prove to be no easy task. Already there are indications that governments are caught in a squeeze, as threats of inflation, unemployment and low rates of economic growth spawn cries from the business and wealthy communities for a return to such conventional dictates of economic determinism as profit maximization, unrestrained resource utilization, uncontrolled pricing policies and cuts in what they deem to be "superfluous" spending.

Nevertheless, given the size of most governments today as well as the immense power they yield over society, it is incumbent on governments everywhere to act with objectivity, justice and integrity in the articulation and execution of public policies.

Acting with objectivity, justice and integrity requires a number of fundamental political commitments. First, it requires a genuine commitment to bringing the quantitative and qualitative components of development into equilibrium. Since the developmental equation is presently overloaded on the quantitative side, this means giving preference for a time to the building of qualitative resources - music, dance and drama companies, environmental agencies, craft associations, educational institutions, libraries, museums, parks, conservation areas and athletic organizations - at the very time when there are strident cries from the vested commercial interests to cut back on these essential services. However, it is only through an expansion of these services, which, after all, are the main contributors
to the quality of life, that a true integration of the aesthetic, social, political, economic and humanistic components of the developmental process can be achieved. At the same time, a basic commitment is also required to the evolution of political structures which are sufficiently decentralized and autonomous. We have noted the dangers involved in allowing decision-making processes to slip too far from individuals and community groups. It is here that we encounter one of the most elementary conflicts between politics and culture - the conflict between unity and identity. This conflict has been well documented by the great literary critic Northrop Frye. In The Bush Garden he contends:

It is not always realized that unity and identity are quite different things to be promoting... Identity is local and regional, rooted in the imagination and works of culture; unity is national in reference, international in perspective, and rooted in a political feeling... Assimilating identity to unity produces the empty gestures of cultural nationalism; assimilating unity to identity produces the kind of provincial isolation which is now called separatism.

Finding the proper geographical and psychic balance between the political forces of unity and the cultural forces of identity will prove to be no easy matter anywhere in the world. Since the political institutions of most countries have been shaped during the era of economic determinism, they are structured to accommodate size, material gain, and most of all, economic power. Nevertheless, loss of identity has been so manifest in the modern world that most national governments today are being forced to turn over more and more political authority to regional and local governments. Concurrently, the lives of individuals have been so constrained in the modern era that there is a corresponding pressure to surrender greater flexibility to an increasing number of public agencies. Clearly the only effective response to these pressures is to evolve decentralized, autonomous political structures which are counterpoised to achieve an effective balance between the forces of unity and identity.

Tension between politics and culture is by no means limited to the problem of reconciling unity and identity. There is a deeper and more fundamental tension which must confronted. In the main, politics has to do with justice and order. Culture has to do with creativity and freedom of expression. A more fundamental conflict could hardly be imagined. What political workers may seek to construct, cultural creators may struggle to destroy. Whereas politicians are often involved in attempts to cool societies down, creators are often committed to heating societies up, particularly if they sense that these societies are too dependent on outmoded values or rigid adherence to the status quo.

If there is one point where there must be a convergence of actions and attitudes among politicians and creators, it is in the pursuit of truth. The pursuit of truth must transcend all tensions between culture and politics. It must constitute the moral pinnacle to which politicians and cultural creators alike aspire.

There is one area especially where the pursuit of truth is imperative in the modern world. That is in the writing - or perhaps I should say the re-writing - of history. Not only is it essential to present history more in terms of the need all people have to express themselves than in terms of the struggle for survival or the competition between labour and capital, but also it is equally essential to present history in a far more authentic manner than it is at present. Unfortunately, the history that
known in most parts of the world today is colonial history; it has been written almost entirely by those in control of the instruments of communications and command of the printed word. What results is a wholesale misrepresentation of historical truth - historical interpretations which are far too complimentary to western societies and far too uncomplimentary to societies in other parts of the world. Far too often, historical accounts begin and end with the intrusion of western peoples into other societies. Far too seldom, tribute is paid to the role non-western peoples have played in the foundation of world civilization. For example, pursuit of historical truth demands recognition of the fact that it was the Indians and Eskimos, and not the English, French or Spanish, which settled America. In much the same way, it must now be accepted that the economic, social, cultural and intellectual contributions to world development is every bit as great as their European and North American counterparts. Needless to say, reciprocal developments are needed here. On the one hand, much more humility is required on the part of Western peoples and their historians. On the other hand, much more of the history of the world must be written by non-western people and circulated accordingly. Only then will it be possible to claim a balanced and authentic view of the historical process.

International Cultural Cooperation: Key to a New World

there can be little doubt that international cultural cooperation holds the key to a more humane and civilized world. Since cultures are qualitative rather than quantitative, international cultural cooperation provides no basis for dividing the world along arbitrary and belittling lines. Cultures are not more or less, they are merely different. Moreover, international cultural cooperation does not exploit; it provides no opportunity for some to make gains at the expense of others. Or is it humiliating. On the contrary. It is uplifting and rewarding, since it provides all nations with an opportunity to present the finest and most cherished accomplishments of their civilization. In the final analysis, that is what the new international order must be all about.

Nitish R. De*/

A NOTE ON UNDERSTANDING PARTICIPATION PROCESS IN ORGANISATION SYSTEM DESIGN

his note seeks to raise a number of issues on the dynamics of participation that are currently in my thoughts. The ideas are tentative and speculative. Questions are raised on which further probings are warranted:

* In the literature on organisation studies, two terms are often used to reflect a polarised concept: under-organisation and over-organisation. When I try to understand in a comparative way different types of organisations - economic and non-economic, small and big, urban and rural, industrial and non-industrial, I find that this by-polar concept does not explain realities adequately.

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I would rather seek three alternatives: pre-modern, modern and post-modern, to describe such organisation systems as mentioned. A pre-modern organisation system is one which has been or is in a state of sub-optimum level mainly because of lack of knowledge and skills and prevalence of ignorance. It does not include lack of opportunity. To give an example, if in a rich peasant society infant mortality rate is high and one of the major causes is found to be the parents' persistence with an unbalanced diet for their children based on age-old superstition, then, I would like to call it a pre-modern organisation system (the family unit).

A modern organisation system is the one we are most familiar with and which exists in practically all walks of life all over the world. Large or small, it is hierarchic. It follows the logic of division of labour on the principle of redundancy. Impersonal or quasi-impersonal work relationships are dominated by open or subtle rules, regulations, checks and counter-checks. Power-distribution follows the logic of chain of command.

The post-modern organisations are those which seek to avoid the limitations, pains and disfunctionality of modern organisations by making these to opt for human development culture which is possible if the organisation's entire rationale operates within a framework of certain ideals. In another context, I have used a meta-ideal to describe the vision of such organisations by using the term Samaj-siddhi. This refers to the process of determination of social self through the simultaneous effort to create a just social system.

One will probably note that we are not using the term modern in the sense which it has been used by many social scientists not excluding Inkless and McClelland which, one way or another, makes modernity an extension of rational, western culture.

2. While in the 1960s and 1970s many experiments have been and are being conducted to convert industrial organisations in the western countries into post-modern systems through multiple approaches such as industrial democracy, quality of working life movement and self-management approach, most of these experiments have suffered from micro-level encapsulation. The problems of apathy and alienation, inability to cope with organisation power and clash with bureaucratic values in a framework of free enterprise economy have stood in the way to push these experiments to a stage where humanity could draw encouragement to rescue itself from the tyranny of technology, market mechanisms and personal greed.

3. When we examine organisations of the peripheral and marginal people, primarily in the rural sector but also in the urban sector, we are often struck by the innovativeness and foresight of the organisers in inculcating the values of post-modernity. Often enough the organisers and participants are conterminous. Leadership role does not remain a fixed concept. Organisations remain simple in structure and the processes of functioning with the result that these do not break under pressure of external assault. Its elasticity helps to regain a state of re-assembly.

4. The organisation of these people, through a range of its activities, resembles an industrial trade union. Yet, in practice, such people's organisations are total or near-total (participation rate), more open, meetings and discussions are free or less inhibited and the leadership remains not only accountable to members but also operates in close interaction with them. Women are no less relevant than men.

5. These observations raise a number of questions:
a) What are the premises on which these participatory work organisations are designed?
b) What are the design principles taken into account and why?
c) If the control system is norm-based, how do the norms evolve and how are these observed?
d) What are the qualitative dimensions of ideals and how do the goals-system dovetail into the ideals-systems?
e) How are the internal and external crises dealt with and with what effect?
f) What are, empirically speaking, some of the ingredients of post-modern society?
g) In "re-writing" the reality, how do the objective conditions interact with subjective forces?

I suppose what I am seeking is to understand the role of participation process which I see as a planned and not random process) in terms of its possible contribution the transformation of modern organisations into post-modern organisations.

Don Hoke

ACTIONS TO PREVIOUS DOSSIERS - EXCERPTS FROM A LETTER

I will use this opportunity to offer some reactions to previous Dossiers.

4, February 1979 - Ann Mattis, "Science and Technology for Self-Reliant Development". Caution (p.7) that "appropriate technology is an approach, not a dogma" is wise. It seems to me that issues related to development, energy, environment, etc., are so- dense-laden that they can easily polarize opinions. Trade-offs, mediation, conciliation, the like, are terms that will require judicious employment in exchanges relative to such matters.

in, Feb. 1979 - Harlan Cleveland's "Dear Willy" item. He urges of developing nations to fashion a "serious plan for doing something about energy" and to demonstrably get "on with the job" is sound advice. Developed countries, even, are likely to face increasing internal demands to engage in similar activity. The 1980s may be marked by both national and international pressures for more equitable means of allocating resources. Jan Pronk's "We All Need a New International Order" is suggestive.

1979 - Interactions

Williams' assertion (p.8) that "rural development cannot be achieved by locating large sector industries in the rural areas." In contrast, I suggest that a certain extent of development can, indeed, be achieved. But, as Williams states, at least two outcomes occur which can urbanize a rural setting. I cited two of them in a study of the impact of the Interstate Highway System upon a rural site in Illinois (note 9 of my paper).

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"The task of maintaining balanced growth, not 'survival and significance,' confront Effingham. From this standpoint, the downstate community is tied more to an urban society with its complexities of reform and renewal than it is to the small town survival patterns of past years. And these urban elements carry vast momentum." (p.42 of Goodbye ...)

"In no small measure, the regional problems of rural America and of the city center are associated with the failure of local and regional educational policies and institutions to keep pace with national economic and technological development." (p. 234 of Goodbye ...)

References

Arne Fjortoft

A BETTER INFORMED WORLD - HOW CAN WE MEET THE NEED?

The introduction of a new economic order is a long term process, and as such does not by itself attract much attention in the outflow of information throughout the mass media, but as a vital question for the whole international community, it deserves much attention in the information process in order to keep the world opinion aware and informed about all the important aspects of the subject. Worldview International Foundation is therefore designed to assist in this important field, and together with other organisations and institutions create more information of high professional standards to be made available for transmission by various television stations in the world.

A better flow of information will also be of help to policy makers and opinion builders working for a just international society. A systematic use of modern media based on an independent professional production can play an important part in the on-going process of creating a new economic order. The basis for such productions is to concentrate on the human aspect of the problems facing the majority of the world community.

Worldview International Foundation has been able to link up its activities with professional media teams having long experience in the production of films and TV programmes from Third World countries, with an emphasis on quality and professionalism in the production process. There is a great possibility for more information on Third World countries on the TV network of the world with its outlets to more than 700 million people. The production will be concentrated on documentaries, educational programmes, feature news, children's films and dramatized feature stories and co-production with TV stations and organisations. One of the first films produced by Sebra Film of Sweden for Worldview Foundation has been awarded UNICEF's prize for the best film in the series of "Children of the World". The film was shot in Nepal.
Worldview International Foundation will concentrate its promotion of production through contacts with TV stations and organisations and will seek co-operation with all groups and institutions working for a new Information Order, such as the United Nations and its Agencies, Governments and voluntary Institutions. In addition to the film unit which will work on an international scale, the Foundation is going to establish a media centre for educating and training personnel from Third World countries, in the methods and techniques of mass communication. This will also provide for a Development Support Communication Unit to assist development projects in Sri Lanka, and will later be extended to other Third World countries. In addition to this there will be training programmes in the use of other media, including production of slides, pictures, feature articles for papers and periodicals. Seminars in basic knowledge of mass media and specialized subjects for professionals will be arranged in co-operation with other organisations.

Even though Worldview International Foundation will start its operations on a small scale, there is a realistic possibility of expanding the programme. Greater emphasis should also be made to assist Third World countries with their information needs in various fields. The majority of the people in the world, living in Third World countries, have a minor share in the information process of the modern world. The outflow of information from these countries is not relevant to their importance in the international society and their development potential. This has been clearly stated by many international institutions. The Fifth Conference of Heads of States of Non Aligned Countries in Sri Lanka in 1976 stated that a new International Order in the field of mass communication is as vital as the New International Economic Order.

In spite of the problem being identified, the information gap is still widening. In addition to this, a revolution in mass communication is taking place due to the rapid development of electronic media. There is therefore, an accumulated need for a more systematic use of modern media for the creation of better understanding between rich and poor countries.

Proper information of events in Third World countries and the living conditions and aspirations of the majority of the people in the world, will help in mobilizing public opinion for a more just international society.

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Economists have for some time now recognized the importance of technology to the development of nations. This remains so even though attempts at rigorously confirming this are fairly recent in origin. For instance, the pioneering work of Solow, Denison and others. In terms of Third World countries, the "technique of production" question is complicated by the fact that the "mix of techniques" is generally not appropriate from the factor proportions point of view. This means that developmental possibilities in terms of resource allocation are not fully optimised. A further complication arises from the fact that such technology is generated, by and large, abroad (mainly by transnational corporations). This poses problems concerning the distribution of welfare benefits between large and powerful firms and weak economies. Heavy costs are said to be borne by Third World countries in terms of prices paid for technology, conditions under which technology is transferred, and in terms of absorbing foreign technology. One upshot of this is the pronouncement of technology plans in a number of Third World countries. Advocacy for technology planning has been made by UNCTAD, for example, and the World Programme of Action for Science and Technology of the United Nations.

Some countries which have already produced such plans include Mexico, Brazil, Venezuela, India and Pakistan. The plans so far confirm the established, but not wholly desirable, social scientific tradition of looking at technology in the development process - namely the overriding importance of economic considerations.

Some central features of these plans suffice to bring this out. A crude review is in order, but this does not to our mind misrepresent the basic economic thrust of these plans.

In the case of Brazil, the top priorities for the allocation of resources are as follows: development of new technology including space and maritime (4%), new sources of energy (15%), industrial technology (25%), agricultural technology (14%), scientific development and training (26%), technology relating to regional and social development (7%).

In the case of India, the Science and Technology Plan is divided into 24 sectors with appropriate allocations. For example, natural resources (10.5%), marine (1.8%), energy (10.5%), mining, steel and metallurgy (5.2%), heavy engineering (7.7%), agriculture, atomic energy, space and electronics (25.4%). Appropriations are also made for technology relating to food, clothing and shelter, as well as utilization and recycling of wastes, health, research support extension and education and the like. In the other cases, the plans take on a less precise character. For Mexico, research and development is expected to be spread mainly to agriculture, industry, transport and social welfare (70%). The country also plans to achieve self reliance in engineering and consultancy as well as energy. By 1982, Mexico hopes to have increased the contribution of R&D to development by 300%, namely an increase in the ratio of R&D to GDP from 0.3% to 0.6%.

Pakistan hopes to increase R&D expenditure from Rs. 366 million in 1976 to Rs.
1,700 million in 1981. A main feature of the plan is provision for training top level skills such as engineers, scientists and the like. Venezuela's plan is largely two sectoral - 28% for industry and 39% for agriculture and food processing. Energy also receives an important consideration.

Provision is made in all these plans for the setting up of anew institutions to deal with the problem of technology and development. For example, new centralized agencies for technology policy formulation, extension services, research institutes and centres aimed at stimulating adaptation and innovation of technology. The plans also stress the need for institutional interaction between public and private sectors so that there can be an effective link between the national productive systems in each country and national policy makers.

All in all, the plans aim at stimulating endogenous technological development and in the adaptation and assimilation of foreign technology to make them more appropriate to local conditions. Unanimously, too, is the ultimate objective of these plans, namely to make science and technology an instrument through which social welfare in these countries is improved. The question is... Is this not familiar to us? Productive activity, it is normally held, will ultimately tend to bring about an increase in the bundle of goods and services which is likely to benefit the human population.

At a less abstract level, development plans have always held that the long run goal is to bring about an improvement in the human condition in such countries.

The point of the matter is that little can be expected if grossly unequal access to resources persists in such countries. This in turn is governed by the socio-economic base of the economies concerned. But it could be argued that technology could provide an avenue through which the "social side" of the development problem could be tackled in part.

For example, several researchers in the area of development have drawn attention to the increasing inequalities between "haves" and "haves not" in spite of spectacularly high growth rates induced by modern technology. For example, Brazil and Venezuela. The introduction of local technology into the equation, for instance, is no guarantee that the "haves not" can increase their development prospects. It is therefore a source of surprise that the technology plans concerned have failed to provide any meaningful scope through which science and technology can bring about real improvements in the quality of life of the masses. For example, little provision is made for grass-roots type technology involving peasants and other small scale producers. All things being equal, it is likely that powerful entrepreneurs in such countries will benefit as a result of attempts to create a new dimension of import substitution - technology. This is likely to set in train a locally propelled dynamic of uneven development in terms of producing classes in such countries. In situations where poverty does not always mean labouring classes, it would seem that a necessary concern is the poverty-prone groups in respective social classes.

It could be argued in this sense therefore that grass-roots type technology is a necessary complement to local technological development efforts since it spreads the country's technological development possibilities further and therefore represents an attempt to utilize resources more fully.
Further, the plans fail to offer any social framework through which the masses engaged in productive pursuits can themselves be active agents of technological development by introducing their "learning by doing" economies into the process of endogenous technological development. This is another feature of human development in many Third World countries which remains untapped. Also, technology is applied in a social context of work. Because of this it is necessary to ensure that the effects of such technology are in harmony with the needs of such workers. If this is not the case, efficiencies are wasted and the social balance of technology in development is distorted.

Apart from these considerations, the use of technology by producer groups is not wholly mechanical as is assumed. If local technology is produced instead of foreign ones, there is no guarantee that such technology will be used instead. Hence the relevance of a development ideology which assists in creating the psychological and cultural climate for the acceptance of such technology as a vital tool for development.

These are surely incomplete considerations but they certainly point to some of the dangers of an undue economistic interpretation of technology by policy makers concerned with technology planning. This remains so even though we believe that the plans represent important first steps in tackling some of the hard-core problems facing Third World countries in harnessing science and technology for development. It is however somewhat naive to believe that the problem is simply one of adapting foreign technology, bargaining for better terms of technology transfer, and for the promotion of endogenous technology.

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IPS/IFDA SPECIAL UNCTAD V COVERAGE

The on-going discussion on the communication dimension of the New International Order underlines the virtual monopoly of international information, even that of special relevance to the Third World, by a few transnational news agencies. As a modest effort to provide an alternative coverage reflecting a genuine Third World point of view on UNCTAD V held in May at Manila, IFDA, in cooperation with IPS Third World News Agency, mailed or delivered to some 130 permanent missions to the UN and senior UN officials in Both Geneva and New York, during the conference, a special daily service reproducing the papers sent from Manila by Chakravarthi Raghavan and the members of the IPS team of correspondents. 22 issues of this daily service were prepared, amounting to some 220 pages.

The collection of these 22 bulletins represent a rather unique view of UNCTAD V, and would certainly constitute a useful reference for researchers and negotiators. Some recipients suggested we assemble this material in book form. What we intend to do, more modestly, is to reproduce by offset the unedited bulletins as tele-typed from Manila.

This operation is not unexpensive, and those interested will have to share the costs. Cost for each copy, including airmail postage, will be Swiss francs 100 or US $ 60. From September, copies will be dispatched on receipt of a check for this amount.
Third World Forum Newsletter (June 1979, no 4) 54 pp. Free copies on request from TWF Resident Representative, c/o IFDA, Nyon.


What kind of knowledge do we have, in the West, of the cultures of Africa, Asia and Indian America? To what type of action does this knowledge lead in the relationship between the industrialized and the so-called Third World countries? The authors contend that images of other cultures acquired at an early age, often non-consciously, are distorted to an extent that most of us may not have suspected. World history textbooks, used in the schools of a variety of countries, are among the possible sources of ethnocentric distortion of other cultures. The authors have systematically scrutinized 30 volumes to document the full scope of distorted images which are instilled in the minds of generations. The result is not a mere description of commonly held stereotypes, but the presentation of a broad spectrum of cognitive processes, of implicit value judgments, of underlying hypothetical assumptions about the development of mankind. All of these do not just explain the average knowledge that "the man in the street" may have of other cultures and peoples. They are reflected in the works of academics and researchers who study foreign cultures at a "scientific" level. They also appear to be the cognitive foundations of the action of government officials, diplomats, development planners and experts, businessmen and tourists, whenever they are faced with cultural differences.

Contemporary International Relations of the Caribbean (Edited by Basil A. Ince Publishers, Institute of International Relations, UWI, St. Augustine, Trinidad/Tobago, West Indies, 1979).

There are two significant features of this volume. The first is that all the articles are written by scholars indigenous to the region and as such they present a Caribbean perspective. Among the contributors are Clive Y. Thomas, Caribbean economist noted for his work on Caribbean integration (with Havelock Brewster) and the transformation of Third World States from dependence; Locksley Edmondson, known for his works in the field of race in the international context; Vaughan Lewis, a leading analyst of the political aspects of Caribbean integration, and Courtenay Blackman, Governor of the Central Bank of Barbados, a scholar and practitioner of economic development of small nations.

The second feature of the volume is that the material is contemporary and deals with issues of heightened importance in the Caribbean and the Third World. Among the key issues treated are: nationalization of multinationals; regional economic integration; non-alignment and other aspects of linkages with Third World States; economic development; and the foreign policy processes of small new nations.

This book is divided into four parts: The Caribbean and The Third World;
Metropolitan Ties and Influences; political Processes and Foreign Policy and Economic Development and Interaction.

Cuadernos del CIFCA (CIFCA, Serrano 23, Madrid 1, España).

El Centro Internacional de Formación en Ciencias Ambientales (CIFCA), una creación común del Gobierno de España del Programa de las Naciones Unidas para el Medio Ambiente (PNUMA), se estableció en Madrid en 1975. CIFCA ha organizado cursos y seminarios en su sede de Madrid así como en distintas capitales latinoamericanas. También decidió iniciar la publicación de resultados de conferencias y otros materiales relacionados con sus cursos, a fin de que el esfuerzo de capacitación que realiza tenga la mayor difusión y se puedan aprovechar sus resultados en todos los países de habla española. Los Cuadernos por el CIFCA publicados hasta la fecha son los siguientes:

1. El CIFCA y la formación ambiental.
2. Las evaluaciones de impacto ambiental.
3. Evaluación económica del impacto ambiental.
4. Tres casos de impacto ambiental: Aeropuerto - Embalse con central hidroeléctrica - Vertedero de residuos.
5. Impacto ambiental: Refinería de petróleo. Fábrica de pasta de papel.
6. Impacto ambiental de centrales nucleares.
8. La formación ambiental en América Latina.
10 y 11. El medio físico y la planificación, I y II.
12. Contaminación de aguas subterráneas: Modelos de simulación.
15, 16, 17 y 18. La tecnología latinoamericana. Seminario sobre nutrición y vivienda, I, II, III y IV.

Jorge Wilheim, Another Development (Sao Paulo: 1978)

During his four years in office as Secretary for Planning of the Sao Paulo State Government, Jorge Wilheim tried to apply some of the concepts put forward in the Cockey Declaration and What Now. His own like-minded version of another development adapted to the Brazilian context has been summarized in 14 points and elaborated in twelve public presentations, now published in a volume. The book makes an interesting reading by the range of problems raised, such as the importance of non-conventional energies, alternative solutions in the realm of urban infrastructure, self-help housing, alternatives to the private motor-car. These ideas, usually presented in meetings with good coverage from mass media reached important sectors of public opinion and provoked fruitful debates. A more difficult problem to assess is how large has been the gap between the theory and practice. However, the very fact that some of the propositions discussed in this book could be translated into concrete projects and policy decisions is in itself significant.
THE PARTICIPATORY RESEARCH PROJECT

Background and objectives: The Participatory Research Project of the International Council for Adult Education was formally initiated in September 1977. The project grew out of a common concern with linking research to action on one hand and with supporting approaches which stimulated and gave voice to the analysis and interpretation of the exploited or oppressed on the other. The objectives of the project are:

- the support of a network of persons engaged in participatory research;
- the identification and dissemination of case studies and reflective writing related to participatory research;
- the analysis of concrete experiences for the production of improved practical and theoretical materials.

Operational development: The project is characterized by a decentralized approach. The centre of the project is said to be in the villages and the workplaces of the world and not a central location. Each region is independent and has developed its work and style along the lines which fit best within its political and cultural realities. A conscious effort has been made to develop work which is shared among equals engaged in struggle which avoids dependency either financially or through the imposition of analytic frameworks. Major decisions affecting the overall project have been made by the regional coordinators working together. For convenience, certain communications functions have been delegated to the coordinator in Toronto.

International forum planned: In April, 1980, the Participatory Research Project will bring together key case studies and reflective projects for an international workshop at which point the results of several years' communication and discussion will be brought together. The location of this workshop will most likely be Yugoslavia with participation limited to key activists in each region. Widespread dissemination in jargon-free language is being planned.

Further information is available from International Council for Adult Education, 29 Prince Arthur Ave., Toronto, Ontario, Canada M5R 1B2.


Since the early 1940s most Americans have believed that a high level of military spending is good for the economy. But, although the military budget goes up every year and is now at the highest level in the history of the USA, unemployment remains at levels of 6 or 7% in both Republican and Democratic administrations. (The figures for unemployment in cities, among minorities and among the young are, of course, much higher).

The impact of military spending on the economy of the USA has recently come under intense scrutiny. This study comes to the conclusion that military spending keeps back rather than increases employment.

The report first shows the impact of the military budget upon employment nationwide. It shows how many jobs are gained through military contracts and salaries and compared this figure with the number of jobs which would have been created if the tax funds going to the defense department had stayed in the taxpayers' hands to be spent on consumer goods.
The study then analyses the impact of military spending on employment on a state-by-state basis and finds that, as the military budget goes up and procurement contracts rise, jobs in the military industry steadily decline.

The report concludes that a nation's security is founded on its economic strength. The large sums which are siphoned off to the Pentagon undermine this strength and diminish the country's security; they render civilian industries incompetent in the world market and large armies of citizens are thrown out of work. Jobs and job security can be created, and the end of inflation can be envisaged, when the swollen military budget is reduced and funds are transferred to employment-creating activities in the civilian sectors.


The reply to this question given by Susan George in her well documented study is categorical: for her the NIEO could almost stand for the New Imperialist Economic Order, unless the Third World countries are able to use efficiently their joint bargaining power and to develop substantively intra-trade among themselves. She shows that guaranteed and stable prices for primary products might well serve America's needs. While Europe and Japan would pay the greater share of the costs, the price stabilization scheme would not prevent innovative American capitalism from introducing alternative solutions exactly tailored to its own needs. Cargill has already invented a soy-bean-based chocolate substitute, an alternative technology is based on molasses; coffee substitutes may be based on barley, oats or peanuts, while the 1974 increase in sugar prices helped the high fructose corn syrup to establish itself on the market. The book quotes examples of substitutions for several core commodities.

The author points to the fact that the US is purchasing fewer and fewer core commodities proportionally to its total imports, but more and more luxury food from the Third World, as part of agribusiness strategies. The bulk of her study is devoted to exposing the negative impact on the Third World of the transplantation there of the food production systems devised and run by agribusiness TNCs. The rationale of these systems is already questionable in the American context:

"Americans are perhaps the only people on earth privileged to buy unbreakable, perfectly calibrated, dehydrated, rehydrated parabolic potato chips packed in vacuum-sealed tennis ball cans - at dozens of times the cost of the original, long-forgotten potato". (p.30)

But when agribusiness goes abroad, the results are even worse. The seed companies are sowing ecological disaster as they reduce the world's genetic base. Fruits and vegetables are genetically selected for adaptability to mechanical harvesting, not to nutritional content. The introduction of high technology farming reduces still more the employment opportunities, concentrates land holding, reduces real wages and provokes rural migration to towns. Small farmers are being integrated into the system to the extent to which they constitute potential buyers of input supplies and that they engage to pay for their purchases by selling their produce to agribusiness. The Green Revolution has not as yet contributed to the betterment of self-provisioning farming sector. The agribusiness are often encouraging production for exports to the detriment of local supplies of food:
"In the agribusiness international economic order there is every reason that American cats take precedence over West African people, since the former can pay and the latter frequently cannot".

The agribusiness domination over parts of Third World agriculture consists in controlling upstream and downstream profit-yielding activities, while leaving to the local farmer the risks involved in food growing project.

"Nestlé has become the world's second largest food corporation without ever owning a single cow or a single acre of coffee or cocoa bushes". (p.49)

In the wake of UNCTAD V Susan George's pamphlet makes a sobering reading. It reminds us of the real conflicts of interest standing in the way of NIEO.

Balai Seni Toyabungkah (Art Centre of Toyabungkah)

Established in 1973 in Toyabungkah, Lake Batur, Bali, the centre brings together creative artists, theoreticians of art and culture, Balinese, Indonesians as well as foreigners to discuss the problems of art and culture in our time. It is essentially a centre of reflection and creation and is headed by Prof. Takdir Alisjahbana. The centre also publishes a newsletter "Art and The Future".

Further information: c/o Jalan Dr. Saharjo 290, Tebet, Jakarta Selatan, Indonesia.

TOWARDS ANOTHER DEVELOPMENT IN SCIENCE AND TECHNOLOGY

This is the title of the latest issue of Development Dialogue, the journal of the Dag Hammarskjöld Foundation. It includes the summary conclusions and some of the papers presented at a seminar on "The development of Third World autonomous capacity in science and technology" organized in Uppsala in December by the Dag Hammarskjöld Foundation in cooperation with IFDA. This issue, which is a contribution to the United Nations Conference on Science and Technology for Development (Vienna, 20-31 August) could be obtained from the Dag Hammarskjöld Foundation, 2 Övre Slottsgatan, S-752 20 Uppsala, Sweden. The full table of content is the following:

- Science and Technology in the North-South Context: A Swedish Perspective by Hans Blix
- Towards Endogenous Science and Technology for Another Development by Francisco R. Sagasti
- Controlling Technology for Development by Ignacy Sachs
- Technological Bridgeheads for Self-Reliant Development by Ashok Parthasarathi
- Struggling for Self-Reliance in Science and Technology: The Peruvian Case - ITINTEC by Isaias Flit
- India's Efforts to Build an Autonomous Capacity in Science and Technology for Development by Ashok Parthasarathi
- Summary Conclusions
- Pugwash Guidelines for International Scientific Cooperation for Development
DECOLONIZATION

alien
images
colonize
your thoughts
tarnish
your sight
shackle
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/* by Orlando Wong, from the book called "Echo", Sangsters Bookstore limited, W.I.*/