

Hamburg Institute of International Economics (HWWA) (Ed.)

Article — Digitized Version
Comments

Intereconomics

Suggested Citation: Hamburg Institute of International Economics (HWWA) (Ed.) (1970) : Comments, Intereconomics, ISSN 0020-5346, Verlag Weltarchiv, Hamburg, Vol. 05, Iss. 6, pp. 172-173, <https://doi.org/10.1007/BF02927948>

This Version is available at:
<https://hdl.handle.net/10419/138350>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

COMMENTS

Population Explosion

The Challenge of World Poverty

At the start of the second development decade, numerous reports have been published which clearly show the mistakes made in the past and suggest possible ways of conducting development policy in the future. These publications have, however, paid scarce attention to the population problem. In spite of the economic upswing which occurred in many developing countries during the sixties, living standards scarcely rose at all in these countries, precisely because of their high population growth rates. Although for instance in Southern Asia gross national products increased between 1960 and 1968 by 4.3 p.c., incomes per head of population rose by a mere 1.7 p.c.

Experts and politicians concerned with development had been hoping to read in Gunnar Myrdal's book, entitled "The Challenge of World Poverty", a detailed analysis of world poverty and well-founded suggestions for combatting it. Their hopes have not been disappointed. Myrdal's latest book, which may be taken to supplement his well-known earlier work, "Asian Drama", does contain a detailed analysis of the causes and the economic effects of the population explosion. In his opinion, the most urgent task confronting developing countries is to reduce birth rates. In this respect industrial countries can render valuable assistance by stepping up the training of medical personnel from the developing countries and by working out new birth-control techniques. But the problem of how to make birth-control measures effective must be left to the developing countries themselves to solve. In this matter, their governments must not confine themselves to the task of working out a practicable programme to achieve a reduction in birth rates; they must at the same time remove the numerous traditional and religious obstacles standing in the way of such a policy. Experience so far has shown that this second task is an extremely difficult undertaking. na.

Libya

Exchange of Experts

Among the Western consultants and experts in Libya the mood is one of departure. A number of them have already left without waiting for their contracts to expire. The cause of all this: a recent decree by the Libyan Revolutionary Government, adjusting with immediate effect the salaries of all foreign experts to those of their Libyan colleagues.

This frequently means to those affected a 50 p.c. reduction in their salaries. Whereas in the past the average foreign experts received about 1,300 US\$ or more a month, Libyan top officials had to be content with at most 680 US\$. No foreigner will in future be allowed to earn more than that amount. This levelling process is certainly not carried out for reasons of "social symmetry" but rather with the view of getting rid of experts of Western origin. They are already being replaced by natives, Egyptians and personnel from the Eastern bloc, and this process is to be accelerated in the future.

What is not clear is to what extent Libya has been forced by its Arab neighbours to take this step, particularly in view of the fact that Libya—like Kuwait—has retained for itself a certain freedom of action by contributing a large amount to the military expenses of the Arab camp. Viewed from this angle, the action of the Libyan Government may be seen as an indication of the degree of influence the Egyptians and the Russians have gained in the Near East.

France has been the only Western country which has managed in time to keep a foot in the door while this reorientation from a partnership with the West to an association with the East was taking place. Thanks to the promised delivery to Libya of 100 Mirage fighter-aircraft, French experts continue to be welcome. Whether they will now move en masse to Libya to live on half the earnings previously paid to foreign experts remains to be seen. ivj.

UN-Statistics

27 Cents Per Day

Global figures frequently obscure realities. This is confirmed by anyone who contrasts statistically corroborated "growth-successes" with actually existing situations. Mixing together more than 100 entirely different states yields results which become almost meaningless as indicators for the success of development policy.

Hitherto there has not even been agreement on what constitutes a developing country. The criterion applied by the United Nations—an income of 500 \$ per head of population—has given the industrial countries the impression that this was to be taken as the subsistence minimum. And the statistics of some development aid organisations have been trying to create the impression that the situation was steadily improving. Now the United

Nations is itself clearing away such illusions. It has itself published a catalogue of the truly under-developed countries, revealing at the same time the indescribable poverty prevailing in some parts of our modern world. 16 African states and the two Asiatic countries, Laos and Afghanistan, have an annual gross national product of less than 100 \$ per head, 80 p.c. of their population is illiterate and industry's share in the GNP amounts to less than 10 p.c. In further seven states—India, Indonesia and Burma among them—illiteracy is less than 80 p.c. and their industries contribute a little more than 10 p.c. of the national product, but their income per head of population also lies under 100 \$ annually which works out at less than 27 cents a day.

Those shocking figures relating to 1966/67 say more about the successes so far achieved by the development policy and the magnitude of the problems that still remain than the numerous voluminous reports flooding the market. The UN should therefore try to disperse the fog of apparent satisfaction by publishing more figures of this kind. ke.

China

Big Brother Is Watching Us

China has now also got its yellow Sputnik. It may safely be assumed that while chirping its gay little tune of "The Red East" it does not forget to peep into the backyards of Mao's antagonists. The not unexpected launching of the Chinese sputnik has brought it home to public opinion all over the world that there cannot be much truth anymore in the stories about China's "backwardness". The cultural revolution may have resulted in temporary setbacks over wide areas of the economy, but it has certainly not impeded the progress of rocket-technology and nuclear research.

However, to achieve such successes requires also a broad industrial base. Ever since "the great leap" of 1958 to 1960 there has been evidence of great technological progress which became more pronounced still after the cessation of Soviet aid in 1960. In the steel industry for instance, the emphasis shifted to special steels and steel alloys, the chemical industry turned increasingly to the production of organic chemical products and the mechanical engineering sector took to the production of precision tools. Until 1960 the Chinese tractor output had been depending to a considerable extent on Russian supplies of material, but by 1964 China was already in a position to produce itself 95 p.c. of all the steel required by that section of industry.

China's advances in nuclear research and rocket technology are, however, the result of some other

factors. Until 10 years ago, the USSR lent valuable assistance to China's nuclear research programme. In the fifties, the USA was foolish enough to allow a great number of competent Chinese scientists, among them the famous Professor Tchien Hsueh-sen, to emigrate or even deported them. 75 p.c. of the 200 most important Chinese scientists have been trained abroad, half of them in America. Considering, however, that China is now isolated and has no more access to the results of research work done in either West or East, the question arises whether China, having to rely entirely on its own efforts, will be able to continue to achieve the same successes as before. But, after all, why not? When all is said and done, is China not the nation that invented gun powder hundreds of years before the Europeans and was also not entirely ignorant of rockets? hg.

USSR/Japan

Cooperation in Siberia?

Japan has in recent years been developing into the Soviet Union's most important trading partner in the East. Trade exchanges between the two countries increased from \$ 20 mn in 1957 to \$ 620 mn last year. The Soviet Union has proposed that the two countries should further improve the satisfactory state of their trade relations by jointly undertaking the industrialisation of the vast regions of Siberia.

This bold offer by the Soviet Union has had a mixed reception in Japan. Whereas the leading Japanese businessmen, yielding to the tempting chance this gigantic project presents to catapult their output figures to new heights, urged co-operation in Siberia, the government in Tokyo adopted a policy of wait and see. This reticent attitude on the part of the Japanese government is certainly not solely due to the still unsolved problem of the restitution to Japan of the Southern Kurile Islands. Japan also seems to fear its intention to become the leading power in Asia may be prejudiced by too close a cooperation with the Soviet Union.

Too eager an acceptance of the Soviet suggestions would also run counter the most recent Japanese endeavours to normalise relations with China. For Peking has already denounced the proposed cooperation as a Soviet-Japanese plot against China and an attempt by the Soviet Union to influence developments in South-East Asia and on the whole Asiatic Continent. Interpretations like these are in the long run bound to be regarded by the Japanese as prejudicial to their endeavours to achieve that position in Asia they have for a long time marked out for themselves. kw.