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INTRODUCTORY NOTE

The need for mechanisms to enforce the accountability to people of those who exercise political and economic power is emerging as one of the key themes of the IFDA Third System Project. One application of this concept is now at the centre of international debate, as ways are sought to resolve the crisis between Iran and USA by bringing the ex-Shah before an internationally-respected tribunal to answer accusations of crimes against the Iranian people.

Richard Falk, Professor of International Relations at Princeton University, USA - and also a member of the Third System Project Steering Committee - sees in such a move the possibility of setting a precedent. Indeed, he reminds us in a recent article, a precedent already exists in the Nuremberg Principles, whose application after World War II resulted in the trial, conviction and punishment of several German and Japanese leaders for, among others, crimes against humanity.

The list of tyrants who could have been indicted since 1946 is long; suffice it to say that the likes of Somoza, Idi Amin and Bokassa - in addition to Pahlavi - are presently at large. Bringing the ex-Shah to trial could lead to the prosecution of these others and serve as a warning to those who might wish to follow their footsteps.

The establishment of a mechanism for calling political leaders to account before the international community would give rise to a number of questions: eg. whether to base prosecution only on gross violations of human rights, as conventionally defined,or to define the punishable offences to include crimes against the political, economic and cultural well-being of whole peoples; whether the object of the law should be the individual leader or the regime; how to ensure an authoritative trial without the presence of the defendant; how to enforce punishment, at least by confiscation of property.

A broader political question, however, is whether such a mechanism could have the desired effect if it were established and operated by governments. Could a United Nations mechanism rise above the short-sightedness of its member governments? Or should people's organizations throughout the world take the matter into their own hands and set up processes - national, regional and international - to put pressure on tyrants not only after they lose power but also while they exercise it?

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BUILDING BLOCKS

ARAB INDUSTRIALIZATION STRATEGY BASED ON SELF-RELIANCE AND SATISFACTION OF BASIC NEEDS

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A. THE CONCEPTS: ALL NEEDS ARE BASIC BUT...

I. NEEDS AND DESIRES

In classical and neo-classical economics, needs are described as infinite, the satisfaction of one gives birth to another. This is simply a confusion between needs and the products and services that meet them. Products and services satisfying a given need (like food for instance) are multiple and can be multiplied almost adinfintum, at least in shape and presentation; they are objects of desire. But desires are never completely subjective, they are felt within a given cultural and socio-economic set-up. One of the main features of capitalism, especially contemporary capitalism, is the fact that the profit maximization principle pushes the private enterprise to stimulate to the maximum the desire for newer, and more fashionable products and services. Advertising through the powerful modern mass media submit the tastes and desires of most people to what the TNC's find conducive to more extensive and lucrative sales; regardless of the side-effects of over consumption on the individual, the society or the environment. A need as the word means linguistically, is an objective necessity for sustaining man's life and securing his well-being. The best evidence is that all consumer goods and services can be classified into sets, each set corresponding to a single need. If this distinction is made between needs on one hand and desires for various objects and services on the other, it would be easy to admit a first and crucial fact: needs are rather few and they are all basic.

EDITORIAL NOTE:

In the context of IFDA's Third System Project, the Third World Forum undertook, in cooperation with the Industrial Development Centre of the Arab States, to examine a possible industrialization strategy for the Arab region on the basis of self-reliance and satisfaction of basic needs. Political circumstances, however, prevented the study to proceed according to plans, and it is not yet completed. However, both the conceptual introduction (by Ismaïl-Sabri Abdalla, who was Minister of Planning of Egypt) and the policy conclusions are of such interest that their publication in the Dossier was justified. Two other papers are available from the Third World Forum offices: Project description and Methodology, and Empirical Findings. Detailed background work is still to be completed and published.

II. MATERIAL AND IMMATERIAL NEEDS

Material needs are those which cannot be met without the use of human and natural resources (factors of production) and whose satisfaction produces directly or indirectly-measureable effects on the consumer. Immaterial needs can be met mainly through political and social restructuring without drawing significantly on the available material resources.

Accordingly material needs are:

1. Adequate Nutrition: The adjective is added to avoid gross reduction of this need to simple food, any food, that can keep a man alive or even provide him with satiety. "Adequacy" allows for considerations of health and tastes. We recognize without hesitation the fact that fine "cuisine" is a part of most cultures, but we have our reservations about "fashions" and desires induced by advertizng and demonstration effect with all the incredible impact modern mass media confer on them. Adequacy from the health point of view applies to both insufficiencies and excesses. Besides, where man gets his meals is not without importance; both house and collective facilities related to food have to be taken into account. In all societies, meals (or some of them at least) have a clear social content where company is enjoyed almost as much as food itself. Rare and exotic foodstuffs have always been appreciated, sometimes in a way not without damage to ecosystems. Food used to be seen for long as a status symbol. Abundant quantities and expensive dishes are till now signs of wealth and rites of celebrations. Finally, monotony in nutrition has been both source of annoyance and sign of poor living.

2. Convenient Clothing: Covering the human body in order to protect it against adverse or unpleasant effects of nature vary considerably in time and space. Moreover, since the earliest days an element of oranamentation has been introduced in clothing. Material and shape acquired the value of symbols for ethinic, religious or professional groups and social status based on age, political power, wealth or social functions. Finally, clothing is an elected field for fashions. Hence, convenient cannot be defined in pure physical terms and in complete abstraction from social norms. Yet, social trends and values in this field are neither immurable nor manipulation-free. Far from promoting any kind of "uniformity", we advocate mass participation and demystifying discussion in solving clothing problems both in the use of materials and the selection of designs.

3. Suitable Habitat: Having a refuge to rest in, more or less isolated from nature and its whims, is an obvious necessity even for many animal species inferior to man. Suitability of the shelter is the real problem. It means first of all securing the physical convenience of the individual without neglecting his aesthetic aspirations. Moreover, a nucleus group "the family" is the natural setting for man's life. Thus house becomes home with all what this notion implies in terms of space and facilities. Last but not least, families tend always to gather in agglomarations: hamlets, villages, towns, or cities. Thus, housing evolves always into human settlements. This in turn raises issues of space use, collective facilities, sound environment, balance between the advantages and disadvantages of size... etc. Abiding with the fashionable terminology we use willingly the notion of habitat as encompassing these interrelated aspects of this need.

4. Mobility: In order to earn his living man has to move, to go from one place to another. This is true even in the most primitive forms of society living on gathering wild fruits and hunting. The more the organizations of production evolves and its social character grows markedly, the more pressing becomes the need for displacement of persons and goods. Transportation is part and parcel of all modes of production. Integrated national economies are simply unconcievable without the adequate infrastructure for transport. Two additional remarks, man often desires travelling for purposes other than production: spending leisure time, curiosity for other peoples and lands... etc. On the other side, transmission of news, ideas and instructions or enquiries can be a substitute or a supplement to physical mobility. Hence, communication facilities are as essential as those of transportation in meeting the need for mobility.

5. Education: This term should be understood in its broadest sense: acquisition of knowledge and access to information. Education is basic in all human societies. If we look beyond formal schooling we can trace it back to the oldest groupings. It starts at home when family (and then the social group) teach the child to walk, to talk, to defend himself and to perform what is considered as adequate work. All cultures had their more or less institutionalized education system. The best possible knowledge of facts, events and links between them confers power. So, it was quite natural that in all class societies education was in the same time the previlege of a minority and - occasionally at least - a means of social promotion. In a true democratic society the egalitarian access to knowledge and information should promote collective and individual ingenuity and creativity and make of citizenship a full reality by securing for all citizens the awareness of all the aspects and consequences of any decision they are asked to make. Formal schooling tending to provide only professional skills can for sure "raise the labour productivity", but it falls short of insuring the overall development of man. Given the volume of accumulated knowledge; the pace of scientific progress with all its technological potentialities and the increasingly intricate interdependance of sub-national social groups and of nations, only multilateral flow of perinent information and recurrent education can help meet this need. Fortunately the human and material means are at reach; their political and social reorientation is the main issue at stake.

6. Health: To be in good health should not be reduced to be desease-free. Health should convey a positive state of being. Recently several tentative definitions have been proposed. We can dare advance here that while the feeling of good or bad health is subjective, its roots can always be traced to "nature" i.e. the physical environment, or to the socio-cultural setting i.e. the man-made environment, and to his physical and psychological reaction to both. Accordingly, health can be understood as the development and maintainance of a state of physical, mental and psychological well-being propitious to good performance and self-fulfilment. The need for health thus defined is not merely a need for disease curing. It is in the first place a need for the judicious satisfaction of other needs: adequate food, convenient clothing, suitable habitat, education and also the immaterial needs. Dealing with physical environment and coping with life within superposed social groups while absolutely necessary for the survival of man, are full of threats to his life. Too much food is as dangerous as insufficient nutrition. Private

automobiles increase physical mobility considerably, but the "car culture" has numerous negative "side effects". Chemical products can prove very effective in the prevention or eradication of microbic diseases, yet they may be at the origin of another set of diseases like cancer.., etc. This approach is obviously very different from the health services system that evolved in industrialized countries and which Third World governments try desperately to copy.

As for the immaterial needs we gather them in two categories. The first focuses on the assertion of the individual and the second around the role of the community.

1. Self-fulfilment: Unlike other animals living in groups, human society never reproduces itself identically. While the life cycle of animal societies is a monotonous repetition of actions integrated into an immutable pattern that only exogenous factors can disturb or disrupt, the histroy of human societies has always been made of ups and downs, development or decline, expansion or regression, and here and there cases of complete collapse.

Sometimes entirely imputable to natural cataclysms, these variations are more generally the consequences of man's actions. People are so made that both individuals and social groups are tempted to do better than their predecessors or at least to do it differently. The social group (or society) sets each time the goals and defines the value system inspired by them or supposed to be condusive to them. The individual tries to find himself a function or room in this system, "a place under the sun" as it is often said. Consequently, he has a sense of a design for his life (more or less articulated, it is true). This design or mission, gives sense of man's life, notwithstanding whether this design is rational or irrational, natural or supranatural, realistic or illusionary, clearly articulated or vague, innovative or imitative. Its attainment is gratifying. To miss it is frustrating. We call "self-fulfilment" the feeling the individual can have that he is able to attain his goals without frustraiton". Accodringly, this need as everybody may suspect, is multifaceted. In the first place, there is the right to perform a function considered by a social group as usefull. In many cases this means the right to productive work. But in other cases the work may not be productive stricto sensu, nor even securing good stable income; but it should be object of social consideration (the cases of warriors or monks for instance). What is essential is work on one hand, and the opinion the social group holds of it on the other hand. Second - and this is not an order of priority - we have freedom, or what is conventionally called human rights. Due respect for the human person and his opinion is a sine qua non condition for self-fulfilment. Without freedom, man is pushed back to animal state. It is true that men never enjoyed fully human rights and societies accomplished notwithstandingly tremendous progress. But this is no reason to discard human rights. Moreover, it is sheer nonesense to speak about men happy with enslavement; on the contrary, people's ingenuity in turning aside rules and regulation infringing on their freedom account often for much of the achieved progress; let alone all forms of outright revolutions against oppressive orders. Looking towards the future, it does not suffice to understand human rights in a passive way (the protection of freedoms) they should acquire a more positive significance, that of the practical and concrete possibility for the people - at all levels - to share in the making of decisions and bearing

the responsibiltiy of what they have freely decided. That is the real content of the concept of participation (often distorted by politicians and assimilated to aquiesence to the directives of a charismatic leader, or used as a device to dissimulate capitalist dominance and exploitation). Last but not least, there is the right to leisure, or in a more careful wording the right to have his decisive say in the use of one's time daily, yearly or for the life span. This is one of the basic conditions for the relief from the alienating character of most of our work in the present societies.

2. Togetherness: Man has always lived in community. He is a social animal. The need for community life does not arise exclusively from the desire for a better organization for the satisfaction of material needs. Being together is a need in itself; it can be explained by the necessity for the individual to share with others the sufferings and the joys of life, to give and get affection, to enjoy the company of parents, friends, colleagues or even interesting strangers. But life in community is not that easy. It can satisfy the need for togetherness; but it can also become inhibiting or even oppressive. Family is generally speaking congenial to meeting the need we are talking about. Nevertheless, in the patriarchal family the pater potesta can become unbearable. In todays industrialized nations, the socialization of almost all forms of production relieved the family of many ardous material tasks and provided for alternatives for many obligations. But given the prevailing individualistic ideology and the drive in favour of ever growing labour mobility, the family itself has been reduced to its minimal expression and even tend to complete dislocation. The individual harrassed by work and by the strife for the acquisition of status symbols and "modern" gadgets deal mostly with big depersonalized monsters: huge corporations, banks and insurance companies, a state machinery rather abstract against which he disposes (at best) only of his vote in general elections where the choice is forcibly limited and has little to do with his own problems, municipal authorities of megapolies and metropolises... and powerfull repressive organizations making the worst use of electronics. Loneliness among the millions is the poisoned gift of "advanced countries" to most city dwellers. Yet the impact of the style of life in the industrialized countries on the younger generations in many Third World countries has tended so far to disband the expanded family, while the economic growth and the pattern of income distribution are far from securing for the individual even the material help the traditional family was able to provide at least to a certain extent. A system based upon the maximization of the income and the consumption of the individual fails in meeting the minimal satisfaction of material needs of the masses, unless the country is wealthy enough and the political action of the poor is able to impose more equitable income distribution. The breaking down of family and village solidarity and the soaring up of individualism can only increase the distress of the poor, the unemployed and the disabled.

III. THE WHOLENESS OF NEEDS

As we have just seen, the list of needs is not endless, quite the contrary. Furthermore, all the above mentioned needs are basic; superflous can only be the right qualification for this or that means of meeting one or the other of these needs. An expression like superflous needs is mere contradiction in the terms.

What we would like to emphasize at this juncture is what we call the "wholeness" of material and immaterial needs. Not only are all needs basic and have to be met, but also any substitution between needs is detrimental to the well-being of man, in a much more serious way than in the case of substitution between goods satisfying the same need. This is obvious for material needs. A spacious luxury mansion can never dispense his owner from feeling hungry.

The marginalist assumption according to which utility is a purely subjective matter and consequently there can be as much "indifference curves" as there are consumers is incompatible with observable and observed facts. The individual decision to buy a given product may appear prima face completely free. Behind it, we should try to see how it has been made. Then necessarily we should take into account two constraints on the consumer's choice, even more pertinent than the famous "budget constraint"; the physical base of needs and the prevailing social values. This explains the great similarity in the behaviour of the bulk of citizens in a given society at a given time. More worthy of consideration is the link: material-immaterial. The satisfaction of material needs is not independent of the ways and means of satisfying them. For instance, not many people will be happy with a dictatorship guaranteeing, even if it guarantees their food, shelter, transport... etc. On the other hand, the satisfaction of immaterial needs alone is first of all unimaginable. And even if we admit the contrary for the sake of the discussion, we can surely assert that people would not be happy with freedom while they are starving. Moreover, one may say that given enough resources in a society, the satisfaction of immaterial needs will lead necessarily to that of the material ones. The contrary is far from being evident. Yet, it is reasonable to suppose that meeting better the material needs provides by itself ground and receptiveness to aspirations for immaterial needs. Finally, if we accept that the goal of the society in this respect is the well-being of man, all man and all men, the case for the "wholeness of needs" becomes almost self-evident.

IV. LEVELS OF SATISFACTION: THE "FLOOR" AND THE "CEILING"

1. Norms and Patterns of Consumption: There is a remarkable fact, often overlooked or disdained. The history of precapitalist societies demonstrates a rate of change in consumption habits even slower than that of change in production techniques. Before the expansion of capitalist industry mankind has lived in the framework of subsistence. The privileged classes in those societies did not usually enjoy a qualitatively different life; they generally consumed more of the same products of current consumption. Even the happy few very wealthy monarchs could only have easier access to rare products; the invention of new ones being the exception. Nobody bothered hence to explore consumption habits nor to assess their degree of rationality. Of course, health reasons and availability may explain many "taboos" and predilections observed in "primitive" or even more recent societies. But that was almost all. The cancerous growth of consumption in capitalist "affluent" societies, on the contrary, raises a whole set of questions concerning the rationality, the impact on individual consumers, the social groups and the environment. Economics is of no help in this respect since economists concentrated on the price theory under some assumptions we will discuss later. First and foremost, the study of use value should be rehabilitated and reintroduced into socio-economic analysis. Use value is a relation between the commodity and man, while exchange value is the relation between commodities. Dealing exclusively with the latter in complete

indifference to the first has been the starting point in the dehumanization of Economics. Needles to object that the thorough analysis of the use value of a product calls for contributions from many scientific disciplines because once such technical studies are carried out - and they have to be undertaken - the results should be taken into consideration by the economists. Otherwise, obscurantism will prevail in the vital area of deciding what is good for the consumption of man and in what quantity. In the second place, a distinction has to be drawn between the commodity as a whole and the needed elements it contains. The nature of a needed element and the adequate quantity needed (to avoid both hypo and hyper-consumption) we call norm. But the same element can be contained in various goods in different quantities. On the other hand, each human need requires the simultaneous use of several elements. The combination of goods that contribute to the satisfaction of given need, we call pattern. Food provides a good illustration. From the point of view of nutritionists the average man needs 3000 calories a day with a minimum protein intake of 45 grammes. These are norms. In fact there can be infinite combinations of nutriments that supply those norms. The relevance of this distinction appears fully when we understand that improvement of living conditions can be achieved mainly through the pattern since increasing the quantities of the same elements or products containing them turns rapidly to be detrimental to the individual, the society or the environment. Tastes, and desires for change and refinement should accordingly be directed mainly toward the pattern. If we recall what has been said about the "wholeness" of needs, we can state without risking major errors, that when all the needs are met there will not be excessive global pressure on the satisfaction of any one of them. To terminate on this ardous and roughly treated point, we have to answer who decides what is good and what is simple waste or even nuisance. In all clarity, we are against any manipulation of the consumers. If we denounce the present manipulation by TNCs, we do not accept another carried by a state bureaucracy or technocracy. Decisions in this field, one of the most pertinent to freedom, should belong to all free and responsible citizens once artificial stimulation eliminated and flow of true information instituted. Some objective factors should of course be taken in consideration: availability of natural resource, scientific research and appropriate technology, geographical location, cost of transport, national product... as well as sociological facts since values and tastes are basically social phenomena.

2. Supply creates demand: As a matter of fact, modern capitalism has reversed the old axiom of the neo-classical "consumption theory": Demand creates supply. Since the middle of the 19th century it became more and more evident that supply creates demand. Mass consumption of an ever increasing variety of products and services that makes the pride of "affluent" societies is by no means the spontaneous outcome of the famous infinite character of human needs discussed above. Utility of a product cannot be evaluated by the consumer previous to the existence of that product. Indeed the producer's decision precedes that of the consumer. A music-lover can never theink of the pleasure procured by "high fidelity" reproduction before the new devices are already in the market. In contrast, owning one of these devices can incite a neophyte to dispense with attending concerts, while there is no full substitute to a real life one - at least as far as classical music is concerned. Profit, on the contrary is measureable in terms of financial magnitudes. Its concrete amount depends for any enterprise on the profit per unti multiplied by the number of

units absorbed by the market. Maximizing it calls for action in three directions: reduction of costs, increase of prices and expansion of markets. The first item will be the result of two contradicting forces: technical progress and the action of workers in favour of higher wages. For the second, the enterprise's action is limited by the effects of higher prices on the amount of sales. In these conditions, increasing the sales becomes the main way to greater profit. Consequently, from the very begining capitalist industry has lived with the never removed obsession of ever-expanding markets, and its collorary, the voracious appetite for energy and raw materials.

In the framework of economies dominated by Transnational Corporations, the famous "consumer's sovereignty" becomes a joke. What all sociological studies on soncumer's behaviour show is that big industry shapes indeed the tastes of the consumers and thereby commands their choices. It has for this purpose an impressive arsenal of means of action. The demonstration effect can be found in all types of societies. What is new is that modern capitalism uses it consciously and can produce relatively cheap imitations of luxury goods and services, while the prevailing ideology extols this as a sign of democracy and social mobility. Then we have the whole paraphernalia of marketing techniques and paramount among them: advertising. These are pure capitalist practices born from the above mentioned endless need of expanding markets. Images, sounds and mottos vaunting the product literally hammer the consumer and engrave their impact in his subconsciousness. Modern mass media provide advertizing with exceptionally powerfull vehicles assailing the consumer everywhere including in the intimacy of his bedroom where a TV set equipped with a remote control device imprint the product's image on his eye until they are shut by sleep. The individual consumer has no means to test the necessity of the product nor to make a rational objective choice between the different trade marks of the same product. Time and information are lacking. His only reference is what the others do: the neighbours, the colleagues, the friends... or those fabulous stars whose photographs cover so many pages of his newspaper or who adress him on the TV screen. Never before has the consumer been manipulated to such an extent. Strangely the affluent society is undoing human bonds and substituting for them attachment to things. The "modern" man has more relations with things, than with people.

3. Towards a consumption Theory: Thus the present levels of consumption in capitalist countries are questionable. They should never be looked at as goals by Third World people. Satisfaction of "basic needs" means in most countries and for the majority of the people securing subsistence levels of satisfaction for all material needs. That is the floor level. There is no reason for being ashamed when we admit it. True development is supposed to improve this state of things. Consumption will increase. But to what extent? For sure not to the prevailing Western levels. The debate about "alternative style of life" tend to rationalize and reduce consumption. We believe that there should be also a ceiling level which could be defined as that which realizes at any time the right balance between the requirements of the individual, the society and the environment. Thus we have a single approach to consumption in both industrialized and Third World nations. Another development then has to be geared in all cases towards the satisfaction of human needs. In all cases also, everybody should at least get the subsistence level of satisfaction, and nobody should push his consumption to the limit that endangers the right balance between man, society and environment.

3. POLICY CONCLUSIONS

The results of methodological, conceptual and empirical research undertaken in the framework of this project led already to some unconventional policy conclusions concerning the operationality of the concepts, the potentialities for economic growth and the implications for the socio-political aspects of development. We will try to summarize these conclusions in the following few pages.

I. Operationality

1) An industrialization strategy for the Arab World, aimed at the early satisfaction of the needs of the broad majority, is intellectually conceivable and operationally feasible. This is so because firstly, needs can be apprehended, identified and enumerated. In the second place, the degree of satisfaction of material needs is measurable.

2) In fact, the conceptual and analytical work shows that far from being infinite, as is usually assumed by economists, needs are rather few, provided distinction is clearly drawn between a need and the innumerable objects capable of - or supposedly capable of - satisfying it both qualitatively and quantitatively. The assumption that needs are identifiable only through the market interplay is both incorrect and misleading; incorrect because the market reflects the purchasing power more than the real need; and misleading, because under capitalism and singularily contemporary transnational capitalism - supply tends to create its own demand. The proclaimed sovereign consumer is nowadays so standardized in his tastes and behaviour that he is almost one of the products of the ironically misnamed consumer society.

3) The study of three material needs: food, clothing and housing enabled us to find in each case a common denominator. For food, it is the daily consumption of a number of calories, together with some protein intake. For clothing, it is the weight of textiles used in the production of different dresses. For housing, it is a sheltered space adequately designed and provided with some facilities and surrounded by congenial neighbourhood. In each case, the common denominator can be drawn from different sources, combined of various elements, increased in quantity and improved in quality according to concrete conditions of income, climate, kind of work, availability of resources, technologies in use... etc. and even the understandable desire for change (misused by mercantile fashion designers and fashion - setters). In the concrete conditions of the 21 countries of the Arab league, the teams came up with the following figures[1/], for a start:

Food: F.A.O. minimum requirements defined for various countries and ranging from 2304 to 2497 calories/day.

Clothing: Based on an empirical analysis of clothing patterns in various Arab countries, minimum norms of specific clothing needs for urban and rural populations were established. Those norms were converted into standard weight measures. Thus the final norms ranged from 4.0 kg. to 8.0 kg./Capita (for adult clothing needs/year).

1/ See: Arab Industrialization Strategy Based on Self-Reliance and Satisfaction of Basis Needs: Empirical Findings. For the three needs under study, projections of 1985 and 2000 needs were made not only on the basis of minimum requirements but also on the basis of improved norms.

Housing: The norms for housing area/individual ranged from 14 to 21 square meters for urban areas, and from 11 to 23 square meters for rural areas. These norms are higher than those adopted by the UN Housing office. This was because the research team took into consideration the specific climatic and cultural conditions in the Arab World (e.g. peasant houses allow for a barn and a stable).

4) Once the gap in satisfaction is thus measured, it becomes relatively easy to identify the type of industries necessary to fill it in the first place, and then to improve the degree and quality of satisfaction which the authors of the empirical studies have done. Thus the first elements have been laid down for a needs oriented industrialization strategy in complete disregard of the conventional market studies.

II. Huge local and regional markets

1) Moreover, such a strategy is economically sound. The three studies revealed in all cases, and even in wealthy countries, an enormous gap between the actual consumption and the requirement of meeting minimum satisfaction of human needs. In the food area, while the daily calories intake varies between 83% (North Yemen) and 117% (Libya) of the minimum requirements, the real situation is by far worse due to income distribution patterns and general lack of protein. The under-nourished are currently estimated at some 30 million Arabs (23% of the Arab Nation). The consolidated food deficit of the Arab countries is so high that they import currently about 30% of all World exportable wheat. In clothing, the gap is estimated at about 400,000 tons of textile i.e. more than 100% the actual production. In housing, the situation is simply tragic, particularly in rural areas.

2) Growth of production of goods filling these gaps means the growth of a host of other productive activities both up-stream and down-stream. An attempt at estimating the main activities has been done in each study. Of special interest in this respect is the fact that the needs approach shows the absolute necessity of coordinating industrial and agricultural growth from the outset. In addition, unlike what some authors think, emphasis on meeting the needs of population boosts the production of capital goods and not the contrary. Thus, the proposed industrialization strategy contributes to self-centered development.

3) Meeting the needs of the broad masses in this way can be best attained through collective self-reliance. Geographically neighbours and culturally united, the Arab countries vary greatly in size, population and resource endowment. Together, they have all the ingredients for independent and self-sustained development. The regional market is essential both for the supply and sale of various products meeting the needs of the total population.

III. Departing from mimetic patterns

1) Taken as a whole, the Arab World has achieved significant rates of growth during the last three decades. GNP per capita has been grossly inflated by the inclusion of oil revenues. But non-oil states too often knew high rates of growth. Industrial growth in countries like Egypt, Iraq, Syria and Algeria is far from being negligible. Nevertheless, this performance has failed so

far in filling the gaps in meeting the needs of the population at large. One can venture to state that the situation is worsening. This is obvious in the case of housing. But it is also true for food and clothing. If this try at the elaboration of an alternative strategy for industrialization amounted only to the demonstration of this fact, it would have deserved the research effort. Indeed, it proves the inanity of all efforts to meet the needs through the reproduction of Western patterns of growth and within the existing World Order. In an empirical, ideology-free approach to the problem, it becomes clear that true solutions for real and dramatic problems have to be invented.

2) It is more sensible to abandon the search for satisfaction of population needs through the ever-spreading growth and its trickling-down effect. Yet, this negative statement is not at all sufficient. The total cost of meeting those needs simultaneously along the lines of prevailing technologies and "modern styles of life" is exceptionally high. Even if a country can afford such huge investments, the products would be too expensive for low income people and out of reach for rural and urban poors. Hence the necessity of opting positively for a consistent set of new policies: the optimum use of all available resources, full employment (a usefull job is in itself a need and it secures in the meantime the necessary income for the acquisition of desired goods), identification and selection of appropriate technologies, participatory planning... etc. In this respect, special attention should be paid to the "traditional sector" so far disdained by planners and the "informal sector" whose upsurge disturbs them so much. The deeply-rooted idea that raising the standard of living of the population can be only and exclusively achieved by the passage from "subsistence economy" to "market economy" should be dismissed. The Arab countries, like all Third World nations have to learn how to walk on two legs, how to combine judiciously mass production with rising productivity in both the traditional and the informal sectors.

3) A critical case in such an approach is rural development. In a paper published in IFDA Dossier No. 9, I tried to show how our countries have to live for many decades with important rural populations and why rural development should be deliberately undertaken in parallel with industrial urban development. Conventional Economics teach us that "peasant subsistence economy" has to disappear and this will be beneficial for everybody. Many Third World authors have demonstrated the destructive effects of market forces in rural areas. What is at stake is actually how to raise the productivity of the peasant community without any submission to market forces. In fact, it is simply absurd in our conditions to rely on modern industry and urban centres in meeting the basic needs of the peasant. Villages and other rural communities should be encouraged to use all available means and resources to satisfy as much as possible their needs for food, housing and even some clothing. This means more participation in decision making, more equal land distribution, more working days in the year, the introduction of non-agricultural activities in the countryside in order to increase rural incomes... etc. Traditional technologies have to be analysed and improved, side by side with the introduction of greater amounts of industrial inputs into agriculture. Many of these can be provided by small and medim size factories scattered in rural areas to guarantee some jobs for the rural population and to insure easy accessibility of products.

4) Similarily, the informal sector has to be analysed. Every help should be given to increase its contribution to the national output. Some handcrafts can be promoted as producers of high quality exportable goods. Others can significantly improve the supply of necessity goods at the cost of some modest investments. Repair workshops play a considerable role in several Third World countries. With some public aid, their activities can save important amounts of foreign currency by expanding the life time of equipments and durable goods. Modern industry should never equate with huge plants. Without blindly adopting the famous "small is beautiful". I want to point out that many of the economies of scale, the externalities, the criteria of location... etc. stand only when economic calculation is done on the micro-level and for the medium term.

At the macro-level and in the long term, they often become costs because of the damage they do to the physical and/or the socio-cultural environment.

5) Thus industrial location, size of industrial plants, choice of technologies should be inspired by such considerations as minimization of the environmental impact, the rational use of national space, the proximity to consumers and the consolidation of self-reliance at all levels: the rural community, the urban neighbourhood, the regional (sub-national) and the all Arab levels.

This exercise undertaken in co-operation with the Industrial Development centre for the Arab States (IDCAS) made it impossible to keep to the initial timetable. International seminars to discuss the various aspects and stages of the project have been postponed. The valuable remarks of technicians and policy makers from the different Arab countries are not yet available. The provisional results allow only for a preliminary set of policy conclusions. What remains of great interest is the endorsement by the Arab Ministers of Industry of the idea that we need alternative strategies for industrialization. Their official backing helped politically and financially in the launching of the project. It is hoped that sustained interest will permit the pursuance and enrichment of the Arab World, as well as for the development thinking World-wide.

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BUILDING BLOCKS

SOCIAL TRANSFORMATION IN BANGLADESH: REALITIES, CONSTRAINTS, VISION AND STRATEGY

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Abstract: Those who think that Bangladesh has a hopeless resource base and an economy which cannot be viable cannot be farther from the truth. The country may not have oil, mineral resources or unused land, but it has water and gas, immense possibilities as regards more intensive utilization of land and, above all, vast human resources. Given the right environment for proper organization and utilisation of these resources, there is no reason why Bangladesh should not have a bright future.

The vision for the future must be anchored on the ideology of national self-respect and improvement of the quality of life of all people. The concomitants of this ideology are self-reliant development, satisfaction of the basic needs of all citizens, and socio-economic justice for all. But it will take time to achieve these objectives.

The purpose of this paper is to outline a vision about the society desired by the end of the century, to identify the constraints and suggest possible ways of operating on them so as to realize that vision.

TRANSFORMATIONS SOCIALES AU BANGLADESH: RÉALITÉS, LIMITES, VISION ET STRATÉGIE

Résumé: Ceux qui voient le Bangladesh comme un pays sans ressources et sans viabilité économique se trompent. Le pays n'a certes pas de pétrole, de mineraux ou de terres en friche, mais il a de l'eau et du gas naturel en même temps qu'un immense potentiel pour une utilisation plus intensive de son sol et, surtout, des ressources humaines considérables. A condition que ces ressources soient convenablement utilisées, il n'y a pas de raison pour douter de l'avenir du Bangladesh.

La vision de l'avenir doit être ancrée dans la confiance en soi et tendue vers l'amélioration de la qualité de la vie de tous. Les corollaires en sont l'autonomie, la satisfaction des besoins fondamentaux et la justice sociale et économique. Il faudra cependant du temps pour atteindre ces objectifs.

L'ambition de cet article est d'esquisser une vision d'une société voulue pour la fin du siècle, d'identifier les contraintes et de suggèrer comment les dépasser afin de réaliser la vision.

TRANSFORMACIONES SOCIALES EN BANGLADESH: REALIDADES, IMPEDIMENTOS, VISIÓN Y ESTRATEGIA

Resumen: Hay quienes piensen que Bangladesh tiene una base de recursos desahuciada y una economia política que no puede ser viable. Ellos no tienen razón. El país no tendrá petroleo, recursos minerales o terreno; pero si tiene agua y gas, enormes posibilidades en cuanto al uso más intensivo de terrenos y sobre todo tenemos vastos recursos humanos. Con buena organización y el buen uso de estos recursos, no hay razón por la cual Bangladesh no tendrá un futuro prometedor.

La visión para el futuro tiene que estar basada en la ideologia de autoconfianza y en el mejoramiento de la calidad de vida de todos. Como correspondientes a esta ideologia tenemos que avanzar el desarrollo autodependiente, la satisfación de las necesidades básicas de todo ciudadano, y la justicia socio-económica para todos. Se requiere tiempo para llevar acabo estos objetivos y nadie debe imaginar que será posible de realizar todo esto de noche a la mañana, aún si llegamos a un comienzo.

El objeto de este informe es de trazar una visión de la sociedad que deseamos realizar a fines del siglo, identificar los impedimientos a estos fines, y proponer modos posibles para la la realización de esta visión.

Qazi Kholiquzzaman Ahmad 1/

SOCIAL TRANSFORMATION IN BANGLADESH - REALITIES, CONSTRAINTS, VISION AND STRATEGY 2/

The purpose of this paper is to outline a vision about the society desired by the end of the century, and to identify the constraints and suggest possible ways of operating on them so as to realize that vision.

REALITIES AND CONSTRAINTS

Let us start by stating the following well-known characteristic of our economy which will put the purpose of this paper sharply into focus. The economy of Bangladesh is characterised by a high population density (about 84 million people in about 55,000 square miles of land); high population growth rate (about 2.7 per cent per annum); over 90 per cent of the population living in rural areas and over 80 per cent directly dependent on agriculture; absolute poverty for over 75 per cent of the population; wide and increasing disparities in income, wealth (land) and opportunities; poor health and sanitary conditions, particularly in rural areas; rampant unemployment (40 per cent of the civilian labour force); low educational level (literacy of 23 per cent); critical lack of skilled manpower and entrepreneurs; widespread corruption; low agricultural and industrial productivity; exploitative agrarian structure; severe inflationary pressure; absence of effective policy and institutional framework for mobilization of domestic resources (material and human) and promotion of rural non-farm activities; and confused industrial policy in relation to the relative roles of public and private sectors and also in respect of the management of nationalised industries. These are the stark, staring realities of the present situation.

One will do well to remind oneself at the outset that social transformation is basically a political issue, and that the type of society to be established and the process of transition are politically determined. In the context of a people-oriented social transformation in Bangladesh one may note with a sense of appreciation that the country, after three and a half years of military interlude, now has a democratic government with both the President and the Parliment elected on the basis of adult franchise. The credit goes to the President who has kept his word. But the inauguration of the Parliament may mark the completion of only the first phase in the process if what is known as participatory democracy is the ultimate aim, where all sections of the people will be

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1/ The author is a Senior Research Economist at the Bangladesh Institute of Development Studies, Dacca. He is grateful to Dr. Mahabub Hossain, a Research Economist at the same Institute, for useful comments on an earlier draft of the paper and generous help in the preparation of the land reform proposal outlined in this paper. However, the responsibility of the views expressed rests with the author alone.

2/ A condensed version of a paper presented at the Fourth Annual Conference of the Bangladesh Economic Association, Dacca, May 1979.

actively involved in decision-making and implementation processes which affect their lives. And in this context it may be noted that, in the past, parliamentary democracy of the type now established essentially meant government of the party in power by the elected members from the party for themselves and their party adherents and other supporters in total disregard of the people at large. Only time will tell whether history will repeat itself or not. One hopes not.

For centuries until Liberation on 16 December, 1971, Bangladesh was ruled essentially by foreigners. It was the Mughals of Delhi in pre-colonial days, the British in the colonial period, and Pakistanis in the Pakistan period.(...)

Since Liberation we do not any longer have an external colonial situation. But the exploitation of the poorer sections by the elites and the masses is one of dominance-dependence and patron-client. The decision about what the masses need and how those needs are to be met are taken by the power elites - political leaders, administrators and landowning and other assets owning classes. Those whose lives are affected by these decisions and their subsequent implementation are not involved in this process in any meaningful way.

The class character of the successive ruling factions during Pakistani period and since has continued to remain basically the same, which has kept the large majority of the people - the masses (defined as those who do not have power in society derived from property, wealth, religion, caste, expertise, office or such other sources not widely shared) - alienated from national politics and developmental efforts. (...)

Basic Characteristic of Development Planning in Bangladesh

Given that the political economy of the country has continued to remain characterised by dominance-Dependence relationships between the elites on the one hand and the masses on the other, development planning has necessarily continued to be pursued within the top-down conventional framework, although sometimes guised in rhetorics relating to people's participation. A necessary concommitant of this approach is heavy dependence on foreign aid.

Even thoguh there has been increasing recognition in national leadership and official circles over the past few years of the need to decentralize planning and to involve people in the planning and implementation processes, very little has been achieved in this regard. Investment planning is still based on project designs dictated by donor ideas. In a participatory framework, project selection should be the primary responsibility of the people who are likely to be affected by it. But the practice is that the government officials take the decisions on the basis of their own wisdom usually acquired from literature developed on the basis of western experiences. The donations making process is also influenced by the wisdom supplied by foreign experts whose experiences and background are generally unsuitable to conditions prevailing in this country. Above all, decisions are usually taken with an eye on their acceptability to foreign donors for aid purposes. The people remain alienated. (...)

As the scope for mobilization of domestic resources is limited in a conventional elitist framework, foreign aid has continued to be the principal source of

are served by the present system of international exchange?

In the meantime, it might be instructive to glance at Jamaica's recent history as a non-oil producing country. In 1972 when our Government came to office, we looked back at the decade of the 60s, a decade which we must objectively regard as a failure. We had achieved political independence, in a formal sense, but the economic picture had undergone no real transformation - our basic resources, our main productive sectors and our utilities were all owned by foreign transnationals; there were few programmes of social reform so that despite an impressive record of growth of GDP in statistical terms, only a few at the top benefitted - little "trickled down". Indeed we witnessed an extraordinary contradiction which deserves unflagging attention and analysis: unemployment doubled from 12 to 24 per cent in ten years while the growth in GDP averaged nearly 6 per cent per annum. Even the political life was comparatively backward. We had strong democratic institutions such as parliamentary elections, a free press, and the other paraphernalia of a plural democracy. But the level of political education and of consciousness of the people was low, particularly in relation to that most fundamental of Third World challenges: political mobilization for development and structural change.

In the 1970s we were determined to alter all this. We wanted: greater national control of our economic destiny; improvements in the living standards of the poor both through the distributive effects of social reforms and through sustained economic development; and we wanted a genuine deepening of the democratic process.

History has shown that simultaneous achievement of these multiple goals of economic growth, social justice and political freedom is not easy, especially in Third World countries. Nevertheless, we were confident that it should and could be achieved and we were confident that we had the political will, the energy and the determination to succeed. Now in 1979, we look back at the decade of the 70s and recognize that in the pursuit of this objective success has been limited. We have achieved greater national control of our basic resources and key sectors of the economy, but with few exceptions we have not been able to increase their utilization or their returns to us because the markets are in external hands more powerful than ours. In fact, overall production has declined. We have introduced extensive social reforms, but these steps, which have included more equitable distribution of wealth, have meant less than they should because the decline in production has left less to be shared. We have created new structures to deepen the democratic process and raised the level of political consciousness. Meanwhile, the political rivalries of a plural democracy have led to heightened expectations and increasing frustration. This can result in a political reaction and the danger of a reversal of the progressive process. In terms of the heroic aspirations of 1972 the Jamaican drama contains a real element of tragedy. And it gives us little consolation to discover others in similar situations. In fact, the recent report of the World Bank on world development and the prospect for the world's poor during the 1980s might drive the weak to despair.

Yet we cannot give up in the face of the reverses of the decade of the 1970s. Rather, we must intensify the search for solutions.

In this endeavour, it is helpful to understand the world economic crisis which has gathered momentum in the 1970s. But it is a dangerous fallacy to believe

that this crisis, traumatic as it has been, is the cause of the present difficulties of the Third World. We now know that the root cause goes much deeper and is to be found in the harsh reality of the structure of the world economic system and that failure of the collective political will to which we have referred. Indeed, whatever the mistakes made in the course of the Jamaican experience in the 1970s, and there were many, objective analysis demonstrates that the hopes of the people for progressive, simultaneous change in their qualitative and their quantitative experience have been eroded constantly, if now overwhelmed, by the factors at work in the international environment. To add insult to injury, this experience unfolds to an international chorus evoking a picture of social justice, greater equity between nations and the closing of the gap between rich and poor. For two-thirds of mankind, however, the gap is widening; and for one-half of these poverty is absolute.

The ultimate tragedy lies in the fact that this experience is not accidental but structural. Hence, there will be no correspondence between the rhetoric of justice and the experience of the people until the structures have been transformed.

And so to the specifics of the NIEO, beginning with trade. The representatives of Western industrialized countries are never keen to address this problem of metropolitan inflation for manufactured goods by comparison with the historical price stagnation that attaches to commodities. They prefer to deal with the question of fluctuations of price. This preoccupation is, with respect, disingenuous. Everybody agrees that instability of prices for commodities is bad for planning. Equally, the occasional run-away prices that are associated with a commodity like sugar, perhaps once every ten years or so, are an inconvenience to consumers in industrialized countries. Hence, everyone approves of measures designed to create stability in commodity trading. Stability, however, does no more than scratch the surface of the fundamental problem which is adumbrated in the comparisons which I just gave and which tell the story of the creeping disaster of the terms of trade.

Much has been made recently of the agreement, in principle, reached in Geneva on the establishment of a Common Fund. You may, of course, be tempted to chide me with being ungrateful for small mercies. But the mercies are small indeed! If there is to be any attempt to introduce justice, as distinct from stability, into commodity trading, one must deal with the following elements:

- an institution with funds at its disposal which can guarantee floor prices for an adequate range of commodities;
- the capacity to buy and unload stocks of the commodity to keep the prices within an agreed range;
- the capacity to move the price range itself in a manner that maintains a direct relationship with metrolopolitan inflation as it affects capital, manufactured goods and other forms of sophisticated exports from industrialized countries;
- mechanisms that permit the management of a range of commodities as an integrated whole; and, finally
- mechanisms and sources of finance that permit Third World countries to benefit from research into by-products and other means of achieving diversification of their economies upon the foundations of their basic commodity marketing activity.

Finally, there is need for the political will and commitment in a sufficient number of nations to ensure the creation of international commodity associations covering the various items that figure substantially in world trade so that a genuine, alternative system of economic management is created.

The Geneva Agreement accepts the principle of the Common Fund, the need for buffer stocks and the desirability of a stable price range. Any thought of linking the price range to metropolitan inflation has been rejected; the level of finance that can support substantial "second window" operations conducive to diversification has not been forthcoming; and, so far, virtually nothing has happened with respect to the creation of the commodity associations themselves. In short, the UNCTAD understandings do not address the central crises of the Third World and subsequent events cast serious doubt upon the intentions of the industrialized countries with respect to the commodity associations.

This dismal record cannot be excused on the grounds that the Common Fund is a concept conceived in rhetoric and delivered still-born in the world of reality. The economists have demonstrated precisely how a dynamic Common Fund, based on an integrated commodities programme and involving price linkage and second window operations, can work. It is not in effect today only because of the stubborn refusal of the industrialized countries to yield the upper ground of unfair advantage which they now enjoy.

Let us look at protectionism. One can understand the difficulty which an ageing, inefficient industry which, nevertheless, supports families in an industrialized country represents for decision-making. But the policy which protects this industry to the exclusion of the more efficient product of the Third World country is short-sighted in more ways than one.

Firstly, we must consider the international division of labour. If the exports of an expanding Third World economy at, say, the level of garments are given opportunity in the industrialized country they generate growth, development and demand. And what is demanded? Other more sophisticated products that are currently beyond the reach of the Third World country, or, more importantly, more machinery to produce more garments. Who produces these goods? Who produces the machinery? Obviously, the industrialized country. Therefore, the protectionist saves an inefficient industry that has outgrown the capacity to function usefully. This is achieved at the expense of national expansion in fields in which it is currently pre-eminent; and all this to the detriment of a poor country that is struggling to develop. This by itself is an equation of madness. But consider further the industrialized country has, in all probability, superb techniques for protecting those who suffer temporary job dislocation; and it will certainly have the means to retrain and re-equip workers. By contrast, the Third World country is probably mired in massive unemployment; probably cannot afford unemployment insurance; and will most certainly be taxed beyond its limits in the retraining and re-equipping of a skilled work force that represents its one slim hope of survival.

And still we can explore the equation of madness even further. We are told that the citizens of industrialized countries question constantly the relevance or efficacy of overseas aid programmes. Some protest the very existence of these programmes. Yet, the only way in which the pressure for and the burden

of overseas development assistance can be lightened in the future is when more and more can share it. Already, born of a deep common experience of despair, Third World countries are developing an instinct for helping each other where they can. If the international division of labour were allowed to take the course that is dictated by logic and humanity, more and more countries would enter the lists of those who can share the burden of assistance, lightening the load that all must carry.

When one looks at the problem of trade, one is amazed at some of the arguments that are advanced against, say the Common Fund. It is argued by some that favourable prices for commodities would help industrialized countries who enjoy exports in both the sophisticated and the commodity fields. But surely if there is a structured and managed relationship between all the major elements in world trade, everybody's economy is bound to benefit, everybody's capacity to plan must be enhanced. Others say that indexation will add further fuel to the flame of world inflation. But this is a circular argument: for the lower the rate of metropolitan inflation, the lower the indexation which would be required to defend Third World countries against its adverse effects.

Then again, there are those who argue that positive pricing for commodities would lead to disproportionate profits for traders and middlemen. Indeed it might; but only on the assumption that the governments of the exporting countries permitted this to happen. It is not even remotely beyond the wit of man to devise mechanisms which will ensure that the increase in price or an equitable part of it is paid to the producer.

One turns from trade to finance. The main preoccupation of the Bretton Woods System, which was established by the Western industrial nations in 1945, was to prevent a return to the monetary chaos and instability of the 1930s. This underlies the establishment of a key reserve currency - the Dollar backed by gold - the system of free convertibility at fixed exchange rates; and the prohibition of competitive devaluations. Third World countries were, in the main, not represented at the Bretton Woods Conference, nor were their needs, which derived from the structural characteristics of under-development, taken into account. The standard IMF formula for balance of payments deficits - exchange rate devaluation and fiscal and monetary restraint - were devised for mature industrial market economies in which the balance of payments may indeed be responsive to such policies.

Stabilization programmes by the IMF in the Third World have therefore often employed draconian methods with relatively only modest results on the balance of payments, but at great cost in social terms and the arrest of the effort at development and structural change. Moreover, the world monetary system has undergone enormous changes since 1945. I am told that there is an estimated US$900 billion swimming around on the Euro-currency market, which neither the IMF nor the Central Banks of the leading industrial countries are able to monitor, regulate or control. The destabilizing potential of this on monetary conditions - and thereby on trade, investment and overall economic activity - is enormous. I believe that this is one area where <u>all</u> parties - the leading Western industrial nations, the smaller industrial countries, the Third World and the socialist countries - have a mutual interest in effecting reforms to promote order and bring about a more just distribution of world reserves, as

well as support patterns of economic development in the Third World which we ourselves consider appropriate.

The classic prescriptions employed presuppose developed factors of production in place and needing only the stimulus of market opportunity. Often the problem of the Third World country is one stage further back. It needs time to develop the productive capability in the first place. A European farmer may need only a market. A Third World farmer may need training, capital, help from extension services and many other factors before he can significantly lift his production. In short, the Third World country needs more time than a short-term balance of payments stabilization programme, as prescribed by the IMF is designed to accommodate.

In the meantime, I dare to assert that some, at least, of the current crises in the world economy can be traced to foreign exchange starvation in the non-oil-producing Third World. We find that the stringent requirements of the IMF conditionality stand in striking contrast to the inadequacy of the resources at its disposal. Countries such as my own have been through the wringer of the most stringent conditionality, have mobilized their people to accept the sacrifices, and their producers for the battle of production and for export-led growth. All this has been done only to find that the foreign exchange, which is the indispensable oxygen if the process is to succeed, is not available in the quantities which can guarantee success.

The fact is that international financial institutions do not have the resources to carry out their function as the midwives of world development and world economic expansion. Ironically, it is not only the people of a Third World country who suffer when its foreign exchange is exhausted; it is also the exporters of the industrial country who are confronted with declining sales.

If we turn to technology, we find that the price attaching to its transfer, and secured through numerous ingenious devices, is unjustifiably high because the Third World countries simply do not have access to the kind of information they need to bargain effectively. Hence, it is often the case that the economic activity resulting from a transfer of technology sets up a haemorrhage of earnings and foreign exchange that comes near to cancelling the benefit of the undertaking. This issue is critical because there can be no development without adequate and relevant technology.

The broad area of information has another, more insidious aspect. The fact is that the control of technology and of economic power is supported by a comprehensive system of propaganda designed to defend the status quo and to invest it with mythical attributes. Whether intentional or otherwise, the effect of this is to mobilize the people of the industrial world to hold what they have and to protect their advantages with the dedicated tenacity of medieval knights defending hallowed ground. Equally, it is designed to induce uncertainty and maintain inertia in the Third World by suggesting that their claims are directed against a natural order, if not a system of divine right.

And so, finally, to the transnational corporations. There are many aspects to this complex subject. I will comment on one feature. The transnational corporation's primary motive is to appropriate resources as cheaply as possible so as to maximize profits. Third World countries find their non-renewable

resources disappearing as the years pass, often with little to show. Should one Third World country, or two, or three, seek redress, seek a more reasonable share of the wealth that is created by their natural resource, what do we find? They may propose or impose a higher tax than heretofore. They may be able to demonstrate that the tax is a very modest part of the total financial operation that is involved. Transnational corporations in the field then have two choices. They can consult with producers and together work out new levels of taxation that provide a real benefit to all producers in equal measure. This would be principled, rational and just. But which transnational does that? On the contrary, it is more likely that the transnational will move from one host country to another until it can find one that will agree to charge a lower level of tax in return for the promise of increased production. By this means it is able to wind down the production of the countries that dare to claim more and wind up the production of the country that is prepared to accept less. Accordingly, transnational corporations have tended to reduce Third World countries to a situation not unlike that of a pack of dogs snarling around the bone of survival. This is the other side of the coin that is blandly described as maximizing profits through efficiency.

In the last analysis, it is inevitable in an increasingly inter-dependent world that economic activity will involve the simultaneous coordination of factors of production in many different parts of the world. This trend is irreversible. In any event, the trend itself is not the problem. The problem lies in the fact that the present system of ownership and management of transnational corporations puts them beyond the reach of the control of the countries which host their activities - individually and, even more so, collectively. Inevitably, it has led to the development of corporations of vast size and hitherto unimaginable power. The issue is not to seek a return to some simpler period of economic history but, rather, how to devise the means to make their operations subject to international control and accountable to the people as a whole as well as to their shareholders.

This, then, is why we struggle for an international code to govern, it might be better to say restrain, the conduct of transnational corporations. One day I may be led to understand why the Third World countries do not support the concept beyond the stage of the appeal of moral suasion and will not as yet contemplate any system of sanctions such as might enforce the conduct which all agree is desirable.

Among the specifics looms ever larger the question of energy. The industrial countries expect energy to split the Non-Aligned Movement and divide the Third World. They are going to be disappointed. We do not need anyone to tell us that the price of market crude oil which has moved from $3 to $18 a barrel in six years places intolerable strains upon our economies. We begin our analysis with the fact that the oil is not going to last much longer, but the need for energy will increase for as far into the future as we can see. As the same time, oil is the foundation of many of the components of our present civilization; petro-chemicals, plastics, synthetics and the like. Therefore, in a sense, our generation is busily burning away part of the basis of its own civilization.

Hence, oil has become a highly priced commodity and must be diverted increasingly to its alternative uses. At the same time, we know perfectly well that the

OPEC producer sees in the oil at his disposal the single best means to accomplish two vital objectives: the defence of his economy against the ravages of imported inflation, and the economic and social development of his people. He will tell you, rightly, that when the oil is finished it is modern technology that will have to supply the answer to much of the energy needs of future generations. It is the industrialized West that commands this technology and it is the industrialized West which will set the price of it. Therefore, so long as the industrialized countries refuse to agree to create a world economy that is structured in a manner that makes it subject to rational control by governments acting on behalf of their people and in the interests of equitable economic exchange, so long is OPEC bound to act as it now does. The day that we of the Third World who are non-oil-producing see the conrete signs that the industrialized nations are willing to cooperate to achieve structural change and have the capacity to control their own inflation, we will be the first to say to OPEC: come and join the New Order and subject your prices to the equitable considerations which that Order seeks to impose.

In the meantime, we are casualties of a war between giants. We know that it is critical that Western countries should stop squandering the world's oil; we know that the insatiable appetite for oil drives up prices even beyond the intentions of OPEC. Above all, we know what price we pay and what we suffer as a consequence. But we do not believe that we will solve our problem by fighting to hold the price of oil to that of our commodities, joining both in a common paralysis while the exports of the industrialized nations continue to dance their inflationary jig.

In the meantime, even assuming fundamental structural change, it is impossible to speak realistically about closing the gap between rich and poor nations without discussing substantial transfers of resources, at least during the early years of a serious attack upon the problem. If we are to put the world on a basis where equitable results are produced by economic exchange, we must tackle structures. We must create structures which are deliberately designed to produce reasonable opportunities and balanced rewards for countries that are willing to make the effort. But no matter how good the structures we create, we are faced with an immediate and overwhelming problem in the Third World: the problem of under-development in its widest sense. There is a basic shortage of capital, know-how, institutional experience, technology, skilled manpower, supporting social services, education and health, including even basic nutrition.

In terms of development, the backlog to be overtaken is stupendous. However, concealed in this vast problem is an enormous potential waiting to be released. The overriding irony of today's world is that it is so obviously in everybody's interests that this potential be unleashed. The industrialized world has the resources to make a serious start possible. What is needed is a great act of collective imagination, a quantum leap in statesmanship.

I spoke of the irony of the denial of the mutual self-interest that is involved. Concealed within it, however, is an even more baffling contradiction. At the end of the Second World War, the USA looked at a shattered Europe, including an enemy which it had just defeated. A great act of political imagination calling for a quantum leap in statesmanship was required. It was forthcoming in the Marshall Plan. At that time the USA contributed more than 2.7 per cent

of its gross domestic product to overseas aid and has never had a moment of regret arising from this act of enlightened self-interest.

Today, faced with 400 million people on the verge of starvation and more than a billion deeply trapped in poverty, everyone a potential producer and consumer, there is not one industrialized country in the world that is contributing as much as 1.0 per cent of gross national product to overseas assistance. The USA itself has seen its contribution fall from more than 2 per cent to 0.2 per cent.

A proposal in the name of the Non-Aligned Movement is now before the United Nations pointing to the fact that the world is spending $300 billion a year on weapons of destruction. It was proposed, on behalf of the 95 nations who represent the majority of the people of the world, that 10 per cent of this during the next ten years could make a vital difference. An average of $30 billion a year of additional overseas aid for the next ten years could provide the critical life-line to those Third World economies now drowning in debt; the fuel to those with the will but not the means to get started; perhaps even the stimulant to those that are beginning to succumb to despair.

What we need are structures that take care of the future and transfers that enable us to embark on the road that leads to it. Is 10 per cent of a collective exercise in self-cancelling folly and futility too high a price to pay for a world of basic decency and simple opportunity for all of its people?

We often ask ourselves why, why will the industrialized West not join us in a serious assault upon all these problems? Sometimes we are told that the problem is to be found within the decision-making processes and consumer proclivities of the industrial democracies. We do not doubt that there is a substantial element of truth in this. Plural democracy is not designed for serious popular discussion except, perhaps, in times of crisis. It is in the nature of the competitive processes that the system generates that people tend increasingly to view life in the shortest possible perspective because it is tomorrow's benefit that is most easily promised. In the political horizons of plural democracy, even the day after tomorrow can be made to seem remote through the glamour of today's advertising. So we can see that the voter in this system is not easy to persuade to a longer view of the world's prospects; nor to an awareness of the connection between his fate and that of the world outside. The system does not challenge him to that kind of perspective.

So much by way of explanation. But an explanation is not an answer. At some point of time those who lead industrial democracies must ask themselves the question: how long do they think they can defend a citadel if its walls separate the privileged from the deprived? And here I do not speak threateningly but, rather, almost sadly from within the perspective of history. I believe, however, that there is a more important explanation with the truth suspended somewhere between and including the two. I come back to that interlocking complex of transnational corporations and financial institutions with which I began the analysis and which are the legacy of the explicit political phase of imperialism. This has become a new government of the world. But it is a government with a difference. It is not responsive to popular control. It is not accountable to any set of people who have the capacity to articulate a sustained point of view about its operations. The system has shareholders, it is true, but in the nature of things the shareholder is accountable to no

holds owning less than 10 bighas, */ in which the government would provide the irrigation facilities and other modern inputs, and land and labour of all the cooperative members would be pooled. The output would be shared in the following proportions : 50 per cent to cooperative members distributed according to the labour and the draft power provided by them to the cooperative, 33 per cent to land owners according to the amount of land they have, and the remaining 17 per cent to be mobilised by the government primarily for investment in land development, purchase of modern inputs and the payment of the salaries of hired managers; and if there is still some surplus that may be invested in rural industries to be jointly run by the cooperative members and perhaps also in building local roads and other infrastructural facilities. At this stage there may not be a transfer elsewhere of surplus from the cooperatives.

Both steps I and II may be completed during the Second Five Year Plan.

Step III. After a few years of cooperation among the below 10 bigha land owners, those having 10 to 20 bighas may also be included in the production cooperatives. If the productivity can be increased in the interim period through cooperation, the relatively medium owners would be interested to join the cooperatives. Further, since the cooperative base of the smaller peasants would be strenghtened in the meantime, the medium owners would not be able to dominate the affairs of the cooperatives if they join later. The sharing of the product may be continued in the same proportion as before. This phase may be completed during the Third Five Year Plan.

Step IV. As land productivity will be increasing with the application of modern inputs and as results of other modernisation processes, the share of the land may, after a few years, be brought down to 25 per cent and that of the government increased form 17 per cent to 25 per cent. A substantial proportion of the surplus would now be mobilised by the government for establishing large-scale industries and infrastructural facilities on a national scale.

Step V. Finally, when the cooperative spirits are strongly rooted, steps towards collectivisation may be taken as that is likely to provide the framework for continued agricultural growth. This phase may be implemented during the last few years of the century.

It should be noted that this proposed land reform programme calls for heavy investment in the early years, especially for land development. But, in the restructured agrarian set-up, a basis will exist for the mobilization of the people to work collectively on self-help basis and thereby to accomplish a lot in this regard. Also, as heavy investment would be needed only for a few years, foreign asistance may be used profitably for the purpose. With proper planning and emphasis on some export crops, servicing of foreign aid used in these activities may not be a serious problem.

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*/ As members belonging to families having up to this level of land-holdings are generally the labouring and below subsistence classes, the co-operation would be meaningful.

b) Urban land and other assets

Appropriate reforms must also be introduced in respect of the ownership of urban land and other assets having regard to their value. In so far as the industrial sector is concerned, the role of the private sector should be limited to the small-scale and cottage type industries, which may also be gradually brought under cooperatives and collectives pari pasu with the progress in this regard in the agricultural sector. Large-scale and medium-scale industries must be in the public sector right from the beginning and must be brought under participatory management within a reasonable time period for efficient operation and in the larger interest of the people.

Rural non-farm activities and industrialisation

Land reform must be backed up by a vigorous promotion of non-farm activities, especially manufacturing activities, in rural areas to provide employment and income earning opportunities particularly to those who, even after land reform, may still remain landless or with inadequate holdings and also to those who will keep joining the labour force every year. The importance of small-scale and cottage industries in rural areas has continued to be ritualistically recognised in plan documents of Bangladesh just as it was done in Pakistani Plans. But this concern has not been translated into allocations and actions. No comprehensive policy and institutional framework has so far been developed for purposeful and effective promotion of such activities. Constraints regarding promotion of small-scale and cottage industries relate to a host of issues including lack of entrepreneurship, lack of credit facilities, lack of infrastructural facilities, absence of or slow diffusion of industries, non-availability of certain raw materials, absence of significant extension programmes, lack of knowledge about the demand structure concerning the products of such industries, absence of programmes and institutions concerning development and ineffective institutional net-work for promotional, support and extension work, and absence of institutional framework to operate on the constraints. And in order to deal with these problems effectively, a comprehensive policy and institutional framework should first be worked out in the context of the overall industrialisation programme designed to bring about desired social transformation*/. Side by side with small-scale and cottage type non-farm activities, large-scale industries and other modern sector activities must receive adequate attention to make the development process self-sustaining and to avoid another kind of dependence on foreign countries. But the promotion of large-scale industries must be based on considerations relating to matters such as linkage effect and comparative advantage. Thus, priority industries may include capital goods industries producing machinery and inputs for agricultural sector and spare parts, and agricultural processing industries.

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*/ For some details relating to (a) the present status of small-scale and cottage industries in selected areas of Bangladesh, (b) constraints, policy and institutional issues in planning for such industries and (c) certain potential industries, one may see Rural Industries Study Project, Phase I Report, Bangladesh Institute of Development Studies, Dacca, May 1979.

Education

Education is not only literacy; it has also to be functional and work and life oriented. Proper education will raise the level of awareness of the masses about their environment and will release their creative power and problem solving capacity. It will also improve their purposefulness, drive, initiative and skill. National productivity will increase as a result.

Emphasis being put on the kind of education (life and vocation oriented) in Presidentail and Ministerial speeches is in the right direction. But that must be translated into programmes and actions.

Institution building

Appropriate institutions are necessary to provide a framework for the people to come together and put in collective efforts for improving their lot. Indeed, people cannot be effectively mobilized without institutional support. In the context of participatory democracy, the local self-government institutions are the crucial element in the framework. Experiments with variants of local self-government institutions at village, union and thana levels that are going on in various parts of the country should be useful in respect of effective institution building.*/ But genuine efforts are called for in this regard. The basic structure must be worked out soon enough and all experimentations must be completed within the Second Five Year Plan period so that there should be no institutional bottleneck as regards large-scale mobilisation of people from about mid 1980s.

Dcentralisation of authority

Decentralisation of authority in respect of decision making and implementation of decisions is essential to give meaning and content to peoples participation. This requires legislation, which must be enacted on the basis of the principle that less the government from the centre the better it is for participatory democracy. There should necessarily be a phased progress in this respect for an orderly and healthy evolution.

Appropriate technology

Due emphasis must be laid on appropriate technology as it will support the mobilisation process by allowing people to make best use of themselves and of the resources that they have. In a situation of abundance of labour and scarcity of capital, appropriate technology will also generate employment opportunities. In addition, it will also promote dispersal of economic activities and wider income distribution. Technology is defined to be appropriate if it is suited to resource endowments and to the level of development of other productive forces. It is a dynamic concept and as development proceeds and skills

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*/ For a set of guidelines regarding institution building in this context, one may see Ahmad, Q.K. and Mahabub Hossain, "Lessons from Ulashi - Development Through People's participation on Self-Help Basis" in Ahmad Q.K. and Monowar Hossain (eds.), Development Through Self-Help - Lessons from Ulashi, The Bangladesh Institute of Development Studies, Dacca, April 1978.

of the people improve technology has to be constantly adjusted upward in order that it is appropriate at different levels of development.

Appropriate technology can be developed indigenously or through adaptation of technology transferred from other countries, both industrialised (TC) and, more importantly, from Third World countries of similar experiences(TCD). But research and development have the crucial role to play in this context. Due emphasis is therefore called for both in terms of policy and adequate allocation of funds for the purpose. An appropriate institutional framework is also necessary for development of appropriate technology and its promotion and diffusion throughout the country.

CONCLUDING REMARKS

Whether or not the programme outlined above or for that matter any other programme aimed at far-reaching restructuring of the society will be carried out will depend on the will and ability of the national leadership. Even if the government is convinced that the society must be restructured along the lines proposed in this paper, the question remains as to whether the government will be able to carry with it the various elite groups whose interests will be adversely affected or, alternatively, whether the government can by-pass them. The first proposition is extremely unlikely as the elites will not surrender their power; they will strongly resist any move that may threaten to erode their power. As regards the second course, the question is whether the government will be able to muster the very strong political will and administrative support that will be needed for carrying out the reforms - perhaps much too much to expect from a government and an administrative machinery which are themselves manned by people belonging to elite groups.

Now if the government fails to carry out the far-reaching reforms, the country will continue to remain plagued by the problems discussed in this paper; and the future course of events will be shaped by the forces of change unleashed by the process of polarisation itself, which will act on productive forces and production relations and, consequently, on the structure of the society and its superstructure.

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BUILDING BLOCKS

THE SURPRISES OF DEVELOPMENT IN LATIN AMERICA

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The following paper is the result of several seminars and discussions at CEBRAP. It is at the same time a report on these discussions and an exploratory essay on the theme[1/].

About a decade ago, a sombre vision of economic development seemed to be taking shape in Latin America. The phase of fears about stagnation, it is true, had been left behind. Yet the general features of the development style which was becoming evident and the type of society which was appearing gave little room for hope:

. development there was, it was said, but in the limited sense of economic growth;
. the structures, which were archaic for sure, would be reproduced by this "perverse" "malignant" style of development, without solving the people's problems;
. the big transnational companies would set the pace of growth; the latter would consist in fact of integrating the region's economy into the international economic order, now however as a part of the industrial productive system itself;
. the countryside (and, for good or bad, the great majority of the population of Latin America was rural) would remain untouched: the rural tragedy would be based on the complex formed by the latifundium and its support, the minifundium, and there millions of landless peasants and underpaid wage labourers would toil, alongside millions of very smallholding families;
. the perverse style of development would only be worsened by the transfer of technology through the narrow channels of the transnationals interest; this would lead to the production of "durable consumer goods", with automobiles in the front line, so that the ghost of unemployment would haunt the virtually working-class population, given that the new productive system would absorb

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1/ The background papers and a bibliographical dossier are available from CEBRAP, 1. Campinas 463-13º Andar, 01404 Sao Paulo, Brazil.

less manpower than the supply, as a result of the capital-intensive technological component.

All this was said in a setting of rising authoritarianism, with a military basis, which added to traditional caudillo dictatorships commanded by typical "Banana Republic" generals a new specimen: the military-bureaucratic State.

The imagined response to this situation varied from the ardent dream of Cubas at the four corners of the Continent to the most diverse forms of socialism. Eventually, it was said, either the political order would turn fascist and, goaded on by violence and totalitarianism, impose internal apartheid by separating the mass of "marginals" from the prosperous heart of the system, or the rebellious masses would burst the floodgates and carry out a socialist revolution.

Even if we leave aside the schematism and exageration in all this, with the dawning of the eighties it will be hard to confirm the analysis and forecast what it contains.

This is not to say, of course, that the opposite view was correct. On the side of "order", indeed, the vision of paradise was also schematic and fallacious. The idea here was integration into the new and triumphant capitalist world order; "interdependence" would take the place of "dependence". A dynamic middle class, in the towns and perhaps even in the countryside, would give support to modern democracy. The rural structures would be reconditioned by the farmers and by agro-business. The urban working-class would undergo a rise in its standard of living, so that the labouring masses would be integrated into the consumer world, so as to make the figure and claims of the citizen-proletarian on the verge of becoming a revolutionary into a thing of the past.

If both the rosy and the sombre image distort the process as it took place, where can we find a hold in order to understand the transformations which have occurred?

I believe that the necessary starting-point is the recognition that the changes in the international capitalist order have eventually affected the periphery, however unevenly, and brought about some structural transformations. In the whole of Latin America, indeed, (as in the rest of the capitalist world) the presence of transnational companies and the new strategy of economic integration they promote has noticeably modified the previous panorama.

In what sense?

Fundamentally, in two senses: both by incorporating parts of the periphery into the internationalized economic space by making them direct components of the international productive system and integral parts of the process of consumption of local production; and, in other parts of the periphery, by reinforcing the ties of agricultural export dependence, even while intensifying the technological component of agriculture. It is obvious that these two senses do not strictly correspond to the political division between nations; the two processes may occur in one and the same country, while others will be integrated into the international economic order, mainly as industrialized countries and consumers of these products, or as agricultural and mineral exporting

countries.

Further still, there were local economies which were weakly integrated into the new order and remained, as it were, marginalized in relation to it. Some of these were already semi-industrialized and had begun this process under the aegis of a capitalist-competitive economy. They maintained a part of this feature without achieving full integration into the new oligopolistic capitalist order, which is typical of the era of the big transnational corporations. Others preserved their integration through the old channels of the capitalism of the foreign plantations. All of them, however, to a greater or lesser degree suffered the effects of the new "transnational" capitalist order.

This process led to an important structural transformation. In crude terms: urbanization was speeded up, interrural and interregional migration increased, a large working-class was rapidly formed, while the urban wage-earning sector (including the so-called "middle-class" sectors) grew considerably, and the pettybourgeoisie (which, as in the European sense, was a smaller bourgeoisie) lost relative importance, insofar as small production declined and the oligopolistic sector replaced it, expanding precisely the mass of wage-earning workers and employees (the old "liberal professions" - doctors, lawyers, engineers, teachers - came to be employed as wage-workers under the control of the big companies, and the white-collar workers of the tertiary sector increased, in banks, offices, social services etc.). In other words, it was a sizeable transformation. And this transformation now swept into the heart of the rural sector: the old estates modernized and evicted the fixed labourers, who thus became mobile, wage-earning inhabitants of small towns, while in various countries the sector of "self-employed producers" and landless peasants disputed the agricultural frontier areas or, when these areas were already exhausted, became landless paupers.

These were important structural changes, without any doubt. Yet they in no way entail effective democratization of society, nor do they mean, in themselves, that the living conditions at the base of society improved.

And this is what was most disconcerting in Latin America. It was disconcerting, on the one hand, for those who were apologists of the capitalist system and thus believed that it would bring about the end of underdevelopment and hence the democratization and bettering of the life of the poor. And, on the other, it was disconcerting for those who were critics of capitalism and thus preferred to anchor their criticisms in the hope that the penetration of the transnationals would lead to misery and unemployment (given the high technological and non-labour-absorbing coefficient) and that changes that took place would only affect the "islands of prosperity", thereby creating Belgiums in the heart of the Indias of penury.

Today, with a somewhat longer chronological perspective (since international economic reorganization gathered speed in the mid-fifties), it can be seen that there really was "development" (that is, new productive forces produced transformations in the class structure) and not mere "growth". But under capitalism's aegis, none of this means welfare for the majority, the end of inequalities and democratic participation. While it is not correct to imagine that absolute misery increases with development or that the new order is unable to absorb the expanding population into the (formal and informal) employment

system (so that "rising marginalization" and the threat of a new barbarian invasion represented by the revolt of the marginalized are more a product of fervent imagination than of the real process), it is just as illicit to hope that incomes should de-concentrate or land ownership be re-distributed owing to the thrust of capitalist advances. On the contrary, the latter re-concentrated the land under the control of agro-business and the big exporting plantations, gave rise to policies which lowered still further the real wages of low-income workers and, in general, led to an enormous concentration of income.

But it was not only in the general sphere of the effects of the internationalization of the local economy that world capitalist reorganization produced surprise effects. With respect to the vitality of the dominant local groups and the form of institutional articulation linking the economy to politics, there were also considerable surprises.

Indeed, if we were to restrict ourselves to describing in the sketchy way above what is happening today in Latin American societies, this would give the impression that the continent is a vast photographic negative beneath whose surface transnational companies transmit the signals which give rise to the contours of the social and economic design. Such, however, would be a simplistic view of what is happening. In reality, at least in the case of those countries which linked up to the international order through industrialization, the local entrepreneurs entered into partnership with internationalized industrialization, subordinated themselves to it, maintained pockets of relative independence, but did not vanish altogether. On the other hand, the State became more and more an entrepreneur-State, by creating companies which established links with the internationalized sector and to a large extent supported the local sector.

This transformation too had not been part of the script. Past ideologies at times asserted the crucial role of the "national bourgeoisies" in achieving autonomous rearticulation of the Latin American countries with the modern capitalist world and, through the populist State, gave the link between masses and nation a predominant role in the process; at other times, they believed it would be impossible for local entrepreneurs to survive, either because they would be swept off the historical stage by the transnational companies, or because socialism would put an end to the pursuit of hegemony by the national bourgeoisie.

It is true that the local entrepreneurs gave up their pursuit of hegemony properly speaking: they made an alliance, as junior partners, with imperialism; they subordinated themselves, variably according to the country and the moment, to the intermediate technocratic-military sectors which held control over the State. Yet economically and politically they survived in the newly emerging capitalist order.

A greater cause for surprise seems to have been the political form of articulation adopted by most of the Latin American societies which were incorporated into the new oligopolistic world order. In many countries, the military-bureaucratic State played a central role in this process. This phenomenon, which was remarkable in Brazil and the southern cone of the continent, led many to believe that without militarism it would be impossible to reintegrate the local economies into the economic order dominated by the transnational

companies. And, indeed, especially in the Brazilian case, the military regime dismantled trade union organizations and popular parties, thereby more easily imposing wage control. In the same way, it gave support to modernization of the bureaucratic machine and dynamized the productive state sector of the economy. It cannot be said that Argentinian militarism had the same success with these objectives. And undoubtedly in the case of Uruguay and Chile the economic orientation was more detrimental to the productive state sector and supportive of the primary-export reconversion of their economies than beneficial to industrialization. On the other hand, the Mexican State, which is not militaristic, although it has a bureaucratic-party basis, and the Venezuelan State, which is formally democratic, actively promoted the rearticulation of their respective economies with the new economic order (that is, with the order of oligopolistic capitalism).

There is an explanation for this. From the point of view of the rearticulation of local economies, regardless of the form of regime (democratic, populist, bureaucratic-party, bureaucratic-authoritarian, military, etc.), the decisive factor was the reorganization of the State; that is, of the social forces which sustained class domination and forms of articulation between the political and economic areas. As to the latter aspect, today it seems clear that an oligopolized economy requires active State support, from production pioneering in basic or critical areas, to coordination of policies regarding wages, credit, money, exports, technology etc., all of which leads to the superimposition of the economy's axis and that of politics. This makes the functions of the State more complex and requires the preparation of technical and bureaucratic staff on a considerable scale, regardless of the type of regime, even though the latter clearly affects the regulation of the State sector's room for manoeuvre in relation to the rest of society.

In this sense, then, at least in those areas of Latin America which are industrializing through the impulse of the big international monopolies and through the expansion of the domestic market. The symbiosis of the classical aspects of underdevelopment and modern capitalism produces a peculiar situation which is distinct from what is happening in the Third World in General. This kind of "unequal and combined" development leads to tension between the backward and leading sectors to a possibly unprecedented degree. As a result, there is a significant social fragmentation, and it becomes difficult to sift out the interests of the dominated classes and even of civil society as a whole. On the other hand, the State becomes the key component in the circuit of capitalist accumulation, as regards both local accumulation funds and the articulation between domestic and international interests. Perhaps from this angle it will be possible to see more distinctly a tendency which today is also perceptible in countries where capitalism is mature.

Nevertheless, returning to the earlier rejection of both the Third-Worldist view which stresses the disruption caused by capitalist development on the periphery (and caused in fact in situations where there is no integration between local economies and the new forms of internationalized and associated industrial production), and the apologetic view which imagines it is possible to overcome internal contradictions by internationalizing the local economies, it is necessary to insist on some more sombre aspects of future prospects.

In fact, in the very essence of the new integration, it can be seen that on the periphery the Western style of development is mimetically repeated. This is so despite the fact that the historical, social, economic, cultural conditions and even the physical resources are different. There is nothing more illustrative in this case than the incredible dependence which industrialization is generating on the periphery. As seen before, the technological basis for peripheral industrialization is the same as in the central countries, partially transferred and with a certain chronological delay. This means that imports of equipment and key industrial inputs are crucial for the economic growth of industrialized peripheral economies. To guarantee the import circuit, these economies depend on the exporting of primary or industrialized products. When, as now, there is a world trade recession, and when the terms of exchange are unfavourable, local economies run into serious debt. This process frequently accelerates inflationist tendencies and causes serious economic imbalances, which affect social movements and increase internal tension and repression. In certain cases, when peripheral countries do not have such key resources as oil, the absurdity of generalizing an imitative and dependent style of development leads these same tensions to a climax.

It is not a question simply of the lack of a natural resource (such as oil) or of a technological basis in certain productive areas. These deficiencies also affect central countries. It is a deeper question than that: in the case of the peripheral countries, there is an absence of options due to the style of development imposed, and to this is added the lack of political capacity to face up to occasional deficiencies (the oil crisis, for example, or the international recession) either by putting pressure on the producing centres or by putting forward policies which reduce local dependence on restricted or absent factors.

In this way, then there may be a highlighting of the lack of options in terms of more radical transformations in countries which, while remaining dependent, proceed down the road of associated industrialization. They remain halfway between repeating the style of development to which they are subjected and aspire, and suffering all the difficulties imposed by such a style, without ever reaching the end of the journey.

I believe that if the present international recession lasts, it will be precisely the peripherical countries with dependent economies but integrated into the internationalized productive system that will have to face the most difficult alternatives, and perhaps the most surprising ones. The future course of such countries as Mexico, with its oil fields, Brazil, forced to attempt to find a substitute for oil in biomass-based energy and alcohol, India, endeavouring to incorporate technology and develop it, etc., will perhaps constitute a fresh page in the surprises of development.

If circumstances should lead countries of this type to venture along non-conventional paths as regards development styles during the coming decade, forecasts about fascism or socialism will certainly have to undergo some revision as well. What ideological and social cement will be able to reconstitute the fragmented tissue of civil society? What kinds of control can be developed to counterbalance the expansionism of the State? What limits will companies (local and international) have to obey for the regulating functions of the

State to work in favour of accumulation and investment? What kinds of mobilization and political organization will be suitable to unite the interests of the wage-earning masses, whether workers or not, and permit them to think about the destiny of societies so strongly marked by the State and by the oligopolistic companies, especially the transnationals?

The concrete choice of new alternatives is not sealed in by the history of these countries. The future will certainly not reflect the certainties of the past: either the good or the bad ones. The construction of the new Pandora's box of development is a task open to the peoples of the peripheral countries. It would be best for intellectuals, at least, to avoid consolidating beliefs which no longer have any foundation, so that the perspectives which open out to the horizon might be more generous to the peoples of the underdeveloped and dependent world, even where the combination between these characteristics and advanced capitalism is disconcerting and often disappointing as to the possibility of a more fortunate future.

To call women the weaker sex is a libel: it is man's injustice to woman. If by strength is meant brute strength, then indeed is woman less brute than man. If by strength is meant moral power, then woman is inmeasurably man's superior. Has she not greater intuition, is she not more self-sacrificing, has she not greater courage? Without her man could not be. If non-violence is the law of our being, THE FUTURE IS WITH WOMAN.

Mahatma Ghandi

Marriage and Work

"Women constitute half the world's population and perform nearly two-thirds of work hours but receive only one-tenth of the world's income...." 1979 'State of the World's Women' Report for the United Nations Decade for Women

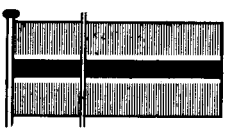
WHO WEARS THE TROUSERS?

In 1972 it was estimated that

IN EGYPT
264,000 families lived on the earnings of women

IN KENYA
525,000 rural households were headed by women

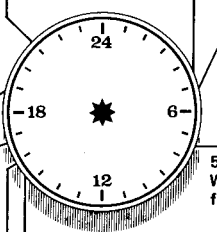
IN BOTSWANA



one - third of all households were headed by women

A WOMAN'S WORK IS NEVER DONE

A day in the life of a typical rural African woman



20.30 - 21.30
Wash children and dishes

21.30
To bed

4.45
Wake up wash and eat

5.00 - 5.30
Walk to fields

18.30 - 20.30
Cook for family and eat

5.30 - 15.00
Work in fields

17.30 - 18.30
Collect water

16.00 - 17.30
Pound and grind corn

15.00 - 16.00
Collect firewood return home

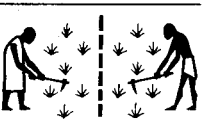
WOMEN'S WORK IS NOT RECOGNISED

National statistics for the economically active usually omit women's work in the subsistence sector yet:

* In the Himalayan region 70% of agricultural work is done by women

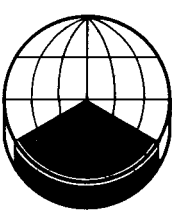
* In Africa 60 - 80% of all agricultural work is done by women

* Rural women in the developing countries as a whole account for at least 50% of food production

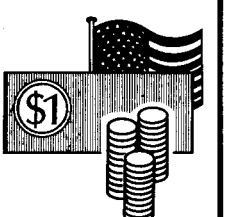


WOMEN EARN LESS THAN MEN

In almost every country women earn less than their male counterparts for the same or similar work.



On worldwide average women earn only 40 to 60 per cent of the income of men.



In the USA in 1974 women could expect to earn only 57 cents for every dollar earned by men.

Peter Sullivan *SUNDAY TIMES* (London)

BUILDING BLOCKS FOR AMERICAN RESTRUCTURING

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Original language: English

Abstract: The dominant image of the United States in the 1970s has been one of political apathy and conservatism, especially when compared to the flamboyant social activism of the 1960s. However, beneath the quiescent surface of American political life, the "building blocks" of a new activism are being constructed out of experiments with local participatory democracy and collective self-reliance. They could point the way to a more democratic society if they could be joined together in a national political movement. Like the disparate pieces of a mosaic, to be valuable they must be brought together in a coherent whole. Research and experimental projects, the redistribution of control of resources, and the confrontation of critical international issues could provide the design.

MATÉRIAUX POUR LA RESTRUCTURATION DE L'AMÉRIQUE

Résumé: L'image dominante des Etats-Unis d'Amérique dans les années 70 est celle de l'apathie politique et du conservatisme - surtout par comparaison avec l'activisme social flamboyant des années 60. Cependant, derrière les apparences, les 'matériaux' d'un nouvel activisme émergent, issus d'expériences de démocratie participative locale et d'autonomie. Ils pourraient indiquer le chemin vers une société plus démocratique si ils pouvaient se lier les uns aux autres et former un mouvement politique national. Comme les pièces d'une mosaïque, leur valeur ne peut résulter que de leur assemblage en un tout cohérent. Des activités de recherche et des expériences, la redistribution de la maîtrise des ressources et la prise en compte de problèmes internationaux critiques pourraient en fournir le dessin.

ELEMENTOS CONSTRUCTORES PARA LA REESTRUCTURACIÓN EN LOS ESTADOS UNIDOS

La impresión dominante que dió los Estados Unidos durante los años setenta fue una de apatía política y de conservadurismo, sobre todo cuando se comparaba con los años sesenta - período de ampulosos movimientos sociales. Sin embargo, bajo la superficie tranquila de vida política en los Estados Unidos se estan formando los elementos constructores necesarios para un nuevo movimiento que resultará de los experimentos con democracia participatoria local y de autoconfianza colectiva. Podrían señalar el camino hacía una

(cont. en la página 10(48)

Exploratory Project for Economic Alternatives

BUILDING BLOCKS FOR AMERICAN RESTRUCTURING

Introduction

It has become popular to bemoan the disappearance of progressive politics in America. According to the conventional wisdom, the intense activism of the 60s has been replaced by acquiescence to the status quo. Individuals have retreated from movements for social change either into the apolitical quest for personal fulfillment or into narrow single-interest politics; conservatism is growing in power.

To be sure, the predominant national mood is far more subdued at the end of the 1970s than it was at the beginning, largely for economic reasons. The constant pressure of ever-increasing inflation, decaying urban environments, job dislocation, high unemployment -- not to mention shocking examples of corruption and inefficiency in the federal government -- have turned many away from major reform efforts at the national level. And in the near future, the tone of American politics may even grow darker. Faced with economic hardship, politics has tended to fall back on traditional conservative solutions to economic problems. Calls for reduced government spending, weakened environmental, health and safety regulations, and "small government" have grown considerably in the last few years. Symbolic of this trend is the "Proposition 13" movement to cut property (and income) taxes. Starting in California, enthusiasm for tax-cutting measures has spread to many other states. The regressive "tax revolt" movement is, in fact, the closest thing to a popular political movement in America today, combining grassroots agitation with a national direction and operating through the referendum mechanism.

Nevertheless, many Americans are beginning to question such conservative economic remedies. They are beginning to recognize that so-called solutions which simply oppose change fail to deal with the concrete problems they experience daily. In the wake of the failure of the old ideas lies the possibility of more innovative solutions. It is important to understand the characteristics of progressive alternatives now being forged beneath the surface of public attention at the local level, and how they could relate to national politics.

Building Blocks

What are the building blocks of a more participatory society? A partial foundation is being laid in thousands of communities across the country. Based on the principles of "grass-roots" community organizing, local community groups are scoring significant victories on issues ranging from reforming utility rates to changing zoning laws, from building safer neighborhoods to preventing displacement of the urban poor.

An example is Baltimore, Maryland, a largely working class city on the Atlantic coast. A variety of neighborhood groups and block clubs have become a potent force in Baltimore city politics. In several parts of the city, important social services such as manpower training, youth and senior citizen activities, and health care are organized by these community organizations. Many have planning committees which work closely with city planners in order to influence, if not actually control, the direction of their community.

The function of Baltimore's community groups is not limited to the provision of services or to a mere advisory role. A number of organized efforts have won important political battles with city officials over neighborhood issues. For example, when the city government decided to route a highway through the heavily working class Southeast district, residents refused to accept it passively. A small number of activists organized a broad coalition of neighborhoods to protect their community. Not only did they succeed in halting the highway; they went on to form a permanent political alliance of community groups called the Southeast Community Organization (SECO). Determined to play a role in shaping decisions which affect its members' lives, SECO has defeated proposals to rezone the area for industrial use, solved the area's sanitation problem, sponsored an artisan's association (over half of its members are senior citizens), and formed a land bank to help residents purchase their own homes so as to protect the neighborhood against real estate speculation. SECO has inspired a number of other neighborhoods to organize community coalitions, and Baltimore has become a patchwork quilt of community-based political groups -- the starting point for true decentralization of political power in the city.

State and local governments in many parts of the country are beginning to recognize the power of neighborhood groups. The National Association of Neighborhoods, based in Washington, disseminates policy information to its members, lobbies for neighborhood-centered legislation in the Congress, and generally works to increase the neighborhood movement's political efficacy. The general growth of neighborhood power has pushed many city governments into making provisions for substantial formal neighborhood and citizen participation in decision-making.

Sometimes, local government itself has been brought to encourage local citizen activism. The State of New Jersey has established a Public Advocate to represent individual citizens and the public interest in court cases against private corporations and government. Other states have followed suit with similar programs. These advocates have defended the rights of mental patients, opposed environmentally hazardous offshore oil drilling and the proposed construction of an offshore nuclear plant, and blocked or reduced many utility rate increases; in the process, they have chalked up a number of significant victories.

Moreover, elected officials are beginning to emerge from the neighborhood movement. In some cities, neighborhood activism is the easiest stepping stone to civic office. The platform of community control has also proven politically popular. Two years ago, Cleveland, Ohio voters elected a self-proclaimed "urban populist" mayor who served until 1980. Dennis Kucinich publicly announced his opposition to Cleveland's corporate and business elite. In a major battle to maintain public ownership of the city-owned electric utility, Kucinich allowed the public to decide by means of a referendum. A majority coalition of whites and blacks in Cleveland chose to increase the City income tax rather than sell the utility (a significant achievement in the national political atmosphere of tax revolt).

Other citizen coalitions have formed around the provision of basic social services. Innovations in health care and food marketing have cut costs and made services more responsive to consumer needs. For example, Health Maintenance Organizations (HMOs), decentralized pre-paid health care systems em-

phasizing preventive medicine, have been organized in many cities. They have pioneered imaginative consumer services such as follow-up calls to patients and community evaluation of physicians. HMOs often encourage patient participation in decision-making, making a traditionally elitist profession more responsive to the community's needs. The costs of these alternative health care systems, moreover, range from 15 to 50 per cent below standard health care costs. The Group Health Co-operative of the Puget Sound, in Seattle, Washington, provides health care at less than half the national average cost, while offering more services than normal third-party insurance coverage.

Food co-operatives also reduce prices while improving services. Often, they spur private sector competition to lower prices. when the Fort Greene Co-op opened in one of the poorest neighborhoods in Brooklyn, New York, two of its competitors immediately reduced their prices and cleaned up their stores. Food co-ops also discourage consumers from buying unhealthy or unnecessary products. Many take great pains to circulate information about the best bargains from the consumer's perspective, taking into account quality and nutritional value. The emphasis on consumer education not only helps consumers; it also encourages citizen participation in economic decision-making.

The same spirit of citizen participation and local self-reliance is beginning to manifest itself in the workplace as well -- particularly in the growing experimentation with new forms of worker and community ownership. Throughout the northeastern and north central industrial region, cities faced with factory closings and economic dislocation are choosing to fight back rather than die. Workers are no longer simply packing up and relocating to more prosperous regions; instead, many are turning to alternative ownership plans.

One substantial success story is that of the South Bend Lathe Company in South Bend, Indiana. The company was on the verge of economic collapse after five consecutive unprofitable years. With some government help, five hundred employees bought the ailing firm. Today it is a thriving, profitable enterprise. According to surveys, the workers at South Bend Lathe have an unusually high level of morale, motivation, and commitment to the success of their company.

This is the common experience of employee-owned firms. Productivity usually increases dramatically, at times as much as 30 per cent. Workers adopt new attitudes toward their work, founded on greater self-confidence and a clearer understanding of their rights as workers. This, in turn, has influenced the way labor unions view worker participation experiments. In the past, the American labor movement has resisted such changes in the organization of the workplace on the grounds that the experiments were often mere cosmetic changes which allowed management to maintain control while feigning responsiveness to worker demands. Now, some unions are realizing that their involvement can assure that participation has a real content. For example, the United Auto Workers has initiated a joint union-management reorganization plan at a factory in Bolivar, Tennessee. Union and management agreed on four principles around which to reorganize the labor process: security, equity, democracy, and individuation. Through an on-going series of experiments -- shorter work days, collective decision-making, classes on topics ranging from dye technology to ceramics, data processing to square dancing -- workers and managers alike are developing structures to make work more satisfying.

In Youngstown, Ohio, a coalition of religious, community, and labor leaders struggled to preserve 5,000 jobs lost when a major steel mill -- the biggest employer in this steel town -- was closed over two years ago. Instead of allowing their city to decay like so many others in the northeast, the people of Youngstown banded together and proposed a solution: they would buy the steel mill and operate it as a community- and worker-owned co-operative.

The campaign was co-ordinated by Youngstown's religious leaders who formed the Ecumenical Coalition of the Mahoning Valley. Citizens and supporters raised $4 million in special "Save Our Valley" bank accounts as a sign of community support (the money was to have been exchanged for company stock once the new business, christened "Community Steel", was opened). Local politicians also joined the campaign. Not only did Youngstown's mayor and two Congressional representatives endorse the project; Ohio's two senators and the state's conservative Republican governor also were brought to support the effort. Traditional political divisions faded in the face of the overwhelming need for unity. The common cause was self-preservation.

Perhaps the most encouraging aspect of the Coalition's campaign was that it eventually earned the support of the powerful United Steel Workers union. Though suspicious of the community ownership plan for over a year, the union leadership finally changed its mind when it saw how strongly local union members supported the project. Through discussions with Youngstown steelworkers, the union developed a plan to cut unnecessary costs at the reopened Community Steel mill, assuring high productivity gains in the industry.

In spite of the united community effort, the attempt to reopen the Youngstown mill has so far failed. Although the federal government has supported many small-scale worker/community enterprises, it has so far refused to provide the substantial loan guarantees necessary to purchase the closed mill, modernize it, and launch Community Steel. (However, two new laws will aid worker-owned efforts in future.)

Despite the various local political and economic activities, there is a major weakness in the movement for local self-reliance and participatory democracy at the present stage of development. While organizing at the local level is diverse and often effective, it has yet to give birth to a serious national political movement to support local efforts. There has been some partially effective organizing on the national level, but it has been primarily around narrow issues. The success of some efforts, however, suggests the potential for national strategies to build a larger political movement on key issues.

The most visible and coherent national effort in the 1970s has been the environmental movement. Although environmental concerns are very old in the United States, the movement picked up considerable steam in the late 1960s and early 1970s, combining public education with intense legislative lobbying. Victories include enhanced public awareness of the environmental costs of economic actions, a variety of legislative acts (both state and federal) to tighten environmental regulations and protect certain unspoiled lands, and a genenral realization by most public policy-makers that "softer", less environmentally-destructive paths to economic growth must be explored.

A recent focus of many environmental (and other) groups has been the issue of nuclear power. Opposition to nuclear power has been strong among environmentalists for some time, but the recent Three Mile Island near-disaster spurred many others across the country into action. A major national rally was held in Washington, D.C. in mid-1980, drawing thousands of protestors. Similar rallies have also been held near nuclear power plants as people began to refuse to accept the risks of this form of energy. The number of people attending such protests has grown dramatically over the past year as economic and safety factors point increasingly to the sensibility of alternative energy forms. The anti-nuclear movement, however, has remained primarily just that: anti-nuclear. While many of its leaders advocate one or another alternative energy source (e.g. solar), the movement as a whole has not developed a full-scale alternate national energy plan. The focus on negative issues is limiting in terms of political efficacy, as it often leaves the movement on the defensive. Like the many and diverse community-based experiments mentioned above, single issue movements such as antinuclear organizing can lead to substantial social change only if they can be integrated into a comprehensive positive national political effort.

Another national effort which begins to point towards this goal is the Citizen/Labor Energy Coalition. C/LEC represents a wide variety of organizations and has fought corporate domination of energy resources. In the process the energy issue has become an important focus of progressive politics, combining local activism with national strategies targeting major centers of irresponsible corporate power. The Coalition has taken a sophisticated approach, combining the short-range goal of controlling energy prices with the longer-range aim of more public control over energy. A series of local and national protests have provided a forum of consumers to vent their frustrations; at the same time these have begun the process of cooperation and self-education necessary to develop new, alternative energy policies based on conservation and renewable energy resources. C/LEC is channeling significant public anger in a way that may provide a base for further political action.

Another effort is represented by Consumers Opposed to Inflation in the Necessities (COIN). COIN was formed in 1978 by approximately 70 consumer, labor, environmental, religious, senior citizen, minority and other groups to take the initiative in demanding anti-inflation policies founded on an equitable distribution of resources.

COIN has focussed on inflation where it hurts people the most -- in the necessities of life: food, energy, housing and health care. COIN has put forth both moral and economic arguments in articulating the goal of stabilized prices for life's necessities. COIN's activities have ranged from small, local teach-ins to a large national conference, from a mass literature-distribution effort to intensive task-force work to determine the most effective policies for each necessity sector.

Other broadly-based coalitions have also been working to build from individual citizen responses on political and economic questions to a larger national movement. The Progressive Alliance, initiated by United Auto Workers President Douglas Fraser, enjoys the support of a vast array of organizations and leaders from across the nation. This broad alliance is attempting to design a series

of initiatives and positive proposals, particularly on industrial dislocations and health and safety issues.

In a similar vein the nascent Citizens Party was formed to put crucial issues of the 1980s into sharper political focus. A number of local and national activities have joined together to propose answers to a variety of questions of the new economic era, and to be sure that those questions are clearly put before the American people electorally. The Citizens Party has also been attempting to inject a more coherent progressive ideology into the political debate. It has begun to articulate an overall context in which people can view individual issues, thus commencing the process of individual and local cooperation in defining national goals and priorities.

Next Steps

In order for both local endeavors and the various emerging national efforts to be successful, they must be part of a larger national democratic movement with a specific set of integrated goals. Such a political project, it appears, might ultimately be organized around three focal points:

First, various local initiatives would have to be brought together into a national coordinated effort based on an integrated common program. They need not lose either autonomy or local color, but they must ultimately relate to national political and economic goals. Disparate local housing projects, for instance, must be aggregated into a national plan based on self-determined priorities. The isolation which separates communities from each other needs to be broken down so that what is happening in one area can serve as a model for other areas. One central issue clearly is that of a jobs and employment policy. The key to an effective local/national jobs policy might be termed "community full employment" -- maintaining jobs where they exist and targeting new ones to communities, like Youngstown, which need them the most. A national employment plan tailored simultaneously to the needs of local economies could build full employment from the ground up, community by community. By planning nationally for local community stability it could also contribute to local citizen participation. Such national production needs as rails, mass transit, solar energy need to be targeted to produce jobs in areas of unemployment. A great deal of research is needed to demonstrate how community-based initiatives fit into such a broader social, economic and political strategy.

Another key issue around which the growing network of communities might ultimately rally, and the second focal point for progressive social change, is inflation -- and the redistribution of political control over the society's economic resources. Put simply: food, energy, housing, and health care programs could be designed so they both reduce skyrocketing costs -- and do so in ways controlled by the people who use them. For example, national food policy could actively encourage local producer and cooperative marketing to revive decaying rural and city areas. Critical housing needs could be met through a decentralized allocation of resources, controlled by the community and directly accountable to the people who live in it. Likewise, a rational energy policy might be founded on technologies of conservation and renewable resources, far more amenable to local level control than capital-intensive, highly centralized nuclear power or synthetic fuels.

Finally, any serious social movement for change in the United States must confront critical international economic issues. This is perhaps the most difficult connection for a grass-roots movement to make. Nevertheless, on a number of issues, the American people and citizens of the industrialized nations share many interests with the peoples of the Third World.

Third World economic development affects the U.S. domestic economy above all in four crucial areas: food, energy, jobs and monetary policy. First, unless Third World nations are ultimately helped to move seriously toward self-sufficiency in food and energy production, serious world shortages cannot be alleviated. A reduced foreign dependence on American food would also help stabilize supply and prices in this country -- and it would reduce Third World political vulnerability. The development of alternative energy resources will not only help free industrialized nations from debilitating price hikes but could begin a longer-range process of developing sensible resource-allocation policies, by matching energy source to end use. And instead of the trend toward protectionism now evident within the industrialized world, countries like the United States might begin to develop export industries which could simultaneously help meet the specific development needs of Third World countries -- and lead to expanded return flows of trade from them.

A fundamental reform that is needed concerns international financial institutions. The role of the dollar as a reserve currency creates conflicts with both world development and in the United States' domestic monetary policy. The reserve currency status has resulted in a large build-up of dollars abroad. This build-up -- fueled by U.S. deficit spending (vis-à-vis its balance of payments), petrodollars, and the expansion of American banks abroad -- has created an enormous amount of unregulated Eurodollars assets.

The excessively large liquidity pool is responsible for many of the difficulties experienced in today's international monetary system. The Eurodollar holdings are inflationary; and the vast pool of liquidity invites speculation -- thereby also bidding up commodity prices, particularly gold, silver and other precious metals. The present system is also deflationary: U.S. inability to control inflation (and the need to attract investment) has resulted in high interest rates and domestic recession -- with resulting international impact.

U.S. monetary problems are recurrently transferred to the rest of the world -- especially Third World countries. These countries bear the main burden for the disequilibrium of the international monetary order. The International Monetary Fund (IMF) often forces Third World countries to sacrifice internally-determined priorities to the IMF's priorities -- demand reduction and emphasis on production for export -- thus eroding economic sovereignty. And pervasive world-wide inflation exacerbates the already scarce financial resources, while "corrective" high interest rates contribute to the already large debts of Third World countries.

The alternative to this scenario, many believe, is to break the linkage between U.S. dollars and international currency. If a new international monetary order were established, it would free the U.S. from existing constraints on domestic monetary policy. A new strategy, by removing pressures to continually tighten money in order to stave off speculation, could help in the formation of a progressive strategy both in the United States and internationally. Capital

flows could be responsive to new international realities and also offer long-term development financing to the Third World. Many proposals have been placed on the table -- the need now is for research and discussion to determine the most effective policy to meet the needs of the United States, the Third World, and other advanced industrial nations.

Institutions which carry out and disseminate research are crucial to the creation of nationwide networks of participating communites with full awareness of the larger issues. The Conference on Alternative State and Local Public Policy, located in Washington, D.C., provides one forum for the exchange of ideas among progressive local leaders as well as a research center for policies facilitating local development. The National Center for Economic Alternatives provides another center, particularly on overall national economic issues. The Institute for Policy Studies has a broad mandate, with particular strengths in military and international issues. These groups are helping begin the integration process among community and national leaders and groups.

At the same time, a number of progressive religious leaders have started to put major political questions before their congregations, placing local and individual issues in their larger context. Many church leaders have begun to urge their followers to concern themselves with the major moral/political questions of the day, judging potential solutions in terms of the values of equity and democracy. Accordingly, the American church networks could well play an important role in bringing disparate movements into a broader focus. Their effectiveness was illustrated in the Youngstown, Ohio case cited earlier. They gave legitimacy and leadership to the cause, and enabled community residents to see their struggle as part of a valuable moral and social effort -- indeed, their slogan read "Save Youngstown, Save America". The recent involvement of a number of religious groups in such larger economic issues as inflation and unemployment is also likely to have significant impact.

During the 1980s, neighborhood groups in general could be playing a new and different role in the integration process. The multitude of grass-roots organizations have helped individuals cope with city living, and have made urban decision-making more responsive to citizen demand. By addressing central economic issues such as unemployment and inflation -- in the ways they affect local areas -- these groups could potentially provide models for national problem-solving and a structure for citizen participation in the planning process. But this requires a mechanism for expanding understanding of larger issues.

In this regard the COIN effort is instructive: COIN has launched a nationwide teach-in movement. Kicked off by a major national conference, COIN encouraged groups and individuals to sponsor public discussion of overall economic issues. The response has been encouraging. A wide range of groups have taken action to implement teach-ins, both on the state and local levels. Such public conferences have taken place in, or are planned for, approximately 40 localities across the country, sponsored by groups such as the California Tax Reform Association, the Catholic/Protestant Conference on Urban Ministry, a Michigan state legislator, consumers in Florham, New Jersey, the Maine Teachers Association, and part of W. Michigan University's Department of Economics. In these forums local citizens discuss and debate critical questions involved in develop-

ing an effective anti-inflation strategy. They share information and develop greater knowledge of the issues. Usually, the activities motivate the citizens to further action. Often, for instance, a local teach-in will result in the development of a community-wide coallition to study the local economy and take action on key local issues.

By initiating a process of cooperation on policy formation by a wide range of interest groups, such efforts could help provide focal points for a much broader progressive politics in the 1980s. The policies advocated would necessarily lead to a more democratic distribution of resources -- and new tactics place local action within a national framework. The various national coalitions have stimulated citizen interest which thus could ultimately lead to a wider understanding and participation -- if it is ultimately informed by a larger vision and an integrated strategy.

Conclusion

The historic problem of popular social movements in America has been the difficulty of establishing a politically effective national focus and organizational structure. This is the case with the movement for participatory democracy and local self-reliance. The challenge of the 1980s is to join the pieces of the democratic mosaic now beginning to emerge into a coherent design for a cooperative progressive national politics.

It is likely that the negative forces of traditional conservatism will remain dominant on the national level in the near future. The 1980s political campaigns may do little to clarify the basic issues. But the hegemony of outmoded ideas is beginning to crack. In urban neighborhoods, worker cooperatives, alternative energy projects, Americans are beginning to define new "paradigms" for social and economic change. And these are slowly being linked in the preliminary national strategies. Over the longer term, it is the emerging alternative paradigm that possesses the greater potential, if a coherent vision and fully developed strategy to implement it can be achieved. The immediate task is to link the "building blocks" of the new socio-economic model to broader issues of national politics -- especially the control and redistribution of resources -- and to positive proposals related to the international economic system.

Resumen: (cont.)

sociedad más democrática si fuese posible de juntarlos todos en un movimiento político nacional. Como los pedazos desemejantes de una obra en mosaico, para que sean de valor es necesario juntarlos de manera coherente. Pueda que proyectos de investigación y proyectos de experimentos, la redistribución y control de recursos y la confrontación de problemas internacionales proporcionen el diseño necesario.

CITIZENS' PROGRAM FOR REBUILDING AMERICA[1/]

The chronic inflation and periodic recession, the energy crisis and the decay of our industry and cities - all of these problems are symptoms of a growing economic crisis in America. We have entered a new economic era which will be much more difficult than the boom period of the post-World War II years.

More and more Americans are coming to realize that we can't allow corporate priorities to dominate the direction of economic policy in this difficult new era. Conservative and corporate "solutions" - such as cutting the budget, destroying regulation, and engineering a recession - have only made our economic problems worse.

We need a citizens' program to control inflation and put Americans to work. COIN has developed a detailed program to control inflation which combines the agendas of over 70 national organizations.

The program is detailed but the essential test of each anti-inflation proposal is simple: does it control prices of food, energy, housing and health care? Does it expand supply in one or more of these key sectors? Does it help build a strong domestic economy based on conservation of energy, mass transit, and renewable resources, based on an ample supply of new and rehabilitated housing, based on a strong family farm and full agricultural production, and based on adequate health care for all Americans?

Our anti-inflation program calls for bold government action to plan the economy for price stability rather than for maximum corporate profits. Citizens can judge the success or failure of those actions by whether the price of gasoline or beef goes up or not.

The groups that are part of COIN are working to develop a citizens' program to counteract the growing recession and to put Americans to work. This will require public investment in the things the country really needs: solar and renewable energy, mass transit and railroads, insulation and conservation, health care and housing.

America needs a better vision of the future. In every community we can build citizens' organizations; we can pick targets and pass innovative state and local legislation that can control inflation and build community investment. And we can make the politicians listen to a new citizens' movement that demands democratic control of our economy.

That movement is developing a program and the teach-ins can carry public discussion of that program across the country.

If enough of us get behind a citizens' program for economic democracy we can make our vision of rebuilding America the central theme of the 1980 elections and of the 1980s.

1/ The COIN Campaign, Consumers Opposed to Inflation in the Necessities, 2000 P. Street, N.W., Suite 413, Washington, D.C., 20036.

COIN LAUNCHES MASSIVE INFLATION EDUCATION DRIVE[1/]

Supermarkets, gas stations, clothing stores and hospitals have become consumer classrooms for millions of Americans concerned with inflation. There is one economic lesson that many consumers are beginning to accept: inflation may not be a natural economic event. It may be caused by those who profit from it. Suspicions about supermarket price-fixing, artificial gas shortages and unnecessary surgery have underscored the lesson.

Consumers Opposed to Inflation in the Necessities (COIN) hopes to add more substance to consumers' education at their "National Teach-ins on Inflation and the Economy".

Heretofore COIN has been good at pointing out where the real problems lie with inflation. Now we intend to present a new, coherent, positive program that should be the basis for a popular movement.

COIN serves as the umbrella group for national and local consumer, senior citizen, labor, environmental and church organizations. COIN has published an anti-inflation organizer handbook.

It is expected that national affiliates and local groups will take the COIN program to the grassroots through local teach-ins. Labor and church groups, as well as senior citizens have already started the local program.

Senior citizens in Miami have organized Florida COIN and have held several meetings and staged anti-inflation demonstrations. A religious group in Cleveland is also organizing around COIN's anti-inflation message.

For most consumers, problems are concentrated in what COIN founders Gar Alperovitz of the Exploratory Project for Economic Alternatives and Ralph Nader have identified as the basic necessities: energy, food, health and housing.

In the area of energy, COIN will be asking for some very basic programs: insulation, conservation, utility rate reform and an end to major oil company ownership of coal, uranium and other "competing energy sources". COIN's program will be aimed at increased competition in many areas of the economy.

In food, COIN will propose an investigation of price fixing by supermarket giants, the encouragement of consumer co-op buying and the protection of the small family farm to again encourage competition.

In housing, COIN will be looking for policies that end real estate speculation and lower interest rates for mortgages. In health, COIN will be looking for policies that break the monopolistic control of health care by doctors and insurance companies.

Ultimately, COIN is looking for policies that will bring an end to a choice that one out of five elderly Americans had to make last year: whether to buy food or medical care, but not both.

1/ Citizens Journal, The News and Information Service of Citizens Action, Suite 600, 1025 15th Street, N.W., Washington, D.C. 20005.

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BUILDING BLOCKS

ALTERNATIVE RELATIONS BETWEEN JAPAN AND THAILAND

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Original language: English

Abstract: The unequal economic relations between the two countries, the dismal transformation of Thai society through Japanese economic impact, and the possibilities of alternative trade, aid and investment patterns more in favour of Thailand, are analysed in this paper. Policy elements in support of more self-reliance and distributive justice in Thailand include fairer Japanese trade arrangements, access of Thai goods to Japanese markets, diversification of Thai exports, better control of joint ventures, and more indigenous, locally supported industries and agricultural development. Political support for such policies may come from the many people's movements which are emerging in Thailand from an atmosphere of growing social frustration as a political force to be reckoned with.

D'AUTRES RELATIONS ENTRE LE JAPON ET LA THAÏLANDE

Résumé: Cet article examine les relations économiques inégales entre les deux pays, la transformation de la société thaï sous l'effet de l'impact économique japonais, et les possibilités d'autres structures en matière de commerce, d'aide et d'investissements plus favorables à la Thaïlande. Les éléments qui contribueraient à une plus grande autonomie et à plus de justice sociale en Thaïlande comprennent des accords commerciaux plus égaux, l'accès des produits thaï aux marchés japonais, la diversification des exportations thaï, une plus grande autorité sur les entreprises communes de même qu'une industrialisation et un développement agricole plus et mieux ancré dans la réalité nationale. L'appui politique à une telle stratégie pourrait venir des nombreux mouvements populaires qui apparaissent comme une force avec laquelle il faut compter dans un climat social qui se détériore.

RELACIONES ALTERNATIVAS ENTRE EL JAPÓN Y TAILANDIA

Resumen: Este informe analiza la desigualdad en relaciones económicas entre los dos países, la triste transformación de la sociedad Tailandesa por medio del impacto económico japonés, y las posibilidades para comercio alternativo,

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Japan-Thailand Study Group*/

ALTERNATIVE RELATIONS BETWEEN JAPAN AND THAILAND1/

Introduction

Japan and Thailand have a long history of economic and other relations. Trade between the two countries dates back to the Sukhotai Era in Thailand and the Kamakura Era in Japan in the 13th century. In the 16th and 17th centuries, trade became very active and thousands of Japanese lived in Ayuthya. However, after the initiation of a seclusion policy by the Tokugawa shogunate, relations between the two countries were reduced to a minimum.

Thailand was obliged in 1855 to sign the Bowring Treaty with Britain, which opened the doors of this country to the West. Thailand began to export rice, set an import duty of only 3% and granted extraterritorial rights to foreigners. Japan signed similar unequal treaties with the western powers in the 1860s, but succeeded in abolishing them in the 1890s. At that time the western powers needed an ally in Asia to contain national movements. In 1898, Japan forced Thailand to sign an unequal treaty, though Japan had suffered so long from the unequal treaty forced by foreign countries. This was the beginning of the unequal relationship between the two countries which has lasted through all periods of their modernization, up to the present.

In 1932, a coup d'état in Thailand led by young military officers overthrew the absolute monarchy. Their nationalistic sentiment was used by the Japanese during the Second World War and their leader, Marshal Phibun Songkram became one of the principal allies of Japan in Southeast Asia. But on the other hand, an Anti-Japanese Free Thai movement was formed which fought against Japanese occupation.

After the war, Phibun's regime essentially continued and the pro-Japanese, anti-communist elite class consolidated its power. This regime, succeeded later by General Sarit Thanarat and Field Marshal Thanom Kittikachorn, collaborated closely with Americans in their wars in Indochina. That is why Japan, which began its growth under the umbrella of the United States while taking advantage of wars in Asia and intending to re-establish its interests in Southeast Asia, re-entered Thailand easily and without anxiety, covered by a flow of official resources called war "reparations".

In recent years, with the retreat of United States from the Asian scene, Japan is emerging as the central economic power in the region. Japan is the

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1/ This paper is supported by six studies written by members of the group on topics including Japanese direct investment, political and cultural aspects, development of peoples solidarity, transformation of rural areas, aid or cooperation, and trade issues.

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largest trade partner with nearly all of the countries of the region. It is also the largest investor in a majority of these countries. However, the economic gap between Japan and other Asian countries is enlarging and as Japanese influence progresses anti-Japanese sentiment becomes stronger and may explode at any moment.

Taking the case of Japan-Thailand relations, which is typical of the relationships between Japan and the Third World countries, we shall analyze the unequal economic relationship existing between the two countries that leads to one being a central country which exploits the peripheral one. This sort of domination-dependence structure creates increasing conflicts between the two nations and harm peace in Asia. Analyzing the main factors sustaining this structure, we shall propose the principal elements of alternative relations between the two countries. The new international order proposed here will apply in general to any unequal relations between Japan, an industrialized center, and the Third World countries, which are dependent and peripheral countries.

I. Economic relations

Thailand's foreign trade is significantly dependent on the Japanese economy: about 25% of its exports and 33% of its imports are related to Japan. If the Japanese market is closed to Thai products, the Thai economy will suffer seriously. Thailand's industrialization has mainly depended on Japan for the supply of capital goods, raw materials and intermediate goods. Without such supply from Japan, many Thai factories cannot continue to operate.

On the contrary, Japan depends on Thailand for imports and exports of less than 2% of its total trade. Japan diversifies its foreign market and sources of supply of needed commodities on a global level. Without Thailand, the Japanese economy would not be hurt to any serious extent. These facts invite reflection when we recall that Thailand is not a small country and its population is 40% of that of Japan.

The type of commodities exchanged between the two countries are characteristic of the "center-periphery" relationship, i.e. a center country exporting manufactured goods in exchange for primary products from the periphery. In 1975, about 95% of Thailand's imports from Japan were composed of manufactured goods, but about 85% of Thailand's exports to Japan consisted of primary products and food. Since the terms of trade between manufactured goods and primary products have showed a tendency to be favorable to the former, Japan has gained more than Thailand from this pattern of exchange.

The pattern and content of trade between Thailand and Japan are also dictated by the Japanese trading companies located in Thailand. There are about 75 Japanese trading companies (shosha) in Thailand, but no similar Thai companies in Japan. These trading companies control almost 100% of commodity transactions between the two countries, which gives significant monopolistic power to the Japanese over their Thai partners. Without their consent, Thai products are not able to enter the Japanese market since Shosha actually control the distribution system in Japan. That is why the quality and price of Thai commodities are not decisive factors for being introduced to Japanese consumers.

Some people are confused with the concept of free-market mechanism, thinking that the Third World countries are suffering from the market mechanism. But the facts on Thailand-Japan trade clearly point out that such trade is not, in fact, conducted on a free competition basis; what has been done is on a monopolistic basis in favor of Japan.

Because of these conditions, Thailand has been suffering a huge trade deficit with Japan which grows larger each year, reaching 822 million U.S. dollars in 1977. The dificit with Japan accounts for about 70% of Thailand's total trade deficit. Thailand is thus facing constant difficulty in its balance of payments.

Japanese authorities declare that to meet the deficit problem of Third World countries Japan must export capital and encourage private overseas investment. Let us look at the problem of Japanese investment in Thailand.

Japanese investment accounts for approximately 10% of the capital of modern enterprises established under the Investment Promotion Law in Thailand. Japan is ranked as the first foreign investor (34.7% at the end of 1977) in this regard (the 2nd largest investor is the U.S.A. with 15.6%). The Japanese enterprises establish subsidiaries in the form of joint ventures with Thai partners and control key industries such as textiles, automobiles, chemicals, machines, steel and electrical appliances.

These Japanese subsidized firms import almost all of their machinery and equipment from Japan and use very few domestic raw materials (34% in 1977), importing approximately 50% of their raw materials from Japan. This position allows the Japanese partners to gain from overpricing the imported items.

While imports of raw materials from Japan are increasing with industrial growth, exports of the products to Japan remains insignificant, causing an ever-increasing trade deficit arising from Japanese investment: 1,569 million baht in 1971 and 5,795 million baht in 1977. In 1977 the trade deficit by Japanese firms accounted for 35% of the total trade deficit with Japan.

In addition to the use of Japanese-origin machinery and equipment and raw materials, the overseas remittance of profits, dividends, copyrights and patent royalties should be taken into account as benefits to Japanese firms. In 1977, the deficit of Thailand in terms of investment income amounts to 73 million U.S. dollars, corresponding to one-sixth of the total deficit in the balance of payments. In fact, the outflow of investment income and royalties becomes larger every year (the outflow by Japanese firms sent of these items was 183 million baht in 1972 and 372 million baht in 1976) and this aggravates the deficit problem in the balance of payments of Thailand.

The Japanese firms employ about 51,000 Thai workers. This corresponds to 0.26% of the Thai labor force and to 16% of the workers in the modern sector (promoted by B.O.I.). About 5 Japanese are employed per firm, but the wage difference between the Thai and Japanese employees is more than 10 times. This means that Japanese lead completely different lives from the common people. Most of the Japanese investments are of the capital-intensive type; wage expenses account for only 5% of total costs. Most value added goes to

the Japanese firms in terms of dividends, royalties and management fees, not to speak of the outflow of resources by means of over-priced invoices.

The Japanese enterprises are not eager to disclose information and know-how, because of the fear of forming competitors. They are also not serious in training engineers and workers, as they fear move of them into other companies as well as the labor movement that may derive from increase of labor consciousness. These facts lead to complaints by Thais that promotion of local personnel is rare in Japanese businesses.

Foreign investment does not spread throughout the country and Japanese investment is no exception. More than 90% of the firms are located in the Bangkok area. This accelerates the migration of population from the countryside to urban areas, causing serious social problems.

Pollution in the rivers and the gulf of Thailand, and air and noise pollution are becoming worse every day. The disposal of industrial wastes account for about 20% of the water pollution in Thailand. Some of the Japanese firms are accused of creating such pollution, especially by disposal of mercury into the Chaopraya River. At least, they have no reputation for preventing pollution, though they originate from a country which is well known by its long and varied experience with pollution.

Japanese investment has been closely associated with the official flow of resources. Many Japanese enterprises request and obtain financing from the Japanese government when they invest in overseas countries: in 1976, 40% of their investment in Third World countries was financed by the government. this is counted as official economic assistance. Official development assistance, by grant or credit, provides markets for Japanese products. Starting from this market assured by governmental assistance, Japanese enterprises often proceed to establish their subsidiaries. That is why the Japanese maintain close relationships with Thai governmental officials, politicians and military officers and are hostile toward the people's movements and labor movement. After the October 1976 coup d'état by the military which overthrew the civilian regime, one of the main publications of the Japanese Chamber of Commerce in Bangkok declared as follows: "By the military coup d'état, Thailand bade farewell to the era of anarchy and orderlessness of democracy" (Introduction to "Economic Survey of Thailand 1978" in Japanese). This hostility toward people's movements and "democracy" shown on every occasion by Japanese enterprises is one of the main reasons that anti-Japanese feelings prevail among the people.

In the 1960s, the United States was the main donor of economic assistance to Thailand. But, in the 1970s Japan has substituted for the United States. Japanese aid began in the late 1950s under the form of "war reparation". This "reparation" was made to assure markets for the products of the developing Japanese heavy and chemical industries whose international competitiveness was still weak. In the 1960s, the main objective of Japanese economic assistance was to secure markets for Japanese products and the main component of aid consisted, in fact, of export credits (yen credits, which are nothing but tied loans). However, in the 1970s, due to rising economic nationalism in the Third World and to internal reasons of the Japanese economy (fear of

the accumulation of foreign exchange leading to a yen re-evaluation, labor shortage, pollution problem, necessity of assuring natural resources and competition with American multinationals), Japanese enterprises began massive investment in overseas countries, especially in the Third World area, and the Japanese government, removing control over overseas investment, fully supported them. Thus, private investment became the main-stream for the Japanese flow of resources to the Third World countries. In recent years in Southeast Asia, with the retreat of the United States and decrease in its aid, Japanese aid has shown a tendency to support politically anti-communist regimes. For example, in Thailand, the Japanese supply of ODA was around 42 million dollars in 1975 and 1976, but after the anti-communist coup, the Japanese government promised 300 million dollars to the Thanin government in 1977, which is more than a seven-fold increase. Japan is replacing the United States in trying to assure by financial means the status quo of Asian region.

Through this short look at the history of Japanese aid, we see clearly that Japanese economic assistance has been made in order to secure Japanese interests. In the case of Japanese aid to Thailand it contributed first to maintaining a trade surplus in favor of Japan, because its main components are export credits and private investment. Secondly, a substantial part of official assistance was for developing agriculture and raw materials destined for export: maize, tapioca, shrimp and fluorite. Japan could assure a supply of primary products it needed through this aid. Thirdly, Japanese ODA has contributed to promote the adoption of the Japanese system by Thailand in different fields: telecommunications, medicines, railways, etc., thus opening new markets for Japanese enterprises. Fourthly, Japanese aid created and developed a privileged local elite class, which is an ally of Japanese domination, composed of politicians, bureaucrats and overseas Chinese businessmen, thus consolidating the system of Japanese domination.

Thus we understand that aid, trade and investment constitute the trinity for assuring the domination of Japan and the dependence of Thailand and continuously reproducing a "center-periphery" relationship between the two countries.

II. Transformation of Thai Society

Through contacts with industrialized economies especially with Japan, the Thai economy and society have experienced a profound transformation. We may describe it by using the word "modernization", but this modernization is associated with dependence.

In spite of the first modernization coup of 1932, the governing structure in Thai society did not change. At the top of society, the governing elite, including the royal family, dominates. Their number is very small, perhaps under 100,000 families; they monopolize wealth and power. They are composed of top bureaucrats, politicians and businessmen. Under this class, we find the middle class. It is composed of upper bureaucrats, military officers and businessmen. Next comes the lower middle class which has been developed with industrialization: bureaucrats, professionals, businessmen of medium and small enterprises, employees in the modern sector, etc. Under this class, comes the lower class of the masses: on the upper end, employees, workers and farmers, and on the lower end, the majority of peasants and urban proletariat. This

lower class of the masses accounts for more than 80% of population.

In this stratification of society, the gap between the privileged elite and masses is widening: first, the governing elite controls an enormous influx of foreign resource and enriched themselves; second, foreign capital looks for associates among them to protect their interests and the ruling elite become directors or stockholders of joint venture businesses; thirdly, inflation, generated by influx of foreign resources and the process of industrialization, accelerated the deprivation of the fixed income class and peasant class. If we take the example of former prime minister Thanom Kittikachorn and vice-prime minister Prapas Charusathien, these Marshals or their wives became directors of many business enterprises: Prapas was a director of 45 firms and on the other hand, Mrs. Thanom and Mrs. Prapas were each director of approximately 30 Japanese subsidiaries. When they were overthrown by the student uprising of October 1973 and escaped overseas, Thanom left assets in Thailand of 2 billion baht, the colonel Naron Kittikachorn, son of Thanom, 3 billion and Prapas, 7 billion baht. These 12 billion baht correspond to one third of the national budget of Thailand at that time (35.5 billion baht).

On the other hand, the lower 40% of the income groups have only 14% of the total income in rural areas and 17% in urban areas. According to a socio-economic survey made by the National Statistical Office in 1975-76, in the Bangkok area, the group of professionals and management households have a monthly income of 5,786 baht, but the group of tenant farmers, 2,319 baht and the group of general labourers, 2,004 baht.

And, in the 1970s, an increase in the inflation rate greatly affected the lives of the people. If we take the consumer index for 1964 to 1965 as the base year, in 1973 the index became 135 (yearly increase of 3.9%) but in 1978 the index reached 218 (between 1973 and 78, yearly increase of 12.9%). However, the governing elite, holding fixed assets and associating with manufacturing industries, is exempt from damage due to inflation; rather, they are enriched.

The governing elite is strongly consumption-oriented. This led to a tremendous progress toward a consumption civilization as import substitution industrialization progresses. In the beginning of the 1970s in Bangkok, 33% of the households already possessed automobiles and 64% had TV sets (in the northeast region, automobiles are possessed by 0.6% of the households and TV sets by 0.9%). Heavy traffic often occurs in Bangkok and it is said that for the upper class the status symbol is a Jaguar or Mercedes Benz, for the middle class a color TV set and for poorer homes a stereo record player set.

With the advancement of a consumption civilization, the penetration of Japanese culture in daily Thai life is impressive. There are Japanese TV programs, songs, motion pictures and other entertainment. The Turkish bath has been imported from Japan and has become a flourishing night industry. Japanese are the second largest group of visitors in Thailand (nearly 200,000 per year), after Malaysians.

The Japanese language is studied at the principal universities of Bangkok and there are frequent exchange of scholars between the two countries: the elite to elite relationship is greatly improving. However, on the other hand, anti-

Japanese sentiment is widespread among intellectuals and the people. There are several reasons for this.

First, Japanese interests are closely associated with those of the Thai governing elite. So, the antipathy of the people toward the governing rich can be turned easily against the Japanese.

Second, the governing elite, knowing this well, attempts to turn the people's antipathy to the Japanese, attributing all problems to Japan. This exploitation of nationalism contributes to the apparent, superficial unity of the nation.

Third, in Japanese enterprises, because of a great difference of position and the discriminatory attitude of Japanese vis-à-vis Southeast Asians, labor relations are not very good. The system of control of subsidies by the head office in Tokyo emphasizes this fact. Working conditions are poor. Japanese management is not popular among Thai workers.

Fourth, there is a general sentiment of frustration among the Thai people. The Thai economy has continued to experience difficulties in the 1970s, but the Japanese economy seems to flourish and its influence over Thai society is increasing. Also, contacts with people are neglected. The Thai people feel that they are treated by the Japanese as something which complements the Japanese economy. Thai youth, when they come to Japan and have contact with ordinary people, find out that friendship between the two peoples is possible; but this kind of friendship is very rare in Thailand. This fact derives from the unequal relationship between the two countries. (In other Southeast Asian countries, memory of the behavior of Japanese soldiers during the Second World War constitutes another reason for deeply rooted anti-Japanese sentiment. However, since Thailand was a Japanese ally during the War, this factor is minimal.)

Since the beginning of the 1960s, Thailand has adopted her own developmental policies, but Japanese interests were closely involved in them.

In the last half of the 1950s, Thailand saw a decline in terms of trade of primary products in relation to manufactures following the end of Indochina war. Thereafter Thailand proceeded to an import-substitution industrialization. In the 1960s, Americans played an important role in foreign investment and even today the largest foreign investors and the largest beneficiaries of investment income remain Americans. However, Japan entered Thailand by means of reparation and yen credits and with rising demand for industrialization was able to establish factories along the line of import-substitution: textiles, automobiles and electric appliances.

However, this import-substitution policy was failed in the beginning of the 1970s, because, with progress of industrialization, the import of raw materials from industrialized countries increased and the balance of payment was not improved, and the new industries established were almost all assembly plants. This sort of industrialization also has few spill-over effects in the domestic economy and did not contribute to resolve the problem of unemployment, which became more and more serious. Thirdly, the objectives of import-

substitution follow traditional import items, i.e. consumers' durable goods, and their market was limited to urban areas and the middle class. When these domestic markets were saturated, there was no possibility of further growth.

So, in this period, the Thai authorities were inclined to adopt an export-oriented industrialization policy advocated by the Asian Development Bank, which is controlled by the Japanese. This policy consists of the export of primary products processed locally. The promoters of this policy thought that the export of domestically processed primary products would involve more value added and would stimulate the domestic economy. But, in fact, in the case of Thailand there are very few primary products which can be processed locally and exported, as distribution and outlets are controlled by Japanese trading companies. Rather, seizing the opportunity and advocating agricultural development, Japan assured a supply of needed primary commodities as maize and tapioca. This enriched certainly landowners and rich farmers because of the adoption of the "green revolution", but gave rise to rural conflicts. This export-oriented policy received a severe blow through the 1970s: first, by drought in 1972-73, secondly, by the price increase of agricultural inputs after the oil crisis, thirdly, by the instability of the prices of primary products and their declining terms of trade (in 1974, the price of one ton of maize was 2,641 baht and in 1977, it was 2,371 baht).

Through the failure of successive development strategies, Japanese enterprises are more prosperous than ever and the economic gap between the two countries is enlarging. It is natural that a strong sentiment of frustration arises among the Thai people. However, as we remarked, through the failure of these strategies the Thai ruling elite also consolidated its power and wealth. There is an eloquent fact showing the connection between Japan, the dominant economy, and the Thai governing elite, the dependent class. In 1972, Thai students opposed to the dictatorial politics of Field Marshal Thanom Kittikachorn organized an anti-Japanese campaign to boycott Japanese products. Through this campaign, the close connection of Thanom and other ministers with Japanese interests was disclosed and their prestige was irreparably damaged, leading to the fall of the regime.

In fact, in the 1970s, people's movements have progressed remarkably in Thailand. We saw the role of the student movement in organizing the anti-Japanese and anti-governmental movement. In 1973-74, there was an average of 429 labor conflicts as opposed to 29 during the years 1970-72, and the organization of trade unions progressed. In rural areas, the traditional bastion of the governing class, peasants movements developed. The development of the people's movements was associated with the consequences of developmental policies: widening income and regional gaps, inflation, migration of people from the impoverished countryside to the Bangkok metropolitan area and consequent social problems, domination of foreign enterprises over the economy, deterioration of the environment and serious pollution, etc. Their objective was to cope with these problems and to construct a more equitable society, free from foreign domination. That is why the people's movements shook the very basis of the governing structure of Thai society. The ruling elite was obliged to have recourse to a coup d'état and political assassination of the leaders of workers and peasants movements, but this only

shows the weakness of their power which cannot maintain a democratic façade.

In the development of this sort of people's movement demanding correction of the dependent structure, we see the genesis of a new society which will maintain an equal relationship with Japan and other foreign countries on the basis of self-reliance.

III. Perspective of alternative relations

In recent years, in Thailand a mounting need has arisen for the realization of social justice and people's participation in the developmental process of society, and any Development Plan cannot ignore these needs.

Also, there is a strong demand of people to achieve equitable development throughout the regions, as only Bangkok and the central region grew at the expense of all other regions. Reduction of the regional gap should also be one of the priority targets of any development.

This problem is related to the problem of the over-all development of rural areas, which is different from "modernization". In modernization policy, certain regions became enriched, but even in these regions many farmers are indebted (for example, in the Central region, where income per farm is the highest, the percentage of indebted farms accounted for 48% of the total number of farms in the beginning of the 1970s, the national average of indebted farms being 27.4%) and rural conflicts increased, because of annexation of land by landowners.

In this regard, recently an interesting study on "micropolis" development is being conducted by Thai economists. (Faculty of Economics, Chulalongkorn University, "A New Approach to Regional Planning. Application of Micropolis to the Eastern Region of Thailand", June 1978.)

This project is a rural development project, industrializing a rural area of 50,000 to 150,000 inhabitants and meeting their basic needs through the realization of distributive justice. The main elements of this project are as follow :

First, agriculture should be the leading sector of development.

Second, the basic needs of inhabitants are limited within the resources available locally.

Third, to satisfy basic human needs, a new index other than the GNP index should be used: a Physical Quality of Life Index.

Fourth, a harmonious development of different sectors at the local level and regional self-reliance should be realized.

Fifth, unequality of wealth and income are to be reduced in the micropolis.

Sixth, in the micropolis, labor-intensive, small-scale industries of daily consumption goods are established.

This project has several original features: firstly, a self-reliant development, based on the harmonious development of agriculture, industry and the

service sectors and on industrialization of the rural area is intended; Secondly, in this region, participation of people in the community's ("micropolis") decision and management, by egalitarian development realized through income distribution and land reform, is stressed; thirdly, satisfaction of basic needs of the people becomes an important objective of community development, but the basic needs are limited to within the framework of self-reliant development. Of course, the project remains in the study stage, but it indicates clearly a form of development different than that of a dependent society which has been accustomed to rely upon external resources and which has been developed on the basis of unequal progress between sectors and regions and of alienation of the masses. In fact, it is another form of development, because it ceases to follow the developmental path and domination. That is why it ceased using the GNP index to evaluate its development and is attempting to develop a new index which evaluates the real quality of life.

This kind of self-reliant regional development can be seen from the perspective of a domestic order which is a constituent part of the New International Economic Order. And the most important form of development cooperation for industrialized countries should be the respect of this international and domestic self-reliant development of all dependent countries and regions.

Bearing this in mind, we can propose some concrete measures for correction of existing Japan-Thailand economic relations.

As to trade relations, Japan and Thailand can conclude long-term governmental based trade arrangements, guaranteeing to both sides a supply of commodities needed at a stable price. This sort of trade arrangement may be concluded by the central government or state, prefectural or municipal governments, thus reducing the influence of monopolistic trading companies.

Through the conclusion of trade arrangements, both sides can make efforts to reduce one-sided deficit and to maintain an equitable trade relationship. Japan must make efforts to buy more Thai manufactured goods, thus encouraging economic cooperation in this respect. This is also beneficial for Japanese consumers.

Thailand should diversify its trade partners and promote the trade among Third World countries since their needs correspond with each other. Japan can cooperate in developing intra-regional trade among Southeast Asian countries as well as trade with Asian socialist countries.

Concerning private investment, the Japanese and Thai governments must conclude agreements on capital, technology and management transfer. For example, within ten years Japan would gradually hand over a majority interest in joint enterprises, train a certain number of engineers and skilled workers and localize the management staff. Thailand should promote the use of local resources by foreign firms.

Here we may quote the history of Mr. Ohyama Yasaburo and his Chengmai Handicraft Company. In 1964, Mr. Ohyama found that good quality lacquer was produced in the Chengmai area and he began to export the lacquer to Japan. Then he proceeded to fabricate lacquerware and founded a small factory. This fac-

tory grew and became the Chengmai Handicraft Company, which in 1973 employed 200 workers. This company is considered to be of the main local industries using local resources. The capital of the company is held by workers and in 1974 Mr. Ohyama turned over the post of president and all managerial work to the company staff and became an "advisor" or simply the designer of the company. The authors of this report visited the factory several times and found that the atmosphere inside the factory is free and friendly, which is quite different from that of Japanese factories in Bangkok. This example may be considered as a concrete example of friendly localization of a Japanese firm.

Lastly, as we already pointed out with reference to economic cooperation, correction of the existing unequal and unsymmetrical relations is a huge task requiring cooperation and, in fact, this should be considered as a main form of development cooperation. The transfer of governmental resources should be concentrated in three plans: 1) regional development, 2) needs-related and labor-intensive sectors, and 3) protection of the environment.

To push concretely these measures of correction of existing Japan-Thailand relations, development of peoples movements on both sides and the establishment of solidarity between them are necessary. Peoples movements to check the behavior of big businesses and of the industrial-political-bureaucratic-academic complex and exchange of information for this purpose should constitute the basis of such solidarity of peoples in the two countries.

In understanding others' efforts as human beings, we may have respect for other cultures. Future alternative relations between Japan and Thailand (and other Third World countries) should start from this respect of other cultures, of other human beings and of self-reliant development of other societies.

Resumen: cont.

asistencia y modelos de inversion más favorables para Tailandia. Elementos para una politica en apoyo de más autodependencia y justicia distributiva en Tailandia incluyen arreglos de comercio más equitativos, acceso al mercado japonés para mercancías tailandesas, la diversificación de exportaciones tailandesas, mejor control de empresas mutuas, el aumento de industrias indígenas y del desarrollo agrícola. Apoyo político para esta política puede salir de varias organizaciones populares que emergen en Tailandia como resultado de una atmósfera de frustación social. Estos movimientos populares representan una fuerza política que tenemos que tener en cuenta.

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BUILDING BLOCKS

THIRD WORLD DEBT AND THE INTERNATIONAL PRIVATE BANKS

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Abstract: International private banks have become the major source of capital for a large number of Third World countries. The indebtedness of these countries to private banks enabled the banks to assert a determining influence on the domestic and external policies of these countries. Along with the International Monetary Fund (IMF), these banks lay down economic prescriptions which have grave political implications, even culminating in authoritarian regimes. Debtor countries are evaluated by these banks on certain "country risk" criteria which place a premium on the adoption by them of the IMF economic philosophy. The policies of these international banks are also designed to promote a new international division of labour which transnational corporations are anxious to bring about, by the redeployment of certain types of industry based on imported technology and export markets.

L'ENDETTEMENT DU TIERS MONDE ET LES BANQUES PRIVÉES INTERNATIONALES

Résumé: Les banques internationales privées sont devenues les sources principales de capital pour un grand nombre de pays du Tiers Monde. L'endettement de ces pays a permis aux banques privées d'exercer une influence déterminante sur les politiques nationales et internationales de ces pays. Comme le Fonds monétaire international, ces banques édictent des prescriptions qui ont de graves implications politiques, aboutissant parfois à la mise en place de régimes autoritaires. Les pays débiteurs font l'objet d'évaluations en fonction de critères de risque qui privilégient l'adoption de la philosphie économique du FMI. Les politiques des banques sont aussi conçues pour favoriser une nouvelle division internationale du travail, chère aux entreprises translationales, caractérisée par le redéployement de certaines industries basée sur des techniques importés et orientées vers l'exportation.

Resumen : Ver la página 12(74)

Samuel Lichtensztejn and José M. Quijano

THIRD WORLD DEBT AND THE INTERNATIONAL PRIVATE BANKS

1. The increasing role of the international private banking system

It was not until the end of the 1960s that the privatization of the external debt of the Third World countries began, a process which was to reach spectacular heights after 1973. This process was closely connected with the growth of the Eurodollar market, which took 12 years to reach the net figure of $57 billion in 1970, but in the last 8 years alone rose to over $400 billion[2/]. Created midway through the 1950s with the dollars which flooded in as a result of the United States balance-of-payments deficit, strengthened by the growth of that deficit as a by-product of the Vietnam war, and fed by the heavy investment of the oil-exporting countries in the first half of the 1970s, the Eurodollar market took a leading place in the flow of international financing.

Its expansion was originally confined to the tranditional financial centers of the industrialized countries, but then led to the formation of new international financial centers in some of the Third World countries. In fact, when the United States monetary authorities began to control the flow of funds out of the country, the American banks began to operate in the European market (London, Zürich, Luxembourg, Lichtenstein). Subsequently, the increasing activities of those centers were shared with the banks of the European Economic Community and Japan and with banks in other parts of the world (Netherlands, Antilles, Bahamas, Bermuda, Grand Cayman, the Virgin Islands and Panama in the Caribbean; Lebanon, Bahrein and Abu dhabi in the Middle East; Hong kong and Singapore in Asia; Liberia in Africa and the New hebrides in Oceania).

To place this spectacular growth of private international banking in its proper context, we must look at the internationalization of production and the current crisis of the capitalist system.

It may be claimed, in a sense, that the internationalization of financial capital was paralleled by the internationalization and concentration of the contemporary system of production. The subsidiaries of United States concerns which were active in Europe and other parts of the world were hungry for capital, and this led to the development of international financing. It was this correlation between the growing need for capital accumulation on the one hand, and the expansion of the financinal markets (Euromarket and offshore banking centers) on the other, which explained why most of the resources increasingly available went initially to the industrial rather than to the Third World countries.

1/ This paper is an extract of a longer document drafted by the authors for CID within its project on "Development and the Debt Problem".

2/ In gross terms, the amount rose from $115 billion to $700 billion between 1970 and 1978.

Although the nature of the internationalization process did not change in essentials, the current crisis has nevertheless altered its motive force and modes of adjustment. The tremendous increase in private bank loans to the Third World countries has coincided with the most serious depression experienced by the main industrial market-economy countries and the capitalist system as a whole since the end of the last war.

The crisis, which is rooted in the process of real capital accumulation, undoubtedly encouraged the formation of a huge surplus which was then used by banking and financing circles. The restructuring and expansion of the financial centers and the international changing system are thus the outcome of the need to invest the surplus available for which there was no productive outlet immediately accessible. The transfer and financial reallocation of these resources was facilitated by the climate of inflation and perpetual exchange rate modifications. In the circumstances, the big banks began to turn their attention to the Third World countries, which had hitherto been relatively neglected.

Perhaps the most remarkable feature of the international financial markets has been their ability to act without the constraints of national markets. As the new financial centers were very largely the result of the bankers' desire to evade controls, the new degree of freedom they enjoyed enabled them to create more and more financial surpluses by continually juggling debits and credits, virtually without the need to maintain reserves. Consequently, old debts gave birth to new and even bigger debts. This endogenous process of reproduction in the international financial market, which was increasingly dissociated from the levels of liquidity for transactions, thus became associated with inflation, rising interest rates and speculation.

2. Growth of the external debt to private international banks

The total external debt of the Third World countries grew at an ever-increasing pace during the early years of the 1960s and this trend has been even more marked since the beginning of the present decade. Since the second half of the 1960s, the debt to private sources (at current prices) increased at a faster rate than the debt to official sources. At the same time, the Third World accounted for an increasing share of international credit operations. According to World Financial Markets published by the Morgan Guaranty Trust Co., the Third World countries represented 9.3 per cent of transactions of over one year in the Euromarket in 1970, 30 per cent annually between 1971 and 1974 and 51.2 per cent annually between 1975 and 1977.

3. The concentration of debtor countries

The number of countries involved in the phenomenon of private debt contracting by the Third World is actually relatively small. The concentration of external debts from private sources holds good both for bank loans and for the placement of bonds on international financial markets. This means that a very significant proportion of the Third World countries remains on the margin of the debt privatization trend. The move towards concentration has taken place along three converging lines: by number of countries, by geographical region and by level of economic development.

a. The historical composition of bank loans by non-OPEC Third World countries shows unmistakably that they were highly concentrated. Two-thirds of the private international bank loans made were taken up by five countries, and three-quarters of the total was channeled to ten countries. OECD data for 1977 confirm the continuity of this structure[1/]. It is worth adding that the degree of concentration is even higher for loans from United States banks.

When the degree of concentration is calculated for all Third World countries, including members of OPEC, the figures drop slightly although they still remain at a high level. Five countries account for half the loans and the first ten represent two-thirds of the total debt. As in the previous case, the degree of concentration rises when the analysis centers on loans from United States Bank.

Mention should also be made of the placement of bonds by Third World countries in the main international capital markets (Eurobond market, United States, Japan and Switzerland). As there is considerable participation by banks and financial agents in these markets, it is interesting to see how far the trend towards concentration noted in relation to bank loans is reflected here as well.

It will be found that very few countries have had access to this type of financing, that, in the majority of cases, they are the countries that took the bulk of the bank loans. Brazil and Mexico, for instance, accounted for 64.7 per cent of the total placement of bonds by non-oil exporting Third World countries in 1977. In 1978 the percentage for the two countries was 49.7 per cent, while Argentina, Taiwan, Malaysia, and Panama increased their shares. Thus, with few exceptions, the same countries are in the lead for this type of international private financing as well.

b. If we now analyze the concentration by geographical region, it will be found that Latin America is the main destination for private international bank loans. According to World Bank data, elaborated on by the UNCTAD secretariat, in 1976 Latin America accounted for 57 per cent of the debts contracted with private banks by 94 Third World countries and three countries in Southern Europe. In that same year, Africa accounted for 14.7 per cent, the Middle East for 3.5 per cent, Southern Asia for 0.3 per cent, Eastern Asia for 13.4 per cent and the three countries of Southern Europe for 10.9 per cent.

c. Lastly, the concentration can also be studied from the standpoint of economic development level, measured in terms of per capita income. On this basis, it will be seen that the countries with the highest relative income, including the oil-exporting countries, have a high absorptive capacity for bank loans. The rise in the percentage participation of the oil-producing countries up to 1973, its decline and subsequent recovery up to 1976 are partly reflected in the index of loans to the countries with the highest relative income. Meanwhile, although this does not constitute a really definite trend, the middle-income countries seem to be losing ground to the low-income countries in the distribution of bank funds, although the latter's degree of participation is still very small. The slight increase noticeable for these

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1/ OECD, Financial Market Trends, (various numbers).

countries is no doubt due to the participation of certain countries such as Indonesia and Zaire which, despite their low capita income, have oil and strategic minerals.

The facts show that the Third World market has split into big groups: the more advanced countries, which international bankers, using various criteria, classify as "good clients", and the less advanced countries which cannot easily obtain bank credit. In a tacit international division of credit, banks are increasingly participating in the financing of the first group, while suggesting to the World Bank and Monetary Fund that they should see to the needs of the second group of countries. Commenting on this, a member of the United States Council of Economic Advisors asserted that:

> "...relatively few banks have carried the bulk of the loans and relatively few Third World countries with high income levels have had access to this source of financing. At the same time, official development financing has been increasingly slanted towards the poorer Third World countries..."1/

4. Concentration of lending banks

Various studies and the data available suggest that an increasing number of international banks are engaged in lending to Third World countries. For example, it is estimated that 605 banks were concerned with lending to the Third World countries between 1971 and 1973, and their number is likely to have become higher still in the last few years. Of these banks, 475 are located in OECD member countries (137 in the United States, 107 in the United Kingdom, 57 in France and 31 in Japan), and 100 are in more than 20 countries in Africa, Asia and Latin America. As P.A. Wellons has said:

> "... the countries where the institutions are domiciled are not necessarily the same as the countries where the loans are decided and the capital originates..."2/

Thus, of the 475 banks in the OECD countries, 157 are under the control of a bank or banks in another country (usually itself an OECD member).

However, a fairly sizeable proportion of the Third World's external debt was owed to a group of major banks, mainly of American origin. Towards the end of 1975, two-thirds of the private external debt of those countries came from loans granted by United States banks, and, what is even more important,

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1/ Marina V.N. Whitman: Bridging the Gap, Finacorp, 1978.

2/ P. A. Wellons: "Developing country borrowings on the Euro-dollar market"+ Etudes du Centre du Développement (Paris: 1977), pp. 60-61.

nearly 40 per cent of the debt was accounted for by only six of those banks[1/].

Information furnished by the Morgan Guaranty Trust Co. indicates that the hegemony of the American banks in bank loans to the Third World countries not members of OPEC amounted to 65 per cent of those countries' total external private debt towards the end of 1976. The banks' participation was highest in the non-oil producing countries of Asia and Africa (72.6 per cent) and next highest in their Latin American counterparts (63.6 per cent)[2/].

The trend towards the concentration and internationalization of bank lending is inspired by a variety of factors. As already pointed out, it reflects the cycles of capitalism at the present time in which a phase of expansion and intensive capital accumulation is immediately followed by a crisis in which the main need is to use the surplus accumulated for some financial purpose. In the circumstances, control over capital in general became increasingly dependent on the control exercised over the well-springs of credit. This gave rise to what we might describe as the "artificial reproduction" of external debts and credits. Debts led to fresh debts and, by the same token, assets originated other assets.

The dominant role of the financial markets led to fierce competition and thus contributed to the formation of banking corporations or transnational concerns, veritable giants which centralized capital on a world scale and battle for profits at every level in which these leaders of financial capitalism are involved.

The most familiar device is the syndication of bank credits, specially since the early years of the 1970s, when it coincided with the Euromarket boom.

Looked at from the standpoint of the Third World countries, syndicated loans enhance their dependence on a handful of major international banks, since it is these which usually operate as the organizers and leaders of the syndicates.

1/ Miguel S. Wionczek (Director): Estudios del Tercer Mundo, "The extreme indebtedness of the developing countries", Vol. 1, no. 2, June 1978, pp. 39-40. United States banks have continued to play a predominant role although there is evidence that Japanese and German banks in particular are expanding their business. As an index of this process, it may be noted that, of the 300 biggest international banks, United States banks dropped from 96 to 80 between 1971 and 1975, while Japanese banks increased from 46 to 52 during the same period. Nevertheless, banks under United States control still seem to do a large proportion of their business with the Third World countries. It should also be remembered that of the 874 branches of transnational American banks, 641 (73%) were in the Third World countries in 1975, while of the 2,641 non-American transnational banks, the proportion in the Third World countries was less than 50%. See X. Gorostiaga, op. cit.

2/ World Financial Markets, December, 1976.

5. Indebtedness and balance of payments

Import possibilities have been made even more heavily dependent on external debt by the current magnitude of the servicing of that debt. The destabilizing effects which such payments have on the debtor countries have been increasingly recognized; in fact for many Third World countries the payment of earlier debts begins to herald the need for future indebtedness. It should be borne in mind that, according to certain estimates, by 1980 1.5 out of every 3 dollars lent of the Third World countries will go on debt payments. By 1985, 2 out of every 3 such dollars will be spent in this way[1/].

For different reasons, among them the inflexibility of the private banks when it comes to altering the terms of debt, and the caution and fears of the lending countries at the thought that the financial markets might fall into disrepute, the fact is that those debt service payments are becoming a relatively fixed component of the policies of the debtor countries. As a result, balance-of-payments adjustments attributable to the pressure of debt servicing are unloaded on the trade balance. Then either in the form of import restrictions or intense promotion of exports, the Third World countries are eventually driven towards lower levels of basic consumption or to a general economic slow-down. In these circumstances one can see how policies designed to benefit the balance of payments begin to fit into a process in which the country's economic and social development strategy is at stake.

The problem has become more serious as indebtedness to the private international banks has risen. The relatively unfavorable terms on which loans are granted leads to a paradox: the more debt servicing one pays, the less one's debt is amortized, in relative terms. While the servicing of private bank debts doubled its share of total debt servicing, rising from 14.6% to 30.6% between 1970 and 1976, the rate of amortization of that debt dropped to less than half in the same period. But amortization will begin to weigh heavily in the next few years.

The vulnerability caused by this pressure to pay can be recorded in numerous indicators. For example it has reduced the function formerly performed by reserves. These, as their name suggests, acted in certain critical situations, to finance external flows, both commercial and capital. Nonetheless, while the Third World countries in 1967 had reserves equivalent to one third of their external debt, ten years later it barely amounted to one tenth of it. Reserves then failed to perform their function of providing overall coverage of the external flows of the most heavily indebted countries. For those countries, which were acutely dependent on a flow of new loans, reserves were reduced to the role of guarantees or collateral for the loans. Worse still, those reserves were gradually formed at the expense of the indebtedness itself: in other words, the international private banks also made loans in order to establish a body of reserves for the payment of their own loans.

1/ Miguel S. Wionczek: "El endeudamiento externo de los paises en desarrollo", Estudios del Tercer Mundo, Vol. 1, No. 2, June 1978, p. 39.

6. External debt as a "national risk": a new modality for evaluation

Further critical analysis of external debt necessarily involves a reference to the new modality for evaluation which the international private banks have introduced in recent years. The criteria applied by lending banks in judging the conditions which a potential borrower must fulfill to qualify as a "good client" have evolved significantly. The change in criteria has gone well beyond concept of solvency and its assessment in purely financial terms and has now led, basically, to a global evaluation of the country involved ("country risk"). This phenomenon implies that relations of indebtedness to the private international banks have now reached the stage where they distinctly influence fundamental aspects fo the autonomy of the borrowing country.

What, then are the main criteria which the big banks have started using to assess the situation of a country? Pancras J. Nagy contends that the "country risk" is to be understood as the possibility that a loss might be incurred by granting an international loan because of events which, at least to some extent, are under the control of the government of the borrowing country[1/]. From that point of view, the concept of "country risk" is associated with the capacity for management not only in economic affairs but in all spheres of government activity.

The idea that the country must be "well-managed" is the key to determining its creditworthiness. But the question arises as to what bankers understand by "proper management". The answer is complex, and allowance must be made for different shades of emphasis. The "country risk" has been linked to the possibility of the occurrence of certain events which can be classified in three categories. On the one hand, there are the political risks involved in wars, occupation by foreign countries, rioting in the streets, internal ideological differences, conflicts of economic interests, etc. On the other hand, there are certain social risks associated with civil wars, uneven distribution of income, trade union militancy, religious divisions, antagonism between social classes, etc. Lastly there are the economic factors, including the decline in the growth of productivity, rapid price rises, a drop in exports, an increase in imports of food or energy, etc.

A significant aspect of economic evaluation is what is usually known as "good management" of countries and the appropriate use of loans. In actual fact, this concept is not defined very explicitly in the documents which refer to it, though it should, on the whole, be interpreted as the application of what is regarded as the right kind of economic policy. Under this method, countries which fulfill the recommendations of the IMF score high marks. It is not difficult, for example, to conclude that a country is "well-managed" whenever its economic policies coincide with the traditional precepts of the IMF. Even so, it would be a mistake to think that monitoring and follow-up of the Third World countries are, because of this identity of aims, left solely to the IMF. In fact the opposite is stated quite explicitly:

1/ Pancras J. Nagy: Country risk, how to assess, quantify and monitor it, (Euromoney Publications), p. 13

"... acceptance of IMF conditions and the mere fact of being under IMF supervision do not necessarily mean that a country's 'country risk' has improved, because countries do not always comply with the conditions they have accepted. This is a fact which the commercial banks often neglect."[1]

As we shall see later, the literal interpretation of this position has meant that, in some cases (Peru, for example) the private international banks have operated openly, despite the well established belief that the banks lack the personnel and the experience to act as global managers of the financial markets and coordinators of economic policies. The fact that in the case of Peru since the experience of 1976, the banks have once more started to operate behind the IMF, may well confirm these limitations. Even so, an important fact still remains: the private banks have formed and developed their own methods for appraisal and their own personnel for the economic, social and political auditing of Third World borrowers.

7. External debt and the international division of labor

According to the information available, the loans extended by the international private banks to the Third World countries have been used mainly for the financing of the public budget and for certain investment projects. In this latter sphere, in recent years, the bulk of financing has been concentrated in the extracting and manufacturing industries, public services and transport and energy, with particular intensity since 1974.

However, we are concerned here with an analysis of a new phenomenon which, in the opinion of some authors, has a profound impact on the link between the Third World and the advanced capitalist countries: the relationship between external debt and the export of manufactures.

To begin with, it should be noted that the encouragement of the export of manufactured goods cannot be regarded as a project - either explicit or implicit - of the private banks for all the Third World countries. Such a range of countries with such different levels of development. There can be no doubt, however, that the objectives of the private international banks include that of starting the export of certain manufactured goods in some of the Third World countries.

This question is relevant to the international crisis of the past few years. On the one hand, in recessive stages, the procedure of external credit has made it possible, to some extent, to maintain the Third World countries' imports of capital goods. In some cases, as we have seen, it has even augmented their import capacity[2].

1/ Nagy, op. cit., footnote p. 96.

2/ "Commercial bank credits to the developing countries were of benefit to the industrialized countries in a number of ways. They provided their private financial sectors with a relatively new source of growth and profits and also helped maintain external demand for their exports during the recession". David C. Beek: "Commercial bank lending to the developing countries", FRBNY Quarterly Review, Sprint 1977, pp. 1 and 2.

On the other hand, long-term banking business with the Third World countries cannot be based on "compensatory loans" patterned on those of the IMF. In other words, it cannot be based on the objective of providing transitory remedies for balance of payments imbalances or constantly financing a country's import capacity. The needs of the banks, and also of the transnational corporations, both productive and commercial - particularly at a time of critical difficulties in the accumulation of capital - seem to be moving towards the shifting or re-deployment of certain manufacturing activities to the periphery of the industrial system. Of course this strategy, which has been pursued by certain Third World countries, brings in foreign exchange with which to pay the debt service charges and thus makes it possible to incur further debt.

The foregoing considerations mean that external debt is a lever to bring about certain changes in the international division of labor. The private banks would be highly involved in the promotion of these changes and in financing during the transitional phases. From the point of view of the major bankers the central countries would in future keep their monopoly over the capital-intensive industries which require sophisticated technologies, while the most advanced countries of the Third World would engage in those industries or parts of processes which are relatively labor-intensive. North-South trade flows would no longer be characteristically an exchange of manufactured goods and raw materials: the trade in various kinds of goods would now become predominant.

Trade in manufactured goods produced in the Third World countries is, highly concentrated in a small number of countries. 45% of the total of manufactured goods exported by the Third World countries and by the three low-income countries in Southern Europe come from South Korea, Taiwan, Hong Kong, and Spain. If one adds to those countries Mexico, Brazil, Yugoslavia, Portugal, Singapore, Greece and India (this latter having a declining share in the exports of manufactured goods of the Third World), the eleven nations mentioned represent 80% of the total of manufactured goods exported by the Third World countries.

The World Bank emphasizes, moreover, that in recent years, Malaysia, Colombia, Turkey and Thailand have significantly increased their foreign sales manufactured goods. If one now compares the nations which have absorbed a high percentage of the total debt from private sources and those of manufactured goods, it will be seen that, with some exceptions, they are virtually the same countries. This observation demonstrates the essential link between external debt and the new international division of labor advocated by the big banks.

This is obviously not the place to discuss the fate which awaits the exports of manufactures of the Third World countries. But it is necessary to highlight the part played by the big international private banks in this relative shift in the international division of labor - a part which, in various Third World countries, has meant a radical change in the development strategies applied in previous decades. One should not forget, moreover, that these new versions of an outward-looking growth have been accompanied, in those countries, by military dictatorship which, in the last analysis, have proved indispensable as a means of reducing domestic consumption, drastically cutting back real earnings and reconverting the industrial structure for purposes

of export.

8. External debt, economic policies and development strategies

At the risk of omitting other aspects, the analysis of the influence of the international private banks on the economic policies and development strategies of the countries of the Third World can be based in general on the following points:

a) A knowledge of the extent to which the international private banks have supplanted the IMF in the setting of conditions for the Third World countries.

b) An enquiry into the differences and similarities between the conditions imposed by private bankers and those of the IMF, and the levels of demands in each case.

A reading of the specialized literature shows that there is a close relationship between the weight which external debt acquires in any given country and conditions imposed on that country to ensure that its economic policy and development strategy should be carried out more thoroughly or changed. The axis around which these adjustments revolve is closely linked to the implementation of policies or programs of stabilization. But these guidelines, the purpose of which is to attack inflation and achieve basic balance and lay the foundations for an improvement of the country's economic and financial situation, are barely the tip of the iceberg. The fundamental purpose of these policies is to keep certain economies increasingly tied to international business and to promote monopolistic control by transnational financial capital. In the last analysis it is an attempt to curtail the degree of autonomy of states and to restrict the decision-making capacity of governments.

In the Third World over the past 20 years, there is an abundance of examples to confirm this point. It is both unnecessary and tedious to review these cases, because the objectives and procedures have, with varying shades of emphasis, been similar.

9. External debt, oligopolistic concentration and economic denationalization

The penetration of the international private banks in the Third World countries, as has repeatedly been said, cannot be viewed exclusively in terms of profits extracted by means of the expansion of highly lucrative investments. The interaction between financial investments and productive and direct commercial investments is a key to the dynamics of transnational capital. To some extent this is the result of the mergers and other organic linkages between capital which occur within countries and through its international expansion. On the other hand, however, this phenomenon is the fruit of the cycles which are characteristic of the capitalist system's chronic inclination towards instability.

The formation of a financial-industrial capital, which gradually comes to function at the international level raises new questions which must be considered in any analysis of external debt to the big private banks. As has already been pointed out, the management of such debt in the Third World

countries has been highly responsive to the treatment extended to foreign capital as a whole. So much so, in fact, that their demands as lenders are usually accompanied by those which they make as spokesmen or shareholders of other foreign investment enterprises.

The relationship between banking capital and industrial capital has been extensively dealt with in theoretical analysis; it is generally regarded as not lending itself readily to empirical proof. Recent studies made for certain Latin American countries, prove that external debt, particularly in the most advanced Third World countries, creates conditions which are conducive to the concentration and denationalization of industrial capital1/.

1/ For Chile see: J.E. Herrera and J. Morales: La inversion financiera externa en los modelos hacia afuera: el caso de Chile, 1974-1978, CIEPLAN, May, 1979, p. 64, shortly to be published by ILET; for Brazil: Quoted by Regis Bonelli and Pedro Malan: "Los limites de los posible. Notas sobre el balance de pagos e industria en los años 70", in the journal Pesquisa e Planejamento, August, 1976, p. 364; and for Mexico: Jose Manuel Quijano: "Concentración, desnacionalización y crédito. El caso de México 1970-1975", CIDE mimeo. To be published partially in Economía de America Latina, No. 3, October 1979.

EL ENDEUDAMIENTO DEL TERCER MUNDO Y LOS BANCOS PRIVADOS INTERNACIONALES

Resumen: Para numerosos países del Tercer Mundo los bancos privados internacionales han llegado a ser fuente y origen principal de capital. El endeudamiento de estos países a bancos privados ha puesto a los bancos en condiciones de ejercer una influencia decisiva en cuanto a la política interna y externa de estos países. Con el FMI, estos bancos establecen reglas económicas que implican graves consecuencias políticas, aún acabando en regímenes autoritarios. Estos bancos evaluan a los países deudores según cierto criterio de "país riesgo" lo que premia la adopción por estos países, de la filosofía económica del FMI. La política de los bancos internacionales también tiene la intensión de promover una nueva divicion internacional de trabajadores, lo que las empresas transnacionales también desean avanzar por el redespliegue de ciertas clases de industrias basadas en tecnología importada y en el mercado de exportación.

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MATÉRIAUX

THEORIE DU DEVELOPPEMENT ET NOUVEL ORDRE ECONOMIQUE INTERNATIONAL

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La recherche d'un nouvel ordre économique international, sous la pression des pays du Tiers Monde, est récente. Depuis 1974, les réunions se sont multipliées au sein du système des Nations Unies et en dehors de lui pour négocier, sinon réfléchir, sur les conditions de l'instauration d'un nouvel ordre international. Il peut être utile de se demander quelle est la conception générale du développement qui prédomine dans ces négociations et ces analyses et de tenter de la comparer aux conceptions courantes que l'on trouve chez les économistes du développement. Il sera ensuite nécessaire de se demander quelles sont les hypothèses implicites dans de telles analyses et de tenter de cerner les conditions internationales et internes d'un développement authentique.

1. La conception trinitaire du développement chez les économistes

Au lendemain de la Deuxième Guerre Mondiale, la théorie économique se subdivise en deux courants principaux: la théorie de la croissance équilibrée, dans la mouvance du courant Keynésien, a pour objet la recherche des conditions d'un équilibre à long terme entre les grandeurs économiques globales au sein d'un ensemble déjà développé; la théorie du développement, dont l'urgence est enfin signalée par l'ampleur des luttes de libération nationale, a pour objet la définition des conditions d'un développement rapide. A partir des travaux d'Arthur Lewis va naître et se développer une conception précise du développement encore dominante actuellement: la conception trinitaire du développement.

1.1 Le noyau rationnel de la conception trinitaire du développement

Selon cette conception, la réalisation d'un développement rapide nécessite la réunion de trois facteurs essentiels: des moyens financiers, de la technologie, des marchés. La mise en oeuvre conjointe de ces trois facteurs est source d'un développement rapide et le sous-développement est identifié comme la faiblesse de ces moyens dans une société déterminée. En effet, les moyens financiers (le capital) permettent d'achever et d'installer des capacités de production; la technologie permet de les utiliser efficacement; les marchés permettent d'absorber leur production. Les effets sociaux de ce processus paraissent évidents: croissance de l'emploi et des revenus, augmentation du niveau de vie et diffusion progressive mais réelle du savoir au sein de la

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société dans son ensemble. Comme on le voit, cette conception recouvre très largement celle que Rostow rendra célèbre : celle des étapes de la croissance. Le processus de développement est conçu comme absorption progressive de la société par la machine économique moderne et réduction des archaïsmes à travers des étapes dont la succession automatique est supposée acquise dès lors que les moyens financiers, la technologie et les marchés sont disponibles. La question du contrôle social de ce processus est occultée et on admet généralement que l'entreprise privée, qui a déjà fait ses preuves ailleurs, peut parfaitement les faire ici. De même qu'est voilée la question essentielle de la technologie : on admet généralement, au nom du progrès scientifique et technique, que les pays du Tiers Monde peuvent et doivent puiser dans un stock préexistant de technologies. Mais, de manière symptomatique, ce modèle théorique de base présente des variantes dont l'analyse est utile à la compréhension des contradictions de sa structure.

1.2 Les variantes du modèle

Trois variantes du modèle sont bien connues, représentant chacune une combinaison spécifique des facteurs du développement :

1.2.1 Le modèle de développement par l'exportation de produits de base

Dans ce cas, l'amorce du développement se réalise grâce à une mise en valeur des ressources du sol et du sous-sol et leur exportation. Les marchés externes jouent un rôle essentiel, tandis que les moyens financiers et la technologie seront apportés totalement ou partiellement par des entreprises étrangères. L'entreprise privée nationale peut aussi, dans la mesure de ses moyens, surtout financiers, participer progressivement à ce processus. Il est en tout cas certain que le développement se diffuse à partir des noyaux agricoles ou miniers exportateurs par le réinvestissement automatique des profits, l'élargissement des marchés et l'importation de technologies disponibles sur le marché mondial.

1.2.2 Le modèle de développement par substitution aux importations

Dans ce modèle, le développement est réalisé à travers une industrialisation orientée vers les marchés internes et remplaçant les importations de produits de consommation. Capital et technologie proviennent soit de l'extérieur (capitaux et technologie), soit de l'intérieur (capitaux). Il est admis qu'une distribution même inégale des revenus est souhaitable dans la mesure où elle permet de concentrer des moyens financiers importants entre les mains d'une minorité, au profit du développement. Dans ce cas aussi, il est admis qu'à partir d'un noyau d'industries de biens de consommation, croissance et développement se diffusent automatiquement vers le reste de l'économie. La différence réside dans l'accent mis sur l'industrialisation comme noyau moteur du développement, les secteurs exportateurs primaires assurant la solvabilité externe.

1.2.3 Le modèle de développement par les exportations industrielles

Ce modèle, relativement récent, est fondé sur le rôle moteur des marchés externes pour les produits industriels. Capitaux et technologie proviennent de l'étranger ou du pays même. Ce modèle de développement est fondé sur l'hypothèse de coûts unitaires salariaux moindres ou d'une transformation

avancée de ressources naturelles du sol ou du sous-sol. Grâce à leurs avantages naturels et/ou humains, les pays du Tiers Monde peuvent réaliser une industrialisation pour l'exportation qui devient la voie d'accès au développement. Cette industrialisation sera menée soit par les firmes transnationales attirées par les avantages comparatifs, soit par les firmes locales sur la base de technologies importées leur assurant la compétitivité internationale.

Au total, d'une manière ou d'une autre, les trois variantes du modèle sont fondées ur l'hypothèse du rôle éminemment positif des relations économiques internationales pour les pays du Tiers Monde, sans changement significatif de la structure actuelle du pouvoir.

1.3. Appréciation du modèle

La première critique du modèle réside dans le fait que le développement a été conçu en termes de modernisation, elle-même conçue comme processus de transformation des pays du Tiers-Monde en un prototype du monde occidental 'développé' : il s'agit d'un projet d'occidentalisation, conduisant à la reproduction dans le Tiers Monde d'un même système de consommation (nature des produits), d'un même système technologique, d'une forme analogue d'organisation de l'espace par l'urbanisation, et de formes identiques d'organisation de la production et du travail. La "projection" a échoué. Un niveau adéquat de développement n'a pas été atteint : les statistiques sont nombreuses et parlent d'elles-mêmes.

La deuxième critique que le modèle appelle est la confusion permanente entre les fins et les moyens du développement, en particulier l'identification abusive que le modèle fait de croissances sectorielles et de développement social global. On admet, dans chaque cas, que la croissance de l'emploi, la hausse des revenus et leur égalisation, la diffusion du savoir et de la technologie sont des conséquences inéluctables de la croissance initiale de certains secteurs. Mais le défaut essentiel du modèle réside dans le fait que les variantes qui sont présentées ne sont pas des sous-modèles indépendants que l'on peut choisir indifféremment mais qui se sont historiquement succédées en raison de la crise qui affecte le type de développement antérieurement adopté.

En effet, ni le modèle "Exportations de produits primaires", ni le modèle "substitution aux importations" n'ont été à l'origine d'un processus authentique de développement. Bien au contraire, c'est la crise du modèle "Exportations primaires" qui a conduit à la mise en oeuvre des politiques de substitution aux imporations. De même, c'est la crise du modèle de substitution aux importations qui a conduit, dans certains cas, aux nouvelles politiques de croissance industrielles vers l'exportation, par exemple en Amérique Latine.

Il est alors possible de dire que la théorie du développement, en formulant successivement les trois variantes du modèle de base, n'a fait que rationaliser au plan théorique la crise réelle du développement en tentant de proposer à chaque fois des solutions nouvelles à la crise. En ce sens, on peut affirmer qu'il y a crise dans la théorie parce qu'il y a crise dans le développement. Qu'en est-il au plan politique? La crise dans le développement a donné

naissance aux analyses et négociations sur le Nouvel Ordre Economique International. Il est intéressant de se demander si ces analyses et négociations restent influencées par le contenu de base d'une théorie du développement elle-même en crise. La réponse est malheureusement positive.

2. Les conceptions du Nouvel Ordre Economique International et la théorie du développement

De manière globale, on peut dire que nous sommes en présence de deux conceptions de construction du Nouvel Ordre Economique International mêne si certains pays définissent leurs positions en empruntant des éléments à l'une ou l'autre des conceptions.

La première conception, développée surtout dans les pays capitalistes du Nord, a pour fondement le principe de la délocalisation des activités industrielles, sous le contrôle direct ou indirect des firmes transnationales. Le développement de cette conception est lié à la modification des prix relatifs, consécutive à la revalorisation nominale des hydrocarbures et d'autres matières premières, mais aussi à la possibilité de mettre à profit des coûts unitaires salariaux aux plus faibles dans les pays du Tiers Monde. Il peut s'agir d'une délocalisation relative lorsqu'il est simplement question de remplacer des exportations vers les pays du Tiers Monde par une production agricole, ou d'une délocalisation absolue lorsqu'il s'agit de produire dans les pays du Tiers Monde vers les marchés extérieurs.

Cette délocalisation, sous le contrôle des firmes transnationales, a des implications internationales dont certaines rendent sa mise en oeuvre problématique.

En premier lieu, cette délocalisation ne nécessite aucun contrôle par les pays du Tiers Monde de leurs ressources naturelles et appelle au plus une simple stabilisation des recettes d'exportation des produits primaires telle que prévue par le Programme intégré des produits de base qui, comme on le sait, exclut toute atteinte à la structure actuelle du contrôle des ressources naturelles, ou des mécanismes du type STABEX de la Convention de Lomé.

En second lieu, cette délocalisation implique le transfer des techniques de production industrielle vers les pays du Tiers Monde, mais en principe ce transfert ne pose pas de problèmes puisqu'il est interne aux firmes transnationales elles-mêmes; quand il y a association de capitaux, ce contrôle demeure entier, le partenaire étranger essayant de minimiser l'apprentissage technique local.

En troisième lieu, la délocalisation absolue implique le libéralisme commercial, c'est-à-dire le libre accès aux marchés des pays industrialisés eux-mêmes. C'est probablement cette condition qui est la plus difficile à satisfaire dans la mesure où elle implique des mesures de réajustement industriel que seul quelques pays peuvent mettre en oeuvre. Les politiques de réajustement opposent les pays mais aussi, au sein d'un même pays, les intérêts des différentes branches industrielles. Au total, dans cette conception, la croissance industrielle des pays du Tiers Monde deveient l'enjeu et le résultat des luttes qui opposent les pays, les firmes, les syndicats des

pays capitalistes du Nord. Mais elle est malgré tout censée produire le développement. Il faut immédiatement remarquer que cette conception du Nouvel Ordre Economique International s'inscrit parfaitement dans le cadre de la théorie traditionnelle du développement : les firmes transnationales apportent ou réunissent capitaux et technologies en vue d'une production industrielle pour marchés extérieurs. C'est la variante No. 3 du modèle de base. Cette conception est fondée sur l'hypothèse d'une comptabilité des intérêts de la firme transnationale et des impératifs d'un développement authentique. Nous examinerons ce point plus loin. Disons simplement ici que cette conception du NOEI fait abstraction de l'histoire de la crise du développement dans les pays du Tiers Monde et de la crise de la théorie elle-même qui ont révélé cette incompatibilité.

La deuxième conception du Nouvel Ordre Economique International repose sur l'idée qu'il y a incompatibilité entre les intérêts des firmes transnationales et une industrialisation effective dite "en profondeur", c'est-à-dire transformant réellement les conditions économiques et sociales des pays du Tiers Monde. La firme transnationale a pour caractéristique d'être associée à une économie et à une nation puissantes, elle obéit à la logique du marché, donc à la maximisation du profit; elle a une stratégie et un plan qui servent cet objectif. Par sa dimension économique, par son pouvoir de négociation, par le réseau d'activités qu'elle contrôle (investissements directs, techniques, commerce, finances) elle jouit d'une position de prépondérance par rapport à la dimension économique du pays récepteur. Ses choix de secteurs d'investissement et ses transferts de technologie obéissent à la logique de la maximisation du profit. Dans ces conditions, il y a incompatibilité entre le développement et les objectifs de la firme transnationale. Seuls les Etats censés représenter l'intérêt des populations sont en mesure de réguler l'activité des firmes transnationales : l'Etat doit être l'opérateur direct et principal du développement.

Quels sont les éléments principaux de cette seconde conception du NOEI?

En premier lieu, le contrôle étatique des ressources du sol et du sous-sol doit être l'instrument de récupération de la rente sur ressources naturelles du sol et du sous-sol. Grâce à la récupération de la rente, l'Etat se donne les moyens financiers du développement. Dans certains cas, la récupération de la rente implique une action internationale des producteurs d'un même produit par l'intermédiaire des Associations de Producteurs.

En second lieu, la mise en oeuvre par l'Etat d'un processus industriel nécessite l'importation de technologies et leur maîtrise locale. La possibilité d'un transfert effectif entre les mains des nationaux de l'utilisation des technologies de production devient un impératif du développement. Mais ces technologies peut être importées, dans le but d'accélérer le processus de hausse de la productivité et la masse de surplus à accumuler.

En troisième lieu, la nécessité d'assurer le financement des importations d'équipements implique la possibilité d'exportations complémentaires des produits industriels. L'accès aux marchés des produits industriels est un élément relativement important dans cette conception du Nouvel Ordre Economique.

Aux plans financier et monétaire enfin, cette conception conduit à l'idée que les institutions financières internationales actuelles sont structurellement inadéquates aux besoins des pays du Tiers Monde. Mises en place pour corriger les déséquilibres passagers des balances de paiements, ces institutions n'ont ni la volonté ni les moyens de corriger des déséquilibres structurels de balances qui ont des causes si profondes qu'ils s'identifient au sous-développement.

Quels rapports cette conception entretient-elle avec la théorie traditionnelle du développement? D'un côté, cette conception reprend à son compte les éléments principaux de la théorie : pour se développer, il faut des capitaux, des technologies et des marchés, mais la rupture essentielle avec la théorie réside dans l'identification des opérateurs du développement. La théorie traditionnelle confie à l'entreprise privée la direction du processus de développement. Dans la deuxième conception, seul l'Etat est susceptible de maîtriser le processus de développement. La question de la technologie est fortement sous-estimée.

Assez paradoxalement, les deux conceptions en présence s'opposent moins sur la question des finalités du développement ou des moyens de celui-ci que sur la question du contrôle du pouvoir économique à l'échelle mondiale.

La première conception insiste sur l'utilité de l'intervention des firmes transnationales dans le processus de développement tandis que la seconde souligne l'incompatibilité entre les intérêts de la firme et les impératifs d'un développement authentique. Dans cette conception, on insiste beaucoup sur la redistribution effective du pouvoir économique au profit des Etats des pays du Tiers Monde tandis que la première est favorable au status quo, au motif que les Etats ne peuvent que bureaucratiser l'économie et freiner à terme le développement. De même, les deux conceptions divergent quant au contenu à donner au concept d'interdépendance.

La notion d'interdépendance économique, généralement admise dans les pays du Nord, est limitée dans la mesure où elle s'identifie à l'existence de flux de produits, de capitaux et de technologies entre le Nord et le Sud. Elle cache les asymétries de pouvoir dans la propriété, la gestion et le contrôle de ces flux de produits, de capitaux et de technologie. Elle est statique et souvent synonyme de dépendance. Dans la seconde conception on admet l'existence d'une forme positive de l'interdépendance entendue comme une situation dans laquelle les pouvoir sur les produits, les capitaux, les marchés et les technologies s'équilibrent relativement entre les mains des partenaires internationaux de manière à permettre un échange fructueux entre eux.

Il s'agit du reste, d'une situation bien connue dans les rapports entre pays industrialisés et entre firmes transnationales où les partenaires sont interdépendants précisément parce qu'ils disposent d'un pouvoir de négociation, de mise en dépendance de l'autre. Il n'y a pas d'interdépendance ni d'autonomie véritables dans des situations de déséquilibres excessifs de pouvoirs.

3. Illusions théoriques et développement réel

Il est utile maintenant d'évaluer la pertinence historique et théorique des deux conceptions en présence et d'examiner les conditions d'un développement authentique.

Les solutions illusoires

Le développement comme sous-produit de la délocalisation industrielle contrôlée par les firmes transnationales n'est ni possible ni souhaitable. Ce développement n'est pas possible parce qu'il implique un libéralisme commercial international qui n'est pas du tout acquis. On assiste à l'heure actuelle à une résurgence du protectionnisme dans les pays capitalistes industrialisés en raison du chômage, des capacités oisives de production, des recessions, des problèmes de balances de paiement pour certains pays. Dans ces conditions, il est illusoire de croire à une généralisation du modèle exportateur dans les pays du Tiers Monde même si certains pays semblent, à l'heure actuelle, suivre un sentier de croissance selon ce modèle, sentier dont l'examen ne révèle pas que des qualités : inégalités sociales, crises financières externes, autoritarisme politique, etc...

Mais même si ce développement est possible, est-il souhaitable? Il ne le semble pas. Il n'est pas question ici de nier les possibilités de croissances économiques sectorielles avec leur traduction chiffrée dans le Produit National Brut. Mais dans ce modèle, le choix des secteurs à développer, celui des techniques à mettre en place excluent une "industrialisation en profondeur" susceptible de transformer les conditions économiques globale du pays. En d'autres termes, il y a croissance sans développement. Ce raisonnement est valable lorsque ce type de développement est conduit par les entreprises locales comme c'est le cas de certains pays du Sud-est asiatique.

Ce modèle ne peut qu'aggraver les résultats négatifs du fonctionnement de l'économie mondiale depuis deux siècles :

- concentration des revenus au niveau mondial d'une part, et à l'intérieur des pays du Tiers Monde d'autre part;
- concentration géographique et sectorielle des capacités de production scientifique et technique;
- concentration du pouvoir économique de contrôle sur les actifs de production et les ressources naturelles;
- gaspillage des ressources humaines et paupérisation.

Ces résultats, largement connus, seraient aggravés par une montée des nationalismes et des racismes qui accompagnent le protectionnisme et la mise en concurrence des travailleurs au plan mondial. Il faut rappeler effectivement que si l'accumulation a des tendances à la mondialisation, les luttes sociales conservent une base nationale avec un isolement et souvent une incompréhension d'un pays à l'autre. La délocalisation aggravera les disparités sociales au plan mondial.

Au total, cette conception ne peut conduire au développement car les économies des pays du Tiers Monde demeurent soumises aux aleas du fonctionnement de l'économie mondiale en termes de marchés, de technologie et d'équipements. elles restent des économies dépendantes structurellement.

Le développement conduit par les Etats dans le cadre d'une redistribution internationale du pouvoir économique a évidemment des avantages incontestables. En premier lieu, la récupération de la rente sur ressources naturelles met fin, en principe, au transfert massif de ressources vers les pays capitalistes industrialisés. De même, la maîtrise par l'Etat de levriers de commande

de l'économie permet en principe de réaliser les choix de secteurs et de techniques les plus adéquats pour assurer une transformation des structures économiques et sociales favorable à un développement authentique. Mais là, aussi, l'expérience de certains pays a prouvé que la récupération de la rente et la maîtrise par l'Etat du processus de développement est une condition nécessaire mais non suffisante du développement. Encore faut-il que les Etats en question réunissent progressivement les conditions d'un fonctionnement autonome de leurs économies par rapport aux pressions exercées par l'économie mondiale, faute de quoi ces économies se trouvent elles-mêmes insérées dans une logique mondiale et non pas nationale de développement selon le principe que le destin du Sud est déterminé par le jeu de forces en présence dans le Nord.

Un des éléments de cette autonomisation progressive nous paraît être la recherche de l'autonomie technologique. En effet, il convient de montrer les limites de la vision actuelle de la technologie. Cette vision est essentiellement instrumentale et limite la question de la technologie à la sphère des moyens. De ce fait, elle nie que la technologie, loin de relever de la simple logique des moyens, est le lieu d'articulation entre la loqique des fins et la logique des moyens.

Cette vérité signale le caractère limité des notions de transfert (de l'utilisation des techniques ou même de reproduction des techniques importées). Ces notions postulent l'indépendance entre les fins (économiques et sociales) et les moyens (technologiques). Si le développement est par essence la recherche de nouvelles fins, de nouveaux objectifs, il conduit à la question essentielle d'une nouvelle technologie, entendue au sens large d'une nouvelle sphère des moyens (instruments de production, formes d'organisation, etc...). Dans ce cas, la politique de développement est nécessairement une politique d'organisation de la créativité sociale en vue de trouver ces nouveaux instruments de production, ces nouvelles formes d'organisation. Ainsi posée, la question de la technologie déplace le débat sur les technologies adaptées.

On admet généralement que les technologies adaptées le sont à des dotations de facteurs, c'est-à-dire à une situation de marché alors même que le développement est par définition transformation de cette dotation. On néglige par là même la question de la dépendance possible du fait des technologies adaptées qui constituent un nouveau marché potentiel pour les firmes des pays industrialisés (cas de la Révolution Verte).

Le seul sens possible à donner à la notion de "technologies adaptées" réside alors dans l'adaptation de la sphère des moyens à la sphère des fins. Ceci n'est évidemment pas exclusivement un problème de taille de la technologie mais d'organisation de la créativité. Cette organisation de la créativité ne nie pas l'interdépendance scientifique et technologique. Elle en assure l'efficacité sociale. Elle est le refus de séparer dans le temps et dans l'espace système de production et système de connaissance. En effet, dès lors que l'Etat exclut le capital privé, national ou étranger, de la conduite de l'économie du pays, la mesure de son succès ne peut être sa part dans le capital social, mais sa capacité à installer et à faire fonctionner des outils de production de manière autonome, c'est-à-dire de promouvoir des capacités scientifiques et techniques nationales, une industrie nationale de biens

d'équipement, des capacités natinales d'engéniérie, etc... Faute de cette capacité, les pays demeurent de purs consommateurs de techniques mises au point ailleurs. Ils s'abonnent à l'obsolescence et, parce qu'ils sont obligés d'importer des équipements et de l'assistance technique de manière continue, ils se trouvent contraints d'orienter leurs économies vers l'exportation de produits primaires ou même manufacturés, perdant ainsi progressivement leur autonomie de décision et d'action. Dans ce cas, le degré d'autonomie dans la politique d'exploitation de ressources naturelles ou d'endettement extérieur deveint plus faible.

C'est dans ce sens que la philosophie de la modernisation incluse dans la conception étatique du Nouvel Ordre International nous paraît critiquable lorsque la modernisation signifie une consommation massive et passive de technologies importées. La politique technologique des pays du Tiers Monde apparaît comme le moyen fondamental de l'autonomie ou de la dépendance dans le cadre actuel de l'économie mondiale. Le contrôle du capital devient moins fondamental que celui de la technologie. Autrement dit, le contrôle du capital n'a de sens que s'il constitue une étape vers des négociations technologiques fructueuses et une politique technologique interne audacieuse.

Ces réflexions conduisent à la nécessité de définir les caractéristiques et les conditions d'établissement d'un nouvel ordre international favorable à un développement authentique des pays du Tiers Monde.

Développement authentique et Nouvel Ordre Economique International

Développement et sous-développement sont des processus et non pas des états successifs. Le sous-développement doit être analysé comme le processus de reproduction du capitalisme en pays "périphérique". Il exprime l'incapacité historique de ce système à assurer un accroissement de l'emploi et de la productivité du travail à l'échelle mondiale.

Si nous identifions le développement précisément comme la croissance de la productivité du travail de toutes les personnes en âge et en mesure de travailler et l'utilisation de cette croissance à satisfaire les besoins de ces mêmes travailleurs, il est possible de dire que ce processus n'est imaginable qu'au prix d'une certaine autonomie vis à vis des forces qui structurent l'économie mondiale. En d'autres termes, pour que le développement soit populaire dans ses objectifs, sa mise en oeuvre, ses moyens, il doit être autonome dans toute la mesure du possible. L'autonomie est définie ici comme un processus d'acquisition de pouvoir réel de négociations au plan mondial.

Un développement est populaire lorsque la productivité et le niveau de vie des masses rurales et urbaines deviennent un impératif de politique économique. Ceci suppose à son tour que l'industrialisation soit au service de l'agriculture en modifiant ses produits et ses techniques dans ce but. L'orientation de l'appareil industriel doit être conçu en vue de la satisfaction de la majorité de la population, selon une démarche organisant les priorités.

La politique technologique, comme on l'a vu, doit viser à intérioriser la dynamique du changement technologique. Ceci n'est possible qu'avec une large diffusion du savoir au sein de la population et le freinage des mécanismes de

sélection scolaire que masquent souvent, dans beaucoup de pays du Tiers Monde, les statisques scolaires.

Mais énoncer ces caractéristiques du développement autonome et populaire conduit nécessairement à en voir les implications politiques: ce développement est impossible sans une participation des paysans et des travailleurs des villes dans le pouvoir politique, participation qui implique probablement une moindre emprise des techno-structures locales sur le système global de décisions.

Cette condition fondamentale du développement n'est pas facile à satisfaire: la domination coloniale dans la plupart des pays du Tiers Monde a conduit à une répression économique et politique des paysanneries qui, malgré leur participation active aux guerres de libération nationale, quand il y en eut, demeurent, à l'heure actuelle, encore marginalisées. Les soulèvements paysans, les tentatives d'organisation, ont souvent été fortement combattus. L'influence politique des travailleurs des villes reste, elle aussi, souvent limitée. L'histoire et la forme de l'industrialisation dans beaucoup de pays du Tiers Monde a pu en limiter le nombre sinon la conscience politique.

De ce fait, si la conception d'un Nouvel Ordre International avec la participation économique active des Etats des pays du Tiers Monde est seule susceptible d'ouvrir la voie à un développement authentique, la question de la maîtrise politique du développement et de l'implication des différentes forces sociales dans cette maîtrise est le problème fondamental. L'expérience récente de certains pays le prouve clairement qui a révélé le dévoiement de certaines tentatives.

En effet, les processus de modernisation menés par les élites, lorsque ces élites ne sont pas contrôlées politiquement, conduisent à la marginalisation économique et politique de larges fractions de la population.

La régulation de la société conduit, dans ce cas, fatalement à l'autoritarisme.

La question cruciale du développement réside alors dans le contrôle social de l'action économique de l'Etat. Ce contrôle est nul lorsque des technobureaucraties soumises à l'influence des centres de décision externes, s'érigent en opérateurs du développement, indépendantes des sociétés civiles qu'elles sont censées servir. Ce contrôle est croissant lorsque les formes organisationnelles adéquates, économiques et politiques permettent l'expression par la société civile des choix sur les objectifs et les moyens de développement.

Faute d'un pouvoir progressivement démocratisé, d'une amélioration constante des rapports entre les Etats et leurs peuples, les modèles étatiques de développement conduiront aux mieux à une insertion dominée des économistes des pays du Tiers Monde sur la base d'institutions économiques publiques au lieu que cette insertion soit réalisée par l'intermédiaire des entreprises privées.

Conclusion

L'émergence d'un véritable développement suppose un ensemble complexe de conditions internationales et internes.

Au plan international, il s'agit de mettre fin aux différents prélèvements qui sont opérés sur les économies sous-développées et dominées : prélèvements de rente dans les activités extractives, de profit dans les activités agricoles et non agricoles, soit directement par le contrôle des entreprises, soit indirectement par le contrôle de la technologie et des marchés. De ce point de vue, la construction d'un nouvel ordre économique international nécessite bien plus que la stabilisation des prix de produits de base, les codes de conduite ou le libre accès aux marchés. Elle pose le problème de la redistribution du pouvoir économique au plan mondial. Cette redistribution ne va pas de soi. Elle nécessite une conscience nette des problèmes et une solidarité effective entre les pays du Tiers Monde. On constate malheureusement que cette solidarité n'est pas toujours acquise: la crise de l'économie mondiale a affecté violemment les économies sous-développées. Du fait des pressions inflationnistes et de la baisse d'activité, ces pays ont supporté largement le poids de la crise. On a pu, par exemple, calculer qu'entre 1974 et 1978, les pays du Tiers Monde (y compris les pays de l'OPEP) ont subi une détérioration de leurs termes de l'échange de l'ordre de 15%, soit près de de 30 milliards de dollars de perte. On sait aussi que les pays exportateurs de produits industriels ont subi des pressions pour diminuer volontairement leurs exportations. Personne ne nie aussi que la fameuse "facture pétrolière" est plus que compensée par la "facture technologique" dressée à l'occasion des ventes d'ensembles industriels; que le secteur financier privé a répondu aux demandes des pays les plus solvables, au détriment des autres. Face à ces faits, la solidarité des pays du Tiers Monde ne s'est pas accrue proportionnellement à la gravité des évènements. Tout se passe comme si chacun des pays du Tiers Monde espère pouvoir, sur des bases bilatérales, modifier le cours des choses à son profit et reporter sur les autres les effets de la crise. Ce mouvement vers le bilatéralisme est bien entendu fortement encouragé par les pays du Nord.

Au total beaucoup reste à faire au plan international pour supprimer, sinon amoindrir les prélèvements opérés sur les économies du Tiers Monde; suffisamment en tout cas pour enlever tout poids à l'argument selon lequel il est inutile de progresser au plan international tant que des réformes internes appréciables n'ont pas été réalisées. L'histoire a déja montré que la liberté d'action des Etats pour réaliser ces réformes n'a pas toujours été respectée. Il s'agit par ailleurs d'un argument trop facile pour voiler la nécessaire transformation d'un ordre international inéfficace, déséquilibré, injuste, et dont il est peu probable qu'il peut conduire, à l'heure actuelle, simultanément à une reprise de l'économie capitaliste et à une promotion du développement.

D'une part, on peut admettre que certains obstacles internes ne sont que les effets locaux des obstacles externes : il en est ainsi, par exemple, lorsque des régimes politiques fortement impopulaires sont maintenus en place ou lorsque des technobureaucraties sont fortement influencées et soutenues de l'extérieur parce qu'elles ne remettent pas essentiellement en cause l'ordre des choses.

D'autre part, dans certains cas, la mise en oeuvre de certaines réformes internes n'a pas produit de résultats substantiels lorsque la situation globale de dépendance du pays vis à vis de l'extérieur est restée inchangée.

Mais on ne peut nier non plus que les conditions internes jouent un rôle essentiel dans les pays du Tiers Monde sinon, en dernière instance, comme l'effet d'une absence politique des paysanneries de ces pays dont les manifestations sont l'urbanisation excessive, l'exode rural, la dégradation des terres, la prise de contrôle par les transnationales agro-alimentaires et l'orientation des productions vers l'exportation. Le contenu actuel des politiques industrielles rurales et technologiques reflète aussi la faiblesse politique des travailleurs des villes et des campagnes mais n'exclut pas, bien entendu, l'ampleur et la gravité des conflits locaux. Ainsi, c'est de cette dialectique globale entre les peuples et leurs Etats, les Etats et les firmes transnationales, celles-ci et leurs propres Etats que naîtra, certainement et très douloureusement, un nouvel ordre économique international porteur d'un développement authentique au Nord comme au Sud. Au Nord aussi, car il est peu probable que l'arrêt des prélèvements sur les pays du Tiers Monde se fera sans une réorganisation économique importante dans les pays du Nord au-delà des réajustements industriels dont il est question actuellement.

La théorie économique du développement est restée, en règle générale, muette sur ces questions. Immergée dans le substantialisme du capital, de la technologie et des marchés, elle a omis d'analyser concrètement et correctement les conditons historiques et sociales de leur efficacité. Sans tenir valablement compte de la structuration actuelle de l'économie mondiale, de ses caractéristiques scientifiques et technologiques, elle projette sur les pays du Tiers Monde ses propres croyances. Mais parce que cette projection est continue et ces croyances tenaces, elles ont fini par imprégner même les théoriciens et les chercheurs des pays du Tiers Monde.

Cette prise globale de la théorie du développement doit être rattachée au fonctionnement global de l'économie mondiale et aux difficultés réelles de construction du nouvel ordre économique international.

L'histoire progresse par des voies étroites. La modification des rapports de force internationaux, dont l'amorce est évidente dans le domaine du contrôle des ressources naturelles, peut être prolongée dans d'autres domaines. Le rythme de cette modification dépendra beaucoup des pressions culturelles et politiques externes exercées sur les élites locales, soumises par ailleurs au défi de la nécessaire solution des problèmes économiques et sociaux de leurs peuples. Il dépendra aussi de la convergence, pour une période donnée, des intérêts de différents pays du Tiers Monde sur la scène internationale.

Ce progrès dépendra aussi des conditions dans lesquelles les sociétés civiles des pays du Tiers Monde parviendront au contrôle du pouvoir économique et social.

Ces différents progrès joueront un rôle plus conséquent que la dynamique de l'aide, du transfert des techniques, et de la libéralisation des marchés, abstraitement présentée.

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MARKINGS

A THREEFOLD CHALLENGE TO THE WORLD

by Michael Manley*/

I would like to begin by thanking the Third World Foundation for the extraordinary honour they do me in asking me to speak on this occasion.

Functions that inaugurate something are, by their nature, unique. Today, we launch a new Lecture Series and the idea of a Third World Prize. Neither lectures nor prizes are unusual. But I dare to believe that this occasion is important not only for what it inaugurates but also for the change in perception of the world that it reflects.

It is inconceivable that even ten years ago anyone would have thought the Third World sufficiently important to warrant a lecture series all to itself, much less a prize to celebrate the achievements of its citizens. Although it undoubtedly deserved this kind of recognition, we of the Third World lacked the confidence to know it.

I would like to try today to share with you a perspective of the Third World as it has emerged since 1945 and, in particular, from the point of view of its experience within the world economic system. This will involve, of necessity, a consideration of the two most important contributions of the Third World to the international community: the Non-Aligned Movement and the theory underlying and the dialogue resulting from the concept of a New International Economic Order.

There are many who may delude themselves into believing that the Non-Aligned Movement and the New International Economic Order have no necessary connection to each other. There are others who believe that the Non-Aligned Movement is an attempt by idealists to impose a politics of unreality upon the hard, stubborn power configurations that determine the practical world in which we live. They doubtless dismiss the NIEO as the dream of idealists seeking to invoke by rhetoric an unreal international economy in place of an equally unyielding set of principles which shape the international economy in the image of a common if outside market place. Both views are simplistic and reflect a failure to come to terms with a world increasingly shaped by two contradictory phenomena:

- the dynamics of national independence; and
- the reality of global inter-dependence.

Discourse proceeds best where perspectives are confessed. I speak as an Internationalist in perception, a Democratic Socialist by persuasion, a member of the Non-Aligned Movement by commitment and a member of the Third World by circumstance.

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*/ Lecture by Hon. Michael Manley, Prime Minister of Jamaica, to the Third World Foundation - London, 29 October 1979.

There is unending confusion about the Non-Aligned Movement. In particular, those who think that it was created to avoid involvement in bloc politics totally misconstrue both history and the motives of men like Tito, Nehru, Nasser, Nkrumah and Sukarno. Each of these was consumed with the fire of freedom. Each of these had risked his life, his personal freedom, his material well-being to lead his nation to the enjoyment of sovereignty. Each of these had come with his people to independence to find that its enjoyment was beset with obstacles and fraught with perils. There was the explicit political imperialism which still held sway with alien flags aloft in many lands. There was colonialism, the more insidious twin of the imperial evil; neo-colonialism, the means by which the system perpetuated itself after the external trappings had been dismantled; racism, the ugliest of the offspring; and there was the cold war. A bi-polar configuration of power had released hegemonic pressures in the world at that time. If freedom were obliged to genuflect to one side or another because neither could come to terms with the other, this also was an invasion of sovereignty; this also diminished the opportunities of freedom. The Movement opposed, and still opposes, all of these things to the extent that they limit the opportunities of the weak.

It is a dangerous fallacy to believe that the Non-Aligned Movement began on negative premises. Like all Movements of significance in the world, it had its genesis in affirmation. As with all political phenomena, affirmation connotes struggle and struggle implies opposition. Therefore, the Non-Aligned Movement did not begin simply because there were blocs. It opposed bloc power configurations, and it opposed imperialism and its allied "isms" because they involved limitations imposed by the world political environment, upon the freedom.

By the pursuit of its own logic the Non-Aligned Movement is obliged to conceive of an alternative configuration for world politics. Its perceptions may be imperfect and its own performance inadequate. Nevertheless, it is driven by the logic of its circumstances and by the perception of its own needs to strive for an international polity that is governed by reason, informed by dialogue and sustained by the principles of respect for sovereignty, regardless of power or size.

Détente has progressively reduced the relevance of the bloc problem to the Non-Aligned Movement. The more visible and explicit political systems of domination have virtually disappeared with a few critical exceptions, such as Southern Africa. Hence freedom seems to be less and less frustrated by political factors. Yet frustration is on the increase.

The economic system which covers world trade, international investment and the greater part of modern economic development represents the other aspect of the international environment within which the newly independent states of the Third World must operate. It is a system that was created as part and parcel, cause and consequence, of the great colonial empires that flourished between the 16th and 20th centuries. In due course, the Third World had to discover by experience whether this was a favourable or unfavourable environment. The issue was the same as with the political system but the tests, of course, were different. Here, the questions were not whether competing systems of power would obtrude upon decision-making. Rather it was a question of whether this environment favoured the rapid and equitable economic development of countries whose economies had been both deprived and distorted by exploitation.

Freedom answers the need of the spirit, but must be sustained by the experience of the body. And, here, experience was a harsh and sudden teacher. The experience of the nations of the Third World spoke of an environment hostile to their own development and geared in every respect to the perpetuation and increase of advantages long enjoyed by the developed, industrial nations. Increasingly, therefore, the Non-Aligned Movement focuses its attention upon the greatest obstacle to the enjoyment of sovereignty and the ability to make of independence the opportunity for true national development. That obstacle is the present nature, structure and working method of the international economic system.

I wish to make it clear that we do not speak of the New International Economic Order as an excuse for shortcomings in our own development process. We make our own fair share of planning mistakes and are afflicted by inadequacies that we are quick to confess. Nor do we believe that the industrialized world owes its former colonies a living. Equally, I accept, indeed assert, the obligation of Third World countries to pursue unflinchingly the objectives of equity and social justice within their own systems.

Rather, I speak of a system in which the terms of trade militate of necessity against the primary producer by comparison with his more advanced trading partner. I speak of an investment climate which witnesses a reluctance on the part of those who control money to move to another nation which pursues equitable policies and acquires the reputation of being "radical" as a consequence. I speak of a world monetary system which places the burden of adjustment to fluctuations in the world economy on the backs of the poor and the weak. I speak of protectionism, which operates to sustain inefficient industries in highly efficient societies at the expense of the first attempts by poor and less efficient societies to diversify their economies. I speak of transnational corporations who pursue the bottom line of profit regardless of the interests of those countries whose raw materials make them host but whose stage of development precludes them from being master in their own house.

The fact of the matter is that the Third World has come to freedom and discovered that it is a rich man's world. They have discovered that their newly acquired independence is subject not only to the constraints that are imposed by the deficiencies in their own development but also by other, and equally inhibiting, factors that inhere in the world system itself.

The Group of 77 and the work in UNCTAD are the instrument and the forum through which the Third World seeks economic redress. The NIEO is at once the battle cry, the set of concepts and, latterly, the specifics of the alternative which we propose. We are not so naïve as to believe that it can come whole and complete at a single birthing. We understand that every change that is sought will be contested, and that sometimes the contest will be bitter. We know that, as much as anything else, the NIEO is going to involve process and struggle.

Let us now consider the nature of the process and the present stage of the struggle. The early formulation of the New Order owed more to concept than to specifics and, most of all, to an often sublime rhetoric. But one must remember that ideas are not necessarily bad because they are well expressed.

As time has passed, the specifics have grown sharper. The CIEC Conference in Paris, from which the misnomer "North/South Dialogue" was coined, marked a

great advance in the technical understanding of how the world's economic system might be modified to produce more equitable results. Indeed, it was a time of high hope. It is now history how those hopes were dashed, and the historians will wrangle through many books in future years apportioning blame amongst the protagonists. In the end, I believe it will be confirmed that the Paris Conference broke on the rock of metropolitan intransigence. The powerful, industrialized countries simply would not agree to changes that would significantly modify the operations of the free market system which make the world a market place dominated by a few large stall-holders.

Since Paris, the dialogue has continued to create a sea of words, mountains of paper and a rising temper of frustration. With a new round of global discussions due to begin in the UN system next year, we must ensure that the "dialogue" facilitates communication between the parties; and must hope that a wider public understands. The NIEO represents increasingly the primary focus of the Non-Aligned Movement and the meeting-ground that unites all members of the Third World. It addresses specifically the following main areas: trade, finance, technology, information, transnational corporations and transfer of resources.

Before we consider briefly the elements involved in each category, it is important to remind ourselves of the essential nature of the Third World economic experience. In the absence of the fundamental changes which are contemplated and from the point of view of the Third World, the development process is like trying to walk up the down escalator. For example, the relationship between sugar and tractors in the system of international exchange is now a classic in the dialogue. But factually, we need to realise that this is far more than a point in advocacy. In 1965, the average price per ton of sugar realised by Jamaica was J$73.7 compared with J$1,536 (c.i.f.) for the Ford 5000 tractor - a ratio of one tractor to 20.84 tons of sugar. In 1979, the Ford 5000 tractor is no longer available. It has been replaced by a new model called the 66,000 which is slightly more powerful but is designed for exactly the same purposes. For 1979, the provisional average price per ton of sugar is J$534 compared with $30,905 for the Ford 66,000 tractor - a ratio of one tractor to 57.87 tons of sugar. In so far as sugar and tractors are concerned, the ratio has moved from 21 to 58 tons of sugar to provide the foreign exchange to bring one tractor into Jamaica.

And lest this might seem to be proof by selected instance drawn from the Jamaican experience, it would be of interest to examine figures published by the International Sugar Organization comparing the export value of manufactured goods with the daily price of sugar in US cents per lb., which is one of the two major indices of the world market price of sugar. And these figures of course show a general international trend. Starting from a base of 100 in 1970, the unit export value of manufactured goods moved to 245 by the first half of 1979. The price of sugar, on the other hand, declined from 3.68 cents a lb. in 1970 to 3.30 in the first half of 1979. Translated in terms of manufactured goods to sugar price ratio, by the second half of 1979 it took 2.7 times as much sugar as it required in 1970 to buy exactly the same amount of manufactured goods.

This is the arithmetic of the down escalator.

These figures speak with shattering eloquence to the question: whose interests

are served by the present system of international exchange?

In the meantime, it might be instructive to glance at Jamaica's recent history as a non-oil producing country. In 1972 when our Government came to office, we looked back at the decade of the 60s, a decade which we must objectively regard as a failure. We had achieved political independence, in a formal sense, but the economic picture had undergone no real transformation - our basic resources, our main productive sectors and our utilities were all owned by foreign transnationals; there were few programmes of social reform so that despite an impressive record of growth of GDP in statistical terms, only a few at the top benefitted - little "trickled down". Indeed we witnessed an extraordinary contradiction which deserves unflagging attention and analysis: unemployment doubled from 12 to 24 per cent in ten years while the growth in GDP averaged nearly 6 per cent per annum. Even the political life was comparatively backward. We had strong democratic institutions such as parliamentary elections, a free press, and the other paraphernalia of a plural democracy. But the level of political education and of consciousness of the people was low, particularly in relation to that most fundamental of Third World challenges: political mobilization for development and structural change.

In the 1970s we were determined to alter all this. We wanted: greater national control of our economic destiny; improvements in the living standards of the poor both through the distributive effects of social reforms and through sustained economic development; and we wanted a genuine deepening of the democratic process.

History has shown that simultaneous achievement of these multiple goals of economic growth, social justice and political freedom is not easy, especially in Third World countries. Nevertheless, we were confident that it should and could be achieved and we were confident that we had the political will, the energy and the determination to succeed. Now in 1979, we look back at the decade of the 70s and recognize that in the pursuit of this objective success has been limited. We have achieved greater national control of our basic resources and key sectors of the economy, but with few exceptions we have not been able to increase their utilization or their returns to us because the markets are in external hands more powerful than ours. In fact, overall production has declined. We have introduced extensive social reforms, but these steps, which have included more equitable distribution of wealth, have meant less than they should because the decline in production has left less to be shared. We have created new structures to deepen the democratic process and raised the level of political consciousness. Meanwhile, the political rivalries of a plural democracy have led to heightened expectations and increasing frustration. This can result in a political reaction and the danger of a reversal of the progressive process. In terms of the heroic aspirations of 1972 the Jamaican drama contains a real element of tragedy. And it gives us little consolation to discover others in similar situations. In fact, the recent report of the World Bank on world development and the prospect for the world's poor during the 1980s might drive the weak to despair.

Yet we cannot give up in the face of the reverses of the decade of the 1970s. Rather, we must intensify the search for solutions.

In this endeavour, it is helpful to understand the world economic crisis which has gathered momentum in the 1970s. But it is a dangerous fallacy to believe

that this crisis, traumatic as it has been, is the cause of the present difficulties of the Third World. We now know that the root cause goes much deeper and is to be found in the harsh reality of the structure of the world economic system and that failure of the collective political will to which we have referred. Indeed, whatever the mistakes made in the course of the Jamaican experience in the 1970s, and there were many, objective analysis demonstrates that the hopes of the people for progressive, simultaneous change in their qualitative and their quantitative experience have been eroded constantly, if now overwhelmed, by the factors at work in the international environment. To add insult to injury, this experience unfolds to an international chorus evoking a picture of social justice, greater equity between nations and the closing of the gap between rich and poor. For two-thirds of mankind, however, the gap is widening; and for one-half of these poverty is absolute.

The ultimate tragedy lies in the fact that this experience is not accidental but structural. Hence, there will be no correspondence between the rhetoric of justice and the experience of the people until the structures have been transformed.

And so to the specifics of the NIEO, beginning with trade. The representatives of Western industrialized countries are never keen to address this problem of metropolitan inflation for manufactured goods by comparison with the historical price stagnation that attaches to commodities. They prefer to deal with the question of fluctuations of price. This preoccupation is, with respect, disingenuous. Everybody agrees that instability of prices for commodities is bad for planning. Equally, the occasional run-away prices that are associated with a commodity like sugar, perhaps once every ten years or so, are an inconvenience to consumers in industrialized countries. Hence, everyone approves of measures designed to create stability in commodity trading. Stability, however, does no more than scratch the surface of the fundamental problem which is adumbrated in the comparisons which I just gave and which tell the story of the creeping disaster of the terms of trade.

Much has been made recently of the agreement, in principle, reached in Geneva on the establishment of a Common Fund. You may, of course, be tempted to chide me with being ungrateful for small mercies. But the mercies are small indeed! If there is to be any attempt to introduce justice, as distinct from stability, into commodity trading, one must deal with the following elements:

- an institution with funds at its disposal which can guarantee floor prices for an adequate range of commodities;
- the capacity to buy and unload stocks of the commodity to keep the prices within an agreed range;
- the capacity to move the price range itself in a manner that maintains a direct relationship with metrolopolitan inflation as it affects capital, manufactured goods and other forms of sophisticated exports from industrialized countries;
- mechanisms that permit the management of a range of commodities as an integrated whole; and, finally
- mechanisms and sources of finance that permit Third World countries to benefit from research into by-products and other means of achieving diversification of their economies upon the foundations of their basic commodity marketing activity.

Finally, there is need for the political will and commitment in a sufficient number of nations to ensure the creation of international commodity associations covering the various items that figure substantially in world trade so that a genuine, alternative system of economic management is created.

The Geneva Agreement accepts the principle of the Common Fund, the need for buffer stocks and the desirability of a stable price range. Any thought of linking the price range to metropolitan inflation has been rejected; the level of finance that can support substantial "second window" operations conducive to diversification has not been forthcoming; and, so far, virtually nothing has happened with respect to the creation of the commodity associations themselves. In short, the UNCTAD understandings do not address the central crises of the Third World and subsequent events cast serious doubt upon the intentions of the industrialized countries with respect to the commodity associations.

This dismal record cannot be excused on the grounds that the Common Fund is a concept conceived in rhetoric and delivered still-born in the world of reality. The economists have demonstrated precisely how a dynamic Common Fund, based on an integrated commodities programme and involving price linkage and second window operations, can work. It is not in effect today only because of the stubborn refusal of the industrialized countries to yield the upper ground of unfair advantage which they now enjoy.

Let us look at protectionism. One can understand the difficulty which an ageing, inefficient industry which, nevertheless, supports families in an industrialized country represents for decision-making. But the policy which protects this industry to the exclusion of the more efficient product of the Third World country is short-sighted in more ways than one.

Firstly, we must consider the international division of labour. If the exports of an expanding Third World economy at, say, the level of garments are given opportunity in the industrialized country they generate growth, development and demand. And what is demanded? Other more sophisticated products that are currently beyond the reach of the Third World country, or, more importantly, more machinery to produce more garments. Who produces these goods? Who produces the machinery? Obviously, the industrialized country. Therefore, the protectionist saves an inefficient industry that has outgrown the capacity to function usefully. This is achieved at the expense of national expansion in fields in which it is currently pre-eminent; and all this to the detriment of a poor country that is struggling to develop. This by itself is an equation of madness. But consider further the industrialized country has, in all probability, superb techniques for protecting those who suffer temporary job dislocation; and it will certainly have the means to retrain and re-equip workers. By contrast, the Third World country is probably mired in massive unemployment; probably cannot afford unemployment insurance; and will most certainly be taxed beyond its limits in the retraining and re-equipping of a skilled work force that represents its one slim hope of survival.

And still we can explore the equation of madness even further. We are told that the citizens of industrialized countries question constantly the relevance or efficacy of overseas aid programmes. Some protest the very existence of these programmes. Yet, the only way in which the pressure for and the burden

of overseas development assistance can be lightened in the future is when more and more can share it. Already, born of a deep common experience of despair, Third World countries are developing an instinct for helping each other where they can. If the international division of labour were allowed to take the course that is dictated by logic and humanity, more and more countries would enter the lists of those who can share the burden of assistance, lightening the load that all must carry.

When one looks at the problem of trade, one is amazed at some of the arguments that are advanced against, say the Common Fund. It is argued by some that favourable prices for commodities would help industrialized countries who enjoy exports in both the sophisticated and the commodity fields. But surely if there is a structured and managed relationship between all the major elements in world trade, everybody's economy is bound to benefit, everybody's capacity to plan must be enhanced. Others say that indexation will add further fuel to the flame of world inflation. But this is a circular argument: for the lower the rate of metropolitan inflation, the lower the indexation which would be required to defend Third World countries against its adverse effects.

Then again, there are those who argue that positive pricing for commodities would lead to disproportionate profits for traders and middlemen. Indeed it might; but only on the assumption that the governments of the exporting countries permitted this to happen. It is not even remotely beyond the wit of man to devise mechanisms which will ensure that the increase in price or an equitable part of it is paid to the producer.

One turns from trade to finance. The main preoccupation of the Bretton Woods System, which was established by the Western industrial nations in 1945, was to prevent a return to the monetary chaos and instability of the 1930s. This underlies the establishment of a key reserve currency - the Dollar backed by gold - the system of free convertibility at fixed exchange rates; and the prohibition of competitive devaluations. Third World countries were, in the main, not represented at the Bretton Woods Conference, nor were their needs, which derived from the structural characteristics of under-development, taken into account. The standard IMF formula for balance of payments deficits - exchange rate devaluation and fiscal and monetary restraint - were devised for mature industrial market economies in which the balance of payments may indeed be responsive to such policies.

Stabilization programmes by the IMF in the Third World have therefore often employed draconian methods with relatively only modest results on the balance of payments, but at great cost in social terms and the arrest of the effort at development and structural change. Moreover, the world monetary system has undergone enormous changes since 1945. I am told that there is an estimated US$900 billion swimming around on the Euro-currency market, which neither the IMF nor the Central Banks of the leading industrial countries are able to monitor, regulate or control. The destabilizing potential of this on monetary conditions - and thereby on trade, investment and overall economic activity - is enormous. I believe that this is one area where <u>all</u> parties - the leading Western industrial nations, the smaller industrial countries, the Third World and the socialist countries - have a mutual interest in effecting reforms to promote order and bring about a more just distribution of world reserves, as

well as support patterns of economic development in the Third World which we ourselves consider appropriate.

The classic prescriptions employed presuppose developed factors of production in place and needing only the stimulus of market opportunity. Often the problem of the Third World country is one stage further back. It needs time to develop the productive capability in the first place. A European farmer may need only a market. A Third World farmer may need training, capital, help from extension services and many other factors before he can significantly lift his production. In short, the Third World country needs more time than a short-term balance of payments stabilization programme, as prescribed by the IMF is designed to accommodate.

In the meantime, I dare to assert that some, at least, of the current crises in the world economy can be traced to foreign exchange starvation in the non-oil-producing Third World. We find that the stringent requirements of the IMF conditionality stand in striking contrast to the inadequacy of the resources at its disposal. Countries such as my own have been through the wringer of the most stringent conditionality, have mobilized their people to accept the sacrifices, and their producers for the battle of production and for export-led growth. All this has been done only to find that the foreign exchange, which is the indispensable oxygen if the process is to succeed, is not available in the quantities which can guarantee success.

The fact is that international financial institutions do not have the resources to carry out their function as the midwives of world development and world economic expansion. Ironically, it is not only the people of a Third World country who suffer when its foreign exchange is exhausted; it is also the exporters of the industrial country who are confronted with declining sales.

If we turn to technology, we find that the price attaching to its transfer, and secured through numerous ingenious devices, is unjustifiably high because the Third World countries simply do not have access to the kind of information they need to bargain effectively. Hence, it is often the case that the economic activity resulting from a transfer of technology sets up a haemorrhage of earnings and foreign exchange that comes near to cancelling the benefit of the undertaking. This issue is critical because there can be no development without adequate and relevant technology.

The broad area of information has another, more insidious aspect. The fact is that the control of technology and of economic power is supported by a comprehensive system of propaganda designed to defend the status quo and to invest it with mythical attributes. Whether intentional or otherwise, the effect of this is to mobilize the people of the industrial world to hold what they have and to protect their advantages with the dedicated tenacity of medieval knights defending hallowed ground. Equally, it is designed to induce uncertainty and maintain inertia in the Third World by suggesting that their claims are directed against a natural order, if not a system of divine right.

And so, finally, to the transnational corporations. There are many aspects to this complex subject. I will comment on one feature. The transnational corporation's primary motive is to appropriate resources as cheaply as possible so as to maximize profits. Third World countries find their non-renewable

resources disappearing as the years pass, often with little to show. Should one Third World country, or two, or three, seek redress, seek a more reasonable share of the wealth that is created by their natural resource, what do we find? They may propose or impose a higher tax than heretofore. They may be able to demonstrate that the tax is a very modest part of the total financial operation that is involved. Transnational corporations in the field then have two choices. They can consult with producers and together work out new levels of taxation that provide a real benefit to all producers in equal measure. This would be principled, rational and just. But which transnational does that? On the contrary, it is more likely that the transnational will move from one host country to another until it can find one that will agree to charge a lower level of tax in return for the promise of increased production. By this means it is able to wind down the production of the countries that dare to claim more and wind up the production of the country that is prepared to accept less. Accordingly, transnational corporations have tended to reduce Third World countries to a situation not unlike that of a pack of dogs snarling around the bone of survival. This is the other side of the coin that is blandly described as maximizing profits through efficiency.

In the last analysis, it is inevitable in an increasingly inter-dependent world that economic activity will involve the simultaneous coordination of factors of production in many different parts of the world. This trend is irreversible. In any event, the trend itself is not the problem. The problem lies in the fact that the present system of ownership and management of transnational corporations puts them beyond the reach of the control of the countries which host their activities - individually and, even more so, collectively. Inevitably, it has led to the development of corporations of vast size and hitherto unimaginable power. The issue is not to seek a return to some simpler period of economic history but, rather, how to devise the means to make their operations subject to international control and accountable to the people as a whole as well as to their shareholders.

This, then, is why we struggle for an international code to govern, it might be better to say restrain, the conduct of transnational corporations. One day I may be led to understand why the Third World countries do not support the concept beyond the stage of the appeal of moral suasion and will not as yet contemplate any system of sanctions such as might enforce the conduct which all agree is desirable.

Among the specifics looms ever larger the question of energy. The industrial countries expect energy to split the Non-Aligned Movement and divide the Third World. They are going to be disappointed. We do not need anyone to tell us that the price of market crude oil which has moved from $3 to $18 a barrel in six years places intolerable strains upon our economies. We begin our analysis with the fact that the oil is not going to last much longer, but the need for energy will increase for as far into the future as we can see. As the same time, oil is the foundation of many of the components of our present civilization; petro-chemicals, plastics, synthetics and the like. Therefore, in a sense, our generation is busily burning away part of the basis of its own civilization.

Hence, oil has become a highly priced commodity and must be diverted increasingly to its alternative uses. At the same time, we know perfectly well that the

OPEC producer sees in the oil at his disposal the single best means to accomplish two vital objectives: the defence of his economy against the ravages of imported inflation, and the economic and social development of his people. He will tell you, rightly, that when the oil is finished it is modern technology that will have to supply the answer to much of the energy needs of future generations. It is the industrialized West that commands this technology and it is the industrialized West which will set the price of it. Therefore, so long as the industrialized countries refuse to agree to create a world economy that is structured in a manner that makes it subject to rational control by governments acting on behalf of their people and in the interests of equitable economic exchange, so long is OPEC bound to act as it now does. The day that we of the Third World who are non-oil-producing see the conrete signs that the industrialized nations are willing to cooperate to achieve structural change and have the capacity to control their own inflation, we will be the first to say to OPEC: come and join the New Order and subject your prices to the equitable considerations which that Order seeks to impose.

In the meantime, we are casualties of a war between giants. We know that it is critical that Western countries should stop squandering the world's oil; we know that the insatiable appetite for oil drives up prices even beyond the intentions of OPEC. Above all, we know what price we pay and what we suffer as a consequence. But we do not believe that we will solve our problem by fighting to hold the price of oil to that of our commodities, joining both in a common paralysis while the exports of the industrialized nations continue to dance their inflationary jig.

In the meantime, even assuming fundamental structural change, it is impossible to speak realistically about closing the gap between rich and poor nations without discussing substantial transfers of resources, at least during the early years of a serious attack upon the problem. If we are to put the world on a basis where equitable results are produced by economic exchange, we must tackle structures. We must create structures which are deliberately designed to produce reasonable opportunities and balanced rewards for countries that are willing to make the effort. But no matter how good the structures we create, we are faced with an immediate and overwhelming problem in the Third World: the problem of under-development in its widest sense. There is a basic shortage of capital, know-how, institutional experience, technology, skilled manpower, supporting social services, education and health, including even basic nutrition.

In terms of development, the backlog to be overtaken is stupendous. However, concealed in this vast problem is an enormous potential waiting to be released. The overriding irony of today's world is that it is so obviously in everybody's interests that this potential be unleashed. The industrialized world has the resources to make a serious start possible. What is needed is a great act of collective imagination, a quantum leap in statesmanship.

I spoke of the irony of the denial of the mutual self-interest that is involved. Concealed within it, however, is an even more baffling contradiction. At the end of the Second World War, the USA looked at a shattered Europe, including an enemy which it had just defeated. A great act of political imagination calling for a quantum leap in statesmanship was required. It was forthcoming in the Marshall Plan. At that time the USA contributed more than 2.7 per cent

of its gross domestic product to overseas aid and has never had a moment of regret arising from this act of enlightened self-interest.

Today, faced with 400 million people on the verge of starvation and more than a billion deeply trapped in poverty, everyone a potential producer and consumer, there is not one industrialized country in the world that is contributing as much as 1.0 per cent of gross national product to overseas assistance. The USA itself has seen its contribution fall from more than 2 per cent to 0.2 per cent.

A proposal in the name of the Non-Aligned Movement is now before the United Nations pointing to the fact that the world is spending $300 billion a year on weapons of destruction. It was proposed, on behalf of the 95 nations who represent the majority of the people of the world, that 10 per cent of this during the next ten years could make a vital difference. An average of $30 billion a year of additional overseas aid for the next ten years could provide the critical life-line to those Third World economies now drowning in debt; the fuel to those with the will but not the means to get started; perhaps even the stimulant to those that are beginning to succumb to despair.

What we need are structures that take care of the future and transfers that enable us to embark on the road that leads to it. Is 10 per cent of a collective exercise in self-cancelling folly and futility too high a price to pay for a world of basic decency and simple opportunity for all of its people?

We often ask ourselves why, why will the industrialized West not join us in a serious assault upon all these problems? Sometimes we are told that the problem is to be found within the decision-making processes and consumer proclivities of the industrial democracies. We do not doubt that there is a substantial element of truth in this. Plural democracy is not designed for serious popular discussion except, perhaps, in times of crisis. It is in the nature of the competitive processes that the system generates that people tend increasingly to view life in the shortest possible perspective because it is tomorrow's benefit that is most easily promised. In the political horizons of plural democracy, even the day after tomorrow can be made to seem remote through the glamour of today's advertising. So we can see that the voter in this system is not easy to persuade to a longer view of the world's prospects; nor to an awareness of the connection between his fate and that of the world outside. The system does not challenge him to that kind of perspective.

So much by way of explanation. But an explanation is not an answer. At some point of time those who lead industrial democracies must ask themselves the question: how long do they think they can defend a citadel if its walls separate the privileged from the deprived? And here I do not speak threateningly but, rather, almost sadly from within the perspective of history. I believe, however, that there is a more important explanation with the truth suspended somewhere between and including the two. I come back to that interlocking complex of transnational corporations and financial institutions with which I began the analysis and which are the legacy of the explicit political phase of imperialism. This has become a new government of the world. But it is a government with a difference. It is not responsive to popular control. It is not accountable to any set of people who have the capacity to articulate a sustained point of view about its operations. The system has shareholders, it is true, but in the nature of things the shareholder is accountable to no

one and nothing except his own expectation of return. Furthermore, the shareholder group is not co-terminus with the people but, rather, represents an advantaged enclave. Consequently, the system is run by a cadre of executives and technocrats who I dare to suggest are less accountable than almost any power group in the history of mankind.

In the last analysis, I believe that it is not so much the electorates with which the leadership of the industrial democracies cannot contend, bur rather, I believe the problem is to be found in a supra-national, non-accountable governance of economic technocrats that is virtually beyond the reach of the political process.

Where, then, do we go from here? Where the industrial democracies are concerned, the answer depends on the view that they take of the future in so far as it can be deduced through analysis of the present. It is an increasingly inter-dependent world and some seem to feel that the mere statement of that fact is enough to guarantee that all the world's inhabitants will gallop off in hot pursuit of a uniformly defined goal of equity. This, however, is naïve. The slave and slave-master were inter-dependent, as were the feudal baron and his serf. Yet the slave-master and the feudal baron eventually lost their lion's share of the product of their inter-dependent relationships because the relationship itself was not equitable.

In the end, the question that has to be posed in the industrial democracies is whether they continue to insist upon the lion's share of the world's product in spite of the fact that the world is inter-dependent. If they continue to choose that path, they will find that the contradictions that already exist within the present arrangements, largely as a consequence of its lack of equity, will grow and multiply. We cannot say precisely how the outcome will be achieved, but we can be sure that the outcome itself will be unpleasant. On the other hand, the industrial democracies can choose to bring themselves to see that inequity within an inter-dependent world is itself a contradiction which can be resolved by a common determination to remove its cause. This can lead to a future that is more secure politically for everyone because there is a more ample world economy which is more widely and more reasonably shared.

In the meantime, it is not for me to speculate on either the choice that is likely to be made or the means by which a constructive alternative to the present futility might be pursued. Time will tell.

And what of the Third World itself? The Non-Aligned Movement and the Group of 77 have to view the future in terms of both a political and an economic perspective and must understand that their prospects will be enhanced to the extent that each perspective reinforces the other. The Third World must, first of all, find an answer to the negotiating problems that are created by its numbers and the diversity of its interests. With more than 100 nations now classified and identifying themselves as Third World, it is an intimidating prospect. But it is not beyond us to find answers through the identification of the main streams of interest, regionally and sectorally, within the Group. The problem should not be approached from the point of view of the numbers, but rather, the other way around, from the point of view of commonality. But the kind of analysis which can identify the factors that are common to the interests of a large and diverse group presupposes a high degree of political

unity; and unity presupposes, in turn, a high degree of consciousness, which in turn must be the source of the necessary political will. It is here, again, that we see the Non-Aligned Movement as critical to the outcome. Assuming increased political consciousness, will, and hence, unity, one must enquire: to what should these energies be directed?

Firstly, the negotiations have to be pursued with increasing determination and precision. This much is obvious. Less obvious is a more important requirement. The Third World has to begin to alter the balance of economic power in the world through greater self-reliance within and as between its national territories.

Economic cooperation among developing countries, ECDC, as it is called, can take many forms. The sources of energy is one area that can be married to the raw material of another in response to a market somewhere else again. More simply, patterns of trade can be redirected. ECDC invites, indeed commands, attention to the development of commodity associations with the capacity to mobilize, demand and negotiate more equitable terms. But if this is to happen it must be preceded by a common political determination. To the extent that ECDC succeeds, we can expect political will to be reinforced, cooperation justified and unity heightened. Above all it is through this process that the Third World will command more respectful attention from the industrial democracies, not in response to any voice of conscience, however eloquent, but in recognition that an alternative system is being created. It may be that the extent to which the industrial democracies begin to examine their constructive, alternative choice will not be determined so much within their political processes as within those of the Third World itself.

In the last analysis, the challenge is threefold: to the Third World, it consists of collective self-reliance and internal social justice; to the industrialized world, it is the substantial transfer of resources that sets us all in motion; to the whole world, it is the new structures that will keep us in motion because we will all share in the fruits of our labours.

Material abundance is not the sole purpose of human existence; but poverty defeats all other possibilities. Hence poverty is both the ultimate affront to conscience and a certain guarantee of instability. Surely, the supreme challenge of our times is to work together to eliminate it from human experience.

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INTERACTIONS

WARC-1979: EQUITY IN ETHER

by Chakravarthi Raghavan*/

In a decade marked by stalemate and failures in North-South negotiations, the World Administrative Radio Conference (WARC-79)(Geneva, 24 September to 5 December 1979) proved an exception.

WARC meetings like this are held in the International Telecommunications Union (ITU) once in twenty years, and are major events in international communications, setting the rules for the exploitation of the electromagnetic spectrum - the limited natural resource of man.

WARC-79 laid the foundations for a new global communications infrastructure that will boost the Third World drive for a new world information and communications order. WARC-79 was remarkable both in what it achieved and what it prevented. Among other things, it decided that Technology is for Man and Man is not for Technology.

The ITU traces its origins to the 1865 Paris agreement of the European telegraph administrations and its basic philosophy is rooted in the 19th century when the European powers roamed the world, planted their flags, claimed the territories and acquired and enjoyed rights unless dislodged by force by another European power. In regulating the use of the electromagnetic spectrum, the ITU functions on the so-called "first-come-first-served" principle. Whichever country claims first use of a particular frequency and registers its use with the ITU's International Frequency Registration Board (IFRB) gets recognition and "protection" from interference. Other users will not be registered and cannot use the frequency unless they first satisfy the original user that there will be no interference with his rights.

The net effect of this doctrine has been that most of the available frequencies for particular uses or services - whether radio broadcasting or communications (telephone or telegraph) - have been claimed by the industrialized countries of the North and twenty percent of the world's population has established users' rights on eighty percent of the spectrum, and the shortwave band is pretty overcrowded.

Even in the new technology of satellite communications, despite the ITU's affirmation that the geostationary orbit is a limited natural resource and all countries have equitable rights of access, in practice the first-come-first-served principle has prevailed. The USA and USSR and their NATO and Warsaw Pact allies have monopolized the use of these facilities.

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WARC-79 was the first meeting of its kind after the virtual completion of the post-war decolonization. The Third World sought at WARC-79 to reverse the processes under which the North has taken over the global communications infrastructure. Not unnaturally, it found itself ranged against the North (both the East and the West) and was forced to do some hard fighting to establish its rights. It was a measure of the good sense of the participants, and their realization that despite their sophisticated technologies even the most powerful cannot communicate (without interference) unless others voluntarily recognise their rights, that ultimately the decisions at WARC-79 were more or less unanimous.

Undoubtedly, the major achievement of WARC-79 was the series of special World Administration Radio Conferences for specified subjects scheduled for the 1980s. Among these must be mentioned the WARC planning conference for shortwave or high frequency radio broadcasts in the 5-27 mhz range (1 hertz is one cycle per second; 1 khz is 1000 hertz; 1 mhz is 1000 khz; and 1 ghz is 1000 mhz) and the WARC planning conference for various services using geostationary orbit satellites. These were proposals tabled by India and Iraq, and involve breaching the first-come-first-served principle and its replacement or modification by the principles of equity and needs.

The shortwave broadcast conference, to be held before 1983 in two sessions, will plan use of the frequencies assigned for radio broadcasts (either alone or sharing with other services). The needs of each country for national broadcasting, the maximum number of frequencies to be used for broadcast of the same programme to the same centre, and the technical factors relevant to these are to be some of the considerations on which the planning and assignment of frequencies is to be done.

The planning is to be based on the existing technology of double side band (DSB) emissions in amplitude modulation (AM) used in long through medium to short-wave broadcasting. While consideration will also be given to the single side band (SSB) system and its progressive introduction, this will be without impairing the dsb usage.

In SSB transmission, the spacing between stations can be reduced, doubling the number of spaces available on a band for different broadcasters. To avoid planning, and ease the pressure on them to give up some of the frequencies, the West argued for the new SSB technology to be introduced over a period of time, say ten years. For the changeover, all radio receivers have to be equipped to receive SSB emissions and must have fine tuning arrangements and this will increase the cost of receivers. Changeover to the new technology also means a new dependency on the North and a bonanza of tens of billions of dollars to the Northern electronics industry.

The Third World is already poorly covered by radio, the only means of mass information for their peoples. Of the estimated ten billion wireless receivers in the world, only 160 million are located in the Third World - 80 receivers for 1,000 inhabitants compared to the 676 per 1,000 inhabitants in the industrialized countries. The choice before the Third World countries was quite simple. Should they use their scarce existing resources (improving available technology to make it cheaper) to expand coverage, or should they

opt for the new SSB technology, spending scarce resources on new transmitters and new radio receivers merely to keep up existing coverage. The Third World wisely opted for 'appropriate technology' and decided to stick to DSB emissions.

The satellite planning conference, to be held not later than 1984 in two sessions, has the primary objective of ensuring equity of access to all. It will decide which of the specialized services using geostationary orbit satellites - fixed point communications, broadcasting, mobile, maritime, aeromobile, radio location (radar), meteorology, earth scanning, etc. - need to be planned, and frequencies and orbits assigned to countries on the basis of needs, and which services equity assured through better regulatory mechanisms.

India was the prime mover behind the planning concept. When it decided a couple of years ago to use geostationary orbit satellites for domestic communications and TV broadcasts (after the successful SITE experiments), it was already a latecomer. India was the second Third World country to opt for this, Indonesia having already launched on satellite communications for better links with its far-flung islands. The USA and the USSR had a large number of civil, commercial and military satellites already in place, and under the first-come-first-served principle, had prior rights both for parking spots for their satellites and the frequencies and power used by them.

India 'discovered' in the process of 'coordinating' its plans with existing users that 'new entrants' have to pay a heavy price and existing users show little spirit of accommodation. The Indian satellite, due to be in operation in 1981, cannot be placed in the ideal location to cover India. Also, the Indian satellite will be unable to use 25 per cent of the capacity of its transponders, reducing both the number of channels available for telephone or telegraph communications and the power with which the signals will be bounced back to the earth. The latter means more money on the ground stations to receive the somewhat weaker signals and boost them up. Learning from its experience, India has been advocating the concept of planning and assignment, both of orbit parking space and frequencies, to countries or groups of countries on the basis of their needs. The planning idea was accepted in a limited way for satellite TV broadcasts and orbits and 'downlink' broadcast frequencies have been assigned in Asia, Africa and Europe (both East and West) and a planning exercise is due in the Western Hemisphere.

India and Iraq tabled separate proposals for convening WARC planning conferences for geostationary satellites. The Indian proposal was limited to planning some of the frequencies in the GHZ band used for fixed point satellite communications. Iraq tabled a somewhat more far-reaching proposal - calling for planning and assignment of all geostationary orbit satellites and all services using such facilities. Afghanistan tabled a proposal identical to that of India. The Indian and Iraqi proposals attracted considerable support from Third World countries and China.

The USA and other industrialized countries tried various ways to block the move. The claim of the equatorial states (Colombia, Ecuador, Zaire, Kenya, etc.) who have staked claims of sovereignty on the orbital space over their territories, and who argue that anyone 'parking' their satellites in their orbital space must get their permission (and pay them for it) - a claim

rejected by the USA and the USSR and the North - was sought to be used to divide the South. The claim is one that WARC-79 could not have decided; only the UN can recognize or reject the claims. However, the Third World got over the trouble through a formulation that would not foreclose the issue of claims, and a modified Indian-Iraqi proposal for the planning conferences was adopted. After its adoption by a majority vote in the committee stage, the USA had threatened to withhold assent to the Final Act and enter reservations. But this threat, that usually works in other UN fora, did not work in WARC-79. As several Third World countries pointed out privately, if the USA walked out of the ITU, it would be the loser - there was nothing to prevent Cuba or any country to register its claim to the frequencies used by the USA and claim 'rights' under the first-come-first-served principle. Anyhow, better sense prevailed and the USA at the final plenary, while sticking to its position, has promised to cooperate.

The Third World made some gains in other areas too:

a) The need for Third World countries to use short-wave radio for fixed point communications, within and with other countries, was recognized and preserved. Radio is not the most efficient method of communication, but is still the cheapest. Also, procedures are to be evolved to help Third World countries to obtain frequencies for their use. At present, many industrialized countries - though no longer using radio communication, have clung to their rights. The idea is to evolve procedures to enable individual countries to give up such frequencies, except for secondary or standby use, and assign the released frequencies for primary use for communication by Third World countries.

b) The frequencies in the bands below 10 ghz (used for satellite communications) were virtually doubled to enable the Third World to use satellite communciations between fixed points. Allocated at WARC-59 for various uses, including this, these bands have been more or less appropriated by the super powers for their global military uses. They have been 'persuaded' to give up some of the frequencies or 'coordinate' their use with Third World countries wanting to use them for fixed point communications.

c) The need of the Third World for 'uplinks' for satellite TV broadcast was partially met. Downlink frequencies, from satellites to earth, have already been allocated in Region 1 (West and East Europe, including the USSR, and Africa) and Region 3 (Asia, Japan, Australia, New Zealand and the Pacific Islands) at planning conferences in the 1970s. Region 2 (the Western Hemisphere) will go through this exercise early in the 1980s. But to be operational, the frequencies for 'uplinks', i.e. for sending signals from the ground to the satellite (where it is processed into the downlink frequency and beamed down with augmented power) had to be assigned. The Third World had sought reservation of the entire 14-15 ghz band for this purpose. The USA and USSR, who use the bands for military purposes, resisted this. The USA suggested use of the 17 ghz band. While some Latin Americans, Australia and New Zealand accepted this, the majority of Afro-Asians and other Latin Americans rejected this. Firstly, the technology in this frequency is yet to be developed. Secondly, on this band in the tropics during the Monsoons the signals get attenuated. After a bitter fight, the 14.5 to 14.8 ghz band was reserved for 'uplinks'. The 300 mhz of frequencies would be sufficient to cover Asian needs but not African. The West Europeans would not agree to give up another

200 mhz below 14.5 for primary TV uplinks, merely agreeing to secondary use. The Africans, against the advice of some of the Asians like Iraq and India, had agreed to the compromise at the instance of West Europeans, but later realising their problems tried to reopen the issue in the plenary (in the last week when several delegates had already left) and lost the battle in a secret ballot.

d) The frequency band 322 to 328.6 mhz was allocated on a primary basis for the use of radio astronomy for important deep space observations, including:

- the search for the deuterium spectral line at 327.4 mhz, important for theories of origin and evolution of the universe and matter and anti-matter theories of importance to energy;
- survey of the puzzling variable radio sources at meter wavelengths;
- search for pulsars;
- inter-planetary scintillation observations that will provide a reliable early warning system for geomagnetic storms
- very long base line interferometer observations of galactic and extra-galactic sources of radio observations.

Radio astronomers around the world had been pressing for this, but telecommunication administrators in the North gave a low priority to this. Third World countries took up the case and pushed it through. India has a giant radio-telescope for such observations at Ooty Hills in Southwest India, and is already doing some work in coordination with an observatory in Nigeria. Under Unesco auspices, the biggest radio-telescope is being set up in Kenya as a TCDC project and, perhaps in coordination with another in Indonesia, will undertake equatorial observations.

The success of the Third World, especially in regard to the planning conferences, is only a victory in initial skirmishes and this is no time to rest on oars. Credit for what has been achieved so far must go to the group of Non-Aligned countries who have been preparing for WARC-79 and coordinating their work; Cameroon is the coordinator. The Afro-Asians, and especially India, Iraq and Algeria among them, had done a great deal of preparatory technical work. However, much more remains to be done if the momentum of initial success is to be maintained and consolidated at the planning conferences. The weakness of the 'coordinating mechanism' of the Non-Aligned, and the problems caused by the absence of a technical support or secretariat, was evident at WARC-79. It is difficult for individual countries, especially when their own immediate national interests are not involved, to antagonise or match the lobbying efforts (at the conference and in the capitals) of the super-powers. This issue must be immediately examined by the Non-Aligned countries. No single country can provide the national expertise to be able to 'coordinate' and prepare the Non-Aligned before and during the planning conferences and the plenipotentiary conference. Between now and the time of the planning conferences, the industrialized countries will not sit quiet. They will take pre-emptive measures to grab more so that they will have to give up less later. The Third World must guard against this. At the 1982 plenipotentiary meeting, the Third World must re-write the ITU regulations and revamp the machinery of the IFRB and its discretionary powers of interpretation.

Even more, other wings of the Third World governments must work in parallel to take advantage of the communications infrastructure to evolve a new order, and have in place the necessary software and other inputs to make use of the infrastructures. This alone can ensure democratization of communication and usher in democratic relations, among nations and within nations, for a new order to emerge.

SELF-SUFFICIENCY : SELF-RELIANCE

(A GOAL PROPOSAL FOR THE THIRD WORLD GROUP, ECOROPA)

by Sigmund Kvaløy

The overriding political goal for European nations and for other nations should today be posed as that of ecological and social balance, i.e. societies where human beings live in peace with nature and in peace with themselves - individually and collectively (which is not meant here as a state of lacking antagonisms, but the ability to resolve antagonisms before they get out of hand). We will here argue that societies of this kind are societies based on high levels of self-sufficiency and self-reliance, and further that these are qualities presupposing a population of creative and socially active individuals and groups. Self-sufficiency and self-reliance will thus be part of the goal. In saying this we are in disagreement with a number of participants in the contemporary political debate, who regard self-sufficiency and self-reliance only as means towards the goal of strengthening the independence of nations in relation to external economic and political forces. To us, independence of this nature is only a means towards the end of ecological and social balance, which again means self-sufficiency and self-reliance as we will define it below.

Self-reliance is something different from and more than self-sufficiency

I will here claim that it is useful for us to differentiate between two concepts: "self-sufficiency" and "self-reliance", if these are defined in a certain way - a way that, incidentially, is in-keeping with one of the traditional (Nordic, at least) uses of the terms. If "self-reliance" is defined in the way intended, it can be shown that (1) it denotes a quality that must influence all levels of social life, if it is balance that we seek; (2) one cannot simultaneously work for self-reliance and specialized division of labour; and (3) self-reliance contributes decisively towards meaning in human life.

To clarify the content of the two concepts, let me start out by saying that self-sufficiency is thought of as a measure of the quantity of materials, energy, and tools that are available to a certain social unit within its own

*/ Based on discussions in the Ecophilosophy Group of the Ring of Ecopolitical Cooperation, and in the Ecophilosophy working session at the International Congress for Human Ecology, Vienna, 1978.

territory at a certain point in time. Self-sufficiency is measurable in quantitative terms, but only in relation to specific items within the total economic field. In such cases, we can speak about the "degree of self-sufficiency" in those specified items. A society's total self-sufficiency can only be spoken about in loose, uncertain terms. Judgements here, of the "educated guess" kind, are often useful and needed, however.

Self-reliance, on the other hand, is thought of as having to do with a social unit's ability to continue its existence in the face of changing circumstances, i.e. when its traditional economic system breaks up. It has to do with the ability of individuals and groups to use and distribute the available resources efficiently and sometimes in radically new ways so that safe existence is guarded with no specific time limit. Resourcefulness is here a term that may profitably be used together with self-reliance. We have to do with readiness to meet new demands, - a potentiality that may be of wide or narrow range within a society. In other words, we have here something that cannot be readily observed, and not at all quantified. It can only meaningfully be described in qualitative terms - sometimes, however, illustrated by quantitatively treated examples - by people with a wide experience regarding the society in question.

An ecopolitical demarcation

To define the two terms in this manner may serve as a useful contribution towards clarifying a difference between ecopolitics and traditional politics in the contemporary debate. On the one hand we have those who, more or less consciously, think that our European communities and nations can continue to function on the same technological basis as today, even in a situation characterized by a great deficiency in all the main traditional resources. On the other hand, we have the growing number of those who have lost this confidence. The political recommendations of the first group take for granted that our societies also in the future must have an economy dependent upon centralized, energy-demanding production and a centralized control network. In the latter group we find those who claim that we will tackle future problems only if our peoples have gone through an effective preparation for tasks quite different from those they are commonly engaged in today, and if they are prepared to function within a new, decentralized social structure, where each individual and each local group can handle a variety of problems through means largely their own.

In the first case we may conceive of a situation where the administrative unit and area in question possesses a sufficient quantity of food, materials, in other words, the degree of self-sufficiency may be satisfactory in all the various vital areas. But society's ability to survive strongly altered economic, ecological, and political conditions is not only dependent upon these factors; machinery does not run itself, human beings are required. There must also be someone to reolace existing machines when they are worn down, to utilize a different source of energy when the original one is no longer available, e.g. to keep up an efficient production and distribution of food, etc. In other words, the individual, the social system, and the cultural tradition are all decisive as regards a society's survival potential in crisis. High self-reliance and resourcefulness are dependent upon all these factors.

The ecopolitical demarcation line between the two views may be expressed through the following catch-phrase: a nation may have 100% self-sufficiency within its own region, while that same nation's quality of self-reliance is disastrously poor. After the several years we have now had of debate on the relationship between "alternative technologies" and "alternative energy sources" on the one hand, and social balance on the other, I think that we have arrived at a point where we should pose this dictum as basic to an ecopolitics worth the name. In that combined economic, political, social and ecological crisis that we see growing from one day to the next, and which probably inaugurates the final breakdown of industrial growth society, it will be the quality of self-reliance that will decide whether we will be able to live through the great transition ahead with some measure of control in human hands, or whether we will be swept off our feet in a situation of total turmoil.

An example

The relationship sketched above may be made clearer through an example. Let us think of a nation with the following characteristics: the great majority of the people are specialists within narrow job tasks, in other words, there is a high degree of specialized division of labour within the society. Most of these citizens are dependent upon getting their work activity defined from higher up in the social control structure. Very many of them have a strong urge towards enjoying resource-demanding outdoor - and indoor - leisure activity to compensate for stressing, meaningless types of work. The production of vital consumer necessities takes place only in large units in a few centres throughout the country. The large, electrically transmitted energy flows can be tapped primarily only at certain, technologically highly complecated terminals spaced at great distances. The distribution of resources is dependent upon dense and intermittent flows of automobiles, jet planes, hydrofoil boats, etc. Vital economic and social information is stored in databanks and is retrivable only through electronic networks of a high order of complication. Finally, this nation's economy is as a whole built up through adaptations to the Euro-American macro-economy.

Let us then imagine that this last-mentioned marcro-economic integration breaks down. The export- and import-based industries of our example nation grind to a halt; half or more of the working population loose their jobs; the economic basis for social relief money fades away, likewise the basis for keeping the road-, air- and sea-going traffic running; the large computers and data banks cannot fulfill their functions because their largest customers have gone bankrupt. Employees in the information and service institutions lack the knowledge, infrastructure, and physical means demanded by this totally new situation to keep up their social functions. Soon they as well as a host of other groups of citizens, especially city dwellers, do not get enough food and also lack other vital replenishments.

In this kind of situation it will not help the nation much if it has sufficient quantities within its own territory and for years to come of mineral resources, electric energy, farm land, modern factories, machinery for farming and forestry, etc. All the same, it will suffer a severe crisis in the production and distribution of vital goods and services and be thrown headlong into a period of acute social and political chaos, probably ending

up with some sort of dictatorial regime; all this because the ability to utilize and distribute the resources in radically new ways is totally lacking. The situation will be aggravated if our example nation is also one where the dynamics of social and economic life are based upon individual competition, since in that case the citizens will lack the training for loyal cooperation - a quality that will be in extreme demand in the new situation.

Balanced flexibility requires self-reliance on all social levels

If we are to avoid the worst, self-reliance must have been built up before the total shift in outward conditions sets in, and it must function on all levels of society, from the national level, through the district and community levels and down to the group and the single individual. If the individual lacks self-reliance and resourcefulness, we will not get these qualities on the other levels either. Self-reliance and resourcefulness in the group will, however, be functional only if the individuals possess the ability to pool their experience and creativity in a loyal manner. In other words, the individual must have both belief in himself and the ability to trust in others and to forget himself as a contributor to the common effort. It is old psychological wisdom, shared by all cultures[1/], that these qualities are interdependent. How they can be made to flower in our present situation is, however, the great problem we are faced with. Age-long experience gives us a strong indication that once withered, these qualities are not quickly recreated, and that the main catalyst for such recreation is material necessity. Our hope is that this necessity will make itself felt by gradual stages, to give us time to prepare, and not come as a massive and quick chain reaction.

Ideally, a level of self-reliance that is tough and resilient enough to cope with a "total systems shift", will only be present if those in question previously, on a sustained basis, have had the opportunity to prove to themselves that they can master a great variety of complex challenges without the assistance of ready-made technical devices, guidance from outside specialists, directives from superiors, etc.

In a social and economic structure that demands this kind of complex training from its human participants, two things are achieved simultaneously: on the one hand there is a build-up of such experience, knowledge, and quick resourcefulness that is required in a situation where outside help fails. On the other hand, we have the psychological effect in terms of individuals and groups gaining that level of belief and trust in themselves that keeps paralysis and panic away and ensures a high level of continued creativity in face of the unprecedented. A person without inner tranquility or a group without confidence in cooperative effort are always infertile as regards new solutions.

1/ Cf. Central norms within the great religio-ethical systems of both the agriculture- and urban-based civilizations, as well as of the hunting peoples. They are only given different expressions.

Self-reliance and meaning in human life

A final important point is that a social structure and a type of work that builds up self-reliance in the population also constitutes a basis for a meaningful human existence - whether there is a crisis or not. This is made clear - among other things - through the fact that in a self-reliant society there is a direct and readily understandable relationship between the effort of the individual and its utility for the society as a whole. In contrast to our present-day societies, there will, in a well-functioning society of high self-reliance, be a relationship of consistency between the goals and norms of the individual and those that govern his society as a whole. The collective and the individual effort are both in the same direction.

Self-reliance and the Third World

If we pose a self-reliant society - as defined here - as a central goal to strive for, then we and the crisis-ridden nations in the Third World may come together with that as a common basis for our efforts. They are to work themselves up from a position of under-sufficiency in material necessities, while we have to work ourselves down from a position of over-sufficiency. Both they and we have lost the quality of self-reliance. Actually, not only they, but we also, have lost our economic and political independence, even though it is primarily we - through our colonial and industrial activities - who have been instrumental in this process. Both of us have to regain self-reliance and independence.

Technology, economy, and social organization, shaped according to the requirements of self-reliance and based on one's own cultural roots, offers a better foundation for reciprocal aid and cooperation on equal footing between us and the Third World than what we have seen so far. Cooperation on this basis will make our European efforts towards the Third World more trustworthy than in the past. With self-reliance as an effective goal, we would have a situation where the development of "soft", "appropriate" technology could lose the appearance of primarily being something that our engineers are pursuing for utilization in the Third World, and instead be pointed to as something that we honestly are adopting to our own economies - because we have to. On the other hand, projects in this direction would make it clear to ourselves and anybody that we have much to learn from self-reliance traditions in the Third World and from new developments on that basis that some of the Third World nations are attempting today - because they have to.

A cooperation of this nature could simultaneously help both us and they towards independence from the Euro-American industrial growth powers, and in that way give us more momentum in our efforts to remove the causes of socio-ecological crisis in the contemporary world.

MANAGING THE TRANSFER OF TECHNOLOGY BETWEEN THIRD WORLD COUNTRIES: A PROPOSAL FOR MAXIMIZING FAVOURABLE IMPACTS[1/]

by Alberto Aráoz[2/]

Introduction

Third World countries are net receivers of technology, which is transmitted to them in a variety of ways. We are here concerned with the transfer of technology that takes place between a supplier organization in one country and a receiving organization (client, user) in another, particularly when this involves a commercial transaction.

Operations of this type are very important from the point of view of economic development since they constitute the principal modality of technology transfer for the dynamic branches of industry and infrastructures, and involve significant payments by the Third World countries, mostly to suppliers in the industrialized countries. The way such operations are carried out has recently come under scrutiny as a "Code of Conduct" is now being discussed within UNCTAD to suppress features that have been shown to be undesirable.

This paper argues that technology transfer among Third World countries themselves should be promoted and that the operations that make it up should be endowed with certain positive features that maximize their favourable impacts, in a true spirit of "technical cooperation among developing countries". It is proposed that guidelines should be developed for this purpose, and that special incentives should be given to operations that follow them.

Technology transfer operations as a form of technical among developing countries

In general, technical cooperation among developing countries (TCDC) has been taken to be the flow of scientific and technical knowledge which is established on the basis of agreements between governments, or between the latter and multilateral organizations, which is programmed by them, and takes place through them. This conception leaves aside the cooperation that might be established between producers of goods and services of different countries, through interactions and operations that are concerted directly, without the participation of governmental or international offices. We suggest that one of the most important prospects for TCDC resides in these operations and that their promotion and orientation should be a major part of any programme that intends to promote TCDC.

The greater part of the knowledge transmitted between countries is transferred through commercial channels, on establishing flows of knowledge by contractual agreements between supplier and user. These transactions are usually considered within the sphere of international trade, and are referred to as

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1/ This proposal was submitted to the General Assembly of the World Federation of Engineering Organizations (Jakarta, November 1979). It was hoped that a Resolution would be adopted as an important step in the search for technical progress and the collective self-reliance of Third World countries.

2/ CISEA, H. Irigoyen 1156, Buenos Aires, Argentina.

"commerce of technology". They comprise the transmission of technical knowledge proper (know-how), and of the services needed to apply it (consulting, engineering and other); often such elements are integrated into a "package" of varying complexity.

The volume of such transactions is very large. Technology imports by less developed countries in 1978 are of the order of $ 8 billion[1/] and originate principally in industrial countries; probably not more than 200 million come from other Third World countries.

The question that may be asked is whether a significant part of this large flow of knowledge may be diverted so that it originates in other Third World countries. The information on hand, though disperse and incomplete, would indicate that this is possible. A reasonable goal is that the flows of technological assets and services between Third World countries should reach some 20% of the total. This would represent about $1.6 billion at the 1978 rates. It is interesting to notice that this figure is similar to that which could be estimated as the total amount of TCDC through traditional channels.[2/]

Technology commerce operations are not usually considered within the problem area of technical cooperation. This position is probably logical when the transactions are North-South. But when they take place among Third World countries, such operations should be included within the framework of technical cooperation among developing countries, together with other actions of a non-commercial character. There are several reasons for this. Commercial transactions of knowledge among Third World countries are not different in their nature from the activities that are proper to "traditional" TCDC, since both transfer knowledge. They are activities where a true cooperation may take place, with effects both in the short and the long run, particularly in the industrial sector. They can be carried out with a high degree of efficiency on account of their commercial character, and are not subjected to the limitations imposed by the operative capacity of a national or international bureaucracy. Nor do they need the allocation of special resources since the purchase of knowledge would be made anyhow, so that they may reach a high volume if adequate policies are applied to promote the substitution of Third World suppliers for industrial country suppliers. On multiplying the source of initiative, a "bottom-upwards" component would be introduced into TCDC which would orient it according to the needs and interests of suppliers and users rather than to the political expression of governments or the passing fashions adopted by bureaucrats.

Obtaining full benefits from technology transfer between Third World countries

A high volume of transactions of technology among Third World countries may benefit them greatly, particularly if the operations are endowed with certain characteristics that will allow them to produce maximum favourable impacts.

1/ UNCTAD estimated $9 billion in 1980 (see TD/B/AC.11/10, para.100)

2/ A report of the Preparatory Committee of the UN TCDC Conference (A/CONF. 79/3) puts the total amount of technical cooperation at somewhat over $3 billion. We may estimate with optimism that one third of it could be oriented towards TCDC programmes, and that additional TCDC funds of $500

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From the point of view of the supplier's country, the opening of external markets for its technological assets and services may become an important stimulus for the mobilization of the domestic innovative and engineering potential. This will be reflected in terms of an increase in technological self-reliance, in addition to whatever income accrues on account of the export operations performed.

The recipient country may benefit in several ways. First, through lower costs, and the probability of much weaker links of dependence, compared to the present situation in which technology is predominantly imported from industrialized countries. Second, through the possibility of obtaining more appropriate technologies for local conditions: a large part of the technologies needed by Third World countries are already used and mastered by other Third World countries, and the "technology gap" between Third World and industrialized countries as a whole is significant only in certain areas and branches, mainly of the "science-based" type. Adaptive efforts, innovations and cumulative production experience have produced "appropriate" technical solutions in many fields. Such solutions constitute "technological assets" that in many cases are implicit in existing plant and operating practices. To transfer such technological assets it is necessary to make them explicit, i.e. to derive a "conceptual engineering" from existing practice. This needs technical efforts of the "reverse engineering" type which may be forthcoming if there is a market for such technological assets. With the "conceptual engineering" in hand, a proposal may be prepared incorporating the "basic engineering" of a project that fits the client's needs and contemplates the local conditions under which he operates.

The advantages we have mentioned so far come out of replacing the usual technology supplying countries, the industrialized countries, by Third World countries, in normal operations of technology transfer. But it is possible to go much further, since the latter countries may transfer, together with specific technological assets they sell and the services they render, a very useful expertise: their own practical experience as technology receivers.

Operations of technology transfer between Third World countries may be conducted in such a way as to maximize social benefits and favour self-reliance in the recipient country. This would require that the aim of the operation should not merely be to "get the job done", but that efforts should be applied to produce favourable impacts on social and economic development beyond the confines of the project. The principal aspects are that human, physical and technological resources of local origin should be more fully utilized and that the supplier should help the user to assimilate the knowledge received and undergo a genuine learning process.

To accomplish this, the operations should incorporate features such as the following:

a) A basic premise is that technological assets and services provided by another country should be considered not as a substitute for those produced locally but as a complement to them. Hence a TCDC policy should help develop local scientific and technological capabilities in the recipient country.

./.. million could be generated, so that the total amount available to TCDC through traditional channels would reach $1.5 billion.

b) For this, a local consulting and engineering organization should always be involved, and in fact the proper thing to do is to give the local organization the status of "prime contractor" and let it look for collaboration outside, if needed.

c) The outside organization should prepare and carry out a training programme for personnel of the local organization, so that the latter may fully use the opportunity to absorb the various elements of knowledge relating both to the technology of the investment project and to the technology of consulting and engineering activity.

d) The outside organization should not provide a "package" of technological assets and services but should instead supply only those individual technological elements that cannot be obtained locally, as determined jointly with the local organization. This would mean in practice the full use of technological assets and services that may be locally procured, if their quality, cost and delivery dates are reasonable.

e) The outside organization, jointly with the local organization, should cooperate with producers of technological inputs to improve their activities and train their personnel, and should elicit the production of technological assets and services by identifying possible sources and providing the necessary assistance if there is a good chance of success. This is particularly important in the case of research institutes and university departments.

f) Turnkey projects should not be contracted unless this is the only way to implement a certain investment. There should be a disaggregation of the project at the preinvestment stage so that local inputs (civil engineering work, erection work, materials and equipment) may be fully used. The outside organization should cooperate with the local producers of such physical inputs and should elicit the production of new inputs.

g) The outside organization, jointly with the local organization, should promote cooperation between capital goods producers, research institutes, universities and other institutions in both countries by identifying promising areas for commercial and non-commercial cooperation and by putting in touch the actors in both countries who may engage in such cooperation.

Implications for policy

In this way the operations would assume a true cooperation nature. It would amount to "technical cooperation among Third World countries through commercial channels", as contrasted with "traditional" TCDC which takes place through non-commercial channels, principally in the sphere of national governments and of international agencies.

A policy for TCDC should comprise both components, which on the other hand complement each other since the traditional TCDC activities apply mainly to "soft" sectors like education, health, agriculture and public administration while those of a commercial type would be useful in "hard" sectors such as mining, construction, physical infrastructure, industry and basic services. However, the true promise of TCDC lies in the "commercial" operations since

the traditional ones find limitations derived from scarce financial resources and limited operative capacity in official organizations.

What may be done to transform this promise into a reality? Commercial TCDC is carried out by public and private organizations through a commercial relation between user and supplier. While the promotion of traditional TCDC depends mainly on direct measures such as international agreements, work programmes and the allocation of funds, the promotion of commercial TCDC requires indirect mechanisms, such as preferences for technological assets and services supplied by Third World countries, and financial support for the operations. Such policies should promote and multiply technical cooperation actions, supporting especially those that are beneficial for the recipient country as a whole, although safeguards must be had to avoid the domination of organizations from the relatively more industrialized countries, on the one hand, and of subsidiaries or joint ventures of firms from indsutrialized countries, on the other. The required policies and mechanisms should be carefully designed so that the participants in the operations that make up commercial TCDC should act according to a rationale that benefits the cooperating countries, and not merely for their own profit. This design will require a significant effort, but similar problems have been solved successfully in other fields such as industrial production.

At a world level these policies should tend to form a technology marker of the Third World countries, support operations with such characteristics as to produce important favourable impacts, and promote joint activities to search for solutions to common problems and to works on fields too complex to be successfully attended by just one country. On a regional plane more attention would be devoted to the last two objectives, and within a sub-region the aim could be to build a true "common market for technology", particularly when there are already integration processes in the physical and economic spheres.

International organizations may play a very important role in the achievement of these aims. Regarding the creation of a technology market of the Third World countries, they may:

- establish an "active" information service;
- help the exchange of experience on technological matters;
- support the task of defining common technical standards and common procedures to make cooperation more easy among organizations of different countries (e.g. unifying electrical codes, administrative practices, etc.);
- increase the utilization of consulting and engineering services produced in Third World countries, mainly through more equitable practices for consultant selection, and finance programmes for consultants and their clients. Development Banks of an international character should pay special attention to these aspects;
- support the identification, development and application of new technologies orginating in the Third World countries;
- promote technology transactions that maximize favourable impacts on self-reliant development.

A proposal

We have referred to the features that operations of technology transfer should incorporate if they are to produce full benefits and hence become true cooperation activities. It would seem important to develop further this analysis in order to elaborate guidelines that may be used by suppliers and users of technology in Third World countries when contracting and executing such operations.

If technology transactions of this type are to become the rule, rather than the exception, users should be educated so that they demand that the guidelines are complied with, and suppliers should be persuaded that such a course of actions would not be against their interests, since it would give them a competitive advantage over suppliers from industrialized countries, and, on helping to build up technological expertise in the client, they would create strong links as well as further demands for services.

To help in the compliance of the guidelines and compensate possible extra costs to the suppliers, incentives should be granted to operations that fall within the provisions of the guidelines, for instance, special credit lines, tax benefits, preference in the procurement practices of international or regional organizations and preferences in operations funded by the World Bank and other financial institutions.

> It is proposed that a concerted effort should be undertaken for developing a set of "Guidelines for Technology Transfer", for use in operations of technology transfer, so that they produce full benefits for the countries concerned.

This effort should be a joint undertaking of business and policy-making groups from the Third World countries, possibly with the collaboration of an international agency that would provide secretariat and coordination services.

EXPERIENCES

*Les expériences qui suivent concernant l'habitat, l'aménagement urbain et régional, fournies par le projet Demain-Aujourd'hui**/*, font suite à celles touchant aux techniques appropriées présentées dans le DOSSIER 15.*

L'HABITAT, L'AMENAGEMENT URBAIN ET REGIONAL

Le domaine de l'habitat, du cadre de vie et du développement urbain est sans doute le plus riche d'expériences les plus diverses. Le plus souvent ponctuelles autour d'un problème particulier, qu'il s'agisse d'actions sur des logements, sur des problèmes d'environnement ou pour apporter des solutions à des problèmes particuliers, comme la garderie d'enfants, beaucoup de ces expériences ont pénétré des champs de la vie extrêmement larges.

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*/ Elles ont fait l'objet d'une présentation d'ensemble dans le document préparé par Ignacy Sachs et Michel Schiray, du CIRED, "Styles de vie et de développement dans le mond occidental: Expériences et Expérimentations"

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La diversité des contextes et des dynamiques créées ont également donné lieu à des formes d'organisation les plus variées.

I. HABITAT ET AMENAGEMENT DU TERRITOIRE

On examinera, d'abord, un groupe de trois expériences qui touchent largement au développement régional et donc à l'aménagement du territoire, c'est-à-dire à l'habitat au sens le plus large. Dans la première, l'ampleur du processus de participation des habitants conduit à orienter la croissance même de la ville. Dans la deuxième, il s'agit d'une action contre le dépérissement économique d'une ville moyenne. La dernière, enfin, concerne une intervention contre le dépeuplement de petites régions économiquement marginalisées.

a) Pavie, en Italie

Un exemple certainement très privilégié est celui de la ville de Pavie, non loin de Milan, dans le Nord de l'Italie, que certainement beaucoup connaissent[1/].

L'expérience a atteint un seuil de développement tel que, malgré les quelques réserves que certains pourraient formuler, elle constitue, pour notre approche, une référence essentielle, ne serait-ce que par le degré d'organisation institutionnelle très décentralisée atteint, le caractère durable de l'expérience, l'ampleur du champ ouvert, sans négliger l'impact sur le développement régional, dès lors que la population a acquis une certaine maîtrise sur l'orientation de la croissance de la ville.

C'est sur la base d'un très large mouvement populaire impulsé dans les années 1968-69, que les habitants de cette ville de près de 100,000 habitants, se dotant d'organisations volontaires dans les quartiers, ont mis en échec un pouvoir municipal très traditionnel pour élire une équipe très favorable à leur mouvement. La nouvelle municipalité instituait, dès son arrivée, des comités de quartier, élus par les résidents, et dotés d'attributions sur les grandes orientations de la vie quotidienne et bientôt sur la gestion quotidienne du quartier, en particulier de certains équipements collectifs.

Les comités ont ainsi été les instruments de la participation des habitants - dont le taux enregistré a été particulièrement élevé - à l'élaboration du plan régulateur général de Pavie. Ce plan constituait une rupture totale avec le plan retenu par l'ancienne municipalité: par exemple, le niveau de croissance prévu à 250,000 habitants pour 1985, était ramené à 102,000, de façon à privilégier la construction des équipements collectifs, limiter la spéculation foncière et maintenir sur place les industries existantes.

La participation des habitants s'est progressivement élargie du champ de l'habitat à l'ensemble des aspects de la vie urbaine: la production, avec la mise en place de conseils d'usine et comités d'entreprise, de sections créant

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pour le séminaire régional organisé par la Commission Economique pour l'Afrique et le Programme des Nations Unies pour l'Environnement sur "Les différents modes de développement et styles de vie possibles pour la région africaine" qui s'est tenu à Addis Abeba, en Ethiopie, du 5 au 9 mars 1979 (ECA/SAP/1979/6).

1/ Parmi l'abondante littérature suscitée par l'expérience, suggérons, en langue française, l'interview du maire de Pavie, M. Elio Veltri, qui présente un exposé d'ensemble dans Metropolis, vol.III, 1978.

ainsi le lien entre comités de quartier et syndicats; la consommation, avec la lutte contre la vie chère impulsée par la municipalité. Ce dernier champ d'action a donné lieu, d'abord, à la mise en place d'un local de vente municipal pour concurrencer les commerçants, puis, à la création de deux coopératives associant certains commerçants à des producteurs et soumises au contrôle des prix et de qualité par la municipalité. Ces actions ont finalement persuadé les commerçants de la ville de négocier avec la municipalité le contrôle de prix de certains produits alimentaires.

Il est certain que l'ampleur de l'expérience de Pavie tient beaucoup à la venue au pouvoir d'une municipalité largement favorable au mouvement initialement engagé. L'alliance, parfois conflictuelle, entre la population, à travers les comités de quarteir, et les élus, a permis une avancée considérable de la démocratie locale et une maîtrise accrue de la population sur la plupart des aspects de la vie quotidienne et du développement urbain.

b) Jamestown, aux Etats-Unis

C'est une expérience, à maints égards opposée, qu'a connu Jamestown[2/]. Cette ville moyenne de l'Etat de New York, aux Etats-Unis, connaissait un déclin très net depuis la dernière guerre mondiale. Début 1970, une des plus grandes entreprises locales ferme, d'autres s'en vont. Le chômage atteint un niveau élevé. Résultats et causes, les rapport de travail sont particulièrement tendus dans les entreprises, entre travailleurs, syndicats et dirigeants.

Ici, c'est à travers une mobilisation et une concertation de l'ensemble des partenaires sociaux, municipalité, dirigeants de certaines entreprises et syndicats, que s'engage, en 1971, un processus de développement local global ("comprehensive economic development"). Des structures sont créées: un Comité d'organisation du travail de la région de Jamestown (Jamestown area labor - Management committee) au niveau de la ville, puis progressivement à l'intérieur de certaines entreprises. L'objectif est d'assurer une "rénovation" de la production des entreprises en créant de nouveaux rapport de travail.

Des actions sont menées à l'intérieur des entreprises, d'autres au niveau de la collectivité pour soutenir les premières. Les résultats sont édifiant: modernisation très poussée de certaines unités, relance de quelques autres. Le climat à l'intérieur des entreprises s'est considérablement amélioré grâce à la participation des travailleurs et à l'amélioration de la qualité de la vie au travail. La situation favorable a même permis d'attirer une nouvelle entreprise créant plus de 2,000 emplois.

Désormais, les rapports entre la municipalité, les dirigeants et les travailleurs se sont modifiés. Leur coopération se développe au niveau municipal sur des champs nouveaux: programmes de formation, actions d'urbanisme, au niveau

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2/ Nous remercions M. le professeur Eric Trist, de l'Université de Pennsylvania (USA), de nous avoir transmis une communication sur cette expérience à la quelle il participe. Voir également: Commitment at work: The Five Years Report of the Jamestown Area Labor Management Committee, City Hall, Jamestown, NY 14701, et Eric Trist, New Directions of Hope: Recent Innovations Interconnecting Organizational, Industrial, Community and Personal Development. Communication présentée à la John Madge Memorial Lecture, Glasgow University, 3 Nov. 1978.

des transports, de l'information, domaines qui appartenaient auparavant aux prérogatives exclusives du secteur privé.

L'expérience déborde aujourd'hui de son cadre local. Dès 1973, elle recevait un appui de l'administration fédérale sous la forme d'une subvention de l'Administration de développement économieuq (Economic Development Administration). Aujourd'hui, un projet plus vaste de création d'un réseau (Projet Network) pour soutenir et mettre en relation des expérimentations voisines, bénéficie du concours d'agences fédérales: plus de 100 projets ont déjè été dénombrés.

c) Rost, en Norvège

L'expérience qu'a connue un groupe de petites îles de 800 habitants, sur la côte nord-ouest de la Norvège, et connue sous le nom de projet de Rost, illustre une action de formation centrée sur le développement de petites communautés, dont la seule ressource est la pêche et qui se dépeuple très rapidement. Le seul avenir qui se dessine est la transformation en un îlot de tourisme.

L'initiative en revient, en 1972, au responsable local de l'enseignement qui propose une mobilisation de la population à partir d'une formation professionnelle. Les locaux scolaires sont utilisés pour développer des cours techniques pour adultes. Bientôt, l'enseignment débouche sur l'action. Un processus de diversification des activités locales est engagé. Tenant compte des conditions spécifiques locales, en particulier maritimes, cinq projets sont élaborés: atelier de réparation d'équipement électroniques, un atelier de mécanique, des services collectifs divers, aquaculture et des activités de contrôle sur le tourisme. Un Société de développement local est constituée à l'initiative de la population.

A partir de là, l'expérience bénéficie de conditions exceptionnelle[3/]. Réticent au début, l'Etat se montre, à l'égard de cette mobilisation et l'intérêt des projets, particulièrement bienveillant en débloquant des moyens très importants (plus de duex millions de dollars).

Malgré la réserve de certains sur ce déversement de capitaux qui peut certainement changer la nature de l'expérience, ce qui nous semble important c'est comment une action de formation autonome, à la base, entreprise dans des cadres inhabituels, peut libérer la capacité d'initiatives d'un population victime de la défaillance du secteur privé et de l'absence d'initiatives publiques, et ainsi renforcer la recherche d'un nouvel équilibre dans l'aménagement du territoire.

Nombreux sont ainsi les exemples d'efforts collectifs de la société civile, souvent avec l'aide des collectivités locales, pour lutter contre la désertification du monde rural et en particulier de régions progressivement marginalisées. Il nous semble qu'à côté des expériences locales de communautés menacées, on peut rappeler certaines tentatives de remises en valuer de terres agricoles abandonnées par des groupes de personnes venant du milieu urbain.

3/ Il est peut-être significatif de noter que cette expérience intéresse un professeur indien, pour illustrer un processus de recherche-action. Nous le remercions pour sa communication: Nitish R. De, "Action Research as a Learning Strategy", Human Futures, New Delhi, Spring 1978.

Ce mouvement de "retour à la terre" est certes particulièrement ambigu, comme on l'a déjà clairement dit. A côté des très nombreuses expériences communautaires de repli sur soi ou d'organisation de circuits totalement ou largement parallèles au marché et aux institutions existantes[4/], auxquelles nous ne souscrivons pas, il existe dans certains pays des expériences dont la portée nous semble beaucoup plus importante. Ainsi, en Italie, on dénombrait 300 coopératives agricoles formées par des chômeurs urbains associés souvent à des agriculteurs, qui ont entrepris de remettre en valeur des terres agricoles abandonnées. Outre que certaines d'entre elles s'efforcent de développer des cultures nouvelles, nombreuses sont celles qui s'attachent à créer de nouveaux rapports entre la ville et la campagne, soit par la création de nouvelles activités collectives en milieu rural, comme un centre culturel, soit en créant, par exemple, des circuits de distribution directs, en liaison notamment avec des organisations de travailleurs.

Souvent très sensibles à l'expérimentation sociale, ces communautés peuvent parfois être des agents actifs de développement local, dès lors qu'elles s'ouvrent sur le monde extérieur, et en premier lieu les sociétés dans lesquelles elles s'installent.

II. HABITAT ET VIE URBAINE

En milieu urbain, au niveau des quartiers, les actions intiées par les populations sont particulièrement nombreuses. La majorité cependant concernent des opérations de défense et d'opposition à tel ou tel aspect des logements et du cadre de vie, animées par d'innombrables associations. Il ne convient pas de les sous-estimer. Elles ont, dans de très nombreux lieux, imposé certains choix et ont certainement concouru à l'amélioration du cadre et des conditions de vie des habitants, soit en empêchant la réalisation de certains projets, soit au contraire en en favorisant d'autres.

Nous privilégierons, cependant, certaines d'entre elles où, passant du stade défensif à un stade plus offensif, les populations se sont ainsi des solutions propres à leurs besoins.

Nous présenterons, en premier lieu, un processus de développement local réalisé par les habitants dans un quartier, puis une lutte de quartier au cours de laquelle les habitants se sont transformés collectivement en urbanistes. Enfin, nous évoquerons rapidement quelques tentatives à plus petite échelle.

a) Craigmillar, à Edimbourg, en Ecosse

Craigmillar est un quartier pauvre d'Edimbourg, en Ecosse, de 25,000 habitants[5/]. Il y a seize ans, des résidents prennent l'initiative de créer un

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4/ Ce mouvement est cependant relativement important: après les expériences des années 60 aux Etats-Unis, il se développe par exemple un réseau écocommunautaire qui s'efforce de développer, à un niveau parallèle, toutes les activités nécessaires à la satisfaction des besoins du groupe, en formant des "coopératives" dans tous les domaines. Ce réseau est largement internationalisé, puisqu'il apparaît implanté aux Etats-Unis, Canada, Grande-Bretagne, Hollande, Belgique, Allemagne, Suisse, Italie, France.

5/ Communication de M.S. Burgess et E. Trist, "Multiple deprivation: A human

festival populaire des arts pour le quartier, en réaction au Festival international des arts d'Edimbourg. Ils créent la Société du festival de Craigmillar. Fondée sur une large participation de la population, cette opération prouvait la capacité des habitants à s'organiser dans un domaine dont ils étaient jusqu'alors exclus. Progressivement, l'expérience va déborder pour intervenir sur l'ensemble des besoins du quartier et couvrir, avec les différents groupes qui luis sont liés, la plupart des aspects de la vie locale.

La Société du festival de Craigmillar est aujourd'hui une organisation de développement de quartier, disposant d'un centre communautaire et d'un établissement d'enseignement supérieur. Elle fonctionne avec une petite équire permanente et une large participation de bénévoles y consacrant une partie de leur temps libre. Elle a su, à travers un double processus d'apprentissage et de recherche de solutions appropriées, développer ses propres compétences qui se sont très vite imposées aux autorités locales. Elle a ainsi bénéficié de subventions locales, puis nationales.

Elle a, en effet, prouvé sa capacité de travail avec l'administration et les actions entreprises se sont avérées efficaces et très économiques, ce qui n'était évidemment pas indifférent pour les autorités. Par exemple, les activités pour les personnes âgées ont réduit les dépenses publiques d'hospitalisation; les actions auprès des jeunes ont réduit la délinquance. Mais, par ailleurs, dans un context où 20 à 30% des adultes masculins étaient touchés par le chômage, la société développait un programme de création d'emplois (Employment Working Party) portant sur plus de cent emplois nouveaux en 1976.

Notons qu'à côté d'emplois rémunérés, s'inscrivant dans une économie de marché, étaient également développées des activités "hors marché" reposant sur l'utilisation du temps libre de certains et améliorant la qualité de la vie des habitants du quartier.

L'activité de la société s'est récemment élargie du domaine des services à celui des activités industrielles. Elle a en particulier obtenu qu'un terrain proche soit converti à l'usage industriel pour implanter une industrie et promouvoir des activités de restauration et de recyclage. Une assistance a été fournie par l'industrie et une banque.

En novembre 1978, la société produisait un plan global de développement du quartier (Craigmillar Comprehensive Action Plan) qui sera négocié avec l'ensemble des autorités concernées. Le plan vise à rompre, par les intéressés eux-mêmes, le cycle de dénuement multiple de la communauté.

En prenant en charge les besoins non satisfaits de la population, en apportant des solutions propres, la communauté a ainsi profondément transformé ses rapports avec la municipalité, l'Etat et le Marché. C'est un nouveaux partage des pouvoirs qui s'est opéré. Mais il est certain aussi qu'un tel processus accroît l'efficacité de l'intervention des pouvoirs publics, pour l'amélioration de la qualité de la vie des habitants.

L'expérience est aujourd'hui un symbole, encore peu connu, à l'échelle de l'Europe. Récemment, la Commission des Communautés Européennes, elle-mme, a apporté son appui.

./.. and Economic Approach. A Scottish Innovation and Community Development at Craigmillar", 1977, Edimbourg, et E. Trist, "New Directions of Hope: Recent innovations interconnecting organisational, industrial, community and personal development", op.cit.

b) Alma-Gare, à Roubaix, en France

A Roubaix, en France, c'est dans le cadre très conflictuel d'une luttle contre l'expulsion des habitants d'un quartier très dégradé et menacé par un projet de rénovation urbaine que s'organise une action collective de la population[6/]. Alma-Gare est un quartier composé d'une population essentiellement ouvrière, dont près de la moitié de travailleurs immigrés. Il regroupe, après un très fort dépeuplement au cours des dernières années, 2,500 personnes en 1978. La lutte est engagée en 1966 et se poursuit pendant plusieurs années à travers de multiples actions collectives de défense contre la rénovation du quartier et l'expulsion. Au cours des années 1973/74, un tournant est amorcé pour prendre un caractère plus offensif.

A l'initiative de la population du quartier, un Atelier populaire d'urbanisme est créé, soutenu par un groupe d'architectes, pour définir techniquement la conception propre d'aménagement des habitants. Un concours financier du ministère de l'Equipement est obtenu. Dès lors, le processus est engagé. Il s'appuie sur une participation très active de la population regroupée par commissions. Un inventaire minutieux des maisons est réalisé, des "fiches de santé" établies. Finalement, un projet détaillé est élaboré qui donne notamment une option marguée en faveur d'une réhabilitation de l'ensemble des maisons susceptibles de l'être, garantie du maintien sur place des occupants, tout en prévoyant constructions neuves et équipements collectifs.

L'ampleur du mouvement a été telle que, lors de sa révision, le schéma directeur d'aménagement du quartier, adopté en octobre 1977 par la municipalité, après avoir été revu et corrigé par les habitants, reprend le principe de la réhabilitation et d'autres propositions du projet réalisé à l'Atelier populaire d'urbanisme. L'engagement de reloger sur place l'ensemble de la population a été pris par la municipalité.

La dynamique de l'action collective s'ouvre aujourd'hui vers de nouveaux domaines d'activités. A côté de l'apparition de certains services collectifs, une coopérative est en cours de constitution, pour fournir de l'emploi à des chômeurs du quartier, en participant en particulier à la réhabilitation des maisons.

Ces duex exemples, très différents dans leur histoire et leur contexte, ne sont pas isolés. Tous deux participent, à l'extérieur, d'une dynamique institutionnelle réelle à travers d'autres expériences, et en contribuant à modifier l'attitude de l'Etat. Craigmillar a révélé aux autorités britanniques et même au niveau de la Commission des Communautés européennes l'intérêt de ce type de développement local. L'Alma-Gare, à Roubaix, qui déjà a bénéficié des acquis d'une expérience proche dans le quartier des Marolles à Bruxelles, a, à son tour, un effet dynamique pour plusieurs tentatives de création d'Ateliers populaires d'urbanisme dans plusieurs villes de France.

Des organisations, à votation nationale, comme la Confédération syndicale du cadre de vie, dont des membres locaux ont participé à l'action, favorisent

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6/ Outre les différents numéros de l'Atelier, journal de Atelier populaire d'urbanisme et de la Confédération syndicale du cadre de vie, voir, par exemple, "La participation conflictuelle des habitants du quartier Alma-Gare à Roubaix", La Correspondance municipale, no. 182/183, Paris, nov.-déc. 1977.

cette diffusion. A l'encontre des politiques de participation des habitants à l'élaboration de leur cadre de vie initées par les pouvoirs publics, dont on sait le caractère le plus souvent formel ou très limité7/, l'expérience de Roubaix constitue, aujourd'hui, un véritable défi.

La volonté de groupes d'habitants de s'organiser collectivement pour élaborer un cadre de vie et rechercher des modes de vie propres a pu s'exprimer dans des formes les plus variées. A des degrés divers, les tentatives d'autogestion communale sont nombreuses. Elles semblent cependant les plus poussées dans des communes de petites tailles, comme c'est le cas, en France, dans la ville de Vandoncourt. Dans tous les cas, elles supposent une volonté délibérée de la municipalité. A l'autre extrême, cpest sous une forme illégale que de nombreuses actions d'occupation, plus connues sous le terme de "squattings", d'un espace urbain vacant, qu'il s'agisse d'un immeuble, ou même d'un quartier, ont pu donner lieu à des expériences d'une certain ampleur. La plus connue est certainement, en Europe, Christiania, à Copenhague, au Danemark, où, depuis plusieurs années, dans un vaste espace occupé de la ville, s'expérimentent de nouvelles formes de vie collective. Tolérée jusqu'à présent par la municipalité, lexpérience semble cependant plutôt se marginaliser, sans avoir pu engager un processus de développement durable et une dynamique institutionnelle qui puisse s'imposer aux autorités.

Entre ces deux extrêmes, on peut signaler les expériences plus ponctuelles d'"habitats autogérés" dans lesquelles un groupe de ménages qui peut être assez important8/, pour concevoir et réaliser de nouvelles formes d'habitat susceptibles de fonder des styles de vie propres, privilégiant l'organisation collective des espaces, des activités et de divers services. Cependant, au risque d'être limitées aux catégories sociales relativement aisées, ces expériences appellent un plus large accès à l'espace et au financement de la construction pour l'ensemble des populations.

7/ Ceci n'est pas particulier à la France. Aux Etats-Unis, nombreuses ont été les expériences de participation des habitants encouragées par le pouvoir fédéral ou des municipalités. Le bilan est assez voisin. La participation est le plus souvent le fait de certaines associations peu représentatives et consiste surtout à donner un avis sur des projets préétablis. Les expériences d'"advocacy planning", menées par exemple à Cambridge, devraient garantir une participation réele des habitants, en dotant la communauté concernée d'un architecte "avocat" pour élaborer son propre projet. Elles se sont malheureusement heurtées au pouvoir que prenait l'architecte et ne connaissent plus, semble-t-il, la vogue que l'on pouvait attendre. Voir le dossier réalisé par Anne Charreyron-Perchet, "Expérimentations sociales et changements de styles de vie dans les pays anglo-saxons" dans le cadre des travaux de la FIPAD, disponible à la Maison des sciences de l'homme, Paris, mars 1979. (cf. aussi Dossier 11.)

8/ En France, les expériences connues peuvent regrouper de 10 à 20 ménages. Une "Charte de l'habitat autogéré" a été récemment établie par les initiateurs d'une de ces expériences, pour en diffuser l'idée.

A SECOND LEVEL OF WORLD GOVERNMENT

by William N. Ellis*/

Nation-States have governed world affairs for only a very brief period of human history. These autonomous governmental bodies have divided the land of the earth into a crazy quilt chess board with little concern for cultures, languages, religions, races, or ecologies. Both within and between these meaningless boundaries weird games of politics are played with the resources and the lives of people. It is time to ask to what extent must this world governmental system be changed if we are to reach the full potential of human development.

Within each nation-state the winners of the local game of politics climb to the top. Once there they must retain their position by consolidating internal control and by winning more power in the competition among nation-states. Their only goal must be self-preservation.

The United Nations came into being to write the rules and to referee the competition among nation-states. It assumes that the nation-state system is the best of all possible worlds. It accepts as a basic tenet that each nation-state should maintain unchallenged control over the resources and the lives within its boundaries. Its purpose is to resolve conflicts among its members and to produce a stable balance of power among them. To do so it must operate in a conflict mode more sensitive to international tensions than to the problems or potentials for global or human development.

Growing numbers of people have different sets of concerns based on other sets of premises. Some see the world's environment as our first order of business; others put primacy on unmet human needs; some with individual human rights; some with spirituality; others with cultural diversity, and still others with the global limit of natural resources. Most of us do not put the preservation of the nation-state high on our list of priorities. Many of us see the dawning of a New Age in which the priority will be people rather than power. An age in which our institutions and activities will be:

- by the people, involving end users - women, youth, the poor, and the rural as well as the affluent urban males - in the design, development, ownership, and control of programmes, products, and processes;
- location specific, making use of local materials and local skills to solve local problems and develop local potentials within local cultures, ecologies and economies;
- holistic, integrating culture, economy, spirituality, ecology and technology in design criteria; and
- futuristic, having goals of long range sustainability, environmental protection, and the welfare of human generations rather than short-term profit or power.

This New Age demands that all of our institutions be re-examined and changed or supplemented to meet the New Age criteria. The analysis should reach, and

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in fact is reaching, into our homes, our hearts, our industrial organizations, our universities, our professions, our communities, and our governments. One major concern must be the global governmental system. Can this meet the criteria of becoming by the people, location specific, holistic, and future-oriented?

New Age rhetoric is already quite evident in many UN and international papers. And it is well spread within both industrialized and Third World countries and within agencies of the UN: the World Bank's programme to aid the poorest of the poor, ILO's interest in labour-intensive technologies, UNIDO's promotion of small-scale industries, and UNESCO's developments in non-formal education are cases in point. Existing agencies have clearly recognized that past strategies based on "modernization", "industrialization","technology transfer" and "trickle down" have failed. Alternative development strategies based on "meeting basic human needs", "bottom up development", "collective self-reliance", "interdependence" and other alternative development concepts have become the accepted conventional wisdom.

In spite of this general acceptance of the principle that people themselves must be involved in locally-oriented holistic development programmes, and in spite of the sincere efforts being made within the existing international framework to carry out programmes of the basic needs strategy, there is a growing awareness that the UN/nation-state system is not adequate to the task. A recent paper by the Federal Republic of Germany concludes, for example, that "basic needs projects are best suited for non-governmental aid organizations ... which have the necessary grassroots contacts in partner countries". Similarly an analysis of US AID and of World Bank support programmes by the Institute for Food and Development Policies concludes that "such (basic needs) aid should go to indigenous groups already based in village realities". A many nation NGO resolution at the recent World Conference on Agrarian Reform and Rural Development notes, "genuine participation of people in taking hold of development is being resisted by the very countries (and agencies) claiming to be for 'participation'".

Such conclusions are a direct challenge to the non-governmental agencies. The excellent work of the private voluntary organizations is now being recognized. Can it be expanded to make a major impact on the problems of world hunger, population, pollution, health, education and housing? Can the PVO's better supplement, complement or supplant the UN/nation-state system in its important work on human development and world peace?

The New Age recognizes that the people are not the problem. They are the solution. Transnational people-to-people networks can overcome the limitation of the UN/nation-state system. They can supplement the conflict mode of operation with a collaborative mode in which people help people to develop local self-reliance. By honoring and recognizing one another's traditional cultures and technologies we may revive human dignity and promote human well-being. By people helping people we may attack directly major world problems. We may supplant the international concern with GNP and balance in trade with concern for human well-being and unity among people

Transnational people-to-people networks may complement the UN system in yet another way. The Pugwash Conferences, transnational meetings among scientists, were instrumental in overcoming the East-West tensions of the Cold War. Transnational people-to-people networks could act as a "People Pugwash", not only

defusing tensions between nation-states, the have and the have-not nations, but also ameliorating the tensions between the elites of the world and the disenfranchized, the have and the have-not people. Personal friendships can act as a brake to inter-national conflict.

People in all parts of the world are recognizing that big business, big government, big technology and other centralized organizations cannot alone solve local problems or develop local potentials, only the people themselves can. And people in all parts of the world are recognizing not only that small is beautiful, but also that small is possible and small is happening. There is a world-wide revival of human rights, human dignity, and individual initiative. The UN may still make important advances in stabilizing inter-nation relations, but this decade may be hailed as the beginning of the future because people-to-people networks initiated a more creative approach to world welfare - a complementary alternative to the UN, a second level of world government.

FISHING FOR THE POOR - A COMMENT

by V.M.A. Hakkim*/

The social and economic problems associated with fish and fishermen are more numerous in Third World countries. But so far they are much less understood, with the result that development programmes often fail to serve the purpose. Development constraints are also many in this sector. They have not been attracting the attention of the scientific community to any significant extent. There has been a preoccupation with the biological and technological aspects of fisheries development. Consequently, many programmes of the Third World countries for the welfare and uplift of the traditional fishermen did not produce any positive results. Instead, the conditions of the traditional fishermen have been worsening. The social tension prevailing all along the coastline is nothing but the logical result of the increasing disparity in income between the traditional and modern "fishermen".

In India, emphasis in the modern fisheries development efforts have been on mechanisation of fishing crafts and gear. However, any appreciable change took place only in shrimp-fishing and its associated marketing and distribution techniques. Both private and public investments in shrimp-fishing were so heavy that there are definite signs of over-fishing and depletion of this stock. It is high time to think of diversification of fishing efforts if we are interested in the long-term survival of fish and fishermen.

A commendable step in this direction is the recent Government-assisted Pursine Fishing exclusively for the traditional fishermen of Kerala, hitherto unknown to the state. For a more rational utilisation of the under-exploited offshore fishery resources for the benefit of the traditional fishermen, the Dorry Fishing, which combines the modern mechanized technology with the rare skill of the traditional fishermen, would be of immense value to this coastal country.

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THE COMMUNITY AS AN ART FORM*/

It is summer, seven o'clock in the morning. A group of 30 village people, composed of some elderly farmers and young peasants' sons and daughters, are busy stretching their arms and legs in the middle of dry rice fields, following the movement instructions of a martial arts artist, creating animal and floral patterns with their limbs and torsos.

Later in the morning, they will be creating movement improvizations with these patterns to dramatize, in symbolic choreography, their village life patterns, social relationships, history of folklore. They will create masks and costumes for their allegorical characters, using found objects from around their environment - branches, leaves, tree barks, painting them with indigenous vegetable dyes. By that time, they will have explored and rediscovered a new, audio-visual language and vocabulary, through which they can tell stories of their daily struggles with nature, their fellowmen and society.

For the next two days of a three-day integrated theater arts workshop, these young men and women, who are temporarily on leave from their farm chores to participate in this activity sponsored by the local people's organization, will involve themselves in a series of creative expression and brainstormings. Using their own dialogues, they will find themselves impersonating the characters that physically revolve around their lives: the town mayor, the village doctor, the schoolteacher, the landowner, the middlemen, the police, other fellow farmers and their families, the priest, the bishops, the industrialist-capitalist. In a sequence of small incidents and situations, a plot, a dramatic story will be woven and theatrically told: how the village farmers confronted the town usurer or, how a group of peasant families grappled with problems of landgrabbing, or how a farmer fought his way in court, to stave off heavy interest rates on land rent and debts imposed by his landowner who has a mind of expelling him out of the land he has been tilling for years. Most likely, the greater number of these improvizations will be tales of woe but since the real thrust of an authentic people's workshop has always been the creative communal search for solution of communal problems, these sketches will underscore the need for mutual cooperation and dialogue even among the very deprived. Thus, integrated within the dramatic improvizations and rehearsals, are soul-searching quests for alternatives: shall we end our play with communal action portrayed? How about focussing it on the once resigned and fatalistic peasant as he transforms into a socially conscious organizer? How about giving the farmers a victorious day in court? Thus, the theatre not only becomes a creative platform of social issues, but will ultimately be a harbinger of hope.

The last day of the workshop will be its most vibrant and colourful. These young farmers will plunge into the composition of original songs, the painting of indigenous murals, the collective creation of social poetry, gathering inspiration from the inexhaustible resource of traditional culture. The workshop is capped with an indigenous celebration of the farmers' struggle for a meaningful and just existence. The rest of the community is invited not merely

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*/ Based on a paper prepared by the Central Institute of Theater Arts in Southeast Asia and read by Ms. Remmy Rikken at a conference on "Communicators as Change Agents", Sri Lanka, June 1979.

to watch, but even to participate in the singing, improvizatory dancing and group reflections. Audience feedback is gathered and an impromptu sharing of ideas, problems, and insights with the community occurs. At this stage, the first cycle is complete: what the participants took from their community's lives, they now so earnestly return through the brief but absorbingly disciplined form of theatre, all for the purposes of *Dialogue*, *Reflection*, and hopefully, when the discussion is spontaneously threaded into the activities of other peasant organizations, *Action*.

In a real sense, the community theatre is the community or society in microcosm. The values and attitudes that should prevail among community theatre members are likewise encouraged and fostered among community theatre members themselves. The spirit of trust, openness, sensitivity, sharing and collective effort are needed to mount even the smallest theatre production effectively and meaningfully. It is in the evaluation of a day's work in the community theatre, or during and after production processes, that criticism and self-criticism as a tool for growth and unity is utilized. This sense of caring and concern for each other, when truly felt and executed among the village artists, can as well contaminate the entire village itself, providing a model of another complementary type of people's organization where the total man - his mind, emotions, senses - are all at once and simultaneously engineered to be at his most authentic, responsive and expressive best.

The curriculum therefore must be process-oriented. It emanates from basic felt needs of people to perceive, know reality and transform it. A curriculum is a pedagogical tool for expression of such a process. It must be sensitive to change, flexible to different levels and situations. It takes into account different spheres of consciousness and the graduated nature of the workshop reflects this. From creative explorations of physical and sensory environments, the curriculum should gradually tackle, in a spiralling manner, the simplest themes and issues to the more complicated or complex. It should be cumulative and progressive, dynamic in both content and methodology, at best, rooted in a people's concrete realities and aspirations. It should take as substance and themes concrete social, political, cultural and historical realities of a people, developing and evolving modules or models. It is therefore imperative that facilitators undertake preliminary investigation and integration with the community so that themes and processes chosen for the workshop are based on real situations. The very nature of different levels of awareness in any workshop is itself a source of dynamic tension and processing and will provide the conditions of growth for the workshop members themselves.

What distinguishes theatre from the other kinds of media which have been very specialized and technological, is its orientation: it can easily be grasped, handled and communicated, even with a much more direct impact than all the modern multi-media combined. It is inexpensive and it can be used to serve the needs of a people in a more spontaneous, accessible, and involving manner. With a theatre production, the community audience is free to debate with the artistes on the plays' content, form and message. It can trigger off other communal activities and processes. The production itself can be altered, improved and modified after the community dialogue to reflect more truthfully other insights and ideas.

The process of creating an effective community theatre curriculum will continue

to develop and improve, as it answers the changes that take place everyday. But its main concern will always be the same: PEOPLE and their struggle for meaning and life as they slowly unyoke themselves from years of stagnation and repression. Once they discover the real truths of their own capacities and strengths, through the theatre for one, there will grow a spirit that shall eddy out from the depths of a people's being and culture, outward, reaching to catapult into the limelight of REALITY, a consciousness that will serve as fire in their process of creativity actualizing their dream of security, justice, liberation and peace. The theatre, at that point then, becomes a communal celebration of such a process.

DO AFRICAN GOVERNMENTS CARE ABOUT WOMEN?

by Fibi Munene*/

A five-day African regional conference on the integration of women in development held in Lusaka in December came out with a strong recommendation for grass roots research to determine the pressing needs of women and poor people in general.

The Conference, organised by the Economic Commission for Africa, met to review the implementation in Africa of the World Plan of Action for Women in Development agreed at the 1975 International Women's Year Conference in Mexico, and to prepare an African document for a world conference which will be held in July in Copenhagen, Denmark. But most of the 500 women and men representatives went to Lusaka without adequate information about what had been done in their own countries to involve women in development.

It became clear during the Conference that most countries in Africa have no data on the problems of employment, health and education for women. Yet it is in these areas that Africa needs practical strategies to ease the suffering of women especially, in the rural areas. Of 40 governments which were sent questionnaires so that they could supply information on what they were doing to implement the world plan of action, only 18 sent replies and the data they provided varies from reliable to tentative estimates. At the end of the Conference, it was not clear how much progress, if any, has been made in improving the situation of women in Africa since 1975.

However, common features of women's situation in Africa emerged from the sub-regional reports. These are the low occupational status of women, the difficult situation of the rural women, lack of women's political participation, inadequacy of the data on women and the double burdens doing a job and running a home.

Although women make a major contribution to the economies of the region, they reap minimal rewards because their economic activities are not given due recognition. According to recent estimates, 60 to 80 per cent of agricultural production is in the hands of women who form the largest proportion of rural dwellers in Africa.

Women do most of the weeding, sowing and harvesting usually using primitive tools. They engage in food processing, animal husbandry and handicrafts. They walk to markets with loads on their heads or backs and sometimes carrying infants with them to sell surplus food in order to earn some cash for their families.

They look after homes, cook and take care of children, and since most rural areas do not have tap water, women must walk long distances to fetch it. In some areas looking for firewood takes up many hours a day. Illiteracy is more common among women than men.

Ill health and malnutrition are serious problems for women and children in the rural areas. Inadequate health centres and health services mean that women have to go long distances, sometimes carrying their babies, to the nearest clinic, and may have to wait for many hours before they can get treatment because of congestion at health centres.

Male migration from rural areas to towns in search of jobs has make many women heads of households in addition to their many responsibilities. In the urban centres, most women are unskilled workers or engage in illicit brewing, petty tradings and prostitution as they have no education or training. Although few countries in the region have discriminatory laws against women, the Conference heard evidence of discrimination in the form of unequal pay for equal work and unequal opportunities for women to participate in the educational and political systems.

Going by what representatives said of their countries, governments have launched programmes for education, vocational and technical training, employment promotion, health and nutrition to benefit poor people, most of whom are women. Invariably, there was a lack of data to substantiate their statements.

Given the will, some of the problems of African women can be successfully tackled. The achievements of the National Council of Women in Ghana in implementing income-generating projects for women living in slums and villages is an example. After conducting research, the Council identified in one village locally-made cassava graters which can grate in ten minutes the same quantity of cassava that two women would normally take two or three days to grate.

As the "food-cassava" is in great demand, women who produce it have formed a co-operative in order to produce more and increase their earnings. In another village women can now smoke ten times the quantity of fish smoked on the traditional stove after the Council introduced an improved locally made stove. Plans are underway to help the women start fish farming to supplement the ocean catch of fish.

In Ethiopia, the Women's Affairs Committee which is part of the government's machinery for its development campaign is responsible for identifying ways in which women who are forced to earn their living through begging or prostitution can be engaged in productive work. Many such women have been rehabilitated and are playing their part in national development.

Eradication of illiteracy is one of Ethiopia's development strategies and women are the main beneficiaries of the literacy campaign as it is estimated that 75 per cent of the 5.4 million participants in the campaign are women and girls. Similar efforts to tackle illiteracy at adult level are being made in Tanzania.

In addition to measures being taken to improve health, education and employment of women and to meet the United Nations decade for women's goals of equality, development and peace, national bodies that are entrusted with the welfare of women should determine how women themselves feel about their programmes. Participants at the Conference went back to their countries knowing that if solutions to the continuous crisis of hunger and mass poverty in Africa are to be found, research has to be carried out at the grass roots to determine the most pressing needs of women and poor people in general.

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*/ An Inter Press Service Third World News Agency feature.

NOTES / FOOTNOTES

. Michel Beaud, Gérard de Bernis, Jean Masini (sous la direction de), La France et le Tiers Monde (Grenoble: Presses universitaires de Grenoble, 1979). Avec une introduction de Ngo Manh Lan, membre du Conseil de la FIPAD. L'ouvrage réunit les principales interventions à un colloque organisé à l'Université de Vincennes (France) en 1978 à l'initiative de l'Association des économistes du Tiers Monde et en relation avec le Projet Tiers Système de la FIPAD. En tentant de mettre à jour les nouvelles données de l'impérialisme par l'analyse du crédit international, de l'endettement, des opérations des transnationales, des ventes d'armes, etc., les contributions de chercheurs comme Samir Amin, C. Palloix, J.M. Chevalier, S. de Brunhof et bien d'autres ont permis à des acteurs sociaux (représentants de partis de gauche et de syndicats) de définir ce que pourrait être leur solidarité avec le Tiers Monde.

. Soedjatmoko, "The Child in Development Planning", and Juan Pablo Terra, "The Major Problems Affecting Children in Latin America", Assignment Children (no. 47/48, Autumn 1979), pp.52-88.

. Harrison Brown, "Learning how to Live in a Technological Society", Part I, The crisis of affluence; Part II, Toward a world community, The Bulletin of Atomic Scientists (vol.35, no.7, September, and no.8, October 1979) "We are probably in the most critical period of human history. Modern industrial civilization is in mortal danger (...) Basically, I am suggesting that the so-called "free market" no longer works to cope effectively with many of the critical problems now facing the industrial democracies", writes the former Foreign Secretary of the (US) National Academy of Sciences.

. Jorge Graciarena, "The basic needs strategy as an option. Its possibilities in the Latin American context", CEPAL Review (August 1979), pp.39-53.

. *"Ismaïl-Sabri Abdalla, président du Forum du Tiers Monde, est sans doute le plus digne d'intérêt. Invoquant des arguments apparentés à 'l'échange inégal', il s'oppose à la thèse libérale des Occidentaux pour les marchandises, puis, la prenant au mot, suggère de l'étendre aux mouvements des hommes dans le monde, évoquant des migrations massives dans les pays développés. C'est la première fois, semble-t-il, en dehors de Boumediène, qu'une telle éventualité est évoquée; ce ne sera pas la dernière".*
(Alfred Sauvy, rendant compte de Jacques Bourinet (comp.), Le dialogue euro-arabe (Paris: Economica, 1979). Le Monde 11 décembre 1979.

. Dieter Ernst (ed.), The new international division of labour, technology and underdevelopment - Consequences of the Third World (Frankfurt/Main: Campus Verlag, 1980) (Schumannstrasse 65, D-6000 Frankfurt/Main, FRG). This book collects some key papers presented at an international workshop on "Technological Dependence - A Major Hindrance to Autonomous Development", which took place in November 1978, in Bonn-Bad Godesberg, FRG. Most of the papers have been considerably revised to take feedback received during the workshop into account. This workshop was part of the NGO-activities in preparation for the United Nations Conference on Science and Technology for

Development (UNCSTD) (Vienna, August 1979). The 50 participants, most of them from the Third World, included development practitioners, engineers, members of international organizations and concerned social scientists.

. Acupuncture: A list of 43 diseases and conditions that lend themselves to treatment by acupuncture is published in the December issue of World Health, illustrated magazine of the World Health Organization. The list was drawn up at a WHO seminar on acupuncture held in China last June, when delegates from all six regions of the Organization watched clinical acupuncture being used for a variety of purposes, including analgesia for major surgery. The list ranges from sinusitis, bronchial asthma and osteoarthritis to toothache, migraine and constipation. Contributors describe the ever-increasing popularity around the world of this ancient practice, and the way China is integrating traditional medicine and "Western" medicine. There is also an eye-witness account of a major lung operation carried out on a wide-awake patient, with one single needle as "anaesthetic".

. Jorge Lozoya, Jaime Estevez, Rosario Green, Alternative view on the New International Economic Order, and Ervin Laszlo, Joel Kurtzman (eds.), The United States, Canada and the NIEO (Oxford: Pergamon, 1979). Two volumes in the NIEO Library published by UNITAR and the Centre for Economic and Social Studies of the Third World (Mexico).

. Kazuko Tsurumi, Aspects of endogenous development in modern Japan, (Tokyo: Institute of International Relations, Research papers A36-38, 1979). Sophia University, 7 Kioi-chom Chiyoda-ku, Tokyo 102, Japan. Includes analyses of social structure ("a mesh of hierarchical and coequal relationships in villages and cities"), religious beliefs ("State shintoism vs. folk belief"), and "man, nature and technology: a case of Minamata".

. Adolfo C. Mascarenhas, Food production, the total environment and rural development (Dakar: ENDA, Occasional Paper no.77-20). The author, who is the Director of the Bureau of Resources and Lande Use at the University of Dar es Salaam, takes his examples mainly from Tanzania, but his argument applies to East Africa as a whole.

. Monique Gessain, Les usages des 'guis' (loranthacées) chez les Bassari, Thérapeutique et symbolique (Dakar: ENDA, Etudes et recherches no.36-79). B.P. 3370, Dakar, Sénégal.

CORRIGENDUM: Dossier 13, "Marine Resources, Ocean Management and the New International Development Strategy", page 5(33), line 32, should read: "the export earnings of countries such as Zaïre or Indonesia".

Naar een nieuwe ontwikkelingsstrategie, verslag van het scheveningse symposium - juli 1979. Dit verslag, dat in het engels werd afgedrukt in het IFAD-Dossier 13, is thans in het nederlands verschenen in een ietwat bekorte bewerking in Internationale Samenwerking 1979 nummer **6**. *Het kan worden aangevraagd bij de Voorlichtingsdienst Ontwikkelingssamenwerking van het Ministerie van Buitenlandse Zaken, Plein 17, Den Haag.*