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Johan Galtung

TOWARD SELF-RELIANCE AND GLOBAL INTERDEPENDENCE

Reflections on a New
International Order
and North-South
Cooperation

Joint Project
on Environment
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REFLECTIONS ON A
NEW INTERNATIONAL ORDER
AND NORTH-SOUTH COOPERATION

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and the Advanced Concepts Centre,
Department of the Environment.*

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FOREWORD

This paper is the third in a series of contributions to a project on environment and development, sponsored jointly by the Canadian International Development Agency and the Department of the Environment.

This paper was inspired by a seminar presented by the author in Ottawa in November 1976, when the project coordinators wished to ensure that Johan Galtung's insights about the nature of development and the possible reshaping of international relationships were shared with a wider audience.

Johan Galtung is considered as one of the foremost thinkers in the areas of international development and cooperation, peace research and eco-development. A former president of the World Future Studies Federation, he served until recently as Director-General of the Inter-University Centre for Post-graduate Studies at Dubrovnik, and Professor at the University of Oslo, Chair of Peace Research. The author is presently a professor at the Institut d'études en développement, Geneva (Switzerland). Galtung is also a consultant to various governments and international agencies and is the author of numerous publications covering a broad range of interests including development, peace research, social indicators, global development models and a review and analysis of development in China.

Furthermore, one of his current activities is to direct and coordinate a worldwide research and development project, involving a major network of research and development institutes, especially in the Third World, on a redefinition of the nature of development. This research project, entitled "Goals, Processes and Indications of Development" sponsored partly by the United Nations University, is a major undertaking given the recognized need to search for alternative solutions to the pressing problems of mankind.

Galtung's paper, along with the others in this series, provides a point of departure from conventional approaches to national and international problems.

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PART ONE

SOME REFLECTIONS ON THE
"NEW INTERNATIONAL ECONOMIC ORDER"
THE OLD, THE NEW AND THE FUTURE

- 1.1 Introduction. Three ways of organizing the world economy are now competing for the hearts and minds of men and women everywhere: The Old International Economic Order (OIEO for short); the New International Economic Order (NIEO for short) and Self-reliance (SR), combined with global interdependence. The essential features of these systems and how they structure relations among and between capitalist and socialist countries is of fundamental significance to any understanding of the world at present - since so much of world politics derives from the economic infra-structure within and between countries.

- 1.2 The old system. The old economic order is well known. It is based on capitalism in its purest form, and can best be understood by understanding the essence of capitalism. What that is, is a subject of debate among social scientists, politicians and philosophers in general. The view taken here is that neither private ownership of means of production nor production for profit are essential characteristics, but that unimpeded mobility of production factors and products as well as production for expansion are. If raw materials, raw labor and raw capital are to be moved to places where they can be put to "productive use", meaning to factories for the processing of raw materials, to higher and higher educational institutions for the processing of the unskilled and unschooled, and to banking institutions to convert raw capital (e.g. from small savings accounts) into finance capital that can be invested, then the inevitable result is the creation of a center to which the factors are moved, and a periphery from which they are taken. The higher the level of processing that goes on, the more central the center, until one ends up in the world's metropolises with highly sophisticated industries, universities and technical high schools, finance institutions, not to mention the power machineries (legislative, executive, judiciary, police, military) needed to coordinate and control. From these centers, then, emanate the products - manufactured goods, services, civil servants and others, capital for investment - all of it to be ploughed back into the periphery one way or the other. As time passes the center-periphery gradient consolidates, capitalism and the nation-state grow together in the sense of being crystallized together for they are both based on the same basic principle of division of labor between center and periphery; only that the theoreticians of the former have focused more on economic aspects, the theoreticians of the latter more on the political, administrative and, sometimes, cultural aspects.¹

Some of the well-known consequences of this system can now be spelt out:

(1) The division of labor between a periphery and a center, exchanging the raw for the processed, leads to a gap in level of living within all capitalist countries. This gap can to some extent be concealed through welfare state practices, ploughing some of the surplus back to the periphery, enabling the periphery to buy more manufactured goods from the center. But the gap in taking initiative, in being master of one's own development, in short in autonomy, can never be bridged - that is built into the very structure.

(2) As the internal markets saturate and internal peripheries are being depleted and are incapable of asking high prices for the production factors, the system will expand beyond state borders - and as it expands beyond state borders it will create peripheries and sub-centers elsewhere. The economic aspect of this is known as imperialism (in the Leninist sense); the political aspect, as colonialism or neo-colonialism. The Center countries will create trading blocks with a high level of internal mobility brought about by special machineries for transportation/communication (including use of the Center language), low or no tariffs on factors from the Periphery and manufactures from the Center, protection against the outside - be that other Centers or other Peripheries, even wars against them; in general through the creation of monopolistic conditions for the Center. This can also be done collectively by Center countries; the foreign economic policy of the Common Market countries until the Lomé Convention being a good example.²

(3) In its fully fledged form the system consists of Center and Periphery countries, each with their centers and peripheries - only that the center of the Periphery countries (usually consisting of commercial, political, intellectual, military elites located in an easily accessible coastal capital) serves as a sub-center for the center in the Center country. In order to serve well they have to be well rewarded; which means the same or even higher standard of living (higher sometimes to compensate for their lower level of autonomy) than their counterparts in the Center country.

(4) The net result of this is a system that seems, very roughly speaking, to be capable of giving a high or "good" standard of living to something like 20% of the people living in the system and various shades of poverty to the rest.³ The well-off are most of the populations in the Center countries and the small elites in the Periphery countries - the poor are the rest; noting that all the time some people pass from periphery to center, giving hopes to the rest (who may not notice those who pass in the other direction). There are less of the poor in the rich

countries because rich and poor together share the spoils of exploiting the Periphery, making the proletariat in the Center by and large an ally of the bourgeoisie, even willing to fight colonial and neo-colonial wars for them. There are and will forever remain within this system immense poverty in the Periphery because this is where the production factors are ultimately taken from - their land is used to grow cash crops, their raw materials for export and processing elsewhere, the most capable of their youths are exported as raw pupils to be absorbed, in processed form as graduates, by the center of the Center (the latter referred to as "brain drain"), or they are exported as raw labor to perform menial tasks in the center of the Center. At the same time their processed products (the result of craftwork, farm-processed foodstuffs) cannot compete with the products from the center (manufactures, industrialized food, services) neither where price, nor where taste is concerned (for the latter is manipulated by mass media to the point where peasants in Senegal run around drinking bottled Perrier with a baguette under their arm,⁴ Colombians drink Nescafé, and Spaniards, industrialized, artificial "orange" juice). Their productivity being low and their products by and large unasked for, they do not enter the market with sufficient buying power, being neither producers, nor consumers, they are thoroughly marginalized by a system which actually produces two types of peripheries: the exploited and the marginalized. Population control programs initiated by the center in the Center (such as the Population Council), assisted by the center in the Periphery, will tend to see development as a problem of getting rid of the periphery of the Periphery, defining them (openly) as a burden on the economy and (less openly) as a threat to the system because of their violence potential.

(5) Thus the system does not only produce a "gap" between center and periphery; it is based on that gap, on division of labor within and between countries.⁵ By and large, the more centrally the country is located, the less inequality within the country; there are poverty pockets in rich countries just as there are wealth pockets in the poor countries, but Center countries have been able to become rich by pushing most of the periphery outside their own borders, locating it inside the Third World. In doing so they have created the illusion of "take-off" into development, not realizing the extent to which their own development has depended on exploitation.⁶

(6) This exploitation, in turn, has one aspect which is for everybody to see: the terms of trade, roughly speaking the number of units of raw goods the Periphery has to pay for one unit of manufactured goods. More broadly this becomes the terms of exchange: the ratio between what the Center pays for unskilled labor from the Periphery, and the Periphery for skilled labor, experts, from the Center: or the interest paid on savings as opposed to the interest paid on loans for investment, etc.⁷ But the

exploitation also has a more hidden aspect: the gap in level of autonomy suffered by the periphery, the Periphery, and particularly by the periphery in the Periphery; to be spelt out later.

(7) The inevitable result of all this is the underdevelopment of the periphery and the Periphery, defined here as (1) loss of autonomy, dependence on the Center and (2) poverty, relative to the center, and - in the Periphery - even in absolute terms, so much so that not even the fundamental needs are satisfied (food, clothes, habitat, health, education). To overcome underdevelopment, countries engage in district policies internally and development assistance externally, usually with the net result of reinforcing the division of labor because the policies are not only generated by the centers in cooperation with the sub-centers - but, deliberately or not, make the peripheries dependent on continued input of machineries and parts, capital, expertise and so on.

(8) But there is also another result coming right out of the system: the overdevelopment of the center and the Center, and particularly the center of the Center because its people are forced by the system to lead increasingly artificial lives. Removed from nature, eating industrialized food, breathing a polluted atmosphere, living in macro-societies, alienated from other human beings, subject to industrialized health (medication) and education (schooling) there are such tangible results as the need for tranquillizers, for psychiatric hospitals, possibly also for cancer cures to the extent that cancer may be due to environment.

So much for the old system which is still, indeed, the dominant system. We have treated it at some length in order to permit a discussion of the alternatives on the political horizon today, the new economic order - and the alternative we think (or is it hope?) will be on the agenda as soon as tomorrow, self-reliance. So, what are the characteristics of the New International Economic Order?

1.3 The New Economic Order. There is no need here to repeat that very important resolution coming out of the Sixth Special Session of the UN General Assembly (9 April - 2 May 1974, in New York), but some of the essential ideas from the Declaration (D) and the Program of Action (P) are needed for a discussion. They are as follows:

(1) "Full permanent sovereignty of every State over its national resources and all economic activities --- including the right to nationalization or transfer of ownership to its nationals" (D; 4e).

(2) "Just and equitable relationship between the prices of --- goods exported by developing countries and the prices of -- /goods/ imported by them with the aim of bringing about sustained improvement in their

unsatisfactory terms of trade and the expansion of the world economy" (D; 4j). "-- to work for a link between the prices of exports of developing countries and the prices of their imports from developed countries" (P; I, Id).

(3) "Improving the competitiveness of natural materials facing competition from synthetic substitutes" (D; 4m).

(4) "Preferential and non-reciprocal treatment for developing countries wherever feasible, in all fields of international economic co-operation" (D; 4n).

(5) "Strengthening -- through individual and collective actions -- of mutual, economic, trade, financial and technical co-operation among the developing countries mainly on a preferential basis" (D; 4s).

(6) "Facilitating the role which producers associations may play within the framework of international co-operation --" (D; 4t).

(7) "To take measures to promote the processing of raw materials in the producer developing countries" (P; I, lg).

(8) "-- each developed country should facilitate the expansion of imports from developing countries --" (P; I, 3a(v)).

(9) "-- receipts from customs duties, taxes and other protective measures -- should be reimbursed in full to the exporting, developing countries or devoted to providing additional resources to meet their development needs" (P; I, 3a (vi)).

(10) "Implementation, improvement and enlargement of the Generalized System of Preferences for exports of agricultural primary commodities, manufactures and semi-manufactures from developing to developed countries --" (P; I, 3a(x)).

(11) "To promote an increasing and equitable participation of developing countries in the world shipping tonnage" (P; I, 3b (i)).

(12) "To arrest and reduce the ever increasing freight rates in order to reduce the cost of imports to, and exports from, the developing countries" (P; I, 3b (ii)).

(13) "To minimize cost of insurance and reinsurance for developing countries and to assist the growth of domestic insurance and reinsurance markets -- in these countries or at the regional level" (P; 13b (iii)).

(14) "Measures to eliminate the instability of the international monetary system --" (P; II, 1b) and a great number of points aiming at the international financing institutions in general.

(15) "The developed countries should encourage investors to finance industrial production projects, particularly export-oriented production, in developing countries, in agreement with the latter and within the context of their laws and regulations" (P; IIIb).

(16) "To give access on improved terms to modern technology and the adaptation of that technology, as appropriate to specific economic, social and ecological conditions and varying stages of development in developing countries" (P; IVb).

(17) "-- an international code of conduct for transnational corporations in order to -- prevent interference in the internal affairs -- regulate the repatriation of the profits accruing from their operations taking into account the legitimate interests of all parties concerned - promote reinvestment of their profits in developing countries" (P; V).

Finally, there are many points about the promotion of co-operation among developing countries, about how the United Nations systems in the field of economic co-operation can be strengthened - and there is the Special Programme adopted by the General Assembly with "emergency measures to mitigate the difficulties of the developing countries most seriously affected by the economic crisis -". But what we have quoted is enough for a discussion, even a critical one.

Imagine that all the points quoted above were implemented - what would be the net result, what would the new international economic order look like? We are afraid the answer will have to be relatively simple: it would look almost like the OIEO, but with two very important differences - there will be more accumulation of capital in the center of the Periphery, and there will be more independent capitalist activity carried out by the centers in today's Periphery - who, then, will become Centers in their own right - like the rapidly developing international capitalism coming out of the countries bordering on the Arab/Persian Gulf. The reasons for this conclusion are as follows.

First, the NIEO is essentially trade-oriented: there is even talk of expanding the world trade economy. But there are very good reasons to believe that trade beyond a relatively low threshold may be antithetical to development - reasons to be explored below (to the extent that this is true UNCTAD should be renamed UNCTOD, the UN Conference on Trade or Development).

Second, as far as improving world trade is concerned, NIEO only aims at terms of trade. There is very little mention of changing the division of labor. Given the present system, the industrialized countries are so far ahead where it comes to processing raw materials (including food) that trade with them will have to be across a processing gap. But this means that they will still have the main responsibility for developing technology, even, probably, technology held to be appropriate for developing countries, and derive all the spin-offs (laboratories, educational establishments, military side-effects and so on) that follow in the wake of ranking high on the international division of labor ladder. As can be seen from the resolution, the major concern is with stable and "fair" prices for raw materials, and with guaranteeing them relative to synthetic products. In addition to that there is, of course, also the possibility of exporting semi-manufactures and some manufactures to the industrialized countries - but since they would have to take something in return this may merely mean that the trading will be across an even wider gap in processing, only that the gap will be higher up on the processing ladder - e.g. textiles for color TV, rather than oil or sisal for tractors and black-white TV.

Third, to the extent that there is talk of improved terms of trade, it is the deterioration in terms of trade that is discussed (and denied by many - the present author also has his doubts about it⁸) - not the absolute level. Whether the base year is 1970, 1960, 1950 or any other year, there is no reason to assume that the terms of trade were "just" at that time. Hence, the real job that should be confronted by those who want to build a new economic order on terms of trade has not been started, i.e. what constitutes fair terms of trade in an absolute sense. At this point there is much to learn from Chinese price-setting policies - the terms should be such that the level of living for the producers of food and of tractors becomes about the same.⁹

Fourth, to the extent that there is some talk of improved division of labor, it centers on such tertiary sector institutions as transportation, insurance and finance institutions in general. This is probably to the good, but it should be noted that the more of these institutions in the Third World, and according to First and Second world blueprints, the more will it favor increased trade - a point that is also seen clearly from the way technology and transnational corporations are handled in the resolution. That this will be good for trades people is clear. It is not so obvious that it will be good for the masses in today's Periphery countries.¹⁰

To summarize: what the New International Economic Order means, when translated into world reality, is some kind of "capitalism for everybody" charter. This will be made clearer when contrasted with the third world

system based on self-reliance and global interdependence. But it can also be clearly seen when the points quoted above, one by one, are translated into the reality of the OPEC countries: they are compatible with that reality, yet it still remains to be seen: (1) what will happen to the masses in those countries, (2) how autonomous will the countries really become and to what extent will they only buy themselves into dependence on the old Centers for even more sophisticated technology than before and (3) to what extent will these "nouveaux riches" at the international level make use of their riches to peripherize other countries, e.g. the least developed countries to which OPEC has pledged so much of its support, when their own markets have become saturated and their factories run out of domestic raw material?¹¹

And yet this should not be interpreted as a negative view on the NIEO and the related Charter on Economic Rights and Duties of States,¹² for many reasons. Thus, there is the very important emphasis on collective self-reliance, on all kinds of economic cooperation among developing countries - although it should also be said that this will also play into the hands of Third World elites, many of them commercial, who are concerned with inter-state relations more than with the level on which people live and produce/consume. Second, as a net result of NIEO, more resources will be available to the Third World - which means more possibilities if the regimes want development - meaning more autonomy and satisfaction of at least basic human needs for all. Third, these points quoted (and the others not quoted) refer only to the international economic policies; they do not necessarily prejudice the national policies. But to these last points some scepticism will also be appropriate: the Old International Economic Order is so strong, so pervasive, that a very strong cure seems to be needed to change it - otherwise it will transfigure, even pervert any attempt at reform. Concretely: if one tries to imagine the Spirit of capitalism reading over the back of the drafters of the resolution there are some reasons to believe that the Spirit felt quite cheerful about it, mainly reflecting that "well, well - once I left the Old World and settled in the New World - I can do that again and settle in the Third World this time --".

But then there is another positive perspective on the NIEO that should not be underestimated: the very fact that it is a UN resolution is a sign of how things are changing. The same applies to the Lomé Convention between 46 developing countries and the European Community: it is not at all a good convention by the standards expounded in this paper, but it is important that the 46 acted in solidarity with each other and were able to extract a great number of concessions from the countries on top of the OIEO. Thus, as a part of a process both the Lomé Convention (which can be seen as an expression of many of the ideas contained in the NIEO¹³) and the NIEO itself should be evaluated positively - provided the next steps are taken sooner rather than later.

1.4 Self-reliance. And the next steps can conveniently be summarized under the headings of self-reliance and global interdependence. These are relatively new verbal symbols on the international scene (although they appear already a number of times in the NIEO resolution, but usually in a less clear way). But they are not new as concepts to the Chinese, the North Koreans (juche), the Tanzanians (the ujamaa villages and indeed the entire Tanzanian development philosophy is based on that idea) - nor to socialism in Eastern Europe (although its practice in later years is much closer to NIEO than to self-reliance). It is also fair to say that self-reliance is a concept in search of a theory - certainly in search of clarification.

Nevertheless, three basic ideas seem to come together in the concept of self-reliance:

(1) The idea that development should develop man, not things -- development is not the increase of GNP per capita, of world trade, nor the introduction of democracy or socialism as such -- only insofar as they can be shown to develop man. And that, concretely, means that development theory and practice have to be rooted in a theory of human needs that includes the five fundamental material needs mentioned, but also goes beyond them, to such needs as freedom, work in the sense of creativity, politics, togetherness, joy, a sense of meaning of life --. Also, inherent in this concept would be the idea of developing all men, not only all of man (and woman - the English language has this male chauvinism built into it) - which would lead to concepts of social justice and equality, and to the idea of starting with those most in need.

(2) The idea that development can only take place through autonomy, and a first step is to rely on your own forces and own factors, on your own creativity, your own land, raw materials, capital - however limited they are, at the individual level, the local level, the national level and the level of collective self-reliance already referred to - regional co-operation. Concretely this means that one tries to produce things locally rather than to obtain them through exchange - as far as possible. When not possible locally, try within the country, if that does not work try another country in the same region and at the same level of development, and only if that does not work: trade with the developed countries! Why? In order to grow from the challenge of having to do things oneself, in order to utilize all local factors as much as possible and not give in to the temptation to trade with the factor (if any) on which one is over-endowed, getting all the others or ready-made products in return, thus underutilizing oneself and one's own resources; and in order not to be dependent on anybody.

Most important in this connection is self-reliance in food-stuffs, in order not to get into a dependency that can be used by the food-rich to blackmail a country into submissiveness.¹⁴ Hence, the basic point about self-reliance is not autarchy, or complete self-sufficiency - it is not the farewell to trade. But it does imply a decrease in vertical trade, trade across a processing gap, for that trade usually means that the periphery has submitted to the division of labor and not processed or made sufficient use of its own factors itself. And it implies a reliance on oneself to the point that one's capabilities are so well developed that if a crisis should occur, then one could be self-sufficient.

(3) The idea that underdevelopment and its partner overdevelopment, are primarily products of an international structure, not due to some countries being better endowed in natural and human resources than others; which means that for development to take place, that structure has to be changed. For that to happen, periphery countries probably have to opt partially or entirely out of the system for a shorter or longer period, and this in turn implies that self-reliance becomes not only a tool for individual, local and national growth, but also an instrument to bring about basic structural change. This applies not only to the international structure but also to domestic structures: as argued above they are rather similar and a strategy of self-reliance would apply to either.

Space does not permit us to go into any details about self-reliance strategies. Suffice it only to point out that the way this is practised in the People's Republic of China involves not only that enormous country as such, but each province, district, commune, brigade, team - they all function and operate under that norm, thus mobilizing an unheard of amount of creativity.¹⁵ More important in this connection, however, is the way in which the Chinese combine all three points above: production is above all for the satisfaction of fundamental needs (with "politics in command", with a high level of creativity called for, with togetherness, definitely giving a sense of meaning, but hardly with freedom in the Western sense of the word); it makes maximum use of local factors, even creating factors where nobody thought they existed; and it involves withdrawal from the system - in that case from the Soviet-dominated system (which the Chinese refer to as social imperialism), after they had withdrawn from capitalist imperialism. To what extent they now feel they are ready for some type of reintegration they themselves can control, and to what extent they are right if they feel so, we do not know -- given the strength of the OIEO and what it means to the system known as Soviet and Eastern European socialism, there is hardly any doubt that great care should be exercised if one wants to remain autonomous.¹⁶

But will this not merely lead to a world of mutually isolated states, not only self-reliant but also to a large extent self-sufficient, egoistic, inward-looking - neither learning from each other, nor being tied together in the type of symbiotic relationship that serves as a protection against violence, for each party is to some extent dependent on the other for its own survival, or at least well-being? To this important question there are at least three answers.

First, the OIEO is no answer to the problem. There was and is learning, but only from the Center to the Periphery, e.g. in the form of technical assistance, or in the form of the Center developing expertise about the Periphery, but not vice versa. There was and is symbiosis, but it is parasitical - there is much more dependence one way than the other, although the oil crisis also taught us something about how much the industrialized countries in Western Europe and Japan depend on the oil-exporting countries.

Second, self-reliance is entirely compatible with horizontal trade, trade among equals - even with some division of labor, provided there is no essential gap in processing level. There is a world of difference between exchanging tractors for oil and tractors for transistors - provided the terms of exchange are reasonable.

Third, there is another way of tying the world together than through trade: through global interdependence brought about by global institutions. After all, countries are tied together, for good or for bad, more through common institutions that command a certain amount of compliance - whether based on shared norms, on shared interest or fear - than on trade between districts. Such global institutions are today emerging: the UN specialized Agencies in addition to the UN itself; in the future there will definitely be a trend towards globalization (the world level parallel of nationalization) of transnational corporations;¹⁷ some kind of International Seabed Regime may be around the corner,¹⁸ etc. It should be pointed out, however, that such institutions may also constitute a threat to self-reliance and produce client states just as welfare states have a tendency to produce client human beings.¹⁹

- 1.5 Conclusion. These are the three "systems" - "what will the future be", as the song goes? In general our prediction will be that we shall go through some kind of transition from OIEO to NIEO and from there to self-reliance - in some cases straight from OIEO to self-reliance, particularly when the true nature of NIEO becomes clearer. These changes will hardly take place without violence - but the transition from the old to the new economic order need not be accompanied by violence. If the multinationals

are given the time they need to regroup, to operate out of new quarters, to change investment patterns, to train officials in new languages (not necessarily needed) so as to administer a new international division of labor,²⁰ there may be no source of major violence. The Lomé convention is, in and by itself, testimony to how far old dominant countries are willing to go, meaning how high a price they are willing to pay if they still can remain Center countries in a division of labor, and can influence the Periphery through sub-Centers that may themselves be powerful, as long as they remain "cooperative". It may be that the rich countries will receive more semimanufactures than raw materials, but given the cheap labor this may even be advantageous.

The moment self-reliance is on the horizon, this picture changes, for the basis of self-reliance is that none or only a very limited role is given to the Center countries at all. By and large they will no longer receive raw materials, raw labor or raw capital for all that is needed in the Periphery for its own self-reliant development, and there will be less demand for Center expertise and manufactures, as long as the purpose of production is to satisfy fundamental needs in a way the marginalized masses can make use of -- and that is definitely not what the Center knows how to do.²¹ Consequently the Center might react, and one way of reacting is by supporting the New International Economic Order with the hope that this might be sufficient and timely enough to stem a tide that might ultimately abolish the whole classical Center-Periphery system. Another way is the military way, particularly through local military coups; still another is through economic manipulation before the countries can marshal sufficient strength to go in for self-reliance. There are many ways of keeping Western predominance, and the elites in those countries know most of them very well - and have training from recent practice.

Nevertheless these are the types of paths the world probably will follow in the years to come. The best, and the rational, answer and response in today's developed countries, the Center, would be to do the same: to go in for self-reliance too, at the collective, national, local and individual levels - meddling as little as possible into the affairs of that vast Periphery, that Western capitalism and empire building has created, relying on its own creativity and its own production factors in general.²² That is the real challenge to the statesmen of the developed countries of today: to have the courage to see that the key to the development of the poor world is located in the rich world and in the total system much more than in the poor world - and that in approaching this problem more rationally than has so far been done, there is also a chance to come to grips with the problem affecting the rich countries: the problem of overdevelopment.²³

Today it is probably not fully realized how different SR is from the other two, and how similar the old and new international economic orders are to each other. The latter is seen particularly clearly by studying the five major demands into which much of the NIEO may be said to have crystallized:²⁴

- (1) An Integrated Commodities Program (ICP) for the 18 major commodities (meaning essentially raw materials) that are said to account for 80% of the revenue of the Third World.
- (2) A Common Fund to finance the buffer stocks of the 18 commodities in the ICP, estimated at about \$6 billion.
- (3) Debt Relief - essentially a question of allocating much of the debts (estimated at a total of \$150 billion incurred by the Third World) through such alternatives as cancellation and debt moratorium.
- (4) Access to markets of the rich countries for manufactured products of the Third World. This is partly a question of extending the Generalized System of Preferences (under which some products of that kind can enter the industrialized countries on a special, non-reciprocal tariff for a period of 10 years) to more products and for a longer period, and partly a question of eliminating some of the non-tariff barriers (quality minima, quantum maxima, sanitary conditions, etc.).
- (5) Increase in Aid - From the present 0.33% of GNP, as an average for the industrialized countries, to the UN target of 0.7%.

As stated above, the NIEO is trade-oriented and as such essentially terms-of-trade - oriented. All five points can be seen in that perspective: the net flow between poor and rich countries shall become more favorable to the poor countries by stabilizing and improving the revenue from commodities (points (1) and (2)); by decreasing the outflow in servicing debts (point (3)); by getting the value-added by processing at home in the Third World, then exporting to the rich countries (point (4)); and by increasing the in-flow of aid (point (5)).

In a sense, there is a problem of public relations here: the protagonists of the NIEO have not so far been able to convince the world sufficiently that the basic idea of the NIEO goes beyond mere change in North-South relations (as the five points above are clearly examples of). There is much less public emphasis on such aspects as gaining control over all economic factors nationally, on increased cooperation among Third world countries and on priorities to the basic needs of those most in need. Of these three points the first two figure very prominently both in the NIEO Declaration and in the Charter. The last point, as mentioned, is more hidden away, and less specific.

What is the reason for this? One among many reasons may be that the NIEO comes out of the same basic paradigm, where economic thinking is concerned, as the OIEO, according to which the fundamental task in international economic deals is to accumulate wealth; that countries accumulate wealth, that is. If the GNP is accepted as a measure of the extent to which the countries have, in effect, accumulated wealth, then it would be tempting to go in for those policies than increase the GNP. If in addition these policies can also decrease the GNP of today's rich countries, or at least slow down their GNP growth, then there is even a chance that the famous gap will be bridged. In a sense it would not be strange if this were even a relatively good explanation, for the power of GNP as an indicator, and thereby as a way of communicating goals, has been considerable.

But this has a number of consequences, some of which should be spelt out.

First, if GNP is essentially a measure of value-added (market value, that is) by bringing capital, labor and research to bear on nature, then in general terms: the more processed and the more marketed, the better. A population living very well off the fruits of nature (e.g. the proverbial bread fruits), with no processing and no marketing, would not register any economic growth regardless of how much (or how little) their basic needs are satisfied. In the GNP as a concept, the Western ideas²⁵ of "Man over Nature" (to make gains from trade, which - of course - are better the more favorable the terms of trade for oneself) are embedded. One can do this by specializing in high levels of processing (incidentally, also in processing human beings through education, thereby making it possible for them to render increasingly complex "services", increasingly removed from "nature" meaning what human beings do to each other anyhow); one can also do it by specializing in trading - obviously, the best would be to do both, which is what the industrialized countries of today, by and large, have done. Consequently, the goal becomes that of increasing the percentage of world manufacturing capacity, the participation in world trade, and - more particularly - the participation in the world trading with manufactures. And all five items above can be seen as aiming in that direction, directly or indirectly.

Second, at the same time they can be seen as measures aiming at reducing the GNP/capita growth in the rich countries, by making them less able to speculate in terms of trade favorable to them, and in less of a monopoly position relative to the Third world when it comes to manufactures, not only in and for the Third world countries, but also for themselves. In addition to the "aid minus debt services" the flow should be turned in favor of the Third world by increasing the former and decreasing the latter, thereby having wealth flow downhill, with a redistributive effect.

Third, and that is the main point in this connection: if the goal of national policy is GNP growth, then the goal of international policy could be GNP equalization, or "bridging the gap" - consistent with the two foregoing points, which in turn are consistent with the five demands articulated within the NIEO. It is against this goal, so clearly consistent with NIEO, since they are both offsprings of the same basic paradigm of national economics, that the following arguments are directed: to bridge the GNP gap is in general impossible, and to bridge the GNP gap is in general undesirable. We shall now look into these arguments.

To bridge the GNP gap is in general impossible. For one thing, the rich countries of today think in the same ways, and when they resist the five demands, it is because they know that this will reduce the GNP gap - although the arguments on either side may not be expressed in such terms. But the point is rather that the lead of today's rich countries is based on a capacity for independent research in certain directions, and not easily recreated in today's poor countries. New ways of processing and marketing would be highly research-intensive. In addition, and this is perhaps an even more important point: there has to be somewhere to market the products, regardless of the level of processing. The gradients of world trade, set up by the Western world, have favored the Western world. They can be made less steep, possibly even eliminated.

But for the Third world to bridge the GNP gap, considerable as it is, this would hardly be sufficient. The gradient has to be turned the other way; there has to be an automatic flow of wealth from today's rich to today's poor - which means that it has to be built into the world trade structure. Or, if this does not work out - as indicated above it probably will not - there is the alternative method of creating a gradient of exploitation in another direction, by the Third world exploiting the Fourth world, the Fourth world the Fifth world, and so on. Whether the Fourth world is identified as the "least developed countries" or as "the poor in the Third world" does not matter much, for the conclusion is the same: They do not have much to offer in terms of resources, and even to the extent they do - whom shall they exploit? Where is the Fifth world ---?!

To this, it may be added that the country on top of the 1976 GNP/capita list is Kuwait - followed by Switzerland, Sweden, Canada, the United States, Norway, Denmark, Western Germany, Belgium and France.²⁶ But this case is rather atypical, not so much because the GNP is based on oil, in a period of steeply increasing commodity prices, as because the "capita" is rather small, and - more importantly - consists of those people living around the oil wells. Many GNP/capita rich countries can be created in the Third world simply by drawing a circle around that point in the economic cycle at which there is a net flow of wealth.²⁷

To bridge the GNP gap is in general undesirable. One reason for this stems from what has just been said: if today's poor countries are to be rich by making others dependent on them more or less the same way this has been done during the history of capitalist imperialism, then this is undesirable. The objection to this would be that it may still be highly desirable from the point of view of the countries that benefit from it, the proof being that the rich Western countries are gradually forced out of those positions of dominance; they do not retreat from them simply because one day they feel they are wrong positions to be in (although this may also be one factor).²⁸ The question, then, is one of tracing the impact of the process that leads to GNP/capita growth in other fields of social and human life, and this leads to the (today) open, and expanding library of the ills of the rich, industrialized societies. This is not the place to repeat all or any of those arguments, based on more or less substantiated research on causal connections, of which the present author would put much of the causal burden on the social structure²⁹ - vertical fragmenting, marginalizing, segmenting that is used to accommodate Western techniques socially. These also have a number of undesirable consequences - not only the consequence of being compatible with high levels of economic growth.

The Third world knows about these shortcomings and for that reason is in a better position to counteract them. Although this certainly is not born out by the examples of the countries that so far have undergone this type of change with quick economic growth for an extended period - with the possible exception of Japan³⁰ - the counter-argument would be that the forces put into motion by the structures engendered by Western-type techniques seem so strong that most local, cultural and social patterns easily crumble, simply because they are incompatible. It is possible that these patterns could be compatible with sustained economic growth, but in that case other techniques, engendering other social (and cultural) patterns would have to be introduced, and at present it does not look as if there is much initiative in that direction in the Third world - with the exception of China.³¹ Hence, in the meantime, it is expected that GNP/capita growth will be accompanied by alienation, mental illness, somatic illnesses due to pollution and continued depletion of nature, increased criminality, and internationally, domination of other countries for economic reasons, including the use of force for that purpose.

Self-reliance would differ from all of this, simply by rejecting the modelling effect the "bridging-the-gap" dogma has and setting out to chart, for each society, its own course - not even necessarily referring to it as "development".³² The way it is seen here, the idea of self-reliance is only meaningful if it is linked to the idea of meeting basic needs, material and non-material. Of course, there is also the narrow

concept of self-reliance as "collective self-reliance", essentially meaning collective bargaining based on Third world unity. There is the more advanced concept of self-reliance as regional, national or local "mainly-doing-it-ourselves", which can also be used to harbor an ideology compatible with continued misery at the bottom and exploitation of the masses by ("self-reliant") elites. But the concept of self-reliance does not, or should not end with the world "local": it should, as is stated in the Arusha declaration, essentially benefit and be based on the individual culminating in, and deriving from individual self-reliance. This linkage with the basic needs approach does not follow logically, or empirically, it has to be forged politically. But the argument would be that the individuals most in need stand a better chance under a policy consistently informed by the ideas of self-reliance than under the trade-based, "bridging-the-GNP/capita-gap" policies discussed above.

For this to be the case, however, the goal-setting has to be in other terms than the Gross National Product. One such alternative set of goals would be in terms of the level of satisfaction of basic needs, measured at the bottom of society.³³ A policy that gives control over land to those who live on it and are least fed is likely to ensure that priority will be given to foodstuffs that can be consumed on the spot - meaning that neither processing, nor marketing will be pronounced, at the same time as at least one basic need, for food, will be met. An organization of the countryside into federations of villages, allocating the factors of production so that food, clothing and shelter are guaranteed while at the same time creating sufficient surplus to set aside for such services as medical treatment and schooling, and for small-scale industries to produce labor-saving devices for the production of what is needed to meet basic needs, might not be possible everywhere, but it could carry the population a far distance towards a more decent life. Given this, it constitutes a goal, but in that goal should be included what the policies imply for such non-material need categories as identity and freedom. Economic well-being is not enough as a goal-setting; although it helps if it is measured in what might be called "basic needs unit" (BNUs).³⁴ The gross national product makes no discrimination at all between "good" and "bad" products and services; the basic needs perspective would only rate a country high to the extent that its productive machinery is used to meet basic needs, obviously measured at the bottom,³⁵ as any country can display well-fed elites.

This is not the place to spell out what the concrete indicators³⁶ might look like, but countries would obviously fare more or less well on such indicators, as on any other. Thus, there may be a gap, and the question is whether it is both possible and desirable to bridge it. Offhand the answer seems to be affirmative to both. But there are problems also in this connection, especially if "catching up" is taken very literally.

Thus, the leading group will easily be used as a model, and this may have the same implications as for GNP/capita: an imitation also of the more dubious practices used to attain the goal, and a tendency to import methods rather than letting them grow out of one's traditions and practices. Moreover, why should the leading group serve as a norm? For the case of GNP/capita there is a good argument for this: it means some form of social justice, a fair distribution of the world wealth. But in the case of basic needs, and the whole thinking underlying it, equality would not be the only normative concept that would enter the calculations and the policies. To meet the basic needs, or the "inner limits" in UNEP parlance, is something more absolute - and if the leading group is below this minimum it is not sufficient for others to catch up - it has to be passed. Similarly, the leading group may be so high that if others should catch up, this would transgress the "outer limits" set by nature - which means that the problem would be one of "catching down", of meeting somewhere in the middle. Obviously this should/could be done by cutting down on the consumption above a stipulated maximum by the elite top of societies, rich and poor - not by curtailing the gains made by the poor in the rich countries. The same reasoning actually also applies to GNP/ capita equalization.

In general, however, this kind of "bridging the basic needs gap" seems both possible and desirable, at least more so than the "bridging the GNP/capita gap" - and particularly if non-material needs are taken into consideration. It is possible because the gap in the basic needs situation for the bottom, say, 25% of society may be less awesome than the GNP/capita gap. It is desirable, because the effort to raise the level of those at the bottom would turn the allocation of productive capacities in another direction. However, the question may be asked, is it important? Is it not much more important that these needs are met all over the world on a sustained basis, which means with no lasting, irreparable prejudice to nature, than some type of mathematical equality based on more or less arbitrary points both where what constitutes minima and maxima, and segments of society one would focus on, are concerned?

And then there is the whole force of the concept of self-reliance with and without a basic needs approach. Self-reliance is built on self-respect, on a certain amount of self-sufficiency, and on fearlessness - it is not based on imitation/submissiveness, dependency on import from other countries, and fear of these countries. All these are tied to non-material needs that can be formulated in many ways - suffice it only to say that it is not enough that basic needs are met, the way they are met is also important - for the Third world and its sub-regions (and for any other region in the world), for the individual countries, for the local community. This also enters the indicator field because it enters the goal-setting; not only meeting basic needs, but also being autonomous,

e.g., in the three senses mentioned above. For an OIEO - and probably also for an NIEO-oriented country, using GNP/capita as a brief formula capturing many of the goals set for the national economy increasing trade will be a goal worth struggling for; for an SR-oriented country this may also be the case, but only if autonomy is not endangered, in other words, only if the exchange is not essentially between a center and periphery, and across a processing gap. Concretely, the indicator (not easily measured!) would be to what extent the country could withdraw from the world system and retain its capacity to meet basic needs, even on a sustained basis. And not only the country, one might add - but even the local community further down, and the region higher up.

Thus, whereas NIEO is compatible with imitation, and probably presupposes it, thereby preserving a Western-dominated structure, SR presupposes a more autonomous goal-setting that could/should be built around a nucleus of basic needs satisfaction. Potentially this means not only an alternative development for the Third world - with the People's Republic of China as one example of what this may imply in terms of creating a pole in the world contrasting with the Western poles.³⁷ It also means many developmental patterns in the Third world, not only one - given the tremendous span in culture and social structure. Thus, it is hard to believe that the highly individualistic Hindu culture could easily adapt itself to the collectivism that seems to be a basic underlying assumption for the People's Commune; a factor even Gandhi may have underestimated. But the answer to that kind of problem would not necessarily be to accept Western type individually-oriented liberal capitalism but, for instance, to equip the People's Communes with much more diversity and much more individual freedom than the Chinese have done. This, however, in the spirit of self-reliance, is for the Indians to decide - and for the rest of us, possibly, to learn from, for mutual enrichment.

NOTES

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1. There could, of course, be different centers - as in the Netherlands where there is a certain economic-political-cultural division of labor between Rotterdam, Den Haag and Amsterdam. However, such multi-centered ways of organizing a country (and the pattern can also be seen in Germany - Frankfurt-Bonn-Munich(?) - and in Italy - Milano-Roma-many places and Switzerland - Zurich-Bern-Genève(?)) are probably either unstable or simply irrelevant; the level of coordination is so high that the whole country, for all practical purposes, has become one center - la città-territorio. What is likely, however, is a certain division of labor between people given the complexity of these tasks in the center, in modern societies - and their reintegration by webs of kinship, friendship, graduation from the same centers of tertiary education, etc. See Johan Galtung, "A Structural Theory of Imperialism", Essays in Peace Research, Vol. IV, Ejlers, Copenhagen (forthcoming). The basic point, anyhow, is the center-periphery gradient along which there is a pattern of uneven development which can be utilized, usually, then, to benefit more to the center than to the periphery.

2. See the author's The European Community: A Superpower in the Making, Allen & Unwin, London, 1973 and "The Lomé Convention and Neo-Capitalism", Papers, Chair in Conflict and Peace Research, University of Oslo, No. 20.

3. This is very intuitive, indeed. But if one looks at the systems in the world dominated by the US, the EC countries and by Japan respectively, and reckon that they are dominating economically Latin America and Africa (for the US and the EC respectively) and Asia (for all three); moreover, that something like two thirds are well off in the center countries and one tenth in the periphery countries, then it comes out something like that - a 15% - 85% rule-of-thumb. Of course, our standards of what constitutes "well off" and "good" will differ and change over time - but it is remarkable how these systems, even over long time periods, have been unable to produce a more equal standard of living. Of course, to discuss these problems at all, the unit of discourse is the economic system, meaning the set of countries and peoples linked to each other economically so tightly that the economy of one depends to a large extent on the economy of the other - not the single country, which today is more likely than not to be but a node on a number of major economic cycles.

4. Thus, my own observation was that in Algeria, south of the Atlas mountains, the ability to produce the desert-adaptive nan type of bread has decreased in favor of European-type bread, mass produced, that does not stand up well in the dry heat of the desert.

5. Thus, the gradient remains, only both center and periphery move, the former probably more quickly, thereby increasing the distance, keeping the sign of the position difference. There are several ways of measuring this: difference in average degree of processing, difference in buying power, etc. - see Johan Galtung, Dag Poleszynski, Anders Wirak, Indicators for Development (forthcoming, 1978). Thus, the so-called "new" divisions of labor are usually not very new, as pointed out by Frobels, Heinrichs and Kreye in "Tendency Towards a New International Division of Labour", Economic and Political Weekly, February 1976.

6. To stick to the take-off metaphor: this analytical fallacy, the result of discussing international economics, using countries as the unit of analysis, is like ascribing the take-off properties of a plane to the pilot, or - to be more generous - to the plane alone; neglecting any reference to the infrastructure - the people in the factories producing the plane, the airport, the crews on the ground, etc. Yet, this type of fallacy persists and is probably very important in forming conventional wisdom. It should be noted that if perfectly similar planes are compared under similar conditions - in other words ceteris paribus - then the take-off may be ascribed to the pilot; but this is a very poor approach to the study of international relations where it is hard to identify similarity even for one variable. What is not so hard, however, is to make a long list of variables affecting economic performance, of which one cluster deals with position in the international economic hierarchy.

7. Unfortunately, no general index has been developed for a general theory of exchange. A basic point, however, is that the center gets more of its products than the periphery, even when these products are quite similar - as when they are exchanging money - saving money vs. investment money.

8. Obviously, the oil example is in itself a proof that this is not an iron law. On the other hand, the very fact that the law held for some period served to focus attention on the phenomenon, raise the political consciousness and stimulate action.

9. In other words, the theory of prices would be based on what happens to the producers as a result of the prices rather than on the costs of production. In a two-party, two-commodities economy, the terms of exchange could be set so that the level of living in either party would become the same; also counting the international consequences in the two parties. Thus, if the other party is lagging behind, the terms of exchange would be adjusted so that they would get more of what they demand for each unit they

produce - meaning that the leading party would get less. Rather than an economy of the survival of the fittest, this would be an economy of compassion where those who are ahead would be willing to see their terms of exchange deteriorate in the name of more equality. An equitable exchange relation, then, would be the terms of exchange that produces equality. For a compassion of this type to dominate, a high sense of solidarity, e.g. of belonging to the same collectivity, might be one condition. Another condition could be the intervention by a third party, e.g. the state - either directly or indirectly in the form of subventions. For direct compassion to work, some form of closeness is sometimes needed, which would be one argument in favor of redirection of economic relations in directions where compassion might be more operative.

The idea that compassion should emerge from classical trade relations, essentially based on getting as favorable terms of exchange (to oneself) as possible, seems off-hand less plausible.

10. The Green Revolution is probably a good point here, as an example. For a good analysis of documentation on how it has not helped the masses in the countries where it has been tried, see Frances M. Lappe and Joseph Collins, Food First: Beyond the Myth of Scarcity, H. Mifflin, New York, 1977. The only difference entailed by NIEO principles would be more Third world ownerships of the factors of production so that more profits, probably/possibly, would accrue to Third world countries, meaning those - private or public elites - who control the factors of production and decide to what extent there will be any internal distribution downwards.

11. On the one hand the answer is obvious: they will do what other rich capitalist countries, dependent on raw materials and markets abroad, have done. The question is whether, or to what extent, they will line up with the old capitalist countries or form a middle layer in some kind of three-tier arrangement that has been emerging for some time.

12. The Charter, adopted by the UNGA on 12 December 1974, is very similar to the NIEO Declaration and Program of Action, but less specific, hence less useable as an approach to defining the content of the NIEO. It suffers from the same deficiency, openly stated in its title, of being a charter of States. There are some scattered references to people:

- Preamble (a): - - higher standards of living for all peoples:

- Article 7: Each State has the primary responsibility to promote the economic, social and cultural development of its people - - - and to ensure the full participation of its people in the benefits of development.

- Article 14: Every State has the duty to co-operate in promoting a steadily increasing expansion and liberalization of world trade and an improvement in the welfare and living standards of all peoples, in particular those of developing countries.

Vagueness characterizes the presentation of how to raise the living standard of peoples; it is almost as if the framers of the Charter either believe that to come as an automatic consequence of a changing structure of the world trade or are not really interested in the topic, drafting a State-oriented, not a people-oriented charter.

13. Of course, the reason for this is that they both come out of the same mainstream of thinking about how to restructure the world economy.

14. This is the most important confusion about self-reliance: it is confused with autarchy, self-sufficiency, with building a wall around the country. The truly self-reliant will never fear to interact with others. But self-reliance should also imply capacity for self-sufficiency in essentials so as to be able to survive a crisis - and this is where foodstuffs enter. For details, see Galtung, O'Brien, Preiswerk, Self-reliance, George, Lausanne, 1977.

15. This is a basic theme in Johan Galtung and Fumiko Nishimura, Learning from the Chinese People, Oslo, 1975 (in Scandinavian languages and German): to organize work in such a way that everybody gets something challenging to do, thereby stimulating creativity. Has this changed after the death of Mao Tse-tung? There seems at present to be no way of knowing, as the principle of "walking on (at least) two legs" combining (improved) traditional technology with (adapted) Western technology-is an old one, and certainly not discontinued. It should be noted that this principle presents people with a triple challenge: that of being innovative in either field and in ways of combining them.

16. In retrospect, when still some years have passed, my guess would be that it is marxism as such rather than some marxists or others that will be seen as crucial here, simply because of its very limited theory as to the effects of technology, focussing far too one-sidedly on structures of ownership, too little on the social relations embedded in the technology and capable of transforming a social order or steering it away from the wishful thinking of ideologists who do not take the power of technology sufficiently seriously. For one treatment of the topic, see Johan Galtung, Development, Environment and Technology, UNCTAD, Geneva, 1977.

17. For some details, see Johan Galtung, The True Worlds: A Transnational Perspective, New York, 1977 - chapter 7.3.

18. The United Nations Conference on the Law of the Sea still not concluded three years after its start in Caracas, summer 1974.

19. The Welfare states distribute goods and services, but not the challenge in providing for these goods and services - those challenges are concentrated at the top. The same would be the case with a welfare world, only there would be client states rather than client human beings - in a chain of clientelism.

20. For one analysis of the "new" international division of labor, see the article referred to in footnote 5 above, by Frobel et al. Also, see the analysis by Dieter Senghaas, "Der Weltwirtschaftsordnung neue Kleider", Wirtschaftsdienst, Vol. 55, No 5, May 1975, pp. 229-235.

21. For one example of what may happen, see Johan Galtung, "Development from Above and the Blue Revolution: The Indo-Norwegian Project in Kerala", Essays in Peace Research, Vol. V, ch. 12, Ejlers, Copenhagen, 1978. A short version has appeared in CERES, 1975.

22. In a sense, the United States, the Soviet Union and the European Community are such examples of regional self-reliance - with the exception of the EC where energy is concerned. The internal trade is high, the external trade (relative to the total size of the economy) low.

23. For one analysis of overdevelopment, see Dag Poleszinski, "The Concept of Overdevelopment: Theory, Causality and Indicators", Papers, Chair in Conflict and Peace Research, University of Oslo, No. 53.

24. This presentation makes use of the excellent summary by Sulvain Minault in International Affairs Report, American Friends Service Committee, Philadelphia, January 1977.

25. For one presentation of a set of ideas held to constitute a Western Cosmology, see Johan Galtung, Tore Heiestad and Erik Rudeng, "On the Last 2500 Years in Western History; And Some Remarks on the Coming 500", The New Cambridge Modern History, ch. 13, Vol. 13. For a short presentation, see Johan Galtung, Development, Environment and Technology, UNCTAD, Geneva, 1977, ch. 1.

26. La Suisse, 7 July 1977.

27. Singapore may be a case in point here.

28. The role of moral conviction should not be underestimated: there is a difference between an exploiter who sees what he does as perfectly natural, and one who sees himself as an exploiter.

29. For one attempt at analysis, see Galtung, Development, Environment and Technology, ch. 3.
30. Many important indicators of negative development, such as criminality, do not behave in Japan the way they do in Western countries - possibly due to the protective shield spun around Japanese individuals in the famous pattern of vertical collectivism.
31. And even in China there was/is not that much inventiveness where the techniques themselves are concerned. A factory looks pretty much the same; it is mainly the social organization built around it and into it that differs.
32. It may very well be that this word should gradually be phased out of the vocabulary, and seen as an expression of the Western Idea of Progress syndrome. Self-reliance could take its place, or Autonomy, or Liberation - or else the concept of "development" has to be given a new and fresh content - contaminated as it is from the conceptual proximity to "economic growth".
33. For one (preliminary) formulation of indicators in such terms, see Johan Galtung, "Towards New Indicators of Development", Futures, June 1976, pp. 261-65.
34. These would be units like "what is needed to keep an infant alive one year", "what is needed to give schooling to a child for one year" etc.
35. This can be done by computing the average for the bottom 10, 20, 25, 33, 40 or 50% - or by finding how many are above a minimum floor level.
36. A preliminary investigation of this is being completed at the Chair in Conflict and Peace Research and will soon be available as a book manuscript with the title Indicators for Development: Towards a Theory of World Indicators, by Johan Galtung, Dag Poleszynski and Anders Wirak. More important is the project to be launched by the United Nations University under the title "Goals, Processes and Indicators of Development".
37. It is also interesting to note the tremendous power that emanated from a self-reliant China. If China now is to embark on a less self-reliant course, then she may run the risk of being judged as a shoddy copy of the West, not as a new opening in the field of development - and be ranked lower than before in prestige and as a source of inspiration.

PART TWO

POOR COUNTRIES vs. RICH; POOR PEOPLE vs. RICH

whom will the NIEO benefit?

ON THE IMPACT OF NIEO ON POOR COUNTRIES

- 2.1 The instruments of the New International Economic Order and related resolutions and conventions are, as the name indicates, of an international character.¹ They deal with the international economic order, not with the intra-national order - except indirectly, through the hypothesis that changes in one will not only lead to changes in the other, but also to beneficial changes in the other. There is an implicit hypothesis to the effect that redistribution of world resources towards the poor countries, so that they accrue to them more than before and benefit them more than before, even so that they are controlled by them more than before, will ultimately also benefit poor people in poor countries.² It is this hypothesis that will be examined in the following.

Let us start by assuming that the New International Economic Order and related instruments will in fact make poor countries richer when considered - as they are in the theory and practice of international economics, - as homogeneous entities, as undifferentiated wholes. It is not obvious that their relative standing will improve, but improved terms of trade and other instruments should have this effect, even short-term, as has already been seen in the aftermath of the highly successful OPEC actions.³ The question is what happens to the poor people in those countries.

To discuss this, the concept of surplus is useful: what is left when the costs of production, including the costs for minimum reproduction of the labor force (including future labor force through ability to maintain, if only a minimum basis, a family) are subtracted. Much of the surplus is generated at the bottom of society;⁴ the question is whether it stays at the bottom or is transported upwards. Some of the surplus enters the top of society;⁵ the question is whether it remains at the top or trickles downward. In principle this gives rise to four types of societies, as indicated in Table 1:

Table 1. What happens to the economic surplus within countries?

		<u>Surplus entering on top</u>	
		stays on top	trickles down
<u>Surplus</u> <u>generated</u> <u>at the</u> <u>bottom</u>	transported upwards	I exploitative societies	II welfare states
	stays at the bottom	III double societies	IV progressive societies

The analysis can now start by commenting on the four combinations.

The first combination is the best known among the Third World countries today: the surplus generated at the bottom is transported upwards; the surplus that enters at the top stays at the top. As a result the masses remain in misery, their situation may even deteriorate further, whereas the elites improve their standard of living rapidly through surplus from below and from the outside. The inequalities in society become more pronounced every year, and the vested interests of the elites in maintaining the structures that steer the surplus flows towards the elites also crystallize over time. These are clearly exploitative societies, and one of the basic methods is to pay farmers and peasants very badly for their products, at the same time as they are made dependent on participation in the monetary economy for some goods needed for production and services needed for reproduction; and at the same time paying workers and people lower down in the service categories minimum salaries. In order to maintain this system a repressive machinery is usually needed to maintain fragmentation of workers away from peasants and away from each other, to prevent consciousness formation and mobilisation of the masses.⁶

In the second category there are societies where the surplus is transported upwards, but then permitted to trickle down again. This is typical of the welfare states in the First World, and to some extent also in the Second World (the socialist countries). The salaries paid to the workers in the secondary and tertiary sectors of society are still only a fraction of the market value of the goods and services they produce or help produce - this being particularly true in the secondary sector.⁷ But at the same time the State enters the picture with a huge machinery for internal redistribution: progressive taxation and other measures which tax the relatively well-to-do, putting money at the disposal of the

State for redistribution in the form of social services such as public health, public education, public transportation and communication (or subsidized versions of any one of these four). The system will almost have to be bureaucracy - intensive as the surplus both has to be "pumped" up and then down again, the bureaucracy more or less effectively regulating and pumping some of the flow. But as a net result social inequalities tend to remain relatively constant. If the elites improve their standard of living, so do the masses, at a respectful distance, but in more or less parallel fashion.⁸

The third combination is a relatively rare one: the surplus generated at the top remains at the top and the surplus generated at the bottom remains at the bottom. We are thinking here of a special category of societies that actually are truly dual societies: there is a modern/urban/incorporated sector which may be run like combinations I or II above; then there is another sector in society totally outside, untouched by the first one, truly marginalized. They neither benefit from possible trickling-down effects, nor are they exploited or considered worthy of exploitation. We are thinking of various nomadic groups, aboriginal societies still able to hold out in the deeper recesses of the countries, etc. Of course, they are marginalized only in so far as they are not used as a reserve army of labor that can be brought in or kicked out again depending on the business cycles.

Then, finally, there is the fourth combination: the surplus that enters or is generated at the top is transported (at least partially) downwards; the surplus generated at the bottom (by and large) remains there. Only in this type of society will it be possible effectively to narrow the gap between the poor and the rich and at the same time raise the standard of the poor - two highly important political goals, both logically and empirically independent of each other. The mechanisms would be a high level of local self-reliance permitting the local communities to design their own production-consumption cycles for their own primary consumption, they themselves deciding which fraction should go to the center of society for exchange on an equal basis.⁹ An absolute prerequisite seems to be land distribution in such a way that ownership of land remains in the hands of those who cultivate it, individually or collectively. Another condition seems to be a relatively low level of monetization of the economy so that the temptation to use the soil for the production of cash crops, for internal and external export in return for consumer goods for the satisfaction of non-basic needs, does not become too overwhelming. At the same time these policies have to be combined with effective channels for the redistribution of resources in the form of services of various kinds, from the top to the bottom. Needless to say, the People's Republic of China, after the introduction of the Peoples' Communes, represents one example of a society in this group of

countries.¹⁰ Others can be mentioned that more or less fall into this category, but hardly more than a maximum of a dozen of the countries members of the Group of 77.¹¹

The question is how the New International Economic Order and related instruments will affect this general picture; what kind of effects these changes in the international economic structure will have on and in the four types of countries. For the purpose of the discussion, we can leave out types II and III and concentrate on the Third World countries located along the diagonal in Table I, mainly in the first category.

For the sake of the argument, let us take it for granted that as a result of the package referred to as the New International Economic Order there will be a redistribution not only of capital, but also of technology towards the poor countries. Concretely this will take the form of an increased flow of financial instruments and capital goods and/or blueprints and training programs entering the Third World country. Given the nature of this flow, the point of entry will usually be in the capital of the country, and usually towards the top. The landing point for capital will have to be in the leading banks of the country, particularly the State Banks; and the landing points for technology will have to be in public or private corporations and/or research institutions. In short, the landing points will be in the center of the country; the periphery almost by definition being insufficient in terms of landing platforms for such things.¹²

The question then becomes to what extent the country has adequate channels for further distribution of such assets into the hinterland. This should not be confused with channels for redistribution of surplus, for instance in the form of health and education. The problem is to what extent the country has a network of finance institutions capable of placing financial assets locally so that they can be put to work locally, and a corresponding network of institutions that can put technology to work in a local setting. The answer is clearly both yes and no: in some cases these networks exist, in other cases not. If they do not exist, the result may be pretty much the same, for the networks themselves will tend to create an archipelago of mini-centers in district capitals and even the smaller cities and towns, imitative of the institutions in the national capital which in turn are imitative of the First World countries (or at least their capitals). Money as such does not fill up empty stomachs, only after it has been used to produce or to buy food; and the same applies to technology - it has to produce first.

But the technology imported from rich countries will tend to be capital-intensive, labor-saving, research-intensive and administration-intensive (even generating researchers, bureaucrats and capitalists), the

the conditions under which it can be put to work are very special: there has to be a concentration of capital, researchers and administrators and relatively few laborers. In other words, there has to be an urban setting with a population structure not too different from what is found in rich countries. Such structures will attract hungry masses from the countryside, but as they will not be absorbed by this type of technology because it is too labor-extensive, the result will be extensive slum-formation around the cities. And in this, there is an interplay between the increased flow of capital assets and capital-intensive technology: one will be used to buy the other. The more cash there is available, the stronger will be the tendency to prefer capital-intensive to capital-saving technology; especially if this technology in addition generates jobs for researchers, bureaucrats and capitalists - for the kith and kin of those in charge of the landing platforms for these assets, to express it cynically.

In short: the argument would be that the outside flow either will not reach the periphery of the recipient country, or will reach it in a way that will create enclaves cushioned by slum-formation. That the flow should reach the one billion or so really poor people in the world at present seems unlikely, unless special conditions obtain inside the country - the conditions that have been described above as a combination of a guarantee that most of the surplus generated at the bottom will remain at the bottom and that the surplus entering the top will trickle down. In such countries the assets that enter can be converted into health, education, transportation and communication services subsidized in such a way that they are within the reach of the masses, rather than being converted into luxury consumer goods or capital goods for the production of things out of the reach of the masses, or within their reach but then catering to non-basic needs (such as carbonated soft drinks).

There seems by now to be overwhelming evidence that capital- and research-intensive technologies will tend to produce goods and services that cannot be consumed by those who are not participating as producers, because the unit price is too high.

And that points to the other main internal strategy: to create conditions under which everybody can participate in the production of what is needed for the satisfaction of basic material needs. Experience seems to show that when peasants and small farmers are given real control over land they will use it first of all to produce food-crops rather than cash-crops;¹³ things that can be eaten locally by those who need it. Food production for local consumption shortens the economic cycle food-stuffs have to go through, thereby cutting down expenses for storage and packaging and transportation. Similar arguments can be used with regard

to clothing and shelter, making maximum use of local/traditional technologies and local materials. The safest way of guaranteeing that local natural resources will be used for the satisfaction of basic material needs locally, is that these resources are controlled by the local population through patterns of local self-reliance, with mass participation. These conditions are profoundly political, but then the whole question is basically a political one, not an economic one in a restricted, technical sense.

Up to this point the argument has been that the package of instruments known as the New International Economic Order, when fed into societies of category I, will tend to increase rather than reduce the inequalities, and will not in and by themselves raise the level of material needs satisfaction of those most in need, the bottom 25, 33, even 50 or more, per cent. The argument can then be taken one step further: not only will the situation not improve, but it will probably aggravate further. In other words, we shall argue against the often heard proposition to the effect that reduction of inequality and raising the level of living at the bottom are measures that belong to the domain of domestic policies, and will have to be solved domestically, making measures from the outside in this direction, even arguments in this direction, interventions into internal affairs. The task of the New International Economic Order and related measures is to prepare the external conditions so that when the internal structure of the country is changing, then there will not only be more equitable sharing, there will also be a bigger cake to share.

This type of argument draws a dividing line between international and intra-national affairs, compartmentalizing the two away from each other in an unrealistic manner. Moreover, measures or arguments from the outside in the direction of reducing inequalities are seen as "political", whereas measures that tend to increase inequalities and maintain, even lower further, the bottom levels, are seen as non-political, as deplorable consequences of a natural course of events, possibly to be overcome later, "when time is ripe".

There are at least five ways in which policies associated with a New International Economic Order may aggravate further the situation in category I countries.

First, with better and more stable prices for raw materials and cash crops, the temptation to use natural resources for the purpose of export will of course increase. As a result it is not only possible, but probable, that less land will be available for food crops to be consumed locally, and that other types of natural resources will also be less available for local consumption in ways completely within the reach of the masses, and for basic needs.

Second, through export (including internal export, from the periphery to the national capital, and also in other combinations) the control pattern over resources changes. Soil cultivated for local consumption, or for exchange in relatively small economic cycles, often on a barter basis, is compatible with a highly decentralized pattern of resource control. The moment cash crops are grown and exported, there will be a counter-flow of money entering the country at very few points, sometimes only at one point (the banking institution entitled to make transactions in foreign currency). Monetization combined with international commercialization narrows the flow of resources and concentrate it to a channel that can very easily be controlled, by bureaucrats or capitalists, or both. In the older days much of the debate was concerned with public vs. private control of this flow, it being assumed that public control at least potentially could benefit the population in general more than private control. Today, with the experience the world has in how public money can be used for prestige projects, not to mention for increasing military budgets and for maintaining local elites in power,¹⁴ the focus should perhaps be more on whether the control is in the hands of the elites or better distributed than on what particular type of elite.

Third, given this control pattern it is to be expected that the elites will find ways of using the assets that at least do not counteract interests of the elites. One does not have to invoke images of luxury import (e.g. the legendary Mercedes); it suffices to think in terms of enclave expansion so as to make the elite grow in absolute and relative size. One ideology would be that ultimately the elite could encompass the whole country,¹⁵ but then it is forgotten that the assumption behind the elite is that there are others who produce and are so badly paid that there is a surplus sufficient to maintain the elite. In other words, the condition for the elites is the continued existence of the masses, if not in one's own country, at least in some other country. The First World managed to expand through schooling, welfare state practices and general political participation, but above all by having masses in the Third World do much of the work. The Third World elites can do something of the same, relative to their masses (who constitute the true Fourth World, the Fourth World consisting of poor people, not of poor countries); what shall the Fourth World do? They cannot repeat the trick since there are no more worlds left to exploit. Consequently the masses are very much dependent on how the elites will use these assets, which again depends partly on the kind of structures favored by these elites, and partly on their attitudes. The argument above would be that, if the instrument used for internal restructuring are essentially based on capital-intensive technologies, then the result is likely to be a hardening of the elite enclaves, regardless of the attitudes of the elites.

Fourth, there is one particular type of capital-intensive investment which will be made by most of these elites: to increase the power of the military and of the police. That the capital-intensive technologies known as arms are available on the market is well known; it is also well known that this is one of the ways in which the First World gets much of the money "lost" because of improved terms of trade from the Third World point of view.¹⁶ The question is how these machineries will be used, and it is not very farfetched to assume that at least some of it can be used for internal repression in order to maintain the status quo.¹⁷ This, then, raises the question of whether it is easier or not for the masses to fight against their own elites than against foreign elites in an imperialistic setting, and one argument would be that it seems to be more, not less difficult. There are several reasons for this: in a war against an external enemy (such as the old Western colonial and neo-colonial powers) at least part of the local bourgeoisie will tend to be on the side of the people in general (the others having too many vested interests in foreign domination); the foreigners will tend to make gross mistakes because of their lack of knowledge of local conditions, thereby compensating negatively for some of their tremendous material power; and the foreigners will not have the same ability as the local elites to penetrate into the most remote corner of the country, to put spies and informers inside working places, schools, even families. On the other hand, it also looks as if liberation wars fought by a national alliance bringing together elites and masses, will tend to result in a liberation that falls into the hands of those elites, thus leading exactly to the category I type of country described above. And this seems to be even more true, the easier the liberation war was: only when the war was really tough, so tough that only masses with nothing to lose really kept out in the fighting - does this seem to guarantee that at least for a period of a generation or so the system introduced will really benefit the people.

Fifth, the system is self-reinforcing, for the New International Economic Order is international, meaning that similar processes will take place in other countries constituting a harmony of interests among elites. The idea that "if I help you importing some of your goods, you will help me importing some of my goods and we shall both be able to control what happens in our countries better" would be an unspoken basis for that harmony. It should be noticed that this harmony is compatible with strongly worded anti-imperialist language against the First World as there would be a shared interest in moving a higher share of the total world-cake in the direction of the poor countries and away from the rich countries. In fact, this anti-imperialist language may be a major source of legitimation downward towards the masses, making the whole population believe that work for poor countries is also work for poor people, ipso facto.

One important transitional feature of this harmony of interests should be pointed out: it also extends to all countries on the diagonal of Table 1 from the most reactionary to the most progressive. They will all have an interest in, for instance, improved terms of trade; the conservative regimes because they see it as a chance to enrich the elites, the radical regimes because they see it as a chance to raise the level of the people in general. For this reason "Third World solidarity" can be maintained: the conclusions may be the same although the premises for voting may be entirely different, depending on where the country is located on that dimension. And the distribution along that dimension is highly skewed; it seems reasonable to assume that at least one hundred of the Third World countries are located in category I, and at most one dozen - including the socialist Third World countries - are located in category IV. About half of the category I regimes are military.¹⁸

The picture so far painted is a pessimistic one because it takes as a point of departure for the analysis some images of the internal realities of most Third World countries, and leads to the conclusion that more resources entering at the top will not change those realities to the better, may even reinforce and develop them further in the wrong direction. Let us then argue against this position and try to point out some possible trends in the opposite direction as a result of the NIEO and related instruments.

The basic argument would be that NIEO will bring about internal changes in Third World countries, and these changes will indirectly lead to a higher level of living for the masses and decreased inequality even if they will not directly, in the short-term, have this effect. There are several possible intermediate variables here, some of them mentioned in liberal theory, some of them in marxist theory.

Thus, liberal development theory would point to the general impact of industrialization in forcing more "modern" attitudes on people. Industrialization is not only a mode of production, it is also a mode of living, and this pattern of life would spread to other sectors of society and cause basic change. More particularly, there will be spin-off effects resulting from the introduction of modern technology: challenges to adapt the technology, change it, even invent new technology that will lead to patterns of creativity that in turn will benefit people in general.

From a marxist point of view the emphasis will perhaps be more on the class relations that will follow in the wake of the introduction of this type of technology, particularly the rise of an industrial proletariat. If the industrial proletariat is seen as a progressive force, because it is - through revolution - a force capable of building a socialist society, then the causal chain "industrialization → industrial proletariat → class struggle → revolution" will be one such mechanism, even if it takes time.

Against the liberal theory, however, it may be argued that if this were the case, one should have the effect already, since Western penetration through investment in capital goods is far from a new phenomenon in the Third World. It is already more than a century old in many of those countries and regions and as yet those effects have not come about, possibly because of the encapsulation effects mentioned above. And as to the marxist theory: much experience seems to indicate that the industrial proletariat becomes co-opted into the center of these Periphery countries, as an "industrial aristocracy";¹⁹ marking a clear distance between themselves and the true proletariat of the Third World, the rural masses. Questions would also be raised about the costs incurred when a revolution is used as an instrument to bring about a higher level of living and decreased inequality - but that type of cost-benefit analysis should of course be balanced against the cost-benefit analysis of present society with its tremendous suffering due to wide-spread misery.

Then there is the argument that through collective action, Third World solidarity has managed to create a major actor on the world political scene, and this is a dynamic actor, externally and internally. Through solidarity and affinity the more progressive Third World countries may influence the less progressive ones, forcing them to introduce some mechanism whereby surplus generated at the bottom remains at the bottom and surplus entering at the top is, at least to some extent, re-distributed downwards. There may be something to this, but there is also an important empirical counter-argument: the countries in category IV (China, North Korea, North Vietnam, Cuba, and then such countries as Algeria, Tanzania, Sri Lanka, in a certain period Peru, and maybe some others) did not develop their present internal structure because of improved terms of trade or similar international measures. The changes took place through internal struggle and in spite of (or perhaps rather because of) extremely adverse external conditions. Nevertheless the cases of Tanzania and Sri Lanka serve to demonstrate that a revolution in the classical sense may not be a necessary condition. In other words, countries may have "soft" elites who for several reasons, idealism and profound identification with the people in general being among them (and other ones possibly being that they are enlightened enough to see the handwriting on the wall), initiate important changes in their domestic structures. Some of this may come about because of pressure and experiences from abroad, and in this setting it is certainly not impossible that Third World solidarity and the international community of the United Nations family may play some role, facilitating a flow of progressive ideas.²⁰

So far we have only looked at relations within countries in the Third World as a result of the New International Economic Order; but what about relations between countries? One might try to repeat the idea underlying Table 1 to get some insight into this question, and the result is Table 2:

Table 2. What happens to the economic surplus between countries?
Surplus generated in the richer country

		stays there	is invested etc. in poorer country
	transported to richer country	(i)	(ii) exploitative relations
<u>Surplus generated in the poorer country</u>	stays there	(iii) mutually independent	(iv)

The assumption is that the two countries are Third World countries but that one of them is richer, has more "assets" in the conventional sense, than the other. The problem is what happens to the surplus generated, and the distinction is made between two possibilities: it stays at home, or it is invested, given as loans or grants or whatever, into the poorer country. That country will also generate some surplus, and the question is whether it is transported upwards, "siphoned off" into the richer country, or stays in the poorer country. This yields four combinations, four possible relationships, and of which no. (i) and no. (iv) are unlikely, and nos. (ii) and (iii) are highly likely, the former more than the latter. In the former case surplus is invested, for instance in energy, or raw materials, or in marketing infrastructure, and surplus comes back - the assumption being that the latter surplus exceeds the former so as to add up to "business". This way, relations of dependency are created, both ways: both countries (or groups within both countries) will depend on the maintenance and even expansion of this type of economic cycle. At the same time the relation is usually exploitative, meaning that disproportionately more of the surplus ends up in one of the countries, usually the richer one. In that way another typology can be introduced among developing countries: those on top and those at the bottom of economic relations (not merely differences). This relation, that was relatively meaningless as long as trade among these countries was minimal (because they all traded with the First World metropolitan powers) is increasingly becoming more meaningful as trade relations expand. Possible candidates²¹ for such top positions in the Third World economic hierarchies would be Brazil for Latin America, Nigeria for Africa south of Sahara, Iran (and possibly also

Saudi-Arabia) for the Arab world and Western Asia, India for South-Asia, Indonesia (and possibly Singapore) for South-East Asia, South Korea (and possibly Hong Kong) for East Asia - all of them essentially following in the wake of the country that started it all outside the classical West: Japan. These are also big countries, bigness compensating for poverty.

It should be noted that there is a relation between the typologies in Tables 1 and 2: for a country to be part of category (ii) in Table 2, it has to have an economic structure of category I in Table 1. To be able to operate internationally, there has to be a concentration of economic resources at central points in the country, and elites with bureaucratic, capitalistic and other skills capable of handling these resources internationally. If surplus generated at the bottom tends to stay at the bottom and that which enters the top tends to be shifted downwards through welfare-state practices etc., there will be too little for foreign trade policy oriented elites to handle for investment purposes.

Again the question can be raised of whether NIEO will generally favor or impede the emergence of such structures. In a sense, the answer is given by some of the analyses following the typology of Table 1: if NIEO facilitates the emergence of countries where the surplus accumulates at the top, there will be a problem of what to do with the surplus, and the limitation on how much can be absorbed in luxury consumption. Investment abroad is one possibility, and increased Third World cooperation in trade and financial transactions will direct the economic flows into intra-Third World economic cycles. Given the tremendous asymmetries between and within countries, the cycles are almost bound to become exploitative, for the many reasons mentioned. For that reason, it is probable that in the years to come, the most outspoken adherents of Third World economic cooperation will be the richer people in the richer Third World countries, certainly not the poorer people in the poorer Third World countries.

To conclude, we end up with a typology of three types of Third World countries: dominant, exploitative societies; dominated, exploitative societies; and progressive societies. Only a few years ago they were all societies dominated by the First World. As that pressure is reduced, not the least due to solidary action, new relations will emerge, and new social dialectics within and between countries, as is to be expected. And the New International Economic Order will play a significant role in this connection - partly in its own right and partly as a codification of the existing trends in the world economic system.²²

ON THE IMPACT OF NIEO ON RICH COUNTRIES

- 2.2 So far we have only discussed the relations within and between Third World countries; what about the likely effects of the New International Economic Order and related measures in the rich, industrialized countries? What will be the effect in a world with not only one, but two, three, many Japans - non-Western countries practising the Western approach - competing with the West, in their own countries, in the Third World in general, and in the First (and Second) worlds, on industrial society, as we know it in the West?

If one wants to discuss the future of industrial society today, one has to have a clear image as to the meaning of the expression "industrial society", and to study that problem in a global context. An "industrial society" is a society where a large part of the total economic system is devoted to one thing: the transformation of raw materials into manufactured goods - in other words processing on a mass scale, with the help of machines. Of course, there has always been some transformation of raw materials in human society, but under industrialism as a system, mass production makes it possible to produce on such a scale that not only the market around the factory quickly gets saturated. The same also applies after some period to the national market, and there is the necessity of going abroad to find a market for the products, and also to find the production factors in raw form - raw materials, often supplemented by "raw capital" and "raw labor" (unskilled labor). Thus, there is an obvious linkage between the degree of processing (how much the original raw materials have been changed), the volume of processing (simply the production output), and the extension of the economic cycle involved (meaning the geographical extension of the area within which raw factors are fetched and products are marketed).

The way world economic history has developed, not only districts within countries, but also countries, even regions of countries, play different roles in these increasingly world-encompassing economic cycles. In a few words: some parts do the processing, other parts receive the products and provide the factors, particularly raw materials. If we concentrate our attention on countries, this means that countries have developed unevenly where industrialisation is concerned leading to patterns of vertical division of labor whereby some countries do the tasks of an industrial society, others do tasks associated with non-industrial societies - leading to the division that today often is expressed using the words: "more developed countries" and "less developed countries", MDCs and LDCs. It should be emphasized that there is no logical necessity why it is so. One could also imagine a development leading to horizontal division of labor, whereby each country would be industrialized to about the same degree, but at the same time specialized so that they could

engage in an exchange with each other. To a large extent this is what takes place within the industrialized world and it accounts for much of the world trade, but in the world of today it is the vertical trade, or inter-sector trade, with processed goods flowing in one direction and raw materials in the other that is politically most sensitive and important. It is this trade which is the focus of the New International Economic Order - and the purpose of this paper is to gain some perspective on it.

Thus, as a point of departure, a trade composition index might serve as a useful guide. The index is based on the foreign trade of all countries in the world, and measures the extent to which the country is on the top of this vertical division of labor, exporting only or mainly processed goods, importing only or mainly raw materials and semi-processed goods. The results are as follows:

Table 3. Trade composition index: some selected countries*

1.	<u>Japan</u>	+	106.68	31.	Denmark	-	19.38
2.	<u>Italy</u>	+	78.42	34.	Norway	-	32.66
3.	<u>U.K.</u>	+	74.30	38.	U.S.S.R.	-	46.42
4.	<u>Germany, Fed. Rep.</u>	+	67.42	40.	Canada	-	54.80
5.	Hong Kong	+	63.32	111.	Niger	-	140.72
6.	Korea, South	+	58.44	112.	Zambia	-	144.06
7.	Czechoslovakia	+	52.54	113.	Ethiopia	-	144.52
8.	Switzerland	+	39.70	114.	Burma	-	144.98
9.	Germany, Dem. Rep.	+	30.16	115.	Venezuela	-	146.24
10.	<u>France</u>	+	29.52	116.	Gambia	-	148.14
15.	<u>Sweden</u>	+	15.86	117.	Uganda	-	162.70
17.	<u>U.S.A.</u>	+	13.52	118.	China	-	200.00
30.	<u>Netherlands</u>	-	17.42				

* Figures calculated by Amalendu Guha, for World Indicators Program, Chair in Conflict and Peace Research, University of Oslo.

We have presented data from only 25 out of 118 countries but the conclusion is obvious: on top of the Table are the countries that enter international trade as industrialized countries, at the bottom are the complementary economies that enter international trade as markets and suppliers of raw materials. (Actually, we should also have data about the other "raw" factors - "raw capital" and "raw labor" - but such data are extremely difficult to get in any systematic manner.)

As can be seen from the Table, the industrialized countries are indeed on the top of this index of vertical division of labor: with Japan not only being number one, but also, as judged by the figures, far ahead of the next in line, Italy, United Kingdom and the Federal Republic of

Germany. It should also be noticed that after these four leading industrial powers come two other countries that have served as location rather than generation of industrial production - Hong Kong and South Korea - then two of the countries in socialist Europe and - of course - Switzerland. Only then comes France, and the United States is way down the list as number 17, to the surprise of many. The explanation is simple, however; US exports a surprisingly high amount of raw materials and semi-processed goods, and also imports a considerable amount of processed goods - not the least from Japan.

There are actually several countries somewhat in the same position as the United States: Netherlands (no. 30), Denmark (no. 31), Norway (no. 34) and Canada (no. 42). Although usually identified as "rich industrialized countries", they get this position according to the trade composition index not because they do not have a well-developed industrial capacity, but because of the, relatively speaking, low proportion of really processed goods among their export commodities. For that reason their position in the international market is much more similar to the developing countries, and they actually mix with them statistically, along this particular dimension. This is not the place to go into any details but maybe some consequences could be indicated. First, the countries mentioned are also known, today, for their sympathetic attitude to the Third world countries, particularly in an UNCTAD context. What these data inform us about is that an attitude of that kind perhaps should be seen less as an expression of ideology, and more as an expression of a structural position: the countries concerned might simply have shared interests with the developing countries - many of their semi-processed goods are destined for further processing and ultimate consumption by the countries on the top of the trade composition index. (And in addition to this: the trade that these countries have with developing countries may not be that significant in the total trade volume.) Second, the location in the middle of the trade composition index dimension might point to a higher level of invulnerability, a certain balance that may be useful in times of crisis - hence, a higher potential for political risk taking. But this is then balanced, to some extent, by the third consideration: if the importers of their semi-processed products should get into major difficulties these countries will themselves be hurt, not so much as a direct consequence of the New International Economic Order as an indirect consequence. Thus, the countries mentioned find themselves in an ambiguous situation, in a sense corresponding well to their reputation as the countries representing "capitalism with a human face"; not the least reflected in the radical stance often taken by their development agencies (and here it should be added that the same applies to Sweden - no. 15 on the list - for which this kind of position may be more difficult for structural reason and hence probably more of an outcome of ideological considerations).

The other superpower, the Soviet Union, is somewhat in the same situation as the US where international trade is concerned, but lagging very much behind on the list. There is an important difference, however: whereas the countries in Latin America and South-East Asia are behind the US on the list, countries often considered as dependent on the Soviet Union, such as the eastern European socialist countries, are above the Soviet Union on the list. Thus, the western military and political superpower is, economically speaking, in an inferior position relative to the countries "dependent" on her.²³

At the bottom of the list, eight countries have been included, ending with the People's Republic of China. The countries preceding China on the list, with the exception of Venezuela, are all very poor countries. China is not, nor is Venezuela, but the international trade of these two countries takes the form of being at the bottom of vertical division labor as far as trade is concerned.

What kind of conclusions can be drawn from this type of Table for the future, meaning by that the years leading into the 1980s, in other words the near future?

Some ideas about what is going to happen can be obtained by studying the combinations of the six countries underlined in the Table. For one thing, these six countries were the ones that met in Rambouillet, fall of 1975, and issued the Rambouillet Declaration, emphasizing the importance of continued economic growth, and harmony and cooperation among all countries of the world. In a sense that was a very status quo-oriented declaration, extolling the virtues of the old international economic order, only calling - essentially - for more of the same. This, of course, is not strange when one considers the top position of four of the six countries and leading positions of the other two: when one is on top of a system, the likelihood is that one wants the system to continue.

A deeper perspective on this can be gained by dividing the six countries into two groups with three of them in each: Japan, Italy and the Federal Republic of Germany in one; UK, France and US in the other. What makes these groups of countries so important? Answer: their contribution to international warfare during the last generation. The first group were the Axis powers, challenging the hegemony of the second group over the world economy in the big contest known as the Second World war. It is probably safe to say that the Axis powers had no objection to vertical division of labor in the world, only they wanted themselves to be on top of the system. In 1945 they were all three defeated, so how come that they are nevertheless on top? Again the answer is simple: it may pay to be defeated - capital equipment is destroyed but the undestroyable skills in the human minds survive and can be used to produce the most modern

capital equipment, very soon outdoing the worn-out machinery of the allies; international obligations can be erased like for a company that declares itself bankrupt, and as a consequence one can start with a clean slate, arising from the ashes like the famous bird Phoenix. Obviously there are considerable skills and initiatives involved, and it may also be that one should add to this the circumstance that due to the Second world war these three countries had no colonies, and hence were not involved in all the more or less belligerent operations used to maintain colonial rule, nor the obligations towards the colonies. For Japan, Italy and the Federal Republic of Germany, the whole world was open after the war - international trade did not have to be asymmetrically divided between colonies and non-colonies.

Having said this, it is also obvious where the second group derives its fame from, in recent years: these are the countries that more than any other countries have participated in the Third world war, the long and sad series of wars after 1945, the total of at least 116 wars during the 30 years period 1945-1975.²⁴ Most of these wars were wars of national independence or - seen from the other angle - wars to maintain colonial rule or minority rule; and the three countries mentioned were the main participants.

Hence, when these six countries come together in places like Rambouillet and issue declarations, the rest of the world will probably expect the content of these declarations to be in the direction of maintaining status quo. Or put differently: what one cannot obtain through warfare or colonialism, one tries to obtain through declarations and negotiations. But against this stand the demands of the Third World as formulated in the New International Economic Order: better terms of trade, better control over all points in the economic cycle at home, and more trade among the periphery countries, the countries at the bottom of the scale of international division of labor - the majority of the countries of the world.

Imagine now that in the years to come the demands of these countries are progressively implemented into practice, changing the economic geography of the world, redirecting international trade. If we refer to the countries at the top as center countries and the countries at the bottom as periphery countries, there is one simple formula: the vertical trade between center and periphery countries is the trade pattern that is going to be reduced. And that is the trade pattern which is reflected in the Table above, processed goods in one direction and semi-processed goods/ raw materials in the other direction. Instead, the less developed countries are going to gain more control over the raw materials, the processing plants and the distribution companies at home, and use this to process for their own markets and for increased trade among themselves.

There may be an intermediate phase where vertical division of labor will be maintained at the price of better terms of trade for the less developed or less industrialized countries, simply meaning that the countries at the top of the list will have to pay more for the raw materials (the mechanisms for this, such as indexation, stabilization funds, buffer stocks, are well known today).

What will be the consequence of all this for the countries in the center? It certainly does not mean the end to the industrial countries, history is not that simple. First of all, there is the possibility that they will engage in warfare again, this time certainly forgetting the division from the Second World war, joining forces - but this possibility should be ruled out as being, fortunately, extremely unlikely at present.

Second, there is the possibility that they will not only pay better terms of trade, but also engage in more horizontal division of labor with today's non-industrial countries, importing much more of their industrial goods, exporting much more of their own raw materials (the latter being a difficult solution for countries like Japan and Switzerland, although nobody knows fully what can be found inside the mountains of these countries, not to mention under the ocean floor surrounding Japan).

Third, and this is the major possibility: just as the periphery countries will increase their trade among themselves, so can the center countries, using each other as markets and sources of raw materials (as they already do to some extent). But this runs against the question of whether this is a workable solution. In other words, to what extent is the demand for capital goods and durable and non-durable consumer goods in the more industrialized countries of the world really of such magnitude, not the least taking into consideration the low level of population growth,²⁵ that it can absorb the whole impact of a redirection of international trade whereby the center countries focus on each other? And, the equally disturbing question: to what extent are the center countries of the world really in a position to supply the needed amount of raw materials, not the least in the field of energy?

And this leads to relatively sceptical predictions for the industrialized countries, including Japan. When production is too high, there are usually two possibilities: either to increase the demand, or to lower the production. The demand can be increased in at least three ways: by expanding the markets in space (finding external markets, particularly for new population groups)²⁶, by expanding the markets in time through planned obsolescence, new fashions and fads, the fading in and the fading out of products; and through the destruction of goods, as in a war. The production can be cut down in three ways: through unemployment; through lower production because of less input in working hours per day, per week

per month and/or per year; and lower productivity (more labor-intensive modes of production). These are the six choices with which the rich industrialized countries are confronted. Needless to say, they are not choices in the sense that they are mutually exclusive. Quite obviously, these countries have already made use of at least five of the six, in recent years, the sixth one being increasingly labor-intensive work; or in other words, some kind of regeneration of recreation, of more artisanal patterns of production, as opposed to industrial modes of production - to lower productivity.

But even if there is not a choice in the strict sense of the word, there is a question of point of gravity, and it is interesting to speculate on the Western option in that light. Thus, it is the conclusion from what has been said above that truly expanding markets in space is a relatively closed option, at least after a span of ten years or so - for the simple reason that the Third World countries are going to produce for themselves. In this process, the less advantaged may - as mentioned - be exploited by the more advantaged, by the Brazils, the Nigerias, the Irans and the Indias - but that is another matter and does not produce more favorable conditions from the point of view of the industrialized countries. The world is too small. Life on Mars too dubious; the absence of life was also an absence of customers.²⁷

One might also be inclined to believe that expanding markets in time is a rather closed option: it has probably already been expanded to the saturation point. The reactions, particularly among youth groups, but also among very many others, against planned obsolescence are today considerable.²⁸ The Japanese have in a sense shown the way; Japanese products being by and large made to be more long lasting, more sturdy than the products of the western competitors. The days when those competitors talked about "cheap Japanese imitations", and "shoddy Japanese goods" are long past, so are actually also the days of "cheap Japanese labor". Those who want to black-paint Japan in order to produce an acceptable explanation for defeat in front of the economic successes of the Japanese industrial machine, today have to produce other arguments, such as the environmental deterioration. In doing so the critics are certainly right, the environment deteriorated considerably in Japan.²⁹ But the argument is hardly made in order to help Japan out of an environmental crisis, but in order to maintain a low image of Japan, from a platform of Western arrogance.

Then, there is the option of war, and two reasons for war have been indicated above: war as a way of creating (Second world war) or maintaining (Third world war) a position in the world economic structure, and/or as a way of destroying a sufficient amount of processed goods, including capital goods, to start the process all over again. Of course, a war

would never be waged openly under such headings, but disguised as a war "against communism", "against terrorism", "against subversion"; a war "for freedom", "for economic harmony", and so on. Unlikely, but not to be ruled out completely³⁰ - disastrous enough to study all other options seriously.

Rising unemployment is a well known feature of the most recent years in several of the western industrialized countries,³¹ and should be seen as structural rather than conjunctural unemployment. The structure referred to is the loss in position of military, political and economic power - and the unemployment is, by and large, more felt in the "Third world war countries" (U.K., France, U.S.) than in the "Second world war countries" (Japan, Italy, Federal Republic of Germany). The basic reason for this is hinted at above. But there is also at least one other factor, as seen from the difference between the rapid decline of the economic position of Italy in the world, and the way in which Japan and the Federal Republic of Germany seem to be able to maintain their position.³² It is difficult to find an adequate word for this factor, but it has probably something to do with national character; the Japanese and the Germans simply work harder. An injection of such patterns of puritanism, diligence, hard work and discipline in managerial and working classes alike of Italy and U.K. might very well keep those countries on top much longer. However, it is the contention of the present paper that such factors can only postpone what is inevitable: a more symmetric division of the capacity to process raw materials, in other words industrial capacity, around the world and - as a consequence of this - a relative decline in the comparative advantage of the industrialized countries. In short: the UNIDO Lima Declaration.³³

This narrows the choice down to unemployment and the other ways of decreasing total production. Of course, unemployment is already decreased production of the working stock as a whole - maintaining the old productivity of the employed, mixing it with a zero production of the unemployed, paying them off by means of unemployment insurance and other measures in order to maintain an average productivity adapted to the production volume demanded.

From the point of view of the unemployed this is an unacceptable solution; and it can only appear acceptable to those who have a managerial view of the society as a whole - be that in the private or the public sectors.³⁴ It is unacceptable even when the unemployment insurance is 90% or 100% of the salary normally obtained for the simple reason that having a job, being able to work, is inextricably linked to the dignity of human beings.³⁵ It is a right, not only a duty to contribute to the production, and thereby welfare, of the collectivity to which one belongs. Consequently, some solution will have to be found whereby the

total production to be carried out is divided much more equally between the workers at all levels whose task it is to produce. As production = productivity x number of workers x number of working hours, the method would be to cut down on the third factor rather than the second, keeping the first one as it was.

For this to happen there are, generally, many solutions; maintaining the productivity per hour, but working fewer hours per year, or per human life, for that matter. In practice this could take on several forms: a six hour rather than eight hour day, a four day rather than five day week, a three week rather than four week month, a ten month rather than eleven month working year and so on - and some combination of these.³⁶ The net result would be increased leisure, divided over the annual calendar in all kinds of fashions, perhaps also leaving it to the worker at all levels to decide for himself/herself - how the leisure-pattern is to be distributed. The idea of flexi-time, now frequently found in industrialized countries, is preparing the ground for patterns of that type; and so are increased education and early retirement.³⁷

Politically, a major problem with this solution is obvious: whereas unemployment is something one hopes to do away with in order to return to the original or increased production output, maintaining or even increasing the productivity, reduction of annual production has the character of being a more permanent measure - like the introduction of the 48 and 40 hours weeks. Once introduced, it is hard to revert to the old pattern. Of course, there is the possibility of compensating for a decrease in the number of working hours per year by an increase in productivity per hour - and that may constitute some kind of transition measure in societies that will not easily admit that the days in which they could saturate the whole world with their products are coming to an end.

However, there is also another difficulty with the formula of increasing leisure for the population at large: it may well be that increased leisure is not what people want or will want. If we postulate a need to create in human beings, then most industrialized modes of production, and more or less industrialized or commercialized modes of leisure, are antithetical to creativity. What they amount to is a combination of routine work with standardized leisure patterns, whether it takes the form of organized hobby-ism or mass-tourism. At this point more labor-intensive modes of production may appear attractive to many: it is simply the idea of putting more labor and less capital into the finished products. It is generally conceded that this leads to increased quality of the products, as very clearly seen in such sectors as food, clothes, housing, health and education, where it is very easy to point to fields where the quality of goods and services offered seems to decline steadily.³⁸ In addition to this there is also the highly important factor, so

often forgotten in industrialized countries, that to produce is a social act, an act of communication between human beings very easily lost in standardized mass production with world-encompassing economic cycles, and equally easily regained in more labor-intensive patterns of production where the factors as well as the products move in very small economic cycles. This is the difference between the Christmas and New Year's cakes baked by one's own mother and those bought in a supermarket, probably never even touched by a human hand.

It is more doubtful whether this type of reasoning applies to the production of, say, cars or TV set - but recent experiments in such factories as Sony in Japan and Volvo in Sweden clearly indicate that very interesting compromises can be found between industrial and artisanal modes of production, ultimately even leading to the car or a TV set that will carry the signature of the worker mainly responsible for it. The direct consequence of a higher level of labor-intensity is not necessarily less standardization, however - workers can also be trained like robots to perform highly routinized tasks in a capital-saving production process.³⁹

The important challenge to western industrial societies would be to devise modes of production whereby not only labor-intensity is increased but also creativity at the same time - making it possible for everybody (not only intellectuals) to produce in a non-alienating way, so that the product is a projection of one's own creativity. What this means in practice is very clearly seen when applied to one particular field of production: the type of processing of paper known as writing an article or a book. It is highly labor-intensive, and usually considered as a creative enterprise. If the industrial mode of production were practiced in the field of intellectual production, intellectuals might well be ordered to produce exactly the same article, say, each Wednesday - neither with any variation from one intellectual to another, nor with any variation over time - simply because the "Bureau for standardization of articles" says so.⁴⁰ To the objection that in this case the producers would no longer be intellectuals, the answer is of course "yes, but why should they have a right to have less alienating work than the rest of the population?"⁴¹ The point cannot be enough emphasized since the level of consciousness and readiness to demand not only a more fair distribution of participation in the total production process of the society, but also a more equitable distribution of the access to creative work, have increased considerably recently.⁴²

To conclude: to go in for a combination of the formulas of increased leisure and increased labor-intensity/creativity could be a way of opting for a much greater quality of life in the industrialized societies. The other options (a combination of unemployment, aggressive marketing and

search for raw materials from all over the world, the ever increasing pressure to buy and consume, to discard and waste and pollute, and all of this combined with an ever present threat of war) look like a rather unfavorable alternative. And yet it is this type of course that is pursued by our political leaders, sometimes even with the knowledge (because they are not that stupid) that this constitutes a dead end street. It is pursued because nobody seems to be willing to take the risk of systematically changing the direction leading into the future.⁴³

And yet this will have to be done. The demands of the non-industrialized countries and non-privileged groups in the industrialized countries (non-privileged not so much in simplistic material terms as by being deprived of guaranteed right to work, as well as being deprived of the right to creative work), soon become strong enough to change the structure of the world as well as the internal structure of the industrialized societies. Whether this will happen through a more evolutionary or a more revolutionary course of events remains to be seen. This is to a large extent up to the privileged elites in the industrialized countries themselves. And for them, all of this should constitute no minor challenge: it will be a major task to devise new modes of production, more satisfactory to the population at large, and more compatible with the emerging New International Economic Order.⁴⁴

ON THE IMPACT OF NIEO ON THE RELATION BETWEEN RICH AND POOR COUNTRIES

- 2.3 Imagine now that the scenarios indicated in the two preceding sections unfold themselves. What, then, would relations between the two groups of countries look like? On the one hand a Third world, increasingly divided by the processes of Tables 1 and 2 into three groups: the dominant, exploitative societies; the dominated exploitative societies; and a (minority) group of progressive societies that might tend in the directions of the other two, and on the other hand a First world exposed to the processes to which Table 3 is a guide - how would they relate to each other?

In the shorter run we would assume that the Old International Economic Order would still dominate the picture sufficiently for the changes to be less pronounced. In other words, the old center countries will exercise whatever leverage they still have left, particularly related to patterns of uneven development, to retain, in some cases to regain, control. In this phase also, the debate will become increasingly acrimonious as the First world countries fail to yield sufficiently to the demands for the integrated commodity program, the buffer stocks, the debt relief, the access for manufactured goods, and increased aid.⁴⁵ Some of this debate is already visible and audible, and highly understandable. Thus, in the present author's experience,⁴⁶ the following ten lines of thought are heard with increasing frequency:

- Why should we relinquish nuclear power as a source of energy, or as a deterrent, when you do not - or before you do?
- why should we pay much more attention to the impact on the environment of our industrialization than you did in the same phase?
- why should we offer our workers your standards of salaries and working conditions when you did not in the same phase of development?
- why do you suddenly start talking so much about "basic human needs" when you paid so little attention to it when you were in our phase?
- is the basic human needs approach not, in reality, a tactical move in order to focus attention less on the need for transfer between societies, and more on the transfer within societies?
- is the basic human needs approach not, in reality, one more approach to a world managerialism whereby the countries that command most resources can once more plan and direct, even command, the economic flows between and within countries, this time in the name of "the bottom 40%"?
- is the basic human needs approach not, in reality, even a pretext for intervention in internal affairs, especially when coupled to an aggressive human rights approach?
- is the "you in the Third world are far below the minimum level of satisfaction" approach not a cover for the equally, or much more, important fact that "you in the First world are far above the maximum level of satisfaction" approach, turning attention away from the ills of the rich societies to the shortcomings of the poor societies?
- is not insistence on changing life-styles, and "small is beautiful" in your own part of the world - and, in the Western tradition, also preached for the rest of the world - not something you have invented just because you are no longer able to be as big as before, and in order to prevent us from becoming big?
- before, we were poor, to a large extent because you became rich at our expense; now you are in difficulty because of that, and you use your problems as an argument why we shall not "rock the boat"!

The list could easily be extended. All arguments have considerable validity, particularly if one accepts the underlying assumption that the development path for the developing countries, with some minor variations, will be one pursued by developed countries. If one turns it

around, however, and says that right now the developing countries have a unique chance to chart new courses of development, precisely because they are not (yet) totally transformed into patterns congruent with the Western model, the arguments lose in validity. In a sense, the arguments are symptomatic of lack of self-reliance as the goal, accumulation of wealth, is taken for granted and the means are those used by the West - possibly even including exploitation of the least developed. In fact, inserting true self-reliance in the implicit dialogue alluded to above, resolves the contradictions: basic needs approach, yes: but dependence on the rich world to implement this goal, no. And this also implies withholding from the First world much of the raw materials (including soil) they (ab)use for luxury consumption - otherwise leaving to the First world to sort out its (numerous) problems in a self-reliant manner.⁴⁷

Thus, as the verbal and action dialogue between the First and the Third worlds (a dialogue in which the Second, socialist, world is very silent, caught between ideological anti-capitalism and its own pursuit of capitalist goals) deepens, the split between the three groups of Third world countries will also deepen. The progressive countries will increasingly become self-reliant, as a necessary if not sufficient condition to become/remain progressive, even constituting some kind of block of self-reliant countries, to some extent opting out of the world capitalist system, only attached to it marginally, like China. The basic question, then, becomes what will happen to the other two groups, the exploitative dominant, and exploitative dominated countries?

There are several possible answers to that question, as seen from the following Table:

Table 4. Possible relations between First world and Third world countries (categories refer to Tables 1 and 2)

First world Category II, ii dominating	First world Category II, ii dominating	First world Category II, ii dominating
Third world Category I, ii dominating	Third world Category I, ii dominating	Third world Category I, ii dominating
Third world Category I, ii dominated	Third world Category I, ii dominated	Third world Category I, ii dominated
First world imperialism Third world subimperialism	Third world imperialism	First and Third world imperialism

On the top are the Western, industrial, rich, welfare states (the latter more or less so); then the exploitative, dominant Third world countries, and at the bottom the exploitative, but dominated Third world countries. To the left, then, is the current OIEO pattern, using certain Third world countries as bridgeheads into regions, possibly also with military functions. In the middle is what might be called "the merging NIEO Model": Third world unity on relatively equal terms with the rich Western countries as a bloc, but with internal verticalities of considerable magnitude. And on the right-hand side is a not unlikely model with some Third world countries co-opted into the First world, joining with the classical First world in exploiting the rest.

It should be noted that there are two models that are not included in Table 4: the classical old economic order model with one First world country exploiting a set, its set, of Third world countries and with no relation among these countries; and a totally horizontal Third world, consisting of countries in a pattern of interaction for not only mutual, but equal benefit, horizontally related to the First world. The former belongs to the past; the latter is, hopefully, for the future, but for a more distant future.⁴⁸ But what about the short term prediction: which model is more likely?

Probably a mixture, with the point of gravity moving from the left to the right in Table 4; and the process is already unfolding. If we assume that the Charter of Economic Rights and Duties of States to some extent is a magna charta for the elite in the richer Third world countries to carry out themselves whatever internal and external exploitation there is to be done, and to get even with the First world, then the second model expresses exactly this. However, the question is how stable the pattern is. There are doubts about the ability of the Third world as such to "catch up" in this game of power - not about the ability of some countries to exercise sufficient political-economic clout to enter the Club at the top. They should not be too many, however, otherwise there would be nothing left to exploit. This would lead to two strategies: the inclusion of some few and selected Third world countries for membership at the top, and the exclusion of some of the First world countries lagging behind. This type of process is well known from domestic social order, a gradual substitution of elites admitting new categories - and could well be replicated at the world level.⁴⁹

Regardless of which model dominates the picture, the dominated Third world countries with elites that go in for category I as the basic social model, will suffer, and the poor people in all category I countries will remain in their misery. No doubt this will continue to create considerable social ferment, taking countries out of category I and into the self-reliant, category IV bloc. Correspondingly, there will be efforts to re-

adjust the exploitation chains within the Third world with client countries trying to escape, and strong countries reinforcing or creating patterns of domination. To believe that the Third world should be less capable of external domination and internal repression, both with or without economic exploitation, is racist.⁵⁰ In other words, we would assume many patterns known particularly well from the Western world to reappear in the Third world, and more so, the more they take over the Western development models as they will almost be forced to be aggressive because this is a part of the model.⁵¹

In all of this, how will the First world act? Trying to keep its essential privileges as long as possible, yielding strategically on the terms of trade front in order to keep the vertical division of labor so as to operate center-periphery gradients of uneven development still for some years to come.⁵² When this no longer pays off, try to step up intra-first world trade, but then expanding the First world with some new members from the Third world. If that does not work either, and the internal adjustment mechanisms alluded to in the preceding section either are not seriously engaged in or found insufficient: war. Recent idioms and patterns in US foreign policy might also give some hint as to in what name that war will be fought: in the name of human rights.⁵³

However, this is only one among many possibilities. Fortunately, there is more sense available in the First world than past history should make one believe - and the search for new styles of life has already gone on for some time, and continues.

CONCLUSION

- 2.4 Thus, it may very well be that the major impact of NIEO will be in the First world rather than in the Third world, at least if one thinks in terms of qualitatively new developments. There is something paradoxical in this: as the Third world "modernizes", which is another way of saying "Westernizes", the First world may undergo transformations into something qualitatively different. This will take time, and there are many signs that it has already started, although the signs are not unambiguous. After all, of the six strategies mentioned, five are essentially status quo maintaining, and they are pursued with great energy.

Eventually this may lead to greater quality of life in the rich, industrialized countries, but probably only through a period of crises. In the Third world, the impact is more likely to be in terms of increased inequalities within and between the Third world countries, solidification of dominance relations within and between the countries, continued misery for the masses in most of the countries and a combination of two processes: individual human beings, and individual countries will become

rich and pass the border line from periphery to center; and individuals and some countries alike will opt out of the system and become more self-reliant - more "progressive" as it is called in Table I. In terms of international politics this becomes a question of opting for the OECD world or its alternatives, the Soviet world or the China world. In terms of domestic policy, it becomes a question of opting for a centralized vs. a decentralized system - the latter probably more compatible with the OECD world than with the Soviet world.

But then, there is also the strong possibility that this is all a passing phase in the history of the Third world - and that the process we can see today is merely the beginning of the Third world eventually becoming its own world - through self-reliance, regional, national, local and individual. It is this kind of possibility one should hope for and work for - for the other possibilities are - frankly speaking - not too attractive. To promote this, what we need more than anything else is frank discussions, demystifying past and present myths, in a world-encompassing dialogue where no assumption is left unquestioned, no avenue left unexplored. For we certainly do not have the answers, only some of the questions.

NOTES

This paper, prepared for the Canadian International Development Agency, has also been presented, at least in part, at the UNIDO Meeting of Eminent Persons, Vienna, May 16-18, 1977; at the UNITAR Diplomatic Training Course on the New International Economic Order and Multilateral Diplomacy, Vienna, May 31 to June 17, 1977, and a number of places in the Scandinavian countries, in Iran and New Zealand. I am indebted to discussants all places, and particularly to Charles A. Jeanneret for encouraging me to undertake this particular assignment.

1. We are thinking of the Declaration from the Sixth Special Session of the UN, May 1974, and the Charter of Economic Rights and Duties of States, adopted on 12 December 1974 by the UN GA. Later documents are instruments in the negotiation process; these two are the clearest expressions of ideas and ideals underlying the NIEO. For a short analysis of the documents, see Johan Galtung: "Self-Reliance and Global Interdependence: Some Reflections on the 'New International Economic Order'", Papers, Chair in Conflict and Peace Research, University of Oslo, No. 55, 1977.

2. This hypothesis is usually implicit. In most speeches, the reference is to "programs of development", which is not necessarily the same as raising the level of those most in need. In the Charter, Article 14, there is explicit reference to "improvement in the welfare and living standards of all people, in particular those of developing countries". But the article goes on to say that, "Accordingly, all States should co-operate, inter alia, towards the progressive dismantling of obstacles to trade - -" - which to many would be seen as very antithetical, at least in the short run, to the goals of improving the living standard. On the other hand, to raise the living standard of a "people" is not necessarily the same as to abolish misery.

3. Thus, Venezuela evidently had her GNP/capita doubled because of the quadrupling of oil prices, which should follow as oil is about one half of the economy.

4. This is more or less by definition: given the way human societies are stratified, the majority is usually seen as not belonging to the top and the majority - unless there is really massive unemployment is responsible for most of the production of goods and services.

5. We are actually thinking of two things: the surplus created at the top, e.g. through the export of highly capital - and research - intensive technology, and the surplus that comes in as positive, if only sectorial, trade balances - controlled by the top even if not generated by them.

6. It should be noted that the repression does not have to be violent; it could also, simply be built into the social structure, e.g., through the fragmentation mentioned. For an analysis of this, see Johan Galtung: A Structural Theory of Revolutions, Rotterdam, Rotterdam University Press, 1975.
7. Or at least, less true for the tertiary sector, the reason being that these "workers" are generally better schooled, and hence in a position to demand - and get - higher salaries. This, of course, is by and large known to the population at large, so the obvious parent strategy for their children would be to push them into the schooling channels, that eventually lead to well paid tertiary sector jobs.
8. Subsidizing farmers by subsidizing food prices is, of course, an important part of this general instrumentarium.
9. One definition of "on equal basis", then, would be "so as to obtain equality in level of living"; viz., a consumption-oriented rather than a cost/production-oriented concept of terms of exchange.
10. For one analysis of this, see Johan Galtung and Fumiko Nishimura: Learning From the Chinese People, Oslo, 1975 (in Scandinavian languages and German).
11. The countries we have in mind would be the Third world socialist countries that do not seem, so far, to have developed increasing gaps between elites and masses; Tanzania, Somalia, Madagascar, Algeria, for their efforts in the direction of self-reliance; Sri Lanka for the same reason, possibly also Peru in a certain period that, right now (1977), belongs to the past.
12. For a relatively detailed theory of these landing platforms in the case of technology, see Johan Galtung: Development, Environment and Technology, UNCTAD, 1977, chapter 2. It might be added that only countries with well developed "landing platforms" are likely to be targets of effective redistribution; the others will not have elites that benefit.
13. See Frances Lappe and Joseph Collins, Food First, Houghton-Mifflin, New York, 1977.
14. Not to mention the privileges accorded to the elites in "centrally planned economies". For a discussion of this, see Hedrick Smith, The Russians, Sphere Books, London, 1976, particularly chapter 1.
15. This, then, would be an extreme version of the "trickle-down" theory. However, on a world basis, it may look as if the countries on top of the GNP/capita, that are not only the richest countries in the world but also

the countries with the most egalitarian distribution of wealth (by and large), are examples of this. What is forgotten, then, is the extent to which this is predicted on the existence of a large exploitable periphery around the world.

16. The so-called "recycling of petro-dollars". It should be added here that the private arms business probably is very, very small relative to the governmental trade in arms, giving one more example of how fallacious much of the thinking in terms of private vs. public has been.

17. Jan Oberg, Section for Conflict and Peace Research, University of Lund, has done extensive studies of what he calls "The New International Military Order".

18. Of course, some of the regimes in the other categories may also be military, or rest heavily on military consent - particularly in the category IV countries.

19. It should be remembered that this insight comes from Lenin himself.

20. In short, we assume that there will be a flow from category IV to category I countries. In this we may certainly be wrong: the UN being a meeting place of elites, it is also possible that category IV elites will be corrupted by their colleagues from category I, and join them in seeing to it that non-elite representation (e.g., through NGOs lobbies) is down to a minimum, even to zero.

21. It should be noted that many of those countries can also be seen as typical bridge-heads for sub-imperialism. Moreover, several of them already extended an effective intelligence service, operating in manners not so different from CIA and KGB.

22. Thus, in 1964, at UNCTAD I in Geneva, much of this was already formulated, as pointed out by Albert Tévoédjré, For a Contract of Solidarity, International Institute for Labour Studies, Geneva, 1976, p. 12.

23. For some implications of this, see Johan Galtung, "European Security and Co-operation: A Sceptical Contribution", Journal of Peace Research, 1975 or in Essays in Peace Research, Vol. V. Ejlers, Copenhagen 1978, chapter 2.

24. The most important research on all these wars has been carried out by the Hungarian researcher Istvan Kende, e.g., as published in the Journal of Peace Research, 1971.

25. The growth rate for Europe, in the period 1965/73, was 0.73 p.a.; for the Soviet Union 0.99, for Northern America 1.23; and for Latin America, Africa and Asia 2.89, 2.67 and 2.33 respectively (World Statistics in Brief, United Nations, New York, 1976). The figures, incidentally, throw another light on the rapid population growth in the developing countries: one hope for the industrialized world would be that it remains so high that the developing countries would be unable to satisfy the demands. The growth rates are decreasing, however - in general - and the growth rates in industrial capacity of the developing countries will certainly outstrip it easily.
26. This also holds for internal markets: formerly marginalized groups in the Center countries (minorities, the very old, the very young), can be probed for new marketing possibilities.
27. Life on other celestial bodies remains, of course, a possibility; but is it to be expected that their demand profile will harmonize well with the supply profile of Western countries? Besides, what will happen if the strongest of the Third world countries are able to participate in this outer space search for markets and raw materials, including the search for new sources of energy, to be beamed to (oil-poor) countries?
28. Thus, it is rumored that the French car industry sees a saturation point for cars beyond the mid-eighties, when production will be for replacement only. One option studied for excess production capacity would be snow scooters. Snow scooters are snow intensive, a fact that might create a demand for factories for artificial snow, and hence some more work. How far can our societies proceed in such directions?
29. The Japanese have even contributed to international vocabulary: the Minamata disease.
30. To rule out these possibilities would be tantamount to assuming a very sudden conversion of Western international habits only one generation after the extremely violent Second world war, which was followed by the concentration of "local wars" that - in our view - add up to a Third world war. Besides, the armament and arms trade level being what it is, the utilization of (preparation for) war as a counter-cyclical mechanism to speed up a sluggish economy is very clear.
31. Riccardo Petrella has collected some of the information in his Systemes Sociaux et Recherche Sociale, Bruxelles, Commission des Communautés Européennes, 1977 (p. 32), based on data from OECD and "Intersocial". The largest absolute numbers of persons seeking employment in the EC member countries were (December 1976) for the Federal Rep. of Germany, France, Great Britain and Italy - in all cases well above one million. The percentage of unemployed (seeking employment, and relative to the active population) increased

(in the period 1973/76) from close to 5 to close to 8 for the US, from about 3.5 to about 6.5 for Italy, from about 2.5 to about 5.5 for the UK, from a little above 2 to a little above 5 for France, and from 1 to 4 for the Federal Republic - in other words around three percentage points for all of them, which says something about the similarity of the economies. As this was in part, at least, a result of the OPEC oil shock of 1973/74, and that oil shock, in turn, was very modest relative to the full implications of the NIEO, we feel entitled to predict that the impact of NIEO put into practice, on the developed countries of today, would be considerable. It should always be remembered that the OPEC action concerned one commodity only as (opposed to all commodities coming out of the Third world); that they were withholding the commodity, but only for a limited period; that the action was for price hike only, not (yet) to build up a complete processing industry to get all the value added - material and non-material. And to the extent that a petrochemical industry is being constructed, the products are available to the whole world; later on, discriminatory prices in favor of (some) Third world countries might come into full use. Incidentally, there are reasons why there is still a tendency to export crude oil rather than refined products: it is easy to shut off a well, not so easy to shut down a \$2 billion refinery complex; it is easy to store underground in nature's own storage, not so easy to store gasoline as it ties up capital.

32. As measured by the position of their respective currencies in the international market.

33. The famous 25% target originally discussed in Addis Ababa in 1974, for the Year 2000 is important as a signal of impatience and dynamism. The problem however, is not necessarily whether the Third world is going to make it - for that may be easier than is currently felt today. Thus, after the "oil shock", the West has increasingly exported capital goods, to the point of exporting turn-key factories, in order to "recycle petro-dollars" - this means a rapid build-up of production capacities that at least geographically are located in the Third world. At the same time, if the analysis of this paper can serve at least as a guide to what happens and will happen, if not as a blueprint, the industrial output of the West may decrease, and these two trends may well develop in such a way that the 25% target is not only met but overfulfilled before the Year 2000. But this entire kind of thinking is cut out of the old paradigm according to which the target of an economy is to produce "wealth", for the country or groups of countries; not necessarily to meet basic needs - see the Conclusion, Johan Galtung, "Self-Reliance and Global Interdependence" (paper referred to in footnote 1 above). This would set more absolute targets in terms of what human beings need, leading to priority for direct or short-term indirect production for basic needs, more interest in small and medium scale industries, and so on. One might also redefine the 25%, saying that it is 25% of the basic needs oriented industry rather than any industry, including the arms industry, the luxury car industry, the industry for totally unnecessary products, polluting industries and so on.

34. One of the best proofs of the extent to which our societies are class societies is the fact that workers, not the management are laid off when a recession/depression, or a "stagflation", hits. A law stipulating that for each worker laid off, one bureaucrat capitalist or researcher, in that firm and/or in the vast public research and administrative superstructure should also be laid off, might have a healthy effect, as it is much easier to play with other people's employment situation than with one's own.

35. The classical work here is Paul F. Lazarsfeld, Die Arbeitslosen in Marienthal, from the depression in Austria.

36. In the OECD countries several of these approaches are already in the process of becoming social policy, particularly those with a shorter time perspective - the six hour day and the four hour day week. For the time being, such measures are often hailed as progress. For that attitude a very unrealistic perception of the relation between leisure and general well-being is needed. Those who think much human happiness will derive from substituting leisure for work should study the plight of pensioners, of retired people in general although, admittedly, there is an age factor compounding the picture. Rather, such measures should be seen as compensation for boring and degrading working hours, as is argued in the text, below.

37. Thus, keeping young people in schools and prepensioning the older ones would be among the instruments "reducing" unemployment, e.g., by cutting down the age-span of the "active" population (meaning the interval between school and retirement) to 30 years (25-55, for instance). If one considers the right to work, and particularly to creative, meaningful work, a human right, then the concept should expand rather than contract, including rather than excluding the young and the old, seeing everybody, at least above four or five years of age, as "active". Needless to say, that would make unemployment statistics look even less attractive, and would reveal more clearly the structural rather than conjunctural nature of marginalization from work.

38. It is not only the forgotten human factor - for instance, a diagnosis by a sympathetic family doctor differs from a long distance computerized diagnosis based on "samples". It is also a question of difference in product quality, e.g., between artisanally and industrially produced clothes. For an excellent discussion of the relation between work structures and other aspects of contemporary industrial society, see Lewis Yablonsky, Robopaths, People as Machines, Penguin, Baltimore, 1972.

39. After all, this is what slavery was and is about - showing very clearly the limitations of any formula extolling labor-intensity alone.

40. When using this example in universities there are usually some students who point out that the professor who always published the same article is nothing new, they know already some of them - - but these are malicious students!

41. Actually, the example can be carried further. Imagine a computer programmed to write articles, using as inputs one hundred key words (such as unemployment, productivity, demand, market, etc.) permuting them with due respect to the syntax of the language, scanning the possible outputs for style (not too long paras, some distance between uses of the same word, a rhythm based on long paras and short sentences, and so on) - and there is an image of industrial article-production. Maybe intellectuals would behave like the luddites, destroying such machines? And maybe they would be right in doing so - as, possibly, were the luddites, so often considered the fools of history, who failed to understand "progress".

42. That this is not only the concern of left-wing intellectuals can be seen from the many strikes demanding not so much salary increases, as increases in meaningful work (and, of course, better working conditions).

43. No doubt democracies have a difficulty here, as long as one assumes that all decision-making in this connection has to come from the top. This changes into a tremendous advantage for democracies if one looks more closely at the reality of these societies: because they are democratic (or, to the extent that they are democratic) they permit not only debate about these problems, but also considerable experimentation - e.g., with new forms of energy, new ways of living together (communes of all kinds), etc. from which others may be inspired, and at the macro level. It is true that a society ruled in a more autocratic fashion has the power on the top to make unpopular decisions and enforce them without running the risk of not being re-elected - there being no elections. But they have so much less basis on which to make decisions, not benefiting from a rich debate and a flora of social experiments. Hence great care should be taken before the present crisis is used as an argument against democracy.

44. For one effort to spell out some life style implications of all this, see Johan Galtung, "Alternative Life Styles in Rich Societies", in Marc Nerfin, ed., Another Development: Approaches and Strategies, The Dag Hammarskjold Foundation, Uppsala, 1977, pp. 106-21.

45. For an effort to analyze these demands, see "Conclusion" of the paper referred to in footnote 1 above.

46. From a great number of conferences on these topics during the last years. The Aspen workshop June 1977 in Gajareh, Iran, was particularly useful because of the outspoken Iranian participants articulated so well this type of thinking.

47. For an analysis of self-reliance, see Galtung, O'Brien, Preiswerk, eds. Self-Reliance, George, Lausanne, 1977.

48. On the other hand, a glance at Nordic economic history with Norway and Finland so much at the bottom, shows that horizontal relations may be built even if the point of departure is highly vertical (it did take some time, though).

49. One might refer to the rise of the working class into positions of power; and immediately add that those who got into elite positions usually were former workers - analogous to "former" Third world countries.

50. The racism of the right usually attributes to the Third world more than its share of evil characteristics; the racism the left much less than its share. The present author does believe, however, that there are cultures that are more or less aggressive on man and nature, and that the Western culture is more aggressive. The capacity to internalize Western culture, however, is evenly distributed on the races of the world.

51. To repeat: how would they handle the problem of overproduction? Will they revert to pre-NIEO internal patterns when the production supply far outstrips the market demand?

52. The Lomé Convention may be seen in this perspective - see "The Lomé Convention and Neo-Capitalism", Papers, Chair in Conflict and Peace Research, University of Oslo, No. 20.

53. Moralism should be left to countries with less power - otherwise it might become very dangerous.

PART THREE

WHITHER TECHNICAL ASSISTANCE?

ON THE FUTURE OF INTERNATIONAL DEVELOPMENT CO-OPERATION

INTRODUCTION

3.1 Introduction. The world is changing, and rapidly so; the agencies for international technical assistance/development/co-operation are part of the world - how do they change? This is the topic to be discussed in the present chapter, and the first problem is how to discuss it. There are at least two broad answers to that question.

Thus, an empirical approach might be used, tracing the origins of the concept back to such ideas as Point Four and the Colombo Plans, no doubt also to clearly colonial patterns. A combination of content analysis of motivations etc. as expressed in official documents in the donor countries, reactions in the recipient countries and analysis of structure and function, not to mention evaluation of the factual consequences of the countless projects - spanning the spectrum of social sciences from psychological effects on individuals via economic, political, social effects to the consequences for international relations. This would produce interesting trends, and such studies, bringing together information from the many pieces of research in this field, would be invaluable. However, no such empirical study will give us any answer to the question posed in the title, whither, and on the future - for one would certainly not be content with extrapolationist studies from the trends of the last thirty years or so.

Hence, there is a need for a second approach, more based on theory and values/goals, less based on concrete data. We have to be free to speculate, to say anything of importance about the future, particularly if the future is to contain qualitatively new elements of which there is no empirical trace- or "pre-trace", "pre-shadow" - in past or present. Obviously, the two approaches do not contradict each other: the latter has to be informed by the former. But one has to try to capture some of the essential elements of technical assistance not easily mirrored in official documents and statistics. And one way of doing this would be, roughly speaking, to divide past, present and future time into three phases, the Old International Economic Order, the New International Economic Order, and Self-Reliance/Global Interdependence (OIEO, NIEO and SRGI for short). In doing so, it goes without saying that we do not believe that these three systems characterizations correspond neatly to past, present and future respectively: OIEO will still be with us for a long time, but it is mixed at places with elements of NIEO and SRGI.

Rather, the point is to try to see what type of concepts of technical assistance/development/co-operation would correspond to the three systems. Some of this is already indicated in the semantics: "assistance" smacks of the paternalism of OIEO, "development" is literally speaking more developmental and in that sense straddles the OIEO-NIEO gap; and "co-operation" is more neutral in the sense that it does not presuppose any ideology of "development" but simply states that this or that is an agency where international co-operation - presumably indispensable under a system of global interdependence, however self-reliant the parts (or precisely because they are self-reliant) - can take place. The only problem is that several of these agencies have anticipated, perhaps even pre-empted some of this process by changing nomenclature more than content, at an early stage. As OIEO is still so much our dominant reality, the present paper sticks to the terminology that corresponds best to that phase, and talks about "technical assistance".

- 3.2 Technical Assistance as an OIEO Instrument. In retrospect, it is always easier to predict, and today, the easy post-war emergence of technical assistance appears as an almost natural phenomenon in the sense that its absence would have been difficult to explain. For socio-cultural, for economic and for political reasons, TA stands out as the logical thing to do.

To start with the socio-cultural aspect: TA fits the basic patterns of the Western conception of the world almost too well.¹ In this conception, one basic element is the idea of the West as a center from which things and ideas radiate to an eager periphery. Under the formula of TA they could receive both, and be shaped by them. Intuitively, one would expect countries that had been engaged in moulding others to adapt easily to this new pattern, as donors of TA, and that does not include only former colonial master countries. It would also include countries with, for instance, a clear tendency to engage in missionary activities, as measured, for instance, by number of missionaries per capita, or outlay per capita for evangelical work "overseas".² In general, it would comprise countries that see themselves as models one way or the other, for other countries or for the rest of the whole world, for that matter³ - countries that feel that they have something beyond money to offer.

One may talk about a "missionary complex" in this connection, a sense of "mission civilisatrice" of which countries may have more or less. And in TA they found a structure that mirrored perfectly this cultural element. True, the recipient countries had to apply for projects, and the decisions were taken - unilaterally - in the donor country. In other

words, what was new was that a first step had to be taken on the recipient side, but even that first step could be facilitated through such catalysts as the training of scholars from the recipient country in the donor country, so that they knew what to ask for; not to mention the demonstration effect.⁴

Western cosmology also harbors some ideas about social processes that could have some bearing on the way TA was shaped. Thus, there is the "Idea of Progress", and how it comes about: by gambling on a few, well selected factors, injecting much social energy into them. The principles according to which such variables are selected would then constitute the TA theory, or ideology, at that time. As the theoretical base tends to be narrow, selecting only a few variables, one would expect many and rapid changes in TA theory over time. Candidate variables emerged by a process of comparison: which are the factors on which developed countries are high and developing countries low, selecting from this (extensive) set of variables a limited number that could be seen as a causal nucleus of the nexus of variables held to constitute development. There was one additional constraint on the choice: only those variables could be selected that provided politically acceptable reasons in retrospect of why the West was developed. Thus, the simple idea of conquering and exploiting others, so basic in Western (and Japanese) growth could not be included - partly because it could not be advocated as a method for others to use, partly because it could not be admitted as the basis of Western growth, and partly because there was no clear, overt TA process through which such skills could be transmitted.⁵

Typical examples of theories that passed these filters were/are:

- improved quality and quantity of commodity exports in return for foreign currency;
- improved infrastructure for internal and external transportation and communication, including storage facilities, shipping and freight in general, etc.;
- industrialization for import substitution;
- improved health and education services;
- population control, family planning.

These do not differ appreciably from the phases development theory in general has passed through, being products, intellectually and politically, of the same milieus. But there is the important implication that through these ideas, and the practices to implement them, developing

countries were pushed along a twisting path held to be similar to the one trodden (successfully) by the developed countries. If the results were not the same, the discrepancy was not explained in terms of what the developed countries had done in addition (i.e., colonized most of the world) but in terms of properties of the developing countries, held to be negative.⁶ Many of them were lumped together by psychologists/sociologists/anthropologists under such headings as "tradionalism", and the problem then became one of overcoming this syndrome.

In retrospect, one could hardly imagine a more complete formula for changing other countries in the direction of one's own path. Where centuries of missionary activity had concentrated on people's minds, and on some minor activity at the village level, TA went straight to the entire structure of production of all kinds of goods and services, all the time modelled on the developed countries with only minor modifications. It even went so far as to suggest, and indeed participate in, what might be called "the denominator approach" (an euphemism) to GNP/capita growth: reduction in the number of future "capita", through family planning. Money for grants/projects was available, provided it was requested and the project was judged sound, i.e. in accordance with prevailing theory - not so strange that the developing countries quickly learnt to phrase their requests in such terms.

This picture, then, becomes more pronounced when the economic factors underlying TA are brought out more clearly. The question is not to what extent such consequences are intended. The point is only that, objectively speaking, the type of TA given has at the same time often contributed to increased dependency on the donor country and thereby increased gaps between rich and poor countries, and between rich and poor within the poor countries.⁸ These have been the objective trends during the last generation. It is impossible to say how much of it is due to TA, but as technical assistance by and large has been characterized by the same type of measures as developmental policies in general, TA has at least not counteracted such trends. One specific reason for this would be that so much of TA has gone into infra-structure, preparing the developing country for better participation in world trade, particularly commodity export. Better capital goods for extraction of minerals etc. or cultivation of cash crops, better storage facilities, better transportation networks from the sites of extraction to the modernized ports and airports - all of this is at the same time a continuation, at a higher level, of old patterns.

The same applies to some extent to improved health and education services: seen in a context of preparing the infra-structure, this is the human factor. The objection would be that at the same time basic human needs are being met, and this is partly correct. But the purpose makes an

imprint, often indelible, on the way this is done. Thus, if the purpose is that of getting workers sufficiently literate to read instructions, but not sufficiently educated to engage in critical and constructive debates, then this will have some impact on the type of schooling system chosen.⁹ Correspondingly, improving health services can also be a way of creating medical clients with increased dependency on public and private institutions, including pharmaceutical companies, not a way of improving their capacity for curing themselves and for preventing diseases through action on their own environment.

From this, it is a short step to the political aspects. Not only could TA be used to maintain and reinforce existing patterns, economically speaking, by deepening certain structures linked to vertical division of labor; it could also be used to steer recipient countries politically, in other words to exercise power in a broad sense. Much of this can be seen analytically as a question of counter-value.¹⁰ Officially technical assistance is presented as a gift, as a transfer of value from one actor on the international scene to another without corresponding counter-value. But social anthropology informs us that there is no gift without the expectation of something in return. One might then expect that this "something" could be the economical value accruing to the donor countries through mechanisms of unequal exchange, based on gradients of uneven development. The whole trick would be to raise the former colonial countries from being commodity producers only, to the status of producers of semi-manufactures and even manufacturers of processed goods typical of the phases of the industrial revolution, thus permitting the center countries to develop even more sophisticated forms of technology and products. But this was/is not seen as counter-value because the structure is supposed to work that way; anyhow it only means that the structure is working normally and to the benefit of both parties.

To get something in return would be to get something over and above the normal economic returns from the infra-structure investment. And this is where clearly political aims enter:

- to be given priorities in competition for future economic expansion;
- to be accorded certificates of atonement for wrongs wrought during the period of colonialism;
- political alliance formation;
- voting patterns in the UN;
- non-aggression against the donor country;

- provision of public opinion pressure and other forms of assistance in case of aggression against donor country by third party;
- confirmation of the donor country as a model country by imitating, even uncritically, institutions and patterns from donor country;
- cooperating with donor country in making the project, and thereby the donor country itself, a "success";
- legitimizing the political and economic style of the donor country by being (at least) as democratic-autocratic or socialist-capitalist as the donor country;
- give status as "most favored donor country" to the donor country by regulating the entry as donor countries.

All together this is a substantial list, and other elements could no doubt be added. The basic point would be that a purely economic, even marxist, model stating that the ultimate "something in return" is increased profit, will not do. Power has other ingredients, of which the use of others for validation of oneself is basic, and TA has served that purpose well by providing a channel through which learning, to the point of imitation, becomes institutionalized.¹¹ In short, TA is a part of foreign policy, and even an important part. In being so, it could draw on many of the same sentiments and pre-conceptions, the same institutional patterns and to some extent even the same people as did colonialism. What changed was the rhetoric.

Throughout the period these institutions grew. They became bureaucratically rooted in the donor countries, from close to volunteer organizations to agencies, the head of which is sometimes accorded cabinet rank. In spite of what has been said about decreasing official development assistance (ODA) relative to the gross national product¹² - the budgets are by and large increasing (given the economic growth of the industrialized countries), or are already so big that they can compete with other governmental agencies/ministries. But there is a difference: for the ordinary ministries/agencies, so to speak engaged in domestic development, it is always the question of too many projects chasing too little money; for development assistance it may be the other way round. There are not enough "good projects" around, which is not strange given the multiple demands, spanning from the local level where the project will be operative to the level of national politics in both donor and recipient countries, and on to international relations. In addition, the channels for articulating local demands are often clogged or non-existing. Thus, given the distance between a local population on the other side of the globe and the top level of the donor country, it is not strange if

domestic and foreign policy considerations of the donor country take precedence. This problem, then becomes aggravated by demands, articulated internationally and domestically, to spend more money - before the budget year ends - leading to a search for capital-intensive projects.¹³

- 3.3 Technical Assistance in the NIEO Phase. And this leads us straight to the present phase which is here characterized by the initials NIEO - not because that order is brought into being, but simply because it constitutes the dominant rhetoric, and because the thinking has changed. For our purpose we shall distinguish between two aspects of the present phase, one is NIEO proper, and the other is the accompanying phenomenon, not at all integrated into NIEO, of focussing on basic human needs for those most in need.

NIEO proper can be analyzed in structural terms, and in terms of concrete instruments,¹⁴ and among the latter is one that is directly relevant in this connection: "increase in aid". More precisely, the demands are articulated in terms of the targets established by the United Nations for the First and Second Development Decades, the famous 0,7% of the gross national products of industrialized countries. In 1974 the total aid flow was about \$15 billions, corresponding to an average of 0.33% of the GNP of the donors - to reach the target, then, would mean a doubling of that figure to about \$30 billions. In comparison, it may be mentioned that the public and private debts of the developing countries were estimated at about \$150 billions at the end of 1976, and the trade deficit of non-oil Third world countries is around \$35 billions per year; it is clear that even meeting the target would not solve the problem. But not meeting it would solve that problem even less; as a consequence, the demand for increase in aid. This is in line with general NIEO philosophy: changing the net flow between MDCs and LDCs, between rich and poor countries by improving terms of trade, debt relief etc. As a demand it is fully understandable, but it should also be noted that it does not question the assistance qualitatively, only the quantity, its volume.

The counter-argument to NIEO philosophy at this point is, of course, that if one drives in the wrong direction at 33 mph it does not help to speed up to 70 mph, and the direction is still wrong. And this is where the undercurrent, related to the basic needs approach, enters the picture, by questioning the entire goal of the exercise.

It should be noted that this turn in development thinking, by now a couple of years old, throws some interesting light on the whole problem of evaluation. In the early phases it looked so simple: development received a clear definition in the idea of the per capita gross national product, leading to policies of strengthening the processing and marketing sectors of the economy. From this goal a number of concrete projects

could be derived, after some time they could be monitored in terms of their effects, with green light if the consequences tallied well with the goals, red light if not. It was as simple and logical as anything could be. And yet it did not happen that way, certainly because this bureaucratically inspired paradigm of evaluation was much too simplistic. Very soon it showed up that it was not the consequence but the goals that had to be, and in fact were, evaluated. A "successful" project raised more problems than it solved, particularly when it became clear that any such project became like an island, an enclave, transplanted onto foreign soil, and as such could serve as bridgehead for foreign enterprises of various kinds, for military, political, economic and cultural penetration, etc.

However, the major impetus for goal-reformulation came with the persistent increase in absolute misery instead of the decrease that had been not only expected, but even promised. It should be noted that the abolition of misery is another type of goal than the developmental, systemic goals prominent in the 1950s and 1960s. The idea that development and abolition of misery are not necessarily positively related is hardly new - misery was, after all, a basis of the pattern of early industrialization in Europe till the trade unions became strong enough to get a better share in the fruits of development. The two have probably been seen as belonging to different social realms, "development" being at the macro level, misery a problem of the individual and his/her family, a micro phenomenon handled through the good deeds of aid organizations, among them the religious ones. This separation is certainly of old standing: in the Antiquity, in the Middle Ages and in our "modern period", the elites have engaged in many policies to develop the productive forces and the political power of their societies, but not necessarily to do anything about misery. Linkages that, to use, may seem obvious, are not necessarily so: the linkage between anatomical knowledge and surgical practice known as medical science, for instance, took many centuries or even millennia to emerge.

For the neo-classical economists who have dominated so much of development thinking for more than thirty years, there was a conceptual link between "development" and "abolition of misery": the income distribution.¹⁵ For a project to have a "developmental effect", economic growth was no longer sufficient, the income distribution had to "improve" in the sense of becoming more egalitarian. It is important to note that the thinking is still in terms of "income"; that points to a monetized economy and to the use of markets, including markets for selling and buying labor, and for that reason compatible with the model of a capitalistically oriented economy, regardless of the ratio between the public and private sectors of the economy. It should also be noted that the relation to the goal "abolition of misery" is not a simple one: an egalitarian income distribution is neither a necessary condition (the lower tail may be above misery lines), nor a sufficient condition (the whole population may share misery equally).

The logical sequel of this type of thinking is today very much on the scene: if the goal is to abolish misery, then define misery, perhaps by dividing it into components, and state the goal as that of conquering misery, component by component, individual by individual. The "components" are increasingly identified with basic (material) needs, and the individuals are those who have at their disposal least of the satisfiers of these needs - commonly identified as food, clothes, shelter, health services and schooling. The problem, then, becomes one of mobilizing productive forces in these directions. And that is where the problems start accumulating.

First, if the productive machinery is used to produce food, clothes, shelter, health services and schooling in a way that is immediately accessible to the poor today, then in most cases the trade component will be minimal. The general experience seems to be that the least expensive food is the food grown locally by the people who themselves will consume it, not the food grown in far away places - among other reasons due to the expenses of storage, packaging and transportation, and the many middle-men. The condition for the local method to be effective, however, would be that the producers/consumers can control the factors of agricultural production, meaning not only the soil and their own labor, but seeds, fertilizers and equipment, and water. If the outside controls only one of these necessary factors, it is enough to twist the productive machinery in another direction.

But given these conditions, the net result will be simple foods - often mainly staple foods - simple clothes and housing based on local materials, medical services of the "bare-foot doctor and local herbs" variety, and schooling closely tied to work. None of these products will do well on the international markets, nor would they need much - in general - in terms of outside inputs (goods and services) to be produced. There are exceptions given the asymmetrics in the world economic geography, but by and large the thesis seems to hold: development in the sense of abolition of misery is negatively related to external trade, maybe even to internal trade.

The problem that remains would be how the cities, under such conditions, would get their food, if not through internal trade - and this is where the problem is located. The cities subsist on the basis of food and other essentials being produced in their hinterland, and luxury goods being acquired through trade - they need something to trade with and they need systems that guarantee that their needs for food are met. If the poor in the countryside should control these resources themselves, there would be no guarantee that exportable products would be available (such as cash crops), nor any guarantee that enough food would be available - the people in the countryside might consume it themselves, particularly if they were also able to provide for the other needs and produce the equipment needed for these production processes.

Second, under these conditions the technical assistance component would also be minimal. One reason follows directly from what has been said: some of the motivation would be lost with strongly diminished prospects of short-term returns through increased trade on favorable terms. But there is also an idealist streak in the TA enterprise that would tally well with the idea of abolishing misery, and also evidenced in the numerous disaster relief actions. Consequently, some willingness should be assumed, even much good intention - the problem being knowledge of how to do it. If the overwhelming evidence seems to point in the direction that "modern" development efforts, with or without TA, make the unit price of almost anything needed more, not less expensive for the impoverished needy, then some other approach has to be found - unless one is able to abolish misery by abolishing the miseries completely through family planning.¹⁶ And the question is where the donor countries should derive that type of knowledge from, given that their techniques seem by and large to be capital-intensive, energy-intensive, labor-extensive, research-intensive and organization-intensive, and hence to operate best in settings similar to the donor countries, e.g., cities with capital-concentration, energy resources, research institutes and "modern" organizations readily available, with less need for manual labor.¹⁷ On techniques with the opposite factor profile, the donor countries would be weak; they would even have to dig into their pasts to uncover them - an idea contrary to the idea of progress underlying the master-disciple relation of technical assistance.

Caught by the dilemma of giving more to capital-intensive projects that seem to deepen dependencies and increase the gaps without abolishing any misery, but at the same time contribute to meeting targets set by the UN, by the Third world as parts of the NIEO packages, by parliaments and public opinion - increasingly, it seems - as part of an atonement program particularly suited for small, rich, protestant countries with troubled consciences and, on the other hand, to go in for something more relevant to those most in need at the risk of spending much less money, and even at the risk of appearing incompetent, irrelevant - what does one do? Off-hand one would predict a number of reactions in this kind of situation, no doubt a delicate one and not one of their own choosing.¹⁸

First, there is the possibility of denying the problem and continuing as before, seeking those partners in the Third world that would agree with TA of the most capital-intensive and research-intensive variety. Those partners exist, and this would tend to steer the TA flow in the direction of the more conservative regimes.

Second, there is a course that seems to become increasingly popular, viz., that of giving the same type of TA as before, but to countries that show signs of improving their income distribution, or - in the most adequate parlance - of meeting the basic needs of those most in need. The

difficulty in this approach is clear: there is a confusion between the national and the local needs, between general policies and the workings of the project locally. General national policies will not prevent a local project from creating gaps between professionals, workers and consumers, dependency on the donor country for continued flows of spare parts and expertise, etc. At most it will serve to legitimize the insertion of such elements in the social body. Technology is a strong factor and works its ways, regardless of the ideological persuasion of the national leadership. What is needed would be different types of technology, and where do the rich, Western donor countries get that from?

Third, there is the possibility of trying to initiate projects that directly, on the spot, have the effect of changing income distributions and meeting basic needs; of confusing the national and the local levels mentioned above. It should be remembered that this means helping setting up, on a sustained basis, a pattern of production of goods and/or services that leads to a more egalitarian local society. There are people in the rich industrialized countries with ideas, and also with considerable experience, by now, about how to do that: the "soft/human/radical/intermediate technology people" to use one kind of etiquette; the "commune people" to use another.¹⁹ Often they are the same people; only rarely do they have the eyes and ears of the establishment well represented on the boards of the TA agencies. Being against the dominant trend in their own countries they are unlikely to be included in the projects that also are supposed to mirror the donor country favorably abroad - unless there is a major change of public policy (which may not be so unlikely). Given present conditions, however, the proof rests on those who think this is possible within the limitations set by the TA setting, e.g., that it shall be acceptable to elites in both donor and recipient countries. Hence, what is likely to happen is that projects that start out with this kind of goal slowly, almost imperceptibly will change the goal-setting so as to harmonize more with the consequences - which is another way of doing evaluation research by "evaluating" the goals.²⁰

Fourth, there is the possibility of drawing the consequences from this and say, more or less: "what is needed is a basic structural change", giving the local population more control over the factors of production. Hence, let us support popular liberation movements. This conclusion has been drawn, formulas have been found for giving money to such movements for humanitarian purposes (medical services, work in liberated areas), thereby liberating funds that can/could be used to acquire arms. If the goal is to abolish poverty, this may have been the most effective "investment", as judged by the rapid progress in that field often made by socialist regimes.

Fifth, there is the possibility of handing the whole issue over to the United Nations, not necessarily trusting the wisdom of that organization, but leaving any blame for decisions made to the UN, while at the same time knowing that assistance through the UN counts as ODA, and hence as fulfillment of the target. And sixth, there is the more radical idea that the best way of helping the LDCs is by making MDCs less dependent on them - as sources of raw materials they would like to process themselves and as markets they would like to operate themselves. In other words, TA funds could be used for internal restructuring of the MDC economies, possibly meaning fabricating more synthetics (as substitutes for raw materials) and making each other even more accessible as markets (as substitutes for lost Third world markets). All of this can be done in highly capital- and research-intensive ways thereby preserving the social pattern, but it is doubtful whether it would count as ODA, and even more doubtful whether it would be acceptable from a NIEO point of view.

In short, the situation is contradictory and so are the responses. Technical assistance was set up at a time when the model was more clear-cut than today; it was, in fact, a successor-model to the colonial pattern. What was wrong with the Third world was what the First (and to some extent the Second, the socialist) world had, and they had not, in the first run political freedom, in the second run economic growth. This change in basic platform for catapulting the Third world along the trajectory of the Western nation-states led to a change from the military-political official towards the economist, assisted by the other social sciences, as the administrator of progress. But he retained his Westernness, regardless of the color of his skin. And behind all of these perspectives there was the same ultimate, basic assumption: "we in the West are the cause of their situation, for good or for bad, more than they are for us, we have formulas relevant for them rather than vice versa". In short: reliance on the West rather than self-reliance.

- 3.4 Technical Assistance in the Phase of Self-Reliance and Global Interdependence: The Phase of International Development Cooperation. This may sound like a contradiction in adjecto: if countries are to develop by means of self-reliance, then how can that be reconciled with technical assistance, with the idea of donors and recipients? - Particularly if we assume that the focus of development will be human development, which means meeting material and non-material needs, but in a self-reliant manner, locally, nationally, regionally. - The answer is that these ideas can only be reconciled under certain conditions, and this is where such catch-words as "global interdependence" and "international development cooperation" enter. What would concrete implementation of such principles look like?

In a sense the answer is very simple: like cooperation organizations and projects between countries that are on a more equal footing than the MDCs, LDCs have become trained to regard themselves relative to each other. Among Nordic countries cooperation projects touching developmental aspects of all societies involved are always run on the assumption that all countries have something to contribute, and if one country is ahead in one field, then another country may be ahead somewhere else. More particularly, there may even be a tacit agreement to search for this "somewhere else" so that each country has the chance of experiencing the relation both on the teacher and on the pupil side.

The conventional objection would be that this works as long as the countries are "at the same level of development" roughly speaking, and belong to a community of nations where power gradients are not too steep. But the point here is the power to define what constitutes development, and it is precisely this power that is distributed more evenly under the formula of "self-reliance". "Self-reliance" does not only mean to use one's own factors in the pursuit of standard goals of development, it also implies setting one's own goals, consistent with one's own culture and needs, at the individual, local, national and regional levels.²¹ For the definition not to become so relativistic that anything is accepted as self-reliance provided it is endogenous, however, one additional point should be made: the goal has to be developmental in terms of meeting human needs, material and/or non material; and there has to be an effort to satisfy material needs for all, at a minimum level that is not too low. This leaves open a vast range of developmental policies, and one major distinction would - perhaps - be between those policies that go very far in the satisfaction of material needs to the point of neglecting a number of non-material needs, and the policies that stop at a lower level of material needs satisfaction in order to develop more fully along non-material lines. If these developmental styles are recognized as being of equal value, then the basis for a dialogue is there. If the second style is seen as superior, all the materialist West can hope for is that those who go in for the second style will not be equally arrogant, if they assume the roles of teachers, even of masters and models.

Self-reliance, properly understood, will lead to diversity, and diversity, when properly utilized, is the best possible source for a fruitful dialogue, for mutual learning.²² Interpreted in this way, it can easily be seen that self-reliance has in its wake a higher, not a lower potential for global interdependence, precisely because there is something to learn when others are different, and there is something to learn both ways - leading to interdependence rather than dependence. The difficulty, however, is that those who are used to being teachers do not easily become pupils and vice versa. The West rarely officially admitted it had much to learn from China; at non-governmental levels such ideas

have been formulated, very often. However, the opposite thesis also holds: he who is used to being a pupil does not easily fall into the role of a teacher, and this may explain part of the Chinese reluctance to participate in such dialogues (most of it, however, may be due to other factors).

Let us now try to map out some features of international development cooperation in a phase more characterized by self-reliance and (symmetric) global interdependence than the case is today. This will be done by using four principles, viz.,

- basic needs orientation
- two-way assistance
- shared decision-making
- increased globalization.

(1) Basic needs orientation. Development cooperation should focus ever more on what is essential for human survival and development on a sustained basis, and on a short-term basis. It can always be argued that any type of socio-economic growth will have, in the longer run, some impact on the basic needs situation. The argument is plausible for tractors, less for cars - and even for tractors it is far from obvious. However, this point is now so well known that it only gains in depth if the attention is extended to the non-material needs for freedom and identity (to mention two gross categories), thereby setting much broader agendas for the discussions and the projects. Gradually it should be possible to leave behind the pattern of administering other peoples' welfare down to the minute details, defining the basic task as how to meet basic human material needs in ways that let people be the master of their own situation.

Concretely this opens an enormous field for future international cooperation: technologies that are more "human" in the sense of both producing enough in terms of goods and services to meet basic needs, and at the same time to be capital-saving, energy-saving, labor-intensive, creativity-intensive (the opposite of a pattern that hands the monopoly on creativity over to the researchers), participation-intensive (the opposite of administrator-intensive). At the same time the technology should also be soft on nature, meaning that it should neither deplete the non-renewable resources nor pollute human and non-human nature. And it should be structurally more acceptable in the sense of producing less inequities and inequalities, less fragmenting people away from each other, by fostering more togetherness when things are produced and consumed, and less segmenting people into narrow specializations, by appealing more to

the total personality. All these are perfectly reasonable demands, they will probably be increasingly heard as the century draws to an end, and they point to a great number of the evils that beset the rich, industrialized societies. At the same time traditional technologies are too inefficient, and often also harmful to nature - so there is ample room for cooperation, trying to blend the "traditional" and the "modern" into new syntheses, and/or developing both further, but in directions more suitable to meet human needs. Thus, there are both the synthesis and the "walking on two legs" approaches. With the great number of demands, a maximum mobilization of human ingenuity is needed - not only the think-tanks and the experts in rich countries.

A second field of cooperation would focus on the economic cycles themselves. The problem could be formulated very much in the same manner as above: how to arrive at a fruitful compromise between the inefficient but highly transparent economic cycles dubbed "primitive" and/or "traditional" today, and the super-efficient, but dehumanizing and dependency-creating cycles referred to as "modern". Needless to say, this second field is more related to socio-economic organization, but also strongly tied to the question of choice of technology.

The virtue of such fields of cooperation is, of course, that they define areas where both rich and poor countries of today are deficient and in need of development, from either side of the water-shed, so to speak. There is much room for dialogue and exchange of experience, especially if forms can be found whereby not only experts and top decision-makers, but people working at the local level could be involved. In other words, it has to be recognized that this type of orientation would call for other concepts, as to who are experts, than the concepts of yesterday.

(2) Two-way assistance. The word "cooperation" should not be used unless there is an element of reciprocity, not only "I assist you", but also "you assist me". The basis for the latter is complex: there has to be, first of all, the recognition of having a problem; second, the conviction of not being fully able to solve it alone; third, the notion that it might be beneficial to either party if other countries are called in to help.²³ Thus, for Norway to request a World Health Organization mental health team, mainly staffed by people from developing countries who might see aspects of the Norwegian mental health situation we do not readily see ourselves; and for England to request the assistance of an ILO unemployment mission,²⁴ would presuppose some ability not only to recognize the problems (that ability is present), but to recognize other parts of the total world community as a possible source of solutions that could blend with those produced domestically in a fruitful combination.

A first step in this direction would be to invite teams of people from developing countries to the developed countries, not only to study and learn, but to identify our problems and start speculating about solutions. Such teams, of journalists, authors, social scientists, would today run against deeply ingrained tendencies to see assistance as a one-way street; but that is a pattern that can be overcome. If it is possible for a country like the United Kingdom to contemplate scaling down its diplomatic services drastically simply because it is no longer the great power it used to be, this should also be possible. It would, incidentally, also contribute greatly to the development of the Third world countries sending such missions, if one assumes that the spin-off effects from being an expert - exposed to new and challenging problems, being forced to formulate problems and solutions in entirely new contexts - above all accrue to the experts, and hence to his or her home setting.

One counter-argument would be that developing countries might identify problems but - being resource-poor - not be able to contribute towards their solution. But this type of objection misses the point. Problems that can be solved by means of capital have already been identified in the rich countries; the argument even being that they have been over-identified.²⁵ The point is to increase the awareness of problems for which capital is no solution; problems that might have escaped the attention of the rich countries precisely because there are no known instruments in their expensive tool-chest to bring to bear on them. Examples such as mental illness and unemployment have been mentioned above. Rich country solutions would go in the direction of suggesting expensive mental hospitals and new work places, also expensive. Poor country solutions might be more in the direction of more communal living, less stress, less productivity - possibly implying a lower standard of material living. The question is how they would argue such points (if they were made), whether they would be able to see aspects we do not easily see ourselves permit in our cognitive frame of reference.

(3) Shared decision-making. The pattern of a TA agency acting much like a research council, upon applications and unilaterally, only with the exception that the applicants are from one group of countries, developing countries, and the decision-makers from the donor country, clearly belongs to the past and will historically stand out as a transitory arrangement, between colonial patterns - and what? For this "what" the formula "shared decision-making" has been offered above, and one concretization would be as follows: open the TA agencies for the recipient countries, as staff members and as decision-makers. If democracy is something like "everybody's right to participate in decision-making affecting oneself", then clearly recipient countries should participate. This would have the advantage of gradually eliminating extraneous, non-developmental factors from influencing decisions, permitting more clearly developmental perspectives, clarified in dialogues, to emerge.

In short, the idea would be to open not only the boards, but also the staff of such agencies to the whole world, or to all UN member countries, to have a formula to go by. It may be argued that then one should just as well turn the whole thing over to the UN, multilateralizing all assistance through UN channels where this kind of shared decision-making is already institutionalized. There are two important arguments against this position, however.

First, there is the need for some redundancy in the international system. The UN system is indispensable, the best global articulation forum there is and, on the average, capable of launching actions that benefit from a high level of acceptability - but it has its well known rigidities. There should be openings elsewhere - a project turned down one place should have a chance somewhere else. One giant mechanism for universal decision-making, with evaluation criteria and procedures binding on all other levels, may sound efficient and just, but it also becomes one giant mechanism for replicating the same mistakes, and perpetuating the same antiquated paradigms. The short history of TA so far should make us modest and sceptical of any claims to have found the formula for the future - including the formulas suggested in the present paper. Diversity should be cultivated but so should democracy: a group of rich people in rich countries deciding over projects affecting poor people in poor countries essentially belongs to another century. To this, then, it may be objected that it will not help that much to include rich people from poor countries in the decision-making, which is true. But this problem can be attacked, gradually evolving more representative patterns, e.g., by involving people from the local levels who have been affected by similar projects earlier, and for that reason possess invaluable experience.

Second, if assistance is to be two-way, there will also be developmental projects in today's rich countries, of course in the closest possible cooperation with the country's machinery for domestic development - in parallel with the patterns for developing countries. There will have to be a mechanism for handling such projects where some of the resources would come from the outside, playing the same role as the UNDP office, with its Resident Representative, does today in developing countries. Those offices are staffed in a more universalistic fashion, certainly not only with people from the host country. There is much to learn from their experiences, including the idea of having a UN appointee as the head of the agency - at least as the formal head (to start with), something like the Governor General in Commonwealth countries. Just as the Specialized Agencies sometimes contradict each other (in the sense that one may promote what the other turns down), diversity to the point of contradictions could even be encouraged in a system of the type envisaged here, where, in practice, each country would have an agency for international development cooperation, attached to the UN system but with a high level of autonomy, concerned with the development of humankind all over the world,

but particularly with projects located in that country, or drawing on resources from the country. Direct ties between two such agencies might serve to make "bilateral aid" more meaningful, and more easy to handle from the point of view of the recipient country.²⁶

But the basic point would be some kind of shared concern for the fate of human beings everywhere, and the conviction that human experience somewhere else, and resources from the outside, may be useful, provided:

- all countries make full use of their own resources, both in stating goals and in mobilizing the means, and
- the whole pattern is reasonably symmetric, with no country being donor only, and no country being recipient only - everybody having something to offer, everybody having the need to receive something.

This, then, is seen as the true content of self-reliance. It is not self-sufficiency in the sense of closing oneself off from the environment, although the capacity for doing so may be indispensable, especially in matters of food and security. Withdrawal from a system of dependence and penetration, to regain one's own bearings may also be indispensable, for a shorter period. But a really self-reliant country will have enough self-confidence to enter into this type of cooperation.

(4) Increased globalization. By "globalization" is meant a pattern whereby global institutions are emerging, catering to the world and humankind as a whole.²⁷ They would be based on concepts of "common heritage of mankind", perhaps extending that concept so as to include both rights and duties. The best known example today is the idea of an international seabed, or ocean, regime; but the idea can be extended in at least three directions that partly overlap.

First, there is the idea of a global administration of the world's "commons": the ocean floor outside national territorial limits and below; the "superjacent" water column and above; outer space, including celestial bodies; the polar regions. And then there are the much more controversial ones: unpopulated areas under national jurisdiction; natural resources of any kind; sites of national beauty; treasures of cultural achievement where already today it is quite clear that the national sovereignty in fact is contested. Thus, there is protest from all over the world if a state uses territory for, say, weapons tests, that render the territory useless (even if there is no danger to neighboring states). There are increasing protests in an ecologically more conscious world when signs of exceptionally, and avoidable, bad householding of natural resources are emanating from within national territories, depletion and pollution increasingly being the concern of everybody. And although a

country might have the right to destroy sites of beauty (e.g., a wonderfully shaped waterfall) or cultural treasures (e.g., old monuments) because they stand in the way of economic growth, that right seems to be increasingly disputed, and not only by the country's own residents. In other words, there seems to be an increasing feeling that more and more of nature and human achievement belong to humankind as a whole, and that the state within which they happen to be located or to have been produced is a trustee on behalf of humankind, nothing more, nothing less - not an owner with unlimited rights. Most importantly, this also extends to the citizens: the state has a right to punish, but there are limits, and when these are overstepped (as in the case of torture) the protests are forthcoming.

Second, there is the basic needs approach in a global perspective. If we depart from the emerging point of view that every human being born has as his or her birthright, simply by virtue of being human, the right (not only the need) to adequate food, clothing, shelter, medical service and schooling - possibly also some others - then this has a number of consequences. Thus, it sets a clear priority: resources first have to be used for this purpose, then, when those needs are met on a sustained basis, resources could be used for non-basic needs. But, given the asymmetries in the world economic geography, this will sooner or later have implications for the right of a nation to dispose freely of the resources within its own borders. One thing is to argue, as is done today, that every country should be sufficiently in control of its own resources to be able to give first priority to meeting the basic needs for its own citizens; quite a different point is to globalize this concern and argue that countries have a limited right to use their resources (particularly soil) for luxury consumption when basic needs are not met in other countries, and there are ways in which this could have been done with those resources.

At this point the objection is that the prices would be prohibitive, which is true given the way "modern" production and distribution, including the possibilities of monopolies/oligopolies to fix prices, will tend to increase the unit price (to the consumer). Consequently, a third important consequence of the principle of globalizing the basic needs approach would be, gradually, to take the basic needs satisfiers out of the commodity market. In most countries today, this is done for schooling (which is free to the extent that it is compulsory, meaning primary level and in some cases beyond); in socialist countries the same applies to many or most health services; and in times of distress and emergency the same also applies to the other three. Moreover, transportation/communication is subsidized in many countries to be accessible to all, and not run on a market basis which would distribute the access too unevenly.

Third, there is the idea of globalizing some of the transnational corporations. This is not the place to go into detail but the idea is very simple: do the same for certain transnational companies as was done for some private national companies earlier in this century (and in the nineteenth century), nationalization, in many countries. Clearly, the criteria would usually have to be non-economic if by "economic" is meant the ability to survive under market conditions (we do not say "free" market conditions, given the monopolistic/oligopolistic tendencies). One criterion might be that the corporation is actually dealing in satisfiers of basic needs or at least potentially so, like the pharmaceuticals (actually) or the food corporations (potentially), since their products often have the character of being luxury items. Another criterion might be that the corporation is infracting codes of conduct, quickly emerging, although they are often so soft that they are easily circumvented. And then, closely related to this would be the idea of creating global corporations, catering to the basic needs of humankind, that behave in an ecologically responsible manner.

These three aspects of increasing globalization overlap with the idea of establishing global corporations, operating on the world commons, for the purpose of meeting basic needs. The types of international seabed regimes currently contemplated satisfy criteria nos. 1 and 3 - more or less - but not no. 2. It is not enough to hope that if the proceeds from deep sea mining accrue to poor nations, then they will be predominantly used, to meet the basic needs of poor people.²⁸ Rather, an international ocean food corporation, focussing on how to produce cheap protein for everybody, would meet the criterion, which is a strict one: in fact meeting the basic needs of the most needy. If nodules were edible, usable for clothing and shelter, had medical or educational value, everything would have been simpler from this point of view. The situation being as it is, the channels of conversion are both circuitous and add to the final price of a consumable basic need satisfier.

The basic point in this connection, however, is how this is related to patterns of international cooperation. No imagination is needed to imagine enormous, world-encompassing bureaucracies, related to the UN system, one way or the other, to undertake such giant tasks - e.g., a world protein household program, to mention only one. Some of this centralization is probably necessary to overcome some of the inequalities created when even what is needed for survival is exposed to the gradient created by a world market economy, meaning that resources flow where the demand is articulated in monetary terms, not where the need is. But a pattern of decentralization is equally indispensable. And this is where the agencies of international cooperation enter the picture: as the local administrators of these tasks. The points made above, that this should have a basic needs orientation, be a two-way street, with shared decision-making, are highly compatible with everything said under the heading of "globalization".

3.5 Conclusion. Thus, there is no scarcity of possible tasks under a program of international development cooperation. What is needed is not only to learn from the errors of the past and to exercise a little imagination with regard to the future - but also to be sensitive to the general trends in contemporary history. Just as true as the statement "the TA of the early 1950s is outmoded today" is the statement "international development cooperation would not have worked in the early 1950s". However, the international development agencies enjoying a certain autonomy within the governmental structures of at least the smaller donor countries could run the risk of being somewhat ahead of the general trend, particularly if good contacts with the more progressive developing countries are well established. There are some risks associated with this. But if they continue with the old patterns, there is not even a question of risk-taking: they will quickly recede into the oblivion institutions that fail to understand basic social processes so well deserve.

NOTES

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1. For an exposition of "the Western conception of the world", see Johan Galtung, Tore Heistad and Erik Rudeng, "On the Last 2500 Years in Western History, and Some Remarks on the Coming 500", The New Cambridge Modern History, Vol. 13, ch. 13 (forthcoming 1978). For a short version, see Johan Galtung, Development, Environment, Technology, UNCTAD, Geneva, 1977, ch. 1.

2. Statistically, this focusses attention on the Scandinavian countries, the Netherlands and Canada - no doubt among the most eager donors of TA today.

3. Thus, according to the interesting summary of remarks of the speakers at the 47th Quaker International Conference, Yvoire, France 23-25 September 1976 on "What Progress on the New International Economic Order" it looks as if a Norwegian undersecretary of state, Mr. Stoltenberg, sees a special role for Norway because there are some similarities between "the emergence /in Norway/ of strong trade unions and the strengthening of the labor movement which created the new centre of power necessary for change to occur". The danger with this kind of analogy is, of course, that it may lead to the wrong policies when the situations turn out to be less parallel. Thus, Norwegian elites were certainly not so strong during the period of "free" capitalism as the world capitalist elites of today, and there was also a sense of community lacking in the world as a whole. At any rate, Norway shares this kind of experience with many other countries in the world.

4. Hence the competition among donor countries for Third world students in engineering: those who do not stay over and become brain-drained can serve as articulators of orders from the "donor" country.

5. Of covert processes there were many, however, and they are gradually coming to the surface. What has clearly been transmitted through CIA, KGB and similar agencies has been repression techniques - particularly against those who try to expose and change exploitative patterns within and between countries.

6. At this point, classical climatological and racial theories will always be lurking in the background, sometimes in the foreground. Of course, climate is an important factor, particularly when the idea is to transplant life styles developed under other climates. Race seems to be unimportant but culture not, and as cultures are correlated with race for historical reasons, cultural differences are often seen as racial differences.

7. The joint interest of the rich countries and the rich in the poor countries in not having to contend with too large, hungry, and possibly very angry masses of poor people in the poor countries is only too obvious, and the genocidal aspects of such practices will probably figure more prominently in the TA debate in years to come. For one thing: to eliminate people is an obvious concomitant of an increasingly capital- and research-intensive technology. A more labor- and creativity-intensive technology would preserve and treat human beings better - and this seems to be the crux of the matter. Thus, the family planners become the little helpers of a very particular way of organizing human affairs.

8. For one example, by the present author, see "Development From Above and The Blue Revolution: The Indo-Norwegian Project in Kerala", Essays in Peace Research, Vol. V, ch. 12, Ejlers, Copenhagen, 1978. A short version appeared in CERES, 1975.

9. This theme is elaborated in Johan Galtung, "Literacy, Education, Schooling - For What?", Papers, Chair in Conflict and Peace Research, University of Oslo, no. 56 - originally prepared for the Persepolis Symposium on Literacy, September 1975.

10. This is elaborated in Johan Galtung, "Notes on Technical Assistance With Special Reference to the Indo-Norwegian Project in Kerala", Essays in Peace Research, Vol. IV, ch. 16, Ejlers, Copenhagen, 1978.

11. Thus, TA is to international relations what a school is to intranational relations: a mechanism through which one generation tries to make a firm imprint on the next generation, "bringing it up" (to become similar to oneself).

12. The data frequently quoted are from the 1975 Review - Development Cooperation by the OECD. ODA was \$15 billions in 1974 or 0.33% of the GNP of the donor countries, with Sweden, Norway and the Netherlands as over-achievers and Switzerland (0.14%), the USA (0.25%), Germany (0.37%), Japan (0.25%), the UK (0.38%) and France (0.59%) as underachievers relative to the UN goals for DDI and DDII, of 0.7%.

13. It should be remembered that a good bureaucrat is one who spends the money allocated, and only that, before the end of the budget year.

14. See "Conclusion", "Self-reliance and Global Interdependence": Some Reflections on the "New International Economic Order", Papers, Chair in Conflict and Peace Research, University of Oslo, No. 55.

15. For an example of this kind of thinking, see Elteto, O. and Frigges, E., "New Income Inequality Measures as Efficient Tools for Causal Analysis and Planning", Econometrica, 1968, pp. 383-396.

16. Which, of course, is one approach and one reason why such practices have been engaged in, under various guises.

17. It should be noted how this directs TA towards the cities, and hence towards the very same people who, according to the first line of reasoning above, would be less inclined to let the poor rural population get control over the factors of production.

18. The present list is based on relatively systematic conversations with a number of TA officials in several of the donor countries.

19. For a very comprehensive analysis and presentation, see Godfrey Boyle and Peter Harper, eds., Radical Technology, London, 1976.

20. In fact, this was more or less what happened in the Norwegian TA project to the fishing villages in Kerala, India - see the essays referred to in footnotes 8 and 10.

21. For an exposition of self-reliance, see Galtung, O'Brien, Preiswerk, eds., Self-Reliance, George, Lausanne, 1977.

22. Where there is no diversity, only implementations of the same model, exchanges will be structured by the "who knows more and who knows less", and "who has more and who has less" dimensions - the former leading to a master-pupil relation, the latter possibly to a donor-recipient relation.

23. This is inspired by the definition of the role of the patient given by Talcott Parsons in The Social System, Free Press, Glencole, 1951 - ch. X.

24. I am indebted to Richard Jolly for this particular suggestion.

25. In a paper to the SID-European Regional Conference, Linz, 15-17 September 1975, the SID Italian Chapter presented a paper "Observations on World Structures and Assistance to Developing Countries", pointing out how the large consulting firms contribute to making plans for highly capital-intensive projects. The role of these firms has probably been seriously understudied.

26. Needless to say, in the beginning the rich countries will have to foot most of the bill for a system of this kind, as they have done for the UN.

27. For more details on this topic, see Johan Galtung, The True Worlds, A Transnational Perspective, New York, 1977, chapters 7 and 8.

28. For an elaboration of this, see Johan Galtung, "Human Needs, National Interests and World Politics: The Law of the Sea Conference", Essays in Peace Research, Vol. V, ch. 13, Ejlers, Copenhagen, 1978.

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