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Collective Self-Reliance: Concept and Reality

by Volker Matthies, Hamburg *

The concept of Collective Self-Reliance (CSR) has been of increasing political importance since the early seventies in the North-South negotiations and also at the South-South conferences (of non-aligned and Group of 77 countries), especially in connection with the discussions on a New International Economic Order (NIEO). Development researchers in poor and rich countries have at the same time begun to pay more attention to the concept of Self-Reliance (SR) in both its individual and its collective dimension. The concept of Collective Self-Reliance is examined in the following article as are its chances of realization.

The controversy about the establishment of a New International Economic Order (NIEO) in progress since 1974 and the big world conferences of the last few years have demonstrated beyond all doubt that the countries of the Third World are adopting a new role in international relations. No longer are they, as for many years in the past, passive objects rather than active subjects in this sphere but, encouraged by the first and successful test of their economic strength (during the energy crisis) and animated by a feeling of greater political self-confidence and strengthening solidarity, they have urged an economic system on the (capitalistic Western) industrial countries which would give more consideration to the interests of the developing countries. At the same time they have been advocating greater political-economic cooperation between the Afro-Asian and Latin American societies so as to strengthen their negotiating power vis-à-vis the industrialized countries and to enable them to dismantle the — in their view — largely unsatisfactory North-South relationships, at least gradually and partially, and balance them by South-South relationships.

The concept of — Individual and Collective — Self-Reliance (ISR and CSR) was placed before the non-aligned movement (for the first time in 1970, at the third summit conference in Lusaka) as a development strategy for developing countries which would build on the indigenous needs, capabilities and resources of the societies of Asia, Africa and Latin America and not be determined

by extraneous ones. This Concept was elaborated at later Third World conferences (especially at the fifth non-aligned summit in Colombo in 1976, the Group of 77 conference on economic cooperation between developing countries in Mexico City in 1976 and the conference on technical cooperation between developing countries in Buenos Aires in 1978¹). In its collective dimension it envisaged in the short term a united and coordinated stance of the developing countries in the NIEO negotiations with the industrialized countries. Over the longer term the CSR concept entailed the systematic involvement of interdependent and symmetrical political, economic and socio-cultural structures and interchange relations between developing countries which were to bring about a gradual qualitative modification, and partial elimination and replacement, of the dependent and asymmetrical structures and relationships between developing and industrialized countries.

Interpretations and Misinterpretations

"One tremendous advantage" of the term "self-reliance" is, according to Galtung², "its open-endedness. The term has a certain nucleus of content but it is up to all of us to give it more precise connotations". It may perhaps be added that his "open-endedness" of self-reliance also brings into view a drawback of this concept, for if

¹ Cf. Khushi M. Khan, Volker Matthies, *Collective Self-Reliance: Programme und Perspektiven der Dritten Welt (Collective Self-Reliance: Programmes and perspectives of the Third World)*, Munich 1978.

² Johan Galtung, *Self-Reliance: Concept, Practice and Rationale*, Paper No. 35, Chair in Conflict and Peace Research, University of Oslo (no date).

* Stiftung Deutsches Übersee-Institut.

the lack of definitive acuity allows creative licence to its advocates, it gives to its critics scope for attacks, leads to misunderstandings and misinterpretations, and makes it possible to allow certain meanings to be implanted in the concept which, depending on the underlying scientific-theoretical approach, political-ideological viewpoints and economic interests, may cover widely diverging wishes and hopes and even an obsession with non-existent threats.

To some skeptics in the industrialized countries the concept of (Collective) Self-Reliance is little more than a "catch-phrase"³ while some development researchers in the Third World see in it a "clear-cut alternative" to previous development strategies⁴. Critics in industrialized countries have found fault with the "absence of any clear idea of what an operational system of CSR might look like"⁵ while also protagonists of CSR in the Third World have gone on record with the self-critical admission that "in several key areas the concept of CSR remains a pious exhortation without any clearly conceived ideas which are capable of implementation"⁶. To indicate in concrete terms the possible substantive contents and practical-political dimensions of the concept, three essential problem areas of CSR will be marked out here: (1) the interrelation of Individual and Collective Self-Reliance, (2) the programmatic range and action areas of Collective Self-Reliance, and (3) the relationship and compatibility of CSR and NIEO.

The Interrelation of ISR and CSR

Self-Reliance is, according to Galtung, a psychopolitical as well as a socio-economic category which was in both respects evolved in a critical contest with current Eurocentric Western-capitalistic development strategies⁷. It may be said to constitute a radical alternative especially to development concepts focusing on an — uncircumscribed — notion of economic growth. Unlike these, Self-Reliance builds on an entirely different understanding of development as primarily directed to the satisfaction of basic human needs and thus to the development of human beings — and not of inanimate objects. It therefore necessarily entails a fundamental reorientation and concentration of the economic and industrialization policies of developing societies — away from the world

market — to the domestic market, a mass mobilization of the populace and its participation in the development process and in political decisions on the village, district, provincial and general societal level. On the basis of an autonomous psychocultural identity, an independent decision-making apparatus and utilization of indigenous resources and capabilities it is to create the possibility of a socio-economic existence adapted to the existing conditions and requirements. Self-Reliance must not however, its protagonists insist, be equated with autarky or economic nationalism.

CSR is deemed to be a logical, consistent and complementary application of the principle of Self-Reliance beyond the confines of individual societies to groups and/or the totality of developing societies. It is one of its objects to safeguard ISR processes against possible hazards, perhaps from the industrialized countries or from multinational corporations; to this end it is to be used for the strengthening of the negotiating power of developing countries. When "objective constraints" (e.g. balkanized state structures, insufficient population numbers, deficient home markets, inavailability of resources, inadequate diversification of production structures) militate against an ISR strategy, CSR is to place individual societies labouring under such handicaps in a position to put the principle of Self-Reliance in practice through joint efforts by several countries. The secondary and subsidiary importance of CSR compared with ISR is however emphasized in this context. Individual Self-Reliance has definitely priority and can in no circumstances be replaced by the collective dimension. Summing up, Oteiza describes CSR as "an alternative type of development approach", "implying (1) the severance of existing links of dependence operated through the international system by the dominant countries, (2) a full mobilization of domestic capabilities and resources, (3) the strengthening of links-collaboration with other underdeveloped countries, and (4) the reorientation of development efforts in order to meet the basic social needs (not just the minimum) of the peoples involved"⁸.

Programme and Action Areas of CSR

There exists a broad consensus that CSR must comprise a massive expansion of horizontal trade flows and capital and technology transactions between developing countries as well as a further horizontalization in the infrastructural field, of communications and information, and of service systems (joint news agencies, shipping lines, insurance companies, horizontal traffic links on land, by sea and in the air, etc.) on a subregional, regional and continental level. CSR furthermore

³ Cf., e.g., Alfons Lempert, *Collective Self-Reliance: A Development Strategy of Promise?*, in: *INTERECONOMICS*, No. 5/6, 1977, p. 115-120.

⁴ Cf., e.g., Enrique Oteiza, Francisco Sercovich, *Collective self-reliance: selected issues*, in: *International Social Science Journal*, vol. XXVIII, No. 4, 1976, p. 664-671.

⁵ Cf., e.g., Jacques de Bandt, *National and Collective Self-Reliance*, in: *Liaison Bulletin*, OECD, No. 1, 1977, p. 52-60.

⁶ Cf., e.g., Godfrey Gunatilleke, *UNCTAD IV and the Third World Scenario — A foreword*, in: *MARGA Journal*, Vol. 3, No. 2, 1976, p. 1-17.

⁷ Cf. Johan Galtung, *ibid.*

⁸ Cf. Enrique Oteiza, Francisco Sercovich, *ibid.*

requires the involvement of a common resource policy and a coordinated planning and industrialization policy based on a new horizontal division of labour. It is not yet clear however where the priorities are to be set, which projects are thought to be relatively easily realizable, and how the cooperation between developing countries will have to be organized and institutionalized.

There is unanimity however on the need to operate in two central action areas: one comprises quasi-trade union activities by Third World countries vis-à-vis the industrialized states in which the former use their bargaining power conjointly in order to bring about a reform of the International Economic Order and to shield ISR processes from possible extraneous dangers (the "trade union approach") while the other one concerns the area of increased economic-technical cooperation by the developing countries to overcome their underdevelopment; in the latter sphere the indigenous resources, experience and capabilities of the Third World are to be mobilized and deployed for the discovery and testing of apposite means and ways to overcome the state of underdevelopment (the "cooperation against poverty approach").

The Compatibility of CSR and NIEO

All CSR advocates are urging more active development of South-South relations but it is often left unclear how far the developing countries must and can go in this direction at the expense of the existing North-South relations. In concrete terms, it has to be determined how far the „de-linking“ of the developing countries from the world market is to go and how long it is to last, and how the "selective cooperation" with the industrialized countries, which is still considered desirable and permissible, is to work. These questions arise more especially in connection with the Third World demand for a New International Economic Order which is after all oriented to the concept of an integrative world economy and associative economic development whereas the CSR postulate goes with the concept of a decentralized world economy and dissociative development. Contradictions, inconsistencies and uncertainties — some of them substantial — have come to light in the discussion about the compatibility of CSR and NIEO; Baur⁹ has drawn attention to them by his sharp criticism.

A number of radical exponents of the Collective Self-Reliance concept hold that CSR and NIEO are in their very nature mutually exclusive concepts: they believe CSR to be diametrically op-

posed to the objectives of the NIEO. In their view the NIEO will merely lead to increased integration of the developing countries in the unequal international division of labour and to a consolidation of transmitted structures which are marked by underdevelopment and dependence¹⁰. The Collective Self-Reliance of the Third World is in their eyes a kind of substitute for the cooperation between developing and industrialized countries. But the official representatives of the Third World (the non-aligned and the Group of 77) and moderate CSR interlocutors look on CSR and NIEO rather as complementary concepts which round each other off. They consider Collective Self-Reliance in the Third World to be an indispensable prerequisite or even an instrument of a NIEO but certainly not a substitute for it, let alone an act of confrontation with the industrialized countries.

Whatever conceptual meaning is given to CSR, there is also a difference of opinions about the chances of its political and economic realization. The criticism is directed chiefly at (1) the inordinate political and socio-economic heterogeneity of the Third World and its consequent (alleged) lack of solidarity, (2) the (alleged) insufficient bargaining power of the developing countries in pursuit of their interests against the industrialized countries, and (3) the (alleged) deficiency of the organizational and institutional means for cooperation by the developing countries.

Heterogeneity and Solidarity in the Third World

In this respect the critics are constantly referring to the progressive socio-economic and political differentiation among the developing countries (oil exporters, threshold countries, LLDCs and MSACs, ACP states v. non-EC associates, conflicts and wars between developing countries, etc.) which they claim are making for increasing divergence of interests between individual developing countries and groups of them (e.g. in regard to certain commodities involved in the negotiations on an Integrated Programme for Commodities and between littoral and land-locked countries at international shipping conferences) and thus for an erosion of the — in any case fragile — solidarity of the developing countries vis-à-vis the industrialized states¹¹.

The protagonists of Collective Self-Reliance do not deny that such a differentiation process is at work inside the Third World but do not look on it as a fundamental threat to its solidarity as the

⁹ Cf. Peter T. Baur, *Collective Self-Reliance as Development Strategy*, in: *INTERECONOMICS*, No. 5/6, 1977, p. 120-125.

¹⁰ Cf. Dieter Senghaas, *Weltwirtschaftsordnung und Entwicklungspolitik. Plädoyer für Dissoziation* (International economic order and development policy — a plea for dissociation), Frankfurt/Main 1977.

¹¹ Cf., e.g., Peter T. Baur, *ibid.*

developing countries are all, despite particular differences in their state of development, in the final analysis "structurally dependent" upon the industrialized countries and will for this reason continue to be in agreement on the basic demands to be addressed to the industrialized world. They also see positive elements in the differentiation process: they stress that the differences between developing countries "represent not so much a divisive element in their inter-relationships as a potentially fruitful source of mutually beneficial intercourse" of which advantage should be taken by optimum utilization of complementarities in the Third World¹². Besides, it would be rash to anticipate the early disintegration of the Group of 77 or the non-aligned as a result of partial conflicts of interest between developing countries since the reflections about a community of interests of all developing countries vis-à-vis the industrialized states need not by any means be related to identical objects and benefit expectations; important was only that the individual states in the Third World should expect and be able to derive adequate partial benefits for themselves from whatever package was negotiated on behalf of all the developing countries.

The Power of the Developing Countries

Quite disparate views are held about the power potential of the developing countries and their real capability to pursue menacing and coercive strategies but the predominant view in the industrialized countries today seems to be that there is relatively little danger of cartels being set up on the OPEC pattern because the conditions in the oil producing industry are singular and specific to this primary material. There are however a number of researchers who take the view that developing countries have a relatively great potential or latent "economic power" (e.g. owing to indirect consequential effects of a radical-nationalistic resource policy in the Third World on rational predictions on global economic developments and the standing of the developing countries as importers and exporters of goods of importance to the industrialized countries and as "hosts" of multinational groups) and a major "capacity for creating chaos" or "veto power" (e.g. through refusal to participate in the solution of international problems, international terrorism, proliferation of nuclear weapons). Mahbub ul Haq forecasts for instance a "dramatic shift" in the balance of political power from industrialized to developing countries at a later time as a result of increasing economic and chaos-creating potential of the Third World. The bargaining power of

the poor nations is in his view in the last resort genuinely political rather than economic: "Whether it is national orders or the international order, the real bargaining power of the poor lies in their ability and their willingness to disrupt the life styles of the rich. In any such confrontation the rich have far more to lose and are generally far more willing to come to a workable compromise"¹³.

In the face of such somewhat sanguine appraisals of Third World "power" other researchers point to the — in their view all but complete — existential economic dependence of the developing countries upon the industrialized world. It is their opinion that what the Third World has is a "power image" with existence in the imagery of the industrialized countries¹⁴. They conclude that in the last resort the developing countries have only as much power as the industrialized countries give them credit for. The controversy about the Third World's capacity to threaten and coerce suggests a need for further research; it may be that the range of possible menacing strategies by the developing countries has not been adequately probed yet either in theory or in the practical field of politics.

The non-aligned bloc and the Group of 77 are so far the major organizations for the representation of political and economic interests of the Third World. Their membership is partly identical and covers all the developing continents. These groupings have however up to the present been largely of an informal nature. Differentiated infrastructures have not been developed nor have there been any significant moves towards institutionalization. The Third World is therefore still devoid of efficient organizations, cadres of specialized experts and the institutional aids for the translation of their concept of Collective Self-Reliance into political reality. Scientists in the developing countries have for this reason proposed the setting-up of a permanent "Third World secretariat" as the nucleus for a kind of "Third World OECD"¹⁵.

The First Pragmatic Moves towards CSR

In view of possible future threats to the solidarity of the developing countries, of their questioned power potential and the at present largely inadequate organizational state of the Third World it would appear that a pragmatic approach to the implementation of Collective Self-Reliance is the

¹² Cf., e.g., UNCTAD Expert Group on Economic Cooperation between Developing Countries, autumn of 1975, Doc. TD/B/AC. 19/1.

¹³ Mahbub ul Haq, The Bargaining Power of the Poor Nations, in: MARGA Journal, Vol. 3, No. 3, 1976, p. 7-15 (see p. 14).

¹⁴ Cf., e.g., Stefan A. Musto, Die Macht der Entwicklungsländer: Realität oder Illusion? (The power of the developing countries: Reality or illusion?), in: Vierteljahresberichte, No. 63, 1976, p. 35.

¹⁵ Cf., e.g., Godfrey Gunatilleke, *ibid.*

only realistic one. According to Gunatilleke it could be regarded as the central purpose of such an approach to ascertain the common interests of the developing countries which transcend their divergent interests on matters of detail: "Collective Self-Reliance cannot be conceived in rigid and sweeping terms which predicate an overall complementarity of development and a comprehensive coordination of effort. It can only grow within a more liable frame where areas of common interests are probed and identified and where they are of such character that they can coexist with the hard core of differentiated interest"¹⁶.

Several Third World researchers take the view that the present stage of relatively global, more or less non-committal resolutions and declarations of intent should be left behind as soon as possible and that implementable priority programmes and projects for possible concrete cooperation between developing countries should be identified and selected. Saigal suggested the adoption of a "Third World Charter for Economic Solidarity and Cooperation"¹⁷ and Amin a "Seven-point programme"¹⁸ to serve as directional aids for suitable modes of procedure. Their proposed elements include the creation of a system of general trade preferences for developing countries, a monetary system for the Third World and joint ventures by these countries, especially in the field of industrial and agricultural production. A high priority is given to the achievement of Third World self-sufficiency in food. Regional and subregional specialization on the basis of joint investments by developing countries is envisaged in the sphere of industrial and agricultural development so as to make better use of comparative advantages. The problems of increasing differentiation between developing countries would however have to be given adequate consideration in the planning of these investments to allow for differentials in their socio-economic development and interests, and special protective and promotional measures would probably have to be contemplated to cope with the specific problems of developing countries suffering from particular handicaps. The starting point for these implemental projects should be the "Economic Cooperation among Developing Countries" (ECDC) promoted by UNCTAD and the "Technical Cooperation among Developing Countries" (TCDC) sponsored under the UNDP. Both however have so far failed to advance beyond the stage of resolutions which moreover are couched in rather broad terms. "These general resolu-

tions", postulates Gunatilleke, "need to be given more distinct form and more definite content":

"One possible approach is to break down some of the grand designs that have been sketched for economic collaboration into clearly identified projects in the field of agricultural and industrial production. The potential of the Third World in capital, natural resources and manpower provides the base for developing new forms of transnational corporate enterprise. It would be worth mounting a systematic effort to develop a framework for Third World transnational enterprise which would give assurance of adequate returns to investors, ensure equitable distribution of benefits and provide for balanced participation so as to avoid relationships of the transnationals of the developed market economies. It would be possible, for example, to identify the potential for transnational enterprise on an inter-regional scale in the field of food production, processing of commodities, production of industrial goods and shipping"¹⁹. In the interest of genuine Collective Self-Reliance with a long-term orientation in the Third World it would however be essential to mark off the ECDC and TCDC programmes, which had still close ties with international organizations, as autonomous instruments at the disposal of the developing countries with a clear Third World identity²⁰.

While embryonic South-South relations already exist in the form of bilateral and multilateral political, economic and socio-cultural relations between developing countries and can be submitted to an analysis, Collective Self-Reliance does not yet exist as a social reality of the developing countries; until now it has been confined to the sphere of scientific theory, political programmes and praxeological prescriptions. At best it may be possible to discern in some aspects on the present South-South relations certain precursory forms of a possible future CSR in the Third World. In the ultimate analysis this Collective Self-Reliance can only be achieved through fundamental quantitative and qualitative changes in the present South-South relationships which it will take a long time to carry through — by a massive intensification of the horizontal political, economic and socio-cultural transactions and interactions of developing countries on the basis of a new division of labour inside the Third World which will involve the gradual dismantlement of the transmitted asymmetrical and dependent relationships of the developing countries with the industrialized states and the creation of a counterbalance for them by more symmetrical and interdependent relationship patterns between developing countries.

¹⁶ Ibid., p. 10 f.

¹⁷ Cf. Jagdish C. Saigal, *Emerging New International Division of Labour and Economic Liberation of the Third World*, in *MARGA Journal*, Vol. 3, No. 3, 1976, p. 55-74.

¹⁸ Samir Amin, *Sept propositions pour le Tiers Monde* (Seven proposals for the Third World), in: *Jeune Afrique*, No. 801, 14th May, 1976, p. 40 f.

¹⁹ Cf. Godfrey Gunatilleke, *ibid.*, p. 11 f.

²⁰ Cf., e.g., Godfrey Gunatilleke, *TCDC: Hilfe aus der Dritten Welt* (TCDC: Aid from the Third World), in: *Forum Völkische Nationen*, Vol. 5, No. 6, August-September 1978.