

THE NEW INTERNATIONAL ECONOMIC ORDER AND
THE BASIC NEED APPROACHES

Compatibility, Contradiction and/or Conflict ?

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1. Introduction

The purpose of this article is to explore, in a very cursory and preliminary manner, what seems to be a rather important political conflict shaping up: between the two new Grand Designs in development theory and practice, the New International Economic Order (NIEO) and the Basic Needs approaches (BN).

First, some very few words by way of definition. NIEO stands for a new way of organizing the international economic system - characterized by such measures as improved terms of trade between the present center and periphery countries (approximately First world and Third world countries), more control by the present periphery countries of any part of the world economic cycles that pass through their countries (incl. nationalization of natural resources, soil, processing facilities, distribution machinery, finance institutions, etc.) and increased and improved trade among the present periphery countries.¹⁾ Very crucial in the evaluation of NIEO at the international level, which is the level at which it is intended to work, would be the relative weight between the first of these three components and the other two. If the first predominates it might very well freeze the present structure, but - possibly - at a higher level where income to the periphery countries is concerned.²⁾ If the other two predominate the present structure might be changed, present center-periphery trade might decrease in relative terms, the industrial capacities of the Third world countries will increase as well as the trade among them.³⁾ One might argue that the first scenario could be a transition on the way to the second.

BN is an entirely different approach. Whereas NIEO is very macro, essentially dealing with relations between regions of the world at the global level (among other reasons because it is articulated in the UN machinery between blocks and regions of

states) BN is a micro approach, going down to the level of the single individual human being. It sees development as a question of meeting basic needs at the individual level (some will, like the present author,⁴⁾ argue that that is the only level at which they can be met as long as one is dealing with basic human needs, not with such abstractions as e.g. "urban needs" for sewage, "historical needs" for collectivization of means of production, "national needs" for military defence or for a national language - all of them, at most, indispensable necessary conditions in order to meet basic human needs). The BN approach is only interesting if it is accompanied by a relatively specific list of needs⁵⁾ and with one rather important additional assumption: that the first priority should always be to those most in need.⁶⁾ In other words, it sets priorities for production and distribution: first priority to the production of what is basic to meet human needs, and in such a way that it can meet the needs of the most needy. The BN approach would give much lower priority to the production for other than human needs, for non-basic human needs, and for the needs of those less in need (examples: a national airline, cars, food so expensive that it is out of reach for the masses). It should be emphasized that the words "lower priority" does not mean not at all, but it might mean "later", even "much later".⁷⁾

What is the relation between these two approaches, is it one of compatibility, contradiction or even conflict? The answer to this depends on how one tries to analyze the question, and here there are at least two approaches, as in the analysis of any conflict formation. We then assume that there are two aspects to a conflict formation: the issue and the parties. At the level of the issue it becomes a question of compatibility: is it theoretically possible to implement both NIEO and BN at the same time, at the same place - or is there some way in which they will have to exclude each other, simply because one comes in the way of the other? At the level of the parties one would ask a different type of question: what kind of actors (individuals, groups and classes of individuals; states, groups and classes of states) will favour one or the other, how do these actors relate to each other on other issues, how will this carry over into the possible relationships between NIEO and BN?

2. A Critique of NIEO from a BN point of view:

We shall start with the former: a relatively abstract analysis detached from the concrete realities of today. It is hard to escape the conclusion that the two approaches are compatible but perhaps something could be said about the conditions for compatibility. Briefly said they are as follows: with NIEO there is a potential for more economic surplus to accumulate in Third world countries, the question is whether it is used to meet basic needs for those most in need. Economic surplus can be used in many ways, depending on who decide and what kind of decision they make - and more basically, depending on where in society the economic surplus is generated. To assume that economic surplus will necessarily be used to meet the basic needs of those most in need is naive.⁸⁾ A more realistic assumption would bring into the picture the idea that most people in control of economic surplus will tend to use it for what they see as the pressing needs, be they "national needs", non-basic needs, or the needs of those less in need.

In the most optimistic model one could imagine, given the inclination of human beings to take better care of themselves than of others, a country so organized that much of the economic surplus remained down in society where it had been generated, e.g. because farmers are in control of the land, and workers of factories to the point that they can decide what they want to produce, how to distribute it, and how to dispose of the surplus.⁹⁾ Under these conditions it seems reasonable to assume that today's hungry masses in the rural areas will prefer to produce food that can be eaten on the spot, by themselves and their families;¹⁰⁾ and that workers might prefer to produce things that can be used for basic needs production, particularly in connection with farming, thus relating their activities to the farmers, guaranteeing them a minimum where food, clothing and shelter are concerned ("shelter" being a typical item for farmer-worker direct cooperation).¹¹⁾ It may be argued that this does not take care of medical services and schooling, so one would add to the model the idea that surplus either generated at the top or entering the top of society will "trickle down", e.g. in the form of free and easily accessible facilities in these two basic fields.

This should then be contrasted with the most pessimistic model : a society organized in such a way that the surplus generated at the bottom not only "trickles up" but is pumped upwards through the powerful mechanisms of elite ownership, private or state, usually in the centers of control in the country capital, or in the world economic centers. And as to economic surplus generated or entering at the top:¹²⁾ the elites keep it for themselves, dividing its use into the three types of purposes different from the Basic Needs approaches. Evidently, whereas in the former approach one might possibly see a convergence

between the living conditions of the elites and masses, in the latter approach a divergence will take place.¹³⁾

If one now assumes that the pessimistic model gives a more realistic description of the majority of Third world countries today the NIEO and BN approaches may in fact be contradictory. It may be argued, however, that NIEO has nothing to do with this, that the situation was like that before, that NIEO is an international arrangement, and must be complemented with corresponding intra-national measures, so as to make countries compatible with the "optimistic" model above. But, to proceed with the argument : NIEO and intra-national transformations are not independent of each other. For one thing NIEO may stimulate international trade, if carried into practice.¹⁴⁾ This means that an increasing proportion of the economic factors of the country will be steered in the direction of producing exportable products. This, in turn, means that higher priority might be given to the use of, for instance, soil for the production of commodities for export than for food for direct consumption; coffee rather than black beans to use the often quoted Brazilian example. It also means that an increasing proportion of the economic cycle in the country will pass through a narrow and easily controlled gate: the major import-export facilities of the country (ports, airports, border crossing points), and the various banking facilities for both money and other financial instruments. Since these points can be controlled by a relatively low number of people themselves controlled by private and state leadership this is tantamount to increasingly centralized control of the entire economic machinery. As a contrast, imagine a country based on a high level of local self-reliance, production for consumption mainly on the spot, exchange between these units when there is surplus production, low level of external trade, even low level of monetarization in the economic cycle - obviously an economy much less easily controlled centrally. Which country would more easily satisfy basic needs for those most in need ?

Again the answer might to a large extent depend on what type of decisions the elites make, but if past experience is a guide the outlook is not too bright. Thus, for one thing, the elites might decide to convert much of the net income earned into means of control of possible internal and external enemies, in other words police and military units. In this they may be correct : the gap between expectations generated through NIEO and the continuation of a sad reality where BN is concerned may be intolerable for segments of the population that might try all means at their disposal to change the regime.

This is as far as one might carry the argument of informed doubt about NIEO at the present point in time, perhaps to some extent inspired by empirical information about the first Third world countries to benefit from increased income due to increased prices for their commodities.¹⁵⁾ In short, the conclusion would be something like this: No doubt there are great possibilities of compatibility

between NIEO and BN but also of contradiction :it all depends on the intranational structures.¹⁶⁾

3. NIEO and BN as articulations of underlying contradictions

So far we have tried to look at the issue : is there, objectively speaking, a contradiction between the two ? Let us then proceed in the other direction and look at the possible conflict from the point of view of the parties to the conflict. There is a contradiction between the First world and the Third world, or the capitalist world center and periphery to talk in more direct terms; how is this contradiction, brought about by historical circumstances, still being built into the world structure, related to the relationship between the two Grand Designs ?

The dialogue that is now shaping up seems by and large to have the following form. The Third world, or to be more precise the Third world elites, call for NIEO; the First world (and this means both elites and masses) are less than enthusiastic. They would tend to say with a former US secretary of state that "the present world system has served us well" (the word "us" may also be written US). They will look for arguments against a world income redistribution; one such argument would be BN: "what is the purpose of NIEO, it will only enrich the elites in the Third world countries, look at the way you treat your own people"¹⁷⁾. It may well be that this type of argument would be most articulated in the protestant northern fringe of the First world, perhaps by upper-middle class intellectuals with an oversensitive conscience, seeing economic development much more in terms of human development for those most in need than would be the case for more hardened cadres considerably less concerned with the plight of the masses than with their own share of the world income. It is to be expected that they will pick up any argument against NIEO they can find, and this process has probably already started - maybe one reason why the World Bank has been among the first to articulate some kind of BN approach.¹⁸⁾

That the Third world will hit back against this type of argumentation is not only to be predicted, it should also be hoped for as it might make for a more honest, more searching debate about these fundamental issues. A policy always looks different in the eyes of the beholders and in the eyes of those who may feel negatively touched. To the Third world NIEO has an air of the obvious, not only conceptually, but also in terms of basic norms of social justice: a more fair distribution of wealth. Similarly, in the eyes of the BN protagonists what could be more reasonable, more sound than the BN approach ? What could be more justified than the uplift of those most in need, admitting that one might discuss criteria and methods, but not the basic goal: the elimination of misery. To either party the questioning of something obvious and morally right may initially be seen as a surprise, then as a subterfuge for pure self-serving interests, and this is probably where the debate stands right now. The prediction would be that the

First world would increasingly see Third world argumentation in favour of NIEO as a way of arguing for privileges for Third world elites; the Third world will, correspondingly, see First world argumentation in favour of BN as an argument in favour of the Old International Economic Order, preserving First world privileges at the international level. If the First world has a right to question NIEO, the Third world certainly has a right to question BN approaches; but how? The following are six lines of probing, to some extent already heard in conferences where these Grand Designs are being discussed, singly or combined. 19)

4. A Critique of the Basic Needs Approach from a NIEO point of view.

(1) The BN approach is an effort to sidetrack the NIEO issue

The argumentation is clear: the real issue is international economic justice; to throw in the BN approach is an effort to widen the agenda, possibly also to insert into the political discussion a "condition préalable": no NIEO concessions to be given before BN policies are enacted. Since the First world is sceptical of the Third world abilities to enact such policies this position is tantamount to a postponement of NIEO concessions or conventions for an indefinite period.

It is hardly relevant in this connection to argue, for instance, that the basic needs' approach at least dates from 1972, and that the NIEO in a sense can be said to date from the Sixth special session in 1974 - hence that BN precedes NIEO. In other words, the argument could be turned around: NIEO could be seen as a way of sidetracking the BN approaches. The reason why this is besides the point would be that neither approach can be said to have a definite birth date: rather, they are names that stand for trends that have been operating in the world for a long time. NIEO can at least be traced back to UNCTAD I (Geneva, 1964), and the BN approaches are closer to intranational social welfare policies as practiced in welfare states, which in turn have some roots in the compassion with the lowest and most underprivileged and unfortunate found in many religions. The question to be asked is not whether some key points on the socio-political trajectories of these two approaches can be neatly ordered in time; the point is how the two approaches are used politically. That the polarization is according to First world/Third world lines, with the Second (Socialist) world to some extent sitting on the fence, seems relatively clear - at least for the time being. And the Third world has one important argument on its side: NIEO is seen as a codification of a type of international social justice whereby the Third world has to gain, the BN has to do with intranational social justice, inside the Third world countries. If the BN approach from the very beginning had been launched as something valid for the whole world, and perhaps with a focus on non-material

needs as strong as the focus on material needs so that the shortcomings in the First world would show up more clearly,²⁰⁾ then NIEO and BN might be seen more clearly as two relatively independent issues. The way BN has been launched, as applying, predominantly only to the Third world, the Third world has all reasons to regard it as a way of sidetracking NIEO, a world issue.

Thus, the Third world can justifiably ask : why is the BN approach brought in right now ? And the answer "to sidetrack the issue" is one perfectly reasonable answer, as are the following five.

(2) The BN approach is a new way of legitimizing internal intervention

Most of the Third world are former colonies, large parts of the Third world are neo-colonies; colonialism, possibly also neo-colonialism will come to an end.²¹⁾ It is not unreasonable if the Third world suspects the First world of trying to find new ways of legitimizing internal intervention when military/political formulas are gone and internal control by direct economic investment is threatened. Basic needs, like basic rights dividuals in western thinking;²²⁾ if they are satisfied at the individual level and/or claimed at the individual level, then it is only at the individual level they can be monitored. Quite naturally the Third world will posit against this primacy of basic national needs and basic national rights, as codified, e.g., in the Charter of Economic Rights and Duties of States. National needs and rights are claimed, satisfied or left unsatisfied in the international context, individual needs and rights mainly in an intranational context. Third world insistence that NIEO constitutes a collective and basic national right, and that it is up to the Third world itself, collectively or nationally or both, to decide how to make use of this right intranationally can be seen as a clearly anti-interventionist position. What is communicated is not "we shall continue to exploit our masses, and that is none of your business", but "whatever we do inside our countries is none of your business". The history of First world interventionism does not put those countries in a position to argue credibly that there are no interventionist intentions this time, or no possible unintended consequences in that direction. For it is relatively clear what a BN clause added to an NIEO agreement might mean : that a number of the NIEO components (eg., decrease in debt burdens, increase in ODA) would be made available only on the condition of an implementation of BN policies. For this to be meaningful the implementation would have to be monitored at the individual, i.e. intranational level. There is no difficulty imagining the international bureaucracy of inspectors that might be set up to supervise such agreements, and however it is staffed the cycles of

reporting and decision-making would have to pass First world centers in order to make sense in this connection. Hence, the First world might be suspected of supporting the BN approaches precisely because other bases for pinpoint interventionism in the Third world are seen as slipping.

(3) The BN approach is an instrument to increase the Third world market

Whether correct or not, the First world has all reasons to assume that NIEO will increase, and even greatly, the Third world competitive position in the world market.²³⁾ More particularly, the Third world supply of goods may increasingly be sufficient to meet Third world demand, on a competitive basis, thereby closing Third world markets de facto to First world exports (this closure may of course also be brought about de jure before or after, or independently of, any such process). Leaving aside the question of Third world exports into First world markets this raises the problem of whether the growth of demand in the Third world might possibly be related to the growth of Third world supply to the Third world in such a way that a substantial margin is left unsatisfied, even when Third world industrial output grows from a 7% world share to the UNIDO goal of 25% by year 2000 - or any other such goal. The question is: how could this type of rising demand be brought about ?

There are several answers to this: the revolution of rising expectations is one, the population explosion is another, and the BN approach may be a third. And the BN approaches may in fact correct for what the population explosion failed to deliver: many people, in fact many more people, all of them with needs, but not with needs that are expressed as demands in the market because of low, negligible or totally absent acquisitive power in the monetary sense. Nevertheless, if one hears less about the population explosion today than some years ago it may be because the First world has discovered that that explosion may not be all bad: after all, they are all potential customers ! To make them customers, however, they have to be brought up to a certain level - and this is where the Basic Need approaches enter. Instead of aiming at the rising expectations of the middle class, why not rather aim for the vast Third world proletariat, most of it in the countryside or in the city slums, living on the margins of the monetary economy (as opposed to self-supporting farmers, nomads and other groups that live outside this economy), in numbers much more promising than the middle classes ever were ! 24)

Again, there is no difficulty imagining what could come out of this type of reasoning. On the one hand there is the BN approach that would tend to take what is needed for basic needs' satisfaction out of the market: schooling is provided free, medical services likewise, canteens would provide free or highly subsidized meals, and the same can easily be extended to basic clothing and basic housing. On an individual basis there is little or nothing the First world could gain from these kinds of practices, but the same does not apply to the level of the country as a whole. Thus, the First world might be contracted to build the infrastructure for all these services, presumably to be provided by the State in the Third world country. The payment might be in terms of increased assets resulting from the NIEO, thus recycling NIEO-dollars via the BN formula. But there are more direct methods.

No doubt, there is also the possibility of marketing what is needed to meet basic needs: international agro-business, construction-business, textile-business and the pharmaceuticals are already in the field (the field of school materials, however, does not seem - as yet - to be so effectively transnationalized; educational video-cassettes being a possible exception). For this to become a large-scale business at the level of those, if not most, at least more in need, two things have to happen: the prices have to be lowered, the buying power of those at the bottom has to be higher. As the former, at least potentially, can be a function of the latter one might try to start increasing the buying power. One way of doing that would be through higher guaranteed minimum wages, and full employment - in other words the kinds of approaches that ILO would be advocating. Where would the money come from? - From the assets accruing to Third world countries under a more just international economic order, and through large-scale transnational corporations catering to the people most in need, but knocking at the doors of the market with a language the market understands: with coins, later on bills, then checks.

Needless to say, regardless of which approach is made use of (and they can also be combined, using the market approach for some of the basic needs and the non-market approach for others) there is room here for a "planetary bargain": "We give you the NIEO, you give us the right to compete with you on your own markets for the satisfaction of Basic Needs." Needless to say, this would be a very limited perspective on basic needs, material, totally disregarding aspects of identity, the need to be the master of one's own situation, to be a subject, not only an object who is satisfied through activities generated by others. But as to freedom needs the proponents of this new strategy for First world penetration into the Third world via

the basic needs formula would claim that the monetized approach offers more freedom of choice than is possible when basic needs are delivered in kind.²⁵⁾ They would claim that a person should not only be given a choice of consumer goods, several brands of food, several shapes of clothes, but also be able to develop his/her own trade-off formula between food and clothes, given a minimum income.²⁶⁾ As a matter of fact, one could even imagine transnational corporations construct "basic needs' packages", containing food, textiles, drugs and some educational material in relative proportions to be decided by the customer, given the price-class of the package. And if that or similar formulas work there might also be room for a quickening pace of the population explosion.²⁷⁾

(4) The BN approach is intended to slow down the growth of Third world economies

By and large there are two almost parallel approaches taken to most problems that concern the Third world countries today: one approach that aims at strengthening the weaker states/countries, and an other approach that aims at strengthening the weakest individuals inside that territory unit. This is very clearly seen in the choice of technologies : on the one hand the capital intensive, labour extensive, research intensive and administration intensive technologies that eventually might make it possible for Third world countries to play First world games in the First world way; on the other hand the capital extensive, labour intensive, research extensive and administration extensive type of technology by and large is much more relevant for the satisfaction of the basic needs for those most in need.²⁸⁾ The first approach will, for obvious reasons, usually be the approach of national elites, the second approach will, for equally obvious reasons, be the approach of smaller, less privileged groups, when left to themselves - such as the groups building the Chinese people's communes in the beginning of that institution's life-cycle.²⁹⁾

The first approach is highly capital-absorbing, the second approach much less so. On the other hand, the first approach may also be capital-generating whereas the second approach will generate other forms of value: human value; restoration, even strengthening of nature's ecological balances; values of autonomy, creativity and participation, and so on. No doubt the two approaches are to some extent competitive. There seems to be an upper limit to the extent to which local, self-reliant communities can be incorporated in a national, capital-intensive production structure for exchange rather than for use without being "perverted". And conversely : there must be an upper limit to the extent to which local communities can go their own, self-reliant way, basing themselves on capital-extensive technologies and production for use rather than for exchange

without weakening the "national purpose", in the sense of being able to participate on an equal footing in the international game as defined by the First world, through its historical praxis. This is not so much a question of allocation of capital : the self-reliant, basic needs-oriented approach is not costly. A basic needs-oriented policy from above, with free or subsidized food, clothing, housing, schooling and medical service may be very costly, but for the sake of the argument it is not necessary to assume that this is the policy engaged in. The point is rather that the BN approach redefines the national purpose, reallocating not only some capital, but human and social energies, creativity, mobilization, everything.

It is enough to point to the case of China : a China where the 70.000 people's communes with their production for use rather than for exchange dominate is not a China that constitutes much of a threat to the First world in terms of world market economic competition, although it may be a China that makes it difficult for the First world to penetrate economically into Chinese markets. A China that changes from this policy to one dominated by capital and research extensive technologies and eventually full world market participation (making use of a labour stock of 600 million people or so³⁰.) is a China which in the first run may cause some satisfaction in First world capitals because it constitutes less of a threat as an alternative model of development, but in the second run may cause considerable consternation because of its economic world strength. From a First world point of view this may be a question of balancing potential losses on external markets if the first approach is taken against potential losses on internal markets caused by the second approach. At any rate, there is no doubt that there are conditions under which a systematically pursued BN approach, whether based on local self-reliance or not as a major ingredient, may make the Third world countries less of a threat to First world economic hegemony.

Compare with the tactics pursued by the western "allied" powers relative to Germany and Japan : after some time it became important that they should be integrated into the military machineries of the West not only because of their military values and considerable experience, but also in order to reduce their economic competitive strength in the world markets by forcing them to allocate much more from their production factors in the military direction - including buying military products from abroad (it should here be noted that the military production system and marketing system is protectionist rather than liberal; it is not an open world market but a market where one is supposed to trade within an alliance or at least not far outside it - the protection mechanisms being legitimized through notions of security and secrecy). It should be pointed out, however, that this policy certainly did not serve its purpose if the purpose was to put an efficient brake on Japanese and German economic growth in the 1950s : whereas local self-reliance will put a country on an other course of development

integration into a highly capital-intensive and research-intensive military machinery will tend to reinforce the further growth of the country along the first path of development indicated above, possibly after what might look like a set-back of some years. If the country chooses the second path of development, however, the matter is quite different and this also has security implications : in that case its security will probably be based on guerilla, possibly non-military defence, both of them of a highly localized nature, rather than on a highly capital-extensive, conventional army.³¹⁾

(5) The BN approach is an effort to decrease technical assistance

Could it be that the real purpose of the BN approach is to have a pretext to reduce aid, technical assistance ? As has been pointed out repeatedly above the capital component of the BN approach can be a relatively minor one. And this is particularly true by definition, if it is assumed that the best BN approach is also a self-reliant approach, mobilizing local forces, building on local traditions, etc.. If this is the case technical assistance is to a large extent ruled out as an antithesis to self-reliance. Just as the First world might like to push the BN expenses and reallocation in general onto the Third world leadership they might also like to rid themselves of technical assistance obligations, thereby possibly improving their own competitive position.³²⁾

However this may be, it is clear that a systematic change in the BN direction at least would raise a number of questions in connection with any kind of project in a Third world country - and these questions have - to some extent, been raised by the World Bank in recent years. These questions, however, have been much less ideologically pure than the (admittedly too clear) dilemma between two roads to be pursued as was done in the preceding paragraph. It has more been a question of asking whether any kind of project would also have an impact on the basic needs situation, or, perhaps more concretely, the acquisitive power situation of the bottom part of the population. Probably much more experience has to be gained before anything more definite can be said about the relationship between the various BN approaches on the one hand and the amount of ODA on the other.

(6) The BN approach as a weapon of defence against the poor

The BN approach can also be seen as considerably less coming out of compassion with and for the poor as out of fear of the poor. The poor, one billion, two billions, are seen as a vast amorphous mass of people, increasingly

conscious and envious of what the First world has and they do not have, one day wanting to get it, one way or the other. It is the image of the hordes knocking on the doors of western affluence³³⁾ and the more contemporary, political version of the same image : the world communist subversion.

Together with this image, then, comes the hypothesis that the danger is roughly proportionate to the poverty, meaning that a reduction in the number of poor means a reduction of the danger. One way to obtain this would be to do away with a number of poor through "nature's regulatory devices" (earthquakes, tidal waves, inundations, etc.), an other method would be to obtain the same through genocide, still an other method to attack the offspring of the poor through population control devices.³⁴⁾ And then: the more "positive" approach, reducing the number of poor by making them less poor through the BN approaches.

In other words, the argument would be that the whole approach is a mystification of clear global power politics : a reduction of the political power of the Third world through elimination of a major power element used indiscriminately and indiscriminately during the last generation or so, the value of threatening with "communist subversion"; "if you do not give us more aid I cannot promise that we will be able to contain these forces".

Leaving aside for the moment that the proposition "aggression is proportionate to poverty" is very dubious - very poor people will tend to be apathetic also because of lack of resources, it is when one manages one way or the other to move out of poverty that this may change³⁵⁾ it would be hard to claim that this kind of allegation is out of touch with reality. To the contrary, all through the history of technical assistance from First world countries there has been a general line of basic argumentation : fundamentally this is being done in order to prevent conflict from escalating and eventually becoming a threat to us. Hesitant parliaments have used this argument as the basis on which action in favour of technical assistance has been engaged in, or at least as an idiom in which support can be expressed much more effectively, more convincingly than the humanitarian idiom, or even the developmental idiom for that matter. Technical assistance has certainly played a part in foreign commercial policy, as a way (through tied aid) of steering the flow of orders from periphery to center in the world economy, and as a way of creating a goodwill in the wake of which general trade treaties might more easily be agreed upon. What this argument points to is technical assistance as an instrument in foreign policy, or even in foreign power policy, as a way of shaping alliances,

of administering present and future conflicts. And what the BN approaches add to this is the following : it is more refined, more directed towards the precise point inside societies from which the conflict material is supposed to emanate - be that theoretical assumption right or wrong (the only thing that matters here is actually that it is probably seen as a correct assumption in the eye of a sufficient number of decision-makers in the First world).

Let us now try to have a more complete look at what has been said above. Six arguments have been raised against the BN approaches, all of them essentially converging to say the same : the BN approach is more than what meets the naked eye, it is not what it is dressed up to look like, there are other things behind and underneath. There is a difference here, however, between these arguments concerning the BN approaches and the arguments in the beginning of this paper in connection with the NIEO. The difference has been hinted at above : whereas they may be argued by different political actors, they essentially refer to the same actor, the Third world. Later on it will be pointed out how fallacious this assumption is, but in the heat of a political debate it is assumed that the Third world is debatable, the First world not

But there is another difference which is in a sense more important. Returning to the distinction made between issue-related and party-generated aspects of conflict formations from the introduction, it may be said that the arguments raised about the basic needs relate to the possible motivations behind them. NIEO clearly relates to interests in the old international economic order and may serve to define parties and actors in a conflict of interest ; the arguments against NIEO are arguments referring directly to NIEO as it has been presented. The arguments against basic needs approaches seem to be generated by the arguments against NIEO, in other words to be third generation arguments. It may well be that if a consistent basic needs approach had been presented first (e.g. with the World Employment Conference in 1976 coming before the Sixth Special Session), then the order and nature of argumentation might have been different; as has been hinted at above.

At any rate, this is a minor difference given the significance of the issues as such - and we shall proceed on the assumption that either set or arguments is essentially valid and ask questions about contradictions and compatibilities, this time in the concrete political context of the late

1970s.

4. Conclusion: NIEO and BN; contradiction or compatibility ?

The answer would have to be "that it all depends" It depends, to be more precise, on whether NIEO is interpreted in the shallow sense without intranational transformation or in a deeper sense which would include at least some measures of intranational transformations ; and it depends on whether BN is interpreted without non-material needs, shallowly, or in a deeper sense with non-material needs. Much finer distinctions could also be made, but these four cases at least make it possible to summarize the discussion in the preceding section:

	NIEO without intranational transformation	NIEO with intranational transformation
BN without non-material needs	A : Compatibility	C : Compatibility
BN with non-material needs	B : Contradiction	D : Compatibility

This should now be spelt out :

A : Compatibility, in the sense that managerial basic needs' satisfaction is possible - leaving aside whether it is probable or not. It becomes a question of a scale of ways of "recycling NIEO dollars for basic needs", from the top down, whether it is done with or without First world participation, or even penetration.

B : Contradiction, the most important non-material needs in this connection having to do with autonomy, with being subject rather than object, with having a major participation in one's own situation as opposed to being a client/consumer. This case certainly also applies to much of what happens in rich countries that have been the beneficiaries of the Old International Economic Order.³⁶⁾

C : Compatibility, in the sense that under this condition, by definition, surplus generated locally will to a larger extent remain at the bottom; surplus generated or entering at the top will trickle down. The combination called to attention here is a "soul-less" one : it is economistic, not taking non-material concerns into consideration.

D : Compatibility, and this is the optimal combination. There is a transformation of the intranational order that permits a richer perspective of basic needs to come into play.

This raises the problem of where the total world system is heading.

As seen from the point of view of the way the United Nations' machinery is processing these two concepts, NIEO and BN, it seems to be heading towards combination A. The UN, being an intergovernmental machinery,³⁷⁾ will have a tendency to focus on inter rather than intranational transformations - although the situation is not that clearcut. As argued above it would be easy to obtain a majority for international transformation when the world is dominated by the Old International Economic Order, and the majority of the countries one way or the other can be said to be the victims of that order. This can then be combined with a majority against mandatory intranational transformations, except for minor matters, under the general formula of non-intervention in national sovereignty, provided there is sufficient solidarity among the victims of the Old International Economic Order. And the intranational transformation needed here is a major one : it has to do with the whole flow of surplus inside the society.

At the same time the UN machinery will probably continue to concentrate on basic needs in the shallow sense, without non-material needs. There is an important exception to this : the human rights' concerns of the United Nations can be said to broaden the concept, and could be brought in much closer contact with the basic needs' concerns of such organizations as ILO and UNICEF.³⁸⁾ possible reason for this is the pervasive influence of the hierarchy concept : first material needs, then time will come for non-material needs. An other way of saying the same would be that it is easier to obtain consensus about material than about non-material needs. Around this consensus various types of ideologies (both liberalism and marxism,³⁹⁾ for instance) can be brought together, bridges can be built between East and West, North and South, so the temptation to strip the basic needs' concept of some of its most essential richness, for the purpose of consensus building must be great - just as the corresponding tendency in connection with NIEO. The deeper concepts are too painful, in either case.

Thus, the UN machinery will have a tendency to end up with the shallow versions of either concept, much to the chagrin of those to whom both NIEO and BN have much richer connotations. The rhetoric will be as if case D obtained, the reality will be more like case A. And that raises the question under what condition moves from case A towards case D might nevertheless be possible.

One approach is obvious. It consists in never giving in to the shallow interpretations of NIEO and BN, always insisting that NIEO is only meaningful with intranational transformations and BN only meaningful with non-material needs included. One can discuss the nature of these transformations and these non-material needs, one would definitely agree that the interpretation will vary from place to place and through historic time, but nobody should be duped by

these obvious considerations into facile compromises accepting the shallow interpretation of either. For if this is done the most likely outcome is that even material needs will be left unsatisfied, the second most likely outcome that if they are satisfied then it will be done in a managerial, even corporate fashion.

What is being said here is that one should not give in, either, to the polarization that now seems to be crystallizing with Third world elites standing for a shallow NIEO interpretation and the First world for a shallow BN interpretation. One way of reorienting this debate would be to insist on symmetry : that both parties see the broad interpretations of NIEO and of BN as applying to all parts of the world. Thus, there are obvious intranational transformations that will have to take place in the First world if NIEO really is implemented : there would have to be more emphasis on agriculture again, probably much more on local energy production, more emphasis on local, national, sub-regional and regional self-reliance, even self-sufficiency in some fields. There will probably have to be an orientation in the direction of other lifestyles, ~~more~~ compatible with the objective situation brought about by NIEO. Correspondingly, both parties could use the full spectrum of basic human needs - such as, e.g., security needs, welfare needs, identity needs, freedom needs⁴⁰⁾ - to discuss the situation both inside their own countries and other countries. This would certainly mean widening the agenda, but not only to score points relative to the adversary in a conflict ("You have to undertake basic internal structural reform", "What about the mental illness rates in your countries ?"), but to make use of self-criticism and criticism from others in an effort to improve social orders everywhere.

Then there is an other, much more action-oriented approach. Thus, the basic formula that may transcend the present contradiction between the New International Economic Order and the Basic Needs' approaches is probably self-reliance. Self-reliance, then, is understood as a three-pronged approach : regional self-reliance, national self-reliance and local self-reliance.⁴¹⁾ In either case self-reliance would mean a combination of increasing the level of self-sufficiency and for example cooperation with others. Thus, regional self-reliance - the region being the Third world as a whole, the continental sub-divisions, the sub-continental possibilities - would mean not only a much higher level of Third world production for its own consumption, but also a change in the exchange with the "developed" parts of the world towards more equitable trade patterns. Thus, the old pattern of exporting commodities in return for manufactured goods and services, even with the terms of trade not only stable

but also improved, would gradually recede into the background in favour of a trade pattern of commodities against commodities, manufactures against manufactures, services against services (intrasector trade). In other words, regional self-reliance at this level would pick up the aspects of NIEO that are more oriented towards South/South trade and increased South control of economic structures in general, de-emphasize the terms of trade approach relative to the North, and go more in for truly equitable North/South trade.

However, if this were enacted it would not serve as any guarantee against the stronger countries in the South exploiting the weaker ones, hence the idea of national self-reliance as a protective cocoon against such transgressions. And this reasoning can then be continued : national self-reliance does not serve us any guarantee against national elites exploiting their own masses ; hence local self-reliance as a similar protective device - admittedly less strong since there is much less of institutional protection of local units than national units (they do not have secure and/or defensible borders, they do not have armies, they often do not even have identities that should motivate for any kind of defence⁴²⁾). But the logical local self-reliance would be the same one : increased local self-sufficiency, combined with horizontal exchange with other units at the same level - in a future world not necessarily only other units in the same country. ⁴³⁾

If the local level is carrying the idea of self-reliance alone, it is dubious whether it would be able to provide a sufficient and sustainable material basis in most parts of the world. The national level as an equalizer, as a level that could even out the sharp differences in economic geography in space and throughout the annual cycles, and not only in agriculture, but also in the distribution of natural calamities, is crucial. That level alone, as experience has clearly shown, is not sufficient in order to get at a more just, a more equitable international economic order as envisaged in the NIEO designs. Hence the argument in favour of all three at the same time, with the assumption that the regional level can best carry the NIEO approach, and the local level best carry the BN approach, both in its material and non-material interpretation. The national level will have to be reorganized both upwards and downwards, both in the sense of integrating with other units at the same level for collective, solidary action, and in the sense of restructuring so that local levels are given more of a chance to unfold themselves. ⁴⁴⁾

Admittedly this is an abstract formula, and this is not the place to develop all these things in more details. The point is rather that it should be made quite clear how apparent contradictions can be resolved. In the present world, both short on strong regional machineries (with the exception of the

OPEC Cartell action), and short on structural transformations that would give to the local levels more autonomy not only in political but also in economic and socio-cultural affairs, the NIEO and BN approaches may become more contradictory than they would in a world somewhat differently organized. Hence, the task is to understand these relations better, not to feel that one has to be against one or the other or both because of the very real issues involved and the equally real conflict polarizations.

For regardless of the strong arguments that can be raised against these approaches seen in isolation, outside broader political and historical contexts, there are extremely strong forces behind either. Seen in a UN perspective, it might perhaps be said that they both represent a third phase in United Nations development strategies. The first phase, then, was the import substitution phase : developing countries have to produce themselves rather than import from developed countries - a phase among other things motivated by what was seen as deteriorating terms of trade and with the United Nations Economic Commission for Latin America (CEPAL) as a major stronghold for the theoretical underpinnings. A second phase, partly growing out of frustration with the first one (manufactured goods produced in developing countries tended - perhaps - to become even more expensive) can be characterized as the commodity export phase, motivated by the "need" to earn foreign currency. This phase was of course more popular with the First world countries as it played into their interest in exactly this type of trade. But there were two basic problems : on the one hand it became increasingly clear that somehow the developing countries were cheated in the bargain, that world resources were distributed highly asymmetrically in favour of the developed countries by this kind of activity (a polite way of saying that there was exploitation at work). On the other hand it became equally clear that the masses in general also were the losers in this kind of activity : for the reasons mentioned in the introduction the internal gaps widened, misery increased, rather than diminished. The responses to these two problems, in a sense created by the same structure and the same process, were precisely - in our view - the New International Economic Order and the Basic Needs approaches. And that is the third phase.⁴⁵⁾

Hence, they are both political movements, more or less crystallized, created by particular historical situations. One can be against them or in favour of them, but there is also a sense in which they simply are, exist, unfold themselves like the tidal waves referred to above. The political task is to crystallize and help steer these tremendous political energies in directions that serve true human and social development, to deepen them and to find ways of resolving the contradictions between them.⁴⁶⁾

NOTES

Originally prepared and presented for the Society for Internationale Development, Geneva April 17, 1978 and the SID North-South Roundtable, Roma, May 18-20; also given as lectures and introductions for discussions at the UNDP, Geneva in June and the World Order Models Project conference in Poona, India, the Universiti Sains Malaysia in Penang, Malaysia and the Marga Institute in Colombo, Sri Lanka in July 1978. I am indebted to discussants all places, but the responsibility for interpretations, etc. is all mine, and the views represented are not necessarily those of the institutions with which I am affiliated.

1. Of course, there are many ways of listing the issue areas of NIEO. In the joint UNITAR/CEESTEM (Centro de Estudios Economicos y sociales del tercer mundo, Mexico) project 33 NIEO issue areas are recognized divided into the following categories: development financing, international trade, industrialization and technology, food and natural resources, institutional and organizational policies and social issues. A content analysis of the original resolution of 1 May 1974 of the General Assembly (Resolution 3201-S-VI) from the Sixth Special Session, quoted by Roy Preiswerk in his "Le nouvel ordre économique international, est-il nouveau?", Etudes Internationales (Quebec), 1977, pp. 648-59 (the reference is to footnote 10 on p.656) shows a predominance of associative relations and concepts relative to dissociative concepts - the former (such as cooperation, interdependence) are quoted 79 times, the latter (such as sovereignty, self-determination) are quoted 19 times. The present description of NIEO in terms of three main issue areas refers directly to the world structure, and is developed further in Johan Galtung's Self-reliance and Global Interdependence, Ottawa, Canadian International Development Agency, 1978. Thus, the focus here is more on where in the structure the issues are attempting to bring about changes than on the nature of the issues.

2. This is already very visible in the petrol exporting countries that may be said to have been the first to practice NIEO - without consensus, but after years of negotiations and discussions. Undoubtedly, there is more money available, at the disposal of those who dispose, in these countries. For one account of how it is spent, see "Venezuela Begins to Question Spending", IHT, August 5-6, 1978, p.5 (luxury consumer goods, and capital goods for industrialization "as world oil glut slows oil revenue").

3. The annual increase of manufacturing production, according to the World Bank, was 4.5% for developing countries and -4.7% for the industrialized (but now partly deindustrializing?) countries for the years 1974-75. The corresponding figures for 1961-65 were 8.7% and 6.2% and for 1966-73 9.0 and 6.2% (Quoted from "Global Aspects of the Present Economic Crisis" for the SID North-South Round Table, by Torkild Kristensen). As to trade, however, "the most rapid rate of growth in trade has been between the industrialized countries" (Business Week, "New World Economic Order", July 24, 1978, p.70).

4. Johan Galtung, "The Basic Needs Approaches", paper for the GPID/IIUG workshop on Needs, Berlin May 1978.

5. One such list comes out of the Programme of Action adopted at the 1976 ILO World Employment Conference, dividing needs into "minimum requirements of a family for private consumption" (adequate food, shelter, clothing, household equipment, furniture) and "essential services by and for the community at large" (safe drinking water, sanitation, public transport and health, education and cultural facilities). This can be criticized on at least the ground: the strict borderline between private and public, the allocation of satisfiers (for they are not needs) to these spheres, and the usual neglect of non-material needs.

6. "Unto this last" as it is expressed in the Bible, and used in the title of the famous book by John Ruskin that paled such an important role for Mohandas K. Gandhi.

7. Thus, there is nothing in the basic needs approach as such that limits the concerns of a society to the satisfaction of the basic needs, and certainly not at a minimum level. The basic needs approach as such is not ascetic or even puritanical; all that is asserted is in terms of priorities - first, meet the basic needs of those most in need (assuming that the others already have their basic needs met), then engage in the pursuit of other needs if that is wanted. The basic theoretical and empirical question in connection with the BN approach has to do with the ordering of these pursuits in time: it looks as if a focus on non-basic needs will stand in the way of meeting basic needs; is the converse thesis also true? What about parallel pursuits?

8. The typical expression, heard in so many conferences, from Third world elites, would be: "Now the development assistance agencies come and insist that instead of using our funds for real development, they should be spent on the uplift of the rural poor. But we have been suffering for generations and can suffer one or two generations more if that is necessary". One answer to this, of course, is that he (it is rarely a she) who talks hardly suffers much - the suffering is left to innumerable small people planting rice with their feet in mud and water, under a scorching sun, exposed to diseases - and in doing so producing surplus.

9. This is developed in more detail in the second chapter of the paper quoted in footnote 1 above - "Poor Countries vs. Rich, Poor People vs. Rich: Whom will NIEO Benefit?"

10. This is a basic thesis in the important book by Frances Moore Lappé and Joseph Collins, Food First!, New York 1977 (also see their Diet for a Small Planet, Ballantine Books, 1975 (revised edition). "Hungry people can and will feed themselves, if they are allowed to do so. If people are not feeding themselves, you can be sure powerful obstacles are in the way. - - - the most fundamental constraint to food self-reliance is that the majority of the people are not themselves in control of the production process and, therefore, more and more frequently not even participate".

11. China has made use of this type of emphasis for many years, focussing on the satisfiers of basic needs, exchanging these satisfiers between agricultural and industrial sectors.

12. We are thinking of, for instance, trade surpluses (knowing that this is "surplus" in another sense of the word) and the surplus generated by people high up in the tertiary sector in the form of patent free, honorarie, bribes of some magnitude, etc.

13. The economic growth of the country as a whole, combined with information on the disposal of surplus, gives much information about the total situation. Thus, if economic growth is high it may compensate for divergence between elites and masses giving a slight uplift to the poor. And, conversely, if economic growth is very low a convergence between elites and masses may offer little comfort to the latter. Basic here, however, would be less primitive conceptions of "economic growth" than those embedded in GNP type concepts - more in the direction of basic needs satisfiers in physical terms.

14. We say "may", not "will": nobody is in a position to tell how it will affect the total world trade volume. Business Week, op.cit., talks in terms of "the intensifying competition for the slower-growing world trade pie, leading to an alarming rise in protectionism that is slowing world trade.

15. There is hardly any difference between petro-dollars and NIEO-dollars in general; the economics of the recycling should be about the same given the stabilities in intra- and international structures.

16. See Samir Amin, "Self-Reliance and the New International Economic Order", Monthly Review, July-August 1977, pp.1-21 for a brilliant analysis of this theme. A basic thesis of Amin: "The incredible resistance of the developed world to this reduction of the inequality of the international division of labor is evidence that the center, despite so many misleading speeches, cannot do without the pillage of the Third World. If that pillage were to stop, the centers would be forced to adjust to a new, less unequal international division of labor. Then, and only then, could we begin to speak of a genuine new world order, and no longer merely of new terms of the unequal international division of labor" (p.19).

17. And this constitutes a basis for a red-black alliance in the North, between those highly critical of many "developmentalist" regimes in the South because of the sharpness of the class contradictions, and those who want status quo in both intra- and international structures.

18. In the paper "Basic Needs: the British Position", circulated at the SID North-South Round Table in Rome 18-20 May 1978 it is stated that "the ILO is the multilateral agency which has been most heavily engaged on basic needs since drawing up the Declaration of Principles and Programme of Action for the World Employment Conference. The phrase "basic needs" was largely its invention". The last sentence is wrong; McNamara's speech was in 1972; as also in 1976 and 1977.

19. Thus, in the paper quoted in the preceding footnote, brought to my attention after this article was written, three of these arguments are referred to in a cogent passage: "First, a number of them see the espousal of basic needs by the developed countries as a tactic designed to divert attention away from other North-South dialogue issues, such as commodity reform and debt, to which they attach great importance. Second, some developing countries object to the interference in sensitive domestic political and economic issues which they believe the basic needs approach implies, and which conflicts with the demands in various North/South dialogue fora for automatic transfer of aid without conditions. Third, some countries object to "basic needs" as an anti-growth strategy". And the paper adds "Our minister tends to share this view".

20. For one very tentative summary of some of these shortcomings, see the paper by Johan Galtung and Monica Wemegah, "Overdevelopment and Alternative Ways of Life in Rich Countries", based on a workshop on this theme for the GPID Project of the UN University, and presented at the SID North-South Round Table in Rome, May 18-20, 1978.

21. In saying that "neo-colonialism" will come to an end what is meant is merely that the present form of economic penetration into the South, by the North, basing itself on transnational corporations, will come to an end. When sufficient amounts of capital goods have been transferred, and that may be soon, nationalization will take place. In the massive transfer of technology, however, the westernization of the South will continue unabated, perhaps even accelerating, under local administration.

22. For an analysis of this, see Johan Galtung and Anders Wirak, "On the Relationship Between Needs and Basic Rights", UNESCO, June 19-23 1978.

23. As indicated above, there may be a rapid transition from the present phase of relocation of industries to such countries as los cuatro Japoncitos (South Korea, Taiwan, Hong Kong, Singapore) and Brasil/México and factual ownership by the local bourgeoisies in these countries through nationalization/expropriation. But even today the figures quoted in footnote 3 above show clearly in what direction world production is moving.

24. Thus, the poor may be well worth investing in, as can be seen by examining the products for sale in the poorest sections of the poor countries of the world.

25. If the monetized approach also implies the market approach under non-monopolistic conditions, then there will tend to be several brands for the same generic category, eg. of medicine. To secure differentiation trademarks become essential. For one analysis see "The International Trademark System and the Developing Countries" by Peter O'Brien, in IDEA, The Journal of Law and Technology, 1978, pp.89-122.

26. The diversity in clothing among the lower 10% in capitalist countries as opposed to such countries as the Soviet Union and China (and not only for the lower 10% where these countries are concerned) constitute good examples of this. For the top elites there will almost always be a choice; maybe one of the oldest prerequisites of the elites.

27. In short, the prediction is that the interest in population control will decrease if Western economic penetration can be maintained or even increased.

28. See Johan Galtung, Development, Environment and Technology, UNCTAD, Geneva, 1978; particularly the beginning of chapter 2.

29. With the change of leadership and general course of action, and more particularly with the emphasis on more capital intensive technology one relatively safe prediction is that the people's communes are going to be abolished, eg. in favor of big state farms.

30. See the article by Norman Macrae et al., "Three people's China", The Economist, December 31, 1978 : "Every aspect of world economics and politics will be transformed if these educated new Chinese in the 1990s attain a level of productivity and income even approximately in accord with their ability, and hell knows what will happen if they don't" (p.13).

31. See Johan Galtung, "Military Formations and Social Formations: A Structural Analysis", Papers, Chair in Conflict and Peace Research, University of Oslo, No. 60.

32. In the paper stating the UK position (above - footnotes 18,19) this is stated very clearly: "Since our experience, and that of other donors who are trying to direct more aid towards the poor, suggests that there is a risk that at least initially rates of disbursement may fall, we will need to continue to finance other projects which are economically sound and to which developing countries attach priority if we are to disburse the UK aid programme as fully and effectively as possible". An understandable position, but it also smells of too much money in search of sufficiently capital-intensive projects to fill the quota - perhaps particularly toward the end of the budget year - whether it helps people or not. It is also sad to see a serious document referring to "developing countries" attaching priorities - these are so obviously special groups inside these countries. Why not at least say "delegates from developing countries", also avoiding the euphemism "representative".

33. Many peoples have played this role in Western thinking: the "barbarians" of the Greeks and the Romans; the "hordes", usually yellow and not only of Attila the Hun; the Turks; the communists; and now the Third world - all of them out to get "our" riches!

34. Historically, the unseating of Indira Gandhi may come to be seen as the first conscious move against such tactics.

35. See Johan Galtung "A Structural Theory of Revolutions", Essays in Peace Research, Vol. III, pp.268-314 - Ejlert, Copenhagen, 1978.

36. The problematique of the welfare state in the rich countries has to do with this: basic material needs can be satisfied within the framework of a top-heavy society; needs for identity and freedom in a broad sense not. Hence the great paradox : as somatic health improves, as witnessed by measures of longevity, mental health seems to deteriorate.

37. As an intergovernmental machinery the UN will be capable of articulating issues located at the level between and among governments, but be very poor at articulating intra-national issues - the latter will be overshadowed, even mystified by the former. Hence, there will not only be a focus on the shallow interpretations (for the non-material needs reflect much deeper intranational issues), but also on NIEO at the expense of any BN approach since the machinery is so much better at issues of international than intranational justice.

38. The location of them all in Geneva would certainly facilitate this, also bringing WHO into this picture, particularly its Office of Mental Health.

39. See Johan Galtung and Anders Wirak, Human Needs, Human Rights and the Theory of Development, UNESCO, Division of Social Sciences, 1977.

40. For a tentative definition of these four needs-areas, see Johan Galtung "The Basic Needs Approach" for the GPID/IIUG workshop on Needs, Berlin May 1978.

41. See Johan Galtung, Roy Preiswerk, Peter O'Brien eds., Self-Reliance, Georgi, St. Saphorin, 1978.

42. This, of course, is the reason why the most promising such entities often have an ethnic identity so that national liberation can be combined with the struggle for local or even national self-reliance depending on whether the struggle is for a multi- or uni-national state.

43. Thus, the sarvodaya movement in Sri Lanka has contact with villages in 16 countries in the world.

44. At this point some new formulas building on the old concepts of federalist thought will have to be invented.

45. André Gunder Frank, in an interview in Dritte Welt, Nov. 1976, suggests that we are now in the expert substitution phase, meaning by that that some Third world countries (same as in footnote 23 above) produce for a world market cheap consumer goods, cheap because of the combination of cheap labor with high labor productivity. (This corresponds well to Dale Jorgenson's thesis that after 1973 the productivity of capital has been reduced relative to labor, benefitting countries with cheap but also well trained labor - but not necessarily benefitting those workers as US economists tend to forget). This is hardly UN policy.

46. For some suggestions, see P. Streeten, "Basic Needs and the NIEO : must there be a Conflict ?", Report - World Bank, March-April 1978, p.3.