## THE NEW INTERNATIONAL ECONOMIC ORDER AND ENERGY \*

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- 1. To compare these two, the NIEO and Energy, one has to have some image of both of them. We know the Old International Economic Order and the present energy order, both highly inequitable, favoring the first world over the third, cities over the countryside, men over women, rich over poor and so on. The questions to be raised are:
- how is the NIEO developing, what can we hope from it, what can we realistically expect?
- what kind of future energy order would we like to see?
  I shall start with the latter in order better to know what questions to ask of the NIEO.
- 2. Energy is an absolutely basic resource for the satisfaction of basic human needs and, also, of not-so-basic human greed. It is needed for the woman who walks and walks to collect water and fuel-wood for the family, as it is needed to propel an electric toothbrush and to launch a deadly SS-20 or Pershing II. In evaluating an energy system, I think the focus should be on four factors:
- is the energy source <u>renewable</u> whether new or old -- or are we just living off non-renewable energy capital?
- is the <u>end use</u> of the energy serving <u>basic needs</u> -- food, protection against the oscillations of nature in terms of excessive cold or heat, moisture, darkness, hazards?

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- does the energy consumption favor those most in need, so as to reduce the discrepancies between first and third world, cities and the countryside, between men and women, the rich and the poor?
- is the whole energy cycle, from source via conversions to end use, under <u>local control</u>, or does it create dependencies on outside forces, the national capital, other countries, transnational corporations, etc.?

The ideal future energy system would take the end use in basic needs terms as its point of departure, favor those most in need, be as locally self-reliant as possible, and be ecologically rational in the sense of being based on renewable resources.

In short, such a system would itself be <u>development</u>: it would be needs-oriented, equality-oriented, autonomy-oriented and ecologically sound.

- 3. The question is, how the NIEO relates to this type of goal.

  And that question is, unfortunately, relatively easily answered,
  and the answer is, by and large, in the negative. So, what is
  the NIEO about, beyond the wordings of UN resolutions?
- 4. The NIEO is a process of world historical significance that will not, cannot and should not be stopped. But that does

not mean that it should be exempted from critical analysis.

Consider the following two basic aspects of the NIEO:

- inter-nationally, it means a higher level of control in third world countries, and, by implication, a lower level of control in first world countries than before, through
  - . improved terms of trade for the third world
  - . nationalization of productive assets
  - . increased cooperation among third world countries
  - . counter-penetration, that is, investment in first world countries
  - . increasing control over international economic control patterns
- intra-nationally, however, in the third world countries, the elites rather than the people are the ones likely to benefit from this, for the following reasons:
  - . they will give higher priority to elite greed rather than people need
  - . the economy becomes more export-oriented, hence more controlable
  - . they can use resources to buy means of repression
  - . there is no condition of intra-national change first.

Of course, if the country has already had a major redistribution inside the country, then more resources available at the top would also, in all likelihood, benefit the country as a whole in the

sense of "trickling down" through economic and/or administrative cycles. But this is the case only in few countries in the world, and most of them are probably located in the first world (northern European welfare states, particularly).

- 5. But there is more to it than this. In the third world as in the first world before that, strong elites are now growing quickly inside the bureaucracies, the corporations, the intelligentsia, the military, the police, and the party machineries. They want, demand and get a standard of living at the same level as their counterparts in the first world (conferences serve to establish a basis of comparison), often above. To achieve this, NIEO is not enough; internal exploitation of their own people is also necessary. For that to happen, local self-reliance of people in villages, communes, etc. has to be broken down; people have to work in economic cycles that can be run through the capitals (where most of the elites live) and be milked there.
- 6. This also applies to energy. The four requirements mentioned under (2) above are excellent for building strong people in strong local communities, but may even be disastrous from the point of view of national elites. They would not be so interested in basic needs of the people as in building strong states, strong countries capable not only of maintaining their elites well but of building the machineries for industrial production and mili-

this to happen, the national government has to have not only an economic surplus but also an energy surplus available that it can dispose of according to its own plans and priorities, which in countries with little or no democratic participation may be very different from the priorities of people. Reduction of inequality would also be given low priority as the elites might prefer to maintain, even increase, inequality if necessary for their own goals. Local control would hardly be a goal either, because it spells autonomy at the local level. Moreover, it would make the local community become its own provider, the state would no longer be seen as the provider, the état-providence, thereby justifying its existence.

7. More particularly, through cooperation with transnational corporations, governmental and local corporations may be able to set up the type of centralized, controlled energy cycle that would make it possible to sell, even under a monopoly, energy to the population. A solar park would be preferable to local, even individual, solar energy collectors for this purpose. There would be dependency on first world countries for the more complex technology involved, but that would be a minor cost, relative to gain: monopolistic control over an indispensable service which they can sell at almost any price, as people have to have it — even more so as other sources of energy become depleted.

- 8. However, this will still take time. In the meantime, governments, not only in the third world but also in the first -- possibly also in the second, will suffer from tremendous energy deficits relative to their greedy and energy-extensive goals. Economic growth and production for export require enormous amounts of energy for production and transportation. To keep the population alive, the creation of energy ghettos of people living off sun and wind and growing their own fuel-wood would obviously be in the interest of the elites: it makes it more possible for them to continue wasteful consumption of non-renewable resources for non-basic end uses. To make the people accept this, conferences would be needed, governmental and non-governmental, to propagate the virtues of new and renewable sources. However, they are usually for other people, not for the elites themselves. One wonders: if these forms of energy are so good for the powerless and poor, would they not be at least as good for the powerful and rich, too? Or -- will they prefer the forms that were symbols of "modernization" in the first world countries some time ago -simply because of obsessions with those symbols of "development" and the inability to see them as overdevelopment?
- 9. All this takes on a very sinister connotation when one considers what it means in terms of the real forces of repression in the world: rapid deployment forces to keep the flow of oil (using penetration by the other superpower as a pretext, if necessary); increasingly high level of internal repression in third world

countries (police, torture, surveillance) in order to prevent people from venting their frustrations in the form of revolts over ' the NIEO turned into new patterns of control.

10. And yet one cannot just sit quietly watching new inequities grow. In all likelihood, the NIEO will have, as its consequence, a reduction of international disparities in energy consumption, grosso modo. But the pattern we see emerging, when we take a closer look inside, may easily be one of increasing internal disparities. The only way of avoiding that, it seems, would be through patterns of local self-reliance, that people, in cooperation with researchers working for people rather than for government and corporations, take the matter in their own hands and build up their own energy cycles, satisfying the four requirements mentioned. Fortunately, such things are happening all the time around the world, even though the forces against such are very strong. Which makes it very clear whom to support and whom not.

- 11. In conslusion, let me, on this basis, try to answer the six questions posed in the light of the analysis above:
- Question 1 How do the present differences in energy consumption affect the economic relations between the developing countries?

What we are witnessing now is how the old relations between "developed" and "developing" are now being reproduced among the

"developing" countries -- of course with the NOPECs being dependent on the OPEC countries, to mention but one example. There will be more.

Question 2 - How do the present inequalities of the international economic relations affect the accessibility to energy in the developing countries?

I think mainly by paralyzing people's faith in themselves. Much of this is easier than people believe. A solar cooker can be made without having to rely upon MIT or something similar or queuing up to buy first world technology. It is perfectly acceptable to reinvent what has already been invented, because one may learn so much in the process, and, in addition, own the invention.

Question 3 - How do energy technologies influence the development paths of the countries of the south?

Absolutely essential, in the way attempted described above, as one more way in which elites can strengthen their power and privilege -- including making handsome profits.

Question 4 - What is the relationship between the energy programmes and policies of the international institutions and the national energy policies of the developing countries? How can economic and technical assistance be given, keeping the dependency of the developing countries on the developed countries at a minimum?

I think the basic point in the inter-governmental conferences is a forum where elites can learn from each other techniques of building strong countries, which, in practice, means strong and powerful elites. The patterns transferred will tend to be elite-strengthening patterns, as they are transferred from

elites to elites. The NGO conferences will be networks for the dialogue and transfer about people-building technologies. There is hardly much dialogue between the two -- rather, they are like two separate streams, one governmental conference feeding into the next, one non-governmental conference feeding into the next, but not so much relating to each other.

Question 5 - What role can regional cooperation play in the development of energy sources in the South?

Basically as one more way of transferring technologies developed in the North and of strengthening the strongest countries in the South, that probably, quite soon, will start exporting soft energy technology to the weaker countries.

Question 6 - How can renewable energy be a means of achieving the social and economic goals of the developing countries?

In the way mentioned: by keeping people at bay in energy ghettos, leaving the elites free to pursue ecologically unsound, dependency-creating policies. But it also offers a great potential for a country with a leadership that wants to build an autonomous, ecologically viable path of true development -- if something like the energy goals indicated above are adhered to.