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Third Development Decade: Insight into Interdependencies

The eighties hold the Third Development Decade of the United Nations in store for us. During the first two decades of international development policy, unfortunately only a few of the original visions materialized. The sixties ended as the decade of frustration, although only one target had been formulated concretely: the increase of the developing countries' gross national product by 5 % annually. Beginning doubts whether maximizing GNP growth would lead out of all difficulties as well as the perception that the solution of the development problems could not be brought about in the short run, but would require continuous and long-term efforts, had led at the beginning of the Second Development Decade to the formulation of a very ambitious scheme.

Quantitative targets were set for an increase of GNP, agricultural and industrial production as well as of imports and exports and combined with a bunch of ideas for an improvement of employment, nutrition, education, housing conditions, etc., to a strategy for the Second Development Decade. The industrialized countries contributed to this only insofar as they agreed in principle – but without fixing time-limits – to raise their official development aid to 0.7 % and the total net transfer to 1 % of their respective GNP.

This strategy achieved hardly any success. Although some of the quantitative targets can be regarded as achieved, the social ideas in particular were not realized. The discrepancies between town and countryside deepened and the pauperization of the population waiting for employment in the slums continued. This became most obvious in those countries for which particularly rapid progress had been aimed at in this strategy: in the countries poor in raw materials, in the overpopulated as well as in the least developed ones.

True, the expired decade had begun auspiciously from the developing countries' point of view. Realizing that in any game one has to play one's trump card sooner or later, the Arab nations struggled through to unity within the OPEC and enforced a quadrupling of the mineral oil price in 1973. The success was overwhelming. The effect on the industrialized countries aroused new solidarity between the developing countries. They wagered on the raw material card and attempted to enforce that gigantic transfer of resources from the industrialized countries which they had hoped for in vain for such a long time.

The industrialized nations on their part were weakened. Making use of delaying tactics and reacting defensively, they tried to save what appeared to be savable. Looking upon each other with suspicion, they were anxious that none of them should gain an advantage in their struggle for raw materials. The power of taking action had slipped from their hands.

The developing countries, on the other hand, in their new self-assertion attempted to profit from the favourableness of the hour. They presented to the industrialized world their demands in never expected concord. The 6th and 7th Special Sessions of the General Assembly of the United Nations in 1974 and 1975 became their so far greatest successes.

A "Declaration on the Establishment of a New International Economic Order" and a

"Resolution on Development and International Economic Cooperation" were passed partially against the votes of some industrialized countries. These documents, combined with the "Charter of Rights and Duties of States" as passed by the 29th General Assembly, form the political basis for the redistribution of wealth as demanded by the countries of the Third World. In this connection the principles of a free exchange of goods and services as praised by the industrialized nations frequently came to grief.

This political success which in the following period was extended at many special conferences could not yet be translated extensively into economic benefits, for the industrialized countries slid into the longest recession of the post-war period – not least due to the oil price increase of 1973/74. The sales of manufactured goods produced in the developing countries did not take the anticipated course and the burdens of the energy price rise were also hard on the developing countries. Towards the decade's end they had to realize that a large share of the resources transferred via prices had returned to the industrialized countries via the international financial markets. The absorptive capacity of a number of mineral-oil producing countries was by far smaller than the inflow of resources. Finally, the industrialized states had suffered less than those developing countries which had already previously lived in the shadow.

This was, at the beginning, beneficial to the discussions of a strategy for the eighties. The Third World states realized that they hardly can achieve economic progress when the industrialized countries come off badly. What has not been earned cannot be distributed. This reasonable view has found expression in – possibly risky – projections of the United Nations, the World Bank, and other international institutions. These show – on alternative assumptions – possible developments of the world economy during the eighties.

It is common to these mentioned lines of development, usually called scenarios, that they work out as distinctly as possible the interdependencies between the countries. In the meantime their mutual dependency has become the connecting slogan for the developing countries. The conflicts of interest between raw-material producing – particularly the mineral-oil producing – countries and the havenots are thus covered over. They have to stand together to wrest concessions from the industrialized states, but simultaneously the poor countries are realizing that they have to make correspondingly weighty demands also on their allies, particularly the OPEC countries, because without them the problems cannot be solved. The mineral-oil producers, on their part, are shown the risk that their fellow-combatants against the industrialized nations will go over to the adversaries if they are not prepared for concessions. The situation has become more complicated than it used to be in the sixties.

Regarding the formulation of a strategy for the eighties this means that probably those targets that had already been aimed at for the seventies, will essentially be adhered to. This programme so far turned out to be the lowest common denominator. Although the OPEC states announced a drastic increase of their development aid, they did not yet act according to the logical consequences from their insight into the interdependencies. Up to now at all conferences and in all discussions they succeeded in keeping the energy problems off the agendas. But only the long-term solution of the energy problems will establish – in the industrialized as well as in the developing countries – the lasting prerequisites for the elimination of underdevelopment.

Thus, at present the passing of an internationally harmonized and accepted strategy – in spite of all the emphasis laid on interdependency – is still wishful thinking. This is the more regrettable as in time for the turn of the decade another player in the game for energy – the Soviet Union – has made himself heard, who hitherto played only a minor part. The manner of this country's action might however result in the industrialized nations showing more than so far their preparedness for actually undertaking the transfer of resources required for the elimination of poverty. Another consequence may be that the developing countries come to regard the industrialized West as the lesser evil.

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