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## Paris Conference: Beginning of a New Consensus?

The two week long United Nations Conference on special programmes for the least developed countries ended in Paris on September 14th with an outcome which is seen as a success by almost all participants. This is surprising as hardly any of these countries' original demands were met.

They had demanded that the industrialised countries raise their official development aid to the least developed countries to 0.15 % of their GNP by 1985 and to 0.20 % by the end of the decade. And now the closing document of Paris, designated as a "Substantial Programme of Action", only states that official aid to the poorest countries should "prospectively" be doubled by 1985. Not one donor country has committed itself to do this, however. "Most countries", it is stated, have declared their intention to reach the 0.15 % target. Other countries – not even all of the other countries – want to double their aid. The time period involved is left open in both cases, as is in the latter case the question as to whether the target is to be reached in nominal or real terms.

The wording of the remaining points of the Programme is just as vague. The extension of the Stabex-system to all 31 least developed countries is only to be considered sympathetically by the European Community. It was also promised that the introduction of an element of automaticity into food aid would be further considered. The outcome of these mental exercises will not be presented until the next UNCTAD. Countries for whom the general listing of desirable measures already went too far voiced their reservations or climbed down, more or less elegantly, in their interpretation of the results during the final plenary meeting of the conference following the unanimous acceptance of the closing document.

The donor countries' satisfaction at the success of the Paris Conference is therefore understandable. Yet those countries whose fate was the main topic of discussion for two weeks also accepted this offering – disappointedly perhaps, but without great resistance. Furthermore, they made concessions which would have been unthinkable a few years ago. In particular, they recognised that they have to take increasing responsibility themselves for their own economic development, and that this also means that population policy has to be seen to be of central importance. In 1974 at the UN Conference in Bucharest family planning had been firmly rejected. These concessions improved the atmosphere of the negotiations in Paris decisively, so that in the end important donor countries, including in particular the EC-countries, no longer cared to oppose agreeing to a moderate Programme of Action for the poorest countries.

The fact that the donor countries had refused to do this for so long may seem astonishing in view of the poverty in those countries, but the discussion about special programmes for the poorest developing countries had from the beginning not gone undisputed. Mass poverty is, after all, a general problem of underdevelopment. According to World Bank estimates

approximately 750 million people world-wide lead a bare existence in absolute poverty. Even if we accept that the entire populations of the 31 developing countries recognised by the UN Economic and Social Council as being the poorest of the poor belong to these, then the fate of only about 36 % of the absolutely poor was up for discussion in Paris. Almost two-thirds live in countries such as highly-populated Brazil, Egypt, India, Indonesia, Mexico, Nigeria and Pakistan, who are not to come into the enjoyment of special programmes.

Thus it is not surprising that it took all of 8 years from the first listing of countries until in December 1979 the General Assembly decided, following a proposal from UNCTAD V, to hold a Special Conference and to effect an Immediate Action Programme in the meantime. Yet all those concerned remained sceptical. The other developing countries, especially the Group of 77, which had always pleaded for a special programme for the poorest countries, feared that such a programme would only mean the redistribution of already existing aid. As recently as 1980 they rejected, in agreement with the UNCTAD Secretariat, all measures aimed at favouring the least developed countries at the cost of other countries. Thus the poorest countries were, in the end, left in Paris to depend on themselves and, apart from the verbal support of the other developing countries, had nothing to throw into the scales but their hunger.

The governments of the industrialised countries are, however, increasingly faced with their own growth and employment problems. Additional contributions are, in their opinion, hardly possible on a large scale. Even the concentration of their aid on the poorest countries is held only to be possible to a limited extent as this could perhaps lead to a withdrawal of aid from too many of the starving. Since income differentials are often greater in the countries which would then no longer be supported than in the poorest countries, it is feared that the political consequences would be disastrous.

Thus virtually everything, including the slight success of the Immediate Action Programme decided upon in 1979, was pointing towards the failure of the Paris Conference. But both sides tried to avoid that, following the New Delhi disaster. Their efforts finally gave rise to the compromise which, although containing no "substantial" actions, enables the Paris Programme to be put on the agenda of the current UN General Assembly and of the North-South summit in Cancún. Thus the poorest countries can hope that, over the years, the Programme of Action will gain substance little by little.

The problem of poverty must urgently be solved. The Paris Conference showed this, just as it showed that it is not enough to divide the world into the simple categories of completely poor and less poor countries. We shall have to come round to deciding which countries are, in spite of a continuing high proportion of starving people, sufficiently far advanced in general that the problem of poverty can be solved by an improvement of the distribution of domestic wealth and income. Free access to the donor countries' markets combined with the already existing accessibility of the international private capital markets is certainly incentive enough for these countries, so that the process of redistribution with growth can take place. Official development aid, on the other hand, should be concentrated on those countries in which the vast majority of the absolutely poor live.

Such a solution is, of course, only possible when both sides are in agreement. The developing countries must interpret self-reliance and solidarity in this sense also. This applies first of all to the newly industrialising countries. It is they, in particular, who will have to do without official aid in future. But it applies also especially to the OPEC countries. Some of them are taking more income from the industrialised countries – and from other developing countries – through shifts in the terms of trade than they can absorb. They should not be allowed in future to limit their policy to making declarations of solidarity with the oil-importing developing countries and demanding further contributions from the industrial countries. Even the latter can only transfer income once. If the improved climate which was observed in Paris marks the beginning of such a consensus then the outcome, although appearing meagre at first glance, was indeed a success.

*Manfred Holthus*