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## Development Aid

# A Critical Reply to Dom Hélder Câmara

by Dr Jürgen Westphalen, Hamburg

mong the progressive priests of Latin Amer-Among the progressive progress of Olinda and Recife, who has made by far the biggest stir in European public life. His assessment of the Latin American situation and his proposals about development aid have been widely spread all over the Federal Republic of Germany through the press, via television and, lately, also through the publication of books. On October 24, 1970, the Archbishop has also addressed the German public at large directly, by speaking at the "German Forum for Development Policy". Without doubt, what he said there and in other places deeply influences the forming of opinions about development aid and development policies both in the Federal Republic and in other industrialised countries of Europe. notably among the younger generation who take a special and deep interest in these problems.

By attempting a critical assessment of Dom Hélder Câmara's published views, it is not intended to cast doubt on his sincerity nor to denigrate his self-sacrificial work in the most backward region of Brazil. Still less does anyone wish to contest his justification to fight openly against omissions of the present development policy, against outdated elements in the social and economic structure of Latin American Society, or against shortcomings in the relations between industrialised countries and the "Third World". The only question to be asked here is whether even an archbishop, and an archbishop in particular, who bears heavy responsibility as a priest, should not observe certain limits circumscribing his activities that lie outside his proper tasks and experiences as a priest. This article will consider in critical detail a number of opinions which Dom Hélder Câmara has thrown into public discussion, touching fundamental questions of development policy, of private investment activities, of international trade, and lastly, of population policies in LDCs. The main basis of this discussion will be the speech, already mentioned, which the archbishop gave on October, 23, 1970, at the "German Forum for Development Policy" 1, and a collected edition of selected remarks from his speeches, lectures, addresses, and sermons, which has recently been published as a book in German 2.

## The Misery of the Poor Feeds the Wealth of the Rich

Dom Hélder has described himself repeatedly as "not a specialist in economic questions". In the address he gave in Bonn, he also emphasised: "Neither am I a man of government nor an expert, but only a simple pastor." However, this did not restrain him from commenting on questions and problems which cannot possibly be judged without extensive specialist knowledge. Without doubt, through his long period of work in North Eastern Brazil, Dom Hélder knows the harrowing reality of human misery in an underdeveloped region. But such knowledge and experiences alone are not sufficient for viable development planning or a development policy that makes sense.

One of the Archbishop's recurrent themes is the assertion that poverty in less developed countries "feeds the wealth of industrialised nations, even of those who came to industrialisation late." Presumably, this is to be understood that Dom Hélder believes that industrialised nations benefit from developing countries' poverty, thus having no strong interest of their own in those countries making economic progress. From this fundamental belief of Dom Hélder, there is only one logical step to the Archbishop's second

<sup>1</sup> Reichtum — auf Elend gegründet, by Dom Hélder Câmara, Report in Frankfurter Allgemeine Zeitung, October 24, 1970.

<sup>2</sup> Dom H\u00e9lder C \u00e1 m a r a , Bischof der Armen und Unterdr\u00fcckten. Revolution f\u00fcr den Frieden, Freiburg (Baden), 1969.

fundamental assertion: "Unless the rich states change their structure, it is vain to attempt changing the structure in the poor countries." According to Dom Hélder Câmara, the first and crucial step on the way to the structural change which he calls for would be "to persuade human beings to overcome their own selfishness", for "there is only one really fatal explosion, that of egoism."

From the point of view of an economist, such assertions can only be described as untrue. It is not developing countries' poverty but their growing prosperity which adds to the wealth of industrialised countries. For this reason, apart from questions of detail, the interests of developing and industrialised nations regarding economic and social progress are fundamentally the same. Already about 15 years ago, this has been stated correctly by Paul A. Samuelson<sup>3</sup>, who wrote: "The bigger the national incomes of foreign countries grow, the more they will import from us." And therefore, says Samuelson, it is "our only self-interest which makes us plead for the opening-up of less developed countries and ... is based on our wish to see new national economies grow whose comparative cost differentials are in their favour, which ... provides the only safe basis for the buoyancy of world trade." Trade returns of goods exchanges between Europe and Latin America supply convincing evidence for this statement: per head of population, the more highly developed republics of that continent, Venezuela and the Argentine, imported in 1969 from the countries of the EEC goods valued at US\$ 28 and 17, respectively, whereas the less developed ones, like Bolivia and Haiti, bought for only US\$ 6 and 2, respectively, in the same period.

Strangely enough, in a different context, Dom Hélder has been saying virtually the same: "In the long run...and for a far-seeing and intelligent policy, the United States can only be interested in a Latin America that has money enough to buy, thus being able to become a fully-fledged trading partner." And for Brazil, he welcomes the growing realisation that the South of the country begins to understand "that development aid for the North East is not only a fraternal gesture but...(also) a form of selfhelp: when once the 30 mn people in the North East will have enough money, they will be the ideal outlet for the products of southern industries." It is hardly possible to refute Dom Hélder's two assertions that the prosperity of the rich is feeding on the misery of the poor, and that selfishness will always be deadly, more

conclusively than he himself has done in these two quotations.

Nor can Dom Hélder Câmara's conclusion that structural changes in developing countries are impossible before the structures in industrialised countries have shifted stand up to serious examination. True, some traditional economic and social structures in industrialised countries are in need of change, but for example the thorough reforms initiated by the Peruvian military junta, the "revolution in freedom" carried out in Chile over the last six years under President Eduardo Frei, and last but not least also the structural changes carried through in Brazil over the last decade all show that shortcomings of traditional structures in industrialised countries are not at all bound to be insuperable obstacles in the path of successful structural reforms in the Third World.

#### Charitable Decisions on Investments

According to Dom Hélder, the "main fount of misfortune" is selfishness, and: "When selfishness prevails, chaos will result. If we overcome selfishness, we shall arrive at a harmonious civilisation of solidarity." We are not going to quarrel here with the theologian's postulate for "overcoming selfishness". What we are criticising is the selfcontradictory application of this prescription for judging decisions of economic practice, especially decisions made by private investors. Dom Hélder is, of course, right when he says: "To invest where profit is highest, where it can be earned most quickly, and where it is safest"-is the investor's "golden rule". "Without being a specialist on economic questions", however, he rejects this maxim as "anti-human", because "this is a selfish theory which makes the difference between the developed and the underdeveloped progressively deeper and more explosive... What is at stake here, is an entire view of life, a philosophy of development."

That the private investor's striving for maximum and safe profits must necessarily increase development differentials is nowhere proved by Dom Hélder. On the contrary, to our surprise, he himself supplies several pieces of evidence which disprove his assertions and make his own "development philosophy" sound absurd in regard to private investors' investment decisions. He is, for example, delighted by "southern Brazilian industrial firms constantly increasing their investments in the North East, setting up production plants there." Naturally, he knows that the motivation of businessmen for investing have not changed at all. He is absolutely correct in stating: "Lightening the tax burden for promoting eco-

<sup>&</sup>lt;sup>3</sup> Paul A. Samuelson, Volkswirtschaftslehre. Eine Einführung. Köln-Deutz 1955, p. 768.

nomic development in our area has made it possible to set up encouraging numbers of new industrial enterprises." By this, selfishness is of course not "overcome" but somehow "got round", using the instrument of artificially creating cost-favourable locations, offering to investors attractive chances for making extra profits or for saving taxes in a particularly backward area. One might add that wherever such methods prove insufficient to induce private investors to develop their initiative, there is still the possibility of direct investment of public funds. There are, of course, many examples that this has been done in developing countries, especially for building up their infrastructure.

There remains the question why Dom Hélder, in flagrant denial of his own experiences, holds that the private investors' hankering after profits and after their safety is to be rejected. There can be no doubt that he supports in this way the reluctance to favour private economic initiatives, which is widespread in developing countries. The answer may partly be that he feels ill at ease, as can be clearly seen, in face of the process of industrialisation: "Experience teaches us", is one of the obiter dicta of the Archbishop, "that industrialisation makes the rich richer, whilst the poor-except for their minority which finds employment-is pushed down into misery, and those who were already miserable are submerged even more deeply in the sub-human situation in which they were from the outset."

It is not even necessary to show that industrialised countries, including Japan, can point to quite the contrary experience, which also holds good for the industrialised region of São Paulo, where the number of industrial jobs has been growing year by year. It suffices to underline the discrepancy between the differing opinions of Dom Hélder himself—one set blessing the settlement of industrial plants in the North East as "encouraging"—and what else is industrialisation?—another calling industrialisation a wicked instrument for making the rich richer and the poor poorer.

## "Just Prices" for International Trade

In the trade between the Third World and the industrialised nations, Dom Hélder Câmara diagnoses a severe sickness consisting mainly in "prices in international trade being fixed in the big trade centres... (and) in fixing these prices, the raw materials produced by underdeveloped countries become progressively cheaper and industrial products of wealthy countries progressively dearer." He therefore calls for "just prices" for commodities. He believes this to be so crucial

that overcoming this handicap appears to him as the key to many development problems: "If the countries which live in surplus would pay... the developing countries just prices for their respective natural products, the rich countries might be able to keep their aid and their programmes of assistance for themselves."

But what is a just price? Where is the authority to fix such just prices, and how will it enforce them? How to prevent "just prices", which would have to be higher, presumably, than current market prices, from acting as an incentive for additional production, thus swamping the market with additional supplies? And how to maintain "just prices" under pressure of growing supplies?

Admittedly, Dom Hélder Câmara is not the only person of substance who states that we "only play at development policy as long as we do not succeed in fundamentally changing world trade policies". This is, for example, what Gunnar Myrdal says 4. He states that the forces of the market, if not interfered with, "will act to the disadvantage of underdeveloped countries", and that "trade policies of developed countries point in a direction which is opposed to the efforts of underdeveloped countries to rise from their underdevelopment." There may be some cases where international agreements on stabilising prices of raw materials are beneficial to developing countries, but experience so far shows that an overall solution of international trade problems is not so much to be expected from international commodity compacts as from the widest possible opening of industrialised countries' markets to the products supplied by developing countries. Dom Hélder has certainly good reason to be disappointed by the results of UNCTAD's efforts in this direction.

On the other hand, Dom Hélder's keen criticism which he directs against the association policy of the EEC—among whose major aims is facilisation of imports from associated African countries—defies understanding. At the "Forum for Development Policy" in Bonn, he opined on this point: "It has been proclaimed that colonialism is at an end..., but if the European Community has associated itself with 16 African states, is that an association of equals, or not rather an expression of neo-colonialism?" Dom Hélder defines as neo-colonialism an attitude "which, again and again, puts in jeopardy the political independence of certain countries, by means of a kind of economic demi-slavery."

Other Latin Americans also attack the EEC's policy of association, though for different rea-

<sup>4</sup> G. Myrdal, Politisches Manifest über die Armut der Welt, Frankfurt-on-Main, 1970, p. 283 seqq.

sons 5. But this policy is, in fact, the reverse of neo-colonialism because it endeavours to wipe out colonial remnants from the past. It is not difficult to understand that Latin Americans often feel aggrieved that African countries have been shown one-sided favours through the granting of preferential tariffs and capital aid from the European Development Fund, which, in the Latin Americans' view, shows discrimination against their countries. On the other hand, all far-seeing Latin American experts approve of the EEC's intention to use association agreements shouldering its responsibilities towards countries and areas which were formerly dependent on European countries, and to contribute to "promotion of economic and social development" (as stated in Article 131 of the EEC Treaty) of those African states.

## Population Policies Serving Foreign Interests

What Dom Hélder has to say about population policies is especially muddled and confusing. But it is especially this field in which Latin America needs a clear analysis and unambiguous advice for its future policies most, because the continent has been overwhelmed by an avalanche of population growth since the beginning of the present century 6, whose dimensions are truly frightening. During the second half of the 19th century, total population figures in Latin America expanded by about 82 p.c., but in the first half of the twentieth century, the rate of growth had increased to 170 p.c. For the second half, conservative estimates have been arriving at prospective growth rates of at least about 270 p.c., which would mean a total population of more than 600 mn by the year 2000.

It is not the case that Dom Hélder does not see this problem. He is therefore also in favour of birth control, "as a self-denying ordinance, accepted by the free will of the people, especially based on the ties of religion and on education, in the last analysis depending on the conscience of marriage partners." But, at the same time, he supplies the opponents of any positive population policy with ammunition in the form of highly doubtful arguments. He does not tire to insinuate that all efforts at birth control (as he also stated in his speech at Bonn) might be nothing "but measures of remote control in the service of foreign interests". The main purpose of such foreign interests, in his view, are the will to dominate the developing countries and the fear lest the developed countries' own share in total world population decrease.

Dom Hélder Câmara seriously believes that one of the causes for the "massive campaigns, run by remote control, in favour of birth control", which he sees, is "a panic reaction of the Europeans in view of the fact that, in the famous year 2000, Europe will only harbour 10 p.c. of the world's total population". The "story" which Dom Hélder then relates contains a much harsher reproach, which is much more irresponsible, against foreigners whose identity he leaves completely shadowy:

"There is a story which... has made its way the length and the breadth of Brazil: the rumour was spread that certain foreigners were distributing anti-baby pills among our people, in order to depopulate the Amazonas Territory, so that it would be easier to dominate this area. It is never possible to make sure whether such a story is true or false, but it is spreading with the speed of a fire in dry straw."

Such a story, and its broadcasting by the Archbishop, deserves only the sharpest protest. If he had found only the slightest indication that his "story" might be true in some respect, he, as a high dignitary of the Catholic Church, would have both the duty and the chance to mount an investigation. But as long as he himself does not know "whether such a story is true or false", it is utterly irresponsible to heap more dry straw on a lustily burning straw fire.

To conclude with this problem, we quote a prominent European expert, Gunnar Myrdal 7, who is above suspicion that he could harbour motives like those alleged by Dom Hélder: "The population explosion was by far the most important social and economic change which has taken place in less developed countries over the last decades, much more important than any policy or planning so far applied. In future decades, politically directed dissemination of birth control, using the most advanced technology, will be of similar importance." Dom Hélder Câmara, who is perhaps the most prominent respresentative of progressive priesthood in Latin America, through his highly emotional and unrealistic sayings, however proves that there is still a long and hard way to be gone-at least in the Latin American developing countries-until a viable population policy, capable of success, can be practised. The main task will be the struggle against prejudices, possibly not even, and perhaps not in the first instance, those among the poor and uneducated.

 $<sup>^5</sup>$  H.-J. Hartmann and J. Westphalen, Europa auf falschem Kurs? Lateinamerikanische EWG-Sorgen, Hamburg, 1970, p. 34 seqq.

<sup>6</sup> J. Westphalen, Bevölkerungsexplosion und Wirtschaftsentwicklung in Latelnamerika, Hamburg, 1966, pp. 20 seqq.; p. 56 seqq.

<sup>&</sup>lt;sup>7</sup> G. Myrdal, ibid., p. 152.