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A new order also for LDCs

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## A New Order also for LDCs

**T**he discussion about the so-called NIEO shows at times the features of a feminist tribunal: accusations and demands are frequently onesided and contradictory because hard facts are simply ignored. In both cases there are always people to take the opposite view — people who because they have a bad conscience or for reasons of political opportunism repeat claims for which there is no justification.

A striking example of this is the NIEO discussion about the transfer of technology. In the proposed charter of the economic rights and obligations of the developing countries for instance demands are raised simultaneously to have access to the benefits of modern technology and to transfer "native" technology.

A fact which is after all impossible to ignore is that "modern" technology is under control of Western private enterprises. The economic activities of these enterprises take place to an overwhelming extent in industrial countries for which this technology was developed. If this technology, as is demanded, is transferred it is criticized for not being sufficiently labour intensive, its employment effect thus being too small if not altogether negative.

Adapted or "indigenous" technology is from the point of view of firms in the industrial countries of necessity no modern technology. For such firms there is no reason *per se* why such production methods should be further developed. Some timid attempts at meeting the claim for the use of indigenous technology are either no more than empty gestures, or they are nip-

ped in the bud by the firms' apprehensions that competitors use, instead of cumbersome indigenous methods, modern production techniques and get away with the contracts.

Production techniques which correspond to the state of development of the countries of the Third World will therefore only occur if these countries basically change their attitudes. They will have to become aware of what they are themselves capable and organise their technology imports free from all consideration of prestige.

It is to be welcomed to hear from the United Nations that obviously, there is at least among some developing countries a growing understanding for economic interdependence and that they increasingly seek to establish technological cooperation with one another. According to a report of UNDP, 28 developing countries bilaterally supported 55 other developing countries in 1974. More than half of the projects, it is to be admitted, were carried by countries of the Near East and Europe, but nevertheless 21 p.c. by Latin American and 16 p.c. by Asian countries.

The range of bilateral projects extends from agricultural and forestry technologies to the manufacture of precision tools. If one adds to that number the supra-national cooperation schemes which have since become known and deal with pest control, water supply and anti-pollution or the prospecting for raw materials, it becomes obvious that there are only few areas in which the countries of the Third World could not obtain at least some of the technical aid they require from countries of a simi-

lar level of development. On the other hand it is clear from the financial value of all these projects taken together that such possibilities are far from being fully exploited.

One important reason for this state of affairs is without a doubt that the knowledge of the technical possibilities other developing countries are offering is missing. It would certainly be a worthwhile task for the industrial countries to help the developing countries in setting up and organizing appropriate information systems.

The reports on technical cooperation among developing countries throw however light on yet another aspect. As of now cooperation confines itself to the sale of technology and know-how. Up to now no case has become known which provided from the beginning for a common and just exploitation of the expected results of the research work to be done. The transfer of technologies between developing countries is arranged according to rules which in their cooperation with industrial countries they denounce, demanding that they be changed. Only the level is lower.

This statement of fact applies also to other areas. The import substitution such as practiced by most developing countries for instance presumably impedes the trade in goods between each other to a higher degree than the trade with industrial countries whose firms are competitive enough to jump over trade barriers with less difficulty. In clamouring for a NIEO the developing countries should not overlook the fact that their economic relations between each other are also in need of change.

*Manfred Holthus*