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**Article — Digitized Version**

## A step toward cooperation?

Intereconomics

*Suggested Citation:* Mayer, Otto G. (1975) : A step toward cooperation?, Intereconomics, ISSN 0020-5346, Verlag Weltarchiv, Hamburg, Vol. 10, Iss. 4, pp. 99-, <https://doi.org/10.1007/BF02929592>

This Version is available at:

<https://hdl.handle.net/10419/139173>

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## A Step toward Cooperation?

Since the early 1970s the prevailing world economic order — which up to then had been quite a success — has been shaken by many events. However, the crises of the international monetary and commercial system, the oil crisis whose consequences have not been overcome yet, as well as other factors, have also made clear that the long-term conceptions of development aid, the hitherto existing division of the world into donor and recipient countries, and the models and plans for an improvement of the relations between developed and less developed countries are incomplete and in need of revision.

Against this background it does not come as a surprise that on international conferences there was no longer talk of reform of the system; instead a new and equitable international economic order was demanded particularly by the developing countries. It was on occasion of UNCTAD III which was held in Santiago de Chile in 1972 that this demand was referred to for the first time by the Mexican State President Echeverria. A more detailed explanation of these ideas was given on the sixth UN Special Session on Commodities and Development in the "Declaration on the Establishment of a New International Economic Order", as well as in the "Programme of Action on the Establishment of the International Economic Order". All UN-conferences which followed this Special Session may, in this respect, be regarded as resumptions of this conference, since in all cases efforts were undertaken to make the aimed at new world economic order concrete for a particular sector and bring it nearer to its realisation. This holds true not only for the World Food Conference in Rome but also for the 29th UN General Assembly on which the "Charter of Economic Rights and Duties of States" was put to the vote, as well as for the Special Session of the UNCTAD Council in Geneva and the UNIDO Conference in Lima which both took place last month.

You may call it reform of the existing system or a new order — in any case it will be no easy thing. The UNIDO Conference in Lima once again made it very clear that agreement between industrial and developing countries is so far confined to the vague aim: the status quo has to be changed in such a way that the developing countries' situation improves considerably. What the aimed at

changes are to be like, however, is subject of heavy controversies.

The conflicting views have to be regarded as a consequence of the diverging concepts of policies concerning economic order, not only between groups of countries, but also between individual countries. The Federal Republic of Germany, for instance, to which the free market system and the concept of worldwide free trade have proven their worth in the past, may hardly be persuaded of the advantages of dirigism and planning methods that, so far, have not been tested by experience. And many of the developing countries' demands do not only touch the free market orientation of international economic relations, but represent a threat to the internal orders of many industrial countries. This holds true for the demanded globally planned division of industrial production (until the year 2000 the developing countries' share *must* rise from 7 p.c. to 20–25 p.c.) as well as for producers' cartels, market division programmes, sales guarantees, prohibition of certain productions, etc. Such demands, however, affect the internal economic order at least of the Western industrial countries which will not accept them since they would knock the bottom out of their social and political principles, too. What they can do, but have, so far, not done sufficiently, is the promotion of structural changes for the benefit of developing countries instead of the conservation of the prevailing structures by subsidies; the removal of all trade barriers to products from these countries, as well as the fulfilment of the promises of development aid which they have made but never kept.

These approaches to a solution are more promising than discussions of, or votings on, more or less confused rough-drafts of a great variety of demands. These approaches are more promising primarily because they lead to cooperation rather than confrontation. The UNIDO Conference in Lima seems to have been a small, though perhaps not unimportant, step in this direction. True, the demands of the past conferences were set forth once again, but in their contributions to the discussion the developing countries gave way to measures whose implementation might be able to remove the shortcomings of the market mechanism and to support cooperation between countries.

Otto G. Mayer