

**ING BASIC HUMAN NEEDS:
The U.S. Stake in
A New Development Strategy**

**A Report of the 25th Anniversary
International Development Conference
February 7-9, 1978 Washington, D.C.**

THE WHITE HOUSE

WASHINGTON

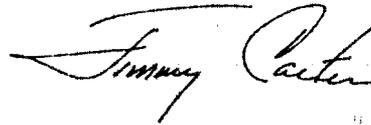
February 7, 1978

The diversity of the participants in this Twenty-Fifth Annual Meeting of the International Development Conference—and the range of issues you will be discussing—graphically demonstrate to all Americans the importance of our relations with the people of developing nations who comprise most of the world's growing population. Their quest for a decent life is central, not only to their future, but to our own.

Our concern for those less fortunate than ourselves is deeply rooted in our founding principles and values as a nation. For more than a generation, we have expressed this concern through private and public programs to alleviate hunger and poverty. No one provided finer leadership in this task than the man you honor this evening—Hubert Humphrey. There could be no greater tribute to him than our own rededication at this time to this cause.

Senator Humphrey understood that in helping the poorest countries abroad, we help ourselves. In an interdependent world, these nations are increasingly important to the economic well-being of every American. Without their participation, we cannot make progress on such global issues as the rational development of the world's resources, protection of the environment, nuclear non-proliferation, limitation of conventional arms sales, and insurance of human rights.

We must continue to design sound and effective development policies that will reach the world's poor, addressing their most urgent daily needs while furthering their opportunities for a more satisfying future. To this end, I pledge the efforts of my Administration and applaud the valuable commitment of those attending these sessions.

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned below the main body of text.

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Introduction

The U.S. stake in a development process oriented toward meeting basic human needs constituted the major theme for this 25th anniversary meeting of the International Development Conference (IDC). It was a theme with many variations, reflecting the diversity of background and points of view of the speakers and of the participants. The Conference explored critical current questions about basic human needs strategy, the proposal for a new international economic order, human rights as a prerequisite for aid, the relation of U.S. policies to economic growth of the developing countries and to the health of our own economy, and the organization of the U.S. government for development.

John A. Hannah, Executive Director of the World Food Council and a former AID Administrator, was chairman of the first IDC Conference in 1952 and returned to preside as chairman of the 25th anniversary dinner. He traced the history of the U.S. aid program and of the IDC from their respective beginnings in the Point Four program of President Truman. He recalled that President Truman, as the keynote speaker of the first IDC Conference, posed the challenge for the U.S. by his message: "In this century, scientific progress has brought us to the point where mankind, for the first time in human history, can wipe poverty and ignorance and human misery clean off the face of the earth. . . . We want to help the people. . . . We want them to learn the methods of our science and our industry and use these methods to develop their own resources."

The 25th anniversary Conference took place, as our keynote speaker, AID Administrator John J. Gilligan, pointed out, "at a critical time in the history of our efforts to improve the economic and social well-being of people all over the world . . . at a time when we are attempting to redefine our national commitments to this undertaking . . . when the Administration is strengthening its programs . . . when important Congressional leaders have taken the initiative in reorganizing our foreign assistance efforts. . . ."

Twenty-five years ago, it was assumed that economic growth in the developing world would proceed along the lines of the industrialization in the West (now North) and that the increased output would increasingly benefit all the people. Growth did indeed take place at a rate that has no precedent in history, not only in the economic sphere but also in the social sphere. But as a result of the marked decline in death rates resulting from improved economic conditions, more people were added

to the population of the developing world during this twenty-five year period than the present total population in the developed world. However, despite this economic growth, today hundreds of millions of people in the developing world are still poor, too poor either to contribute to the development of their country or to share in its benefits.

After twenty-five years of thinking on development strategy, we have learned that growth itself is not sufficient to assure equitable distribution of its benefits. Further, there is no one pathway for social and economic development; account must be taken of cultural, national and environmental settings. There is increasing acceptance of the human factor and of the need for popular participation in the development process. National governments must plan for the provision of services and opportunities at initial costs that they can meet with the help of the international community, and at recurring costs that they will be able to bear on their own in the long run. There is also increasing acceptance of alternative development strategies that place greater emphasis on rural development, increased food production, increased employment, more opportunities for women, and sound population policies designed to bring birthrates rapidly into balance with lowered death rates. Sound development strategy must give more attention to meeting the basic needs for a truly human existence and a human community for all people, hopefully by the end of this century.

The United States also has an increasingly important stake in development. First, there is less and less demarcation between domestic and foreign economic issues as the area of interdependence between the developing and developed countries continues to increase. The rich countries are increasingly dependent on the poor countries both for their supplies and for their markets. As a result, employment and inflation depend not only on what we do in the United States and in other developed countries but also on the employment, production, income and trade of the developing countries. Conversely, a strong economy in the United States and other developed countries with full employment and reasonable price stability is critical for further social and economic progress in the developing world.

Second, the trend toward increasing interdependence between rich and poor countries will accelerate dramatically over the next few decades. Therefore, interdependence must be seen in a long run, dynamic world setting where change is the rule and structural adjustments are required to deal with elements of unfairness in the current treatment of developing countries. Since there is no pre-established harmony of interests among groups, sectors and nations, some interests are bound to suffer as these changes take place, but this does not entail the total and immediate re-structuring of the present system. The task of political

statesmanship is to recognize the changing, plural and sometimes conflicting interests and to manage their resolution so that overall, and in the long run, equality of opportunity are promoted within and among nations, resulting in mutual gains and a marked sustainable improvement in the human condition worldwide.

What had been originally planned as a celebration of the 25th anniversary of the IDC became also a memorial to Senator Hubert H. Humphrey, who played a major role in formulating new directions for U.S. development strategy. Humphrey was a long time friend of the IDC and honorary Co-Chairman of this Conference with Senator Jacob K. Javits. Just before the Conference, a bill, which was Humphrey's last major legislative initiative, was introduced into the Senate, the International Development Cooperation Act of 1978, designed to give high priority in U.S. foreign policy to Third World development and for this purpose, to combine the disparate U.S. agencies engaged in development assistance into one new independent agency whose head would report directly to the President. In his tribute to the late Senator at the anniversary dinner, Javits recalled a lifetime spent in the Senate with Humphrey and his dedication to the cause of a better world. Javits expressed his support for the Humphrey bill as did Governor Gilligan, Senator Clark and other speakers in other sessions of the Conference.

Senator Humphrey was also honored by the Latin American Confederation of Credit Unions (COLAC), whose President, Rocael Garcia, presented a wooden bust of the Senator, hand-carved by an Ecuadorian artisan, to Mrs. Frances Howard, the Senator's sister. The bust will be on permanent display at the Humphrey Institute at the University of Minnesota. Mr. Garcia expressed the appreciation of two million credit union members in seventeen Latin American countries for Senator Humphrey's support of the "national credit movement" which helps people to help themselves. It was the Humphrey amendment to the Foreign Assistance Act of 1961, which allowed the U.S. AID to allocate funding "to encourage the development and use of credit unions."

Two developments since the Conference suggest that U.S. development policy is one of the least popular, most misunderstood and poorly-organized aspects of U.S. foreign policy at a time when our relations with the developing world and the U.S. stake in a new development strategy are assuming new importance.

Despite its initial momentum, there is now no possibility that the Humphrey Bill will be considered in this session. The Administration has made an effort to establish procedures for stronger inter-agency coordination of foreign aid, but these go only part of the way toward the larger objectives of Humphrey's comprehensive plan. Under these procedures, the Administrator of AID is intended to serve as the President's and

Secretary of State's adviser on development programs and policy, to be the executive branch's principal spokesman on development assistance, and to have a voice in all economic decisions having a major impact on developing countries.

More serious is the impact of California's Proposition 13. Partly as a result of Proposition 13, the members of the House of Representatives, who are all up for re-election this year, have made sharp across-the-board cuts in the appropriations for various domestic programs. Even more severe cuts in the Foreign Aid Budget are likely. Without adequate funding for development assistance activities, the developing countries would have much less hope of improving the conditions of life for their people, and the United States would have considerably less influence in promoting U.S. and global interests in an increasingly turbulent world.

This can be better understood by considering the long range U.S. interests in development in light of population growth projections. World population today is 4 billion, of which roughly three-quarters is in the developing world. At the current global rate of growth of just under two percent, the world's population would double again soon after the turn of this century, with 90 percent of the population living in poor countries.

The pace of world population growth is at last slackening and birth-rates are beginning to fall dramatically in many countries of the developing world, due in part to the increasing effectiveness of population programs in many countries, and in part to the effects of the development process itself. Nevertheless, rapid population growth in the developing countries is by no means over, and world population is still likely to grow, under the best circumstances, to about six billion by the turn of the century and to continue increasing thereafter.

Unless far-reaching measures, including expanded development assistance, are taken to increase global output and improve the distribution of income among and within countries, we can anticipate that population pressure will lead to postponement of economic development with massive unemployment and underemployment, weakening of administrative and social structures, frustration of the hope of hundreds of millions of people, the danger of totalitarian dictatorships, the suppression of human rights and even threats to international peace that could directly affect the United States. This clearly is not the time to cut back development assistance.

Finally, this Conference involved the time and talents of so many persons that it would be difficult to mention them all. I would like to acknowledge, however, the work of our dynamic and creative Program Committee; the hard-working Arrangements, Public Relations and Finance Committees; our Officers; the student Rapporteurs; and the Conference Director and staff responsible for coordinating the Conference. A

special appreciation goes to the Population Crisis Committee for their extraordinary support of the Conference in many ways and to the Global Projects Office of the Credit Union National Association for their contributions of office space and facilities.

A warm word of thanks to the many speakers and participants who braved the severe East Coast storm and surmounted extraordinary transportation difficulties to attend the Conference. In spite of the weather, about 900 people, representing a broad spectrum of American life, took part. They came from almost 300 organizations and institutions including educational and religious groups; agricultural, business and cooperative organizations; labor unions; law firms and consulting firms; national membership organizations and professional associations; international development, research and public information groups; colleges and universities; United Nations agencies and Embassies; and U.S. government agencies. The fact that the participants were from 60 cities in 27 states confirmed our expectation that this was indeed a national Conference.

The stimulating and often exciting and inspiring discussions, summarized in this report, will contribute, we hope, to greater understanding of the issues in the continuing debate on foreign assistance and to public support of an increased U.S. role in this effort. But this goal can only be achieved by continuous education and commitment of concerned citizens. National policy in such critical areas as Vietnam and the environment was the successful result of initiatives by informed private citizens against establishment views. In the same way, we hope to realize a greater U.S. commitment to Third World development and to the conquest of world poverty by the end of this century.

The IDC, since 1952, has served as a vital platform for U.S. organizations and individuals concerned with raising living standards and fostering economic and social progress in the developing world. Today, after twenty-five years, we renew our commitment to these concerns.

Lawrence R. Kegan
Chairman

August 1978

Changing Views on Development Strategy

Practitioners in the development field have long thought that a strategy aimed at economic growth and industrialization was the best way to meet the needs of the Third World. Questions have been raised, however, as to whether this strategy has worked and whether it has actually benefitted the vast majority of poor people in the developing countries. For this reason, there has been increasing interest in an approach which gives priority to more directly meeting basic human needs (BHN). For example, in 1973, the U.S. Congress directed that foreign assistance resources should be concentrated in areas which contribute directly to this purpose, such as food and nutrition, basic education, health-care, family planning and jobs. In 1976, the World Employment Conference endorsed a basic needs strategy for development, and in 1977 the President of the World Bank urged that more of the benefits of economic growth be channeled towards helping the poor meet their basic human needs.

While participants in the 25th anniversary International Development Conference agreed on the importance of continuing U.S. aid at the highest possible levels, there was considerable discussion as to what extent development assistance should be redirected to give priority to meeting the basic human needs of the poorest and to what extent it should continue to be directed primarily toward economic growth.

Redesigning Development Strategy

The basic lessons we have learned from over 25 years of experience with development assistance were outlined by Lester E. Gordon, Director of the Harvard Institute for International Development. Development has worked; the aggregate rate of economic growth in the developing world has surpassed the performance of Western nations, even in their fastest growth periods, Gordon said. There has been an unprecedented and sustained increase in food production, and health and general living conditions have improved for the average person. Despite this strong performance, however, half the people in the lowest income countries and about 20% of the population in the middle income developing countries still live in absolute poverty. In the long run, this poverty cannot be eliminated without growth and social progress.

There are two possible approaches to alleviate the worst aspects of poverty, according to Gordon. The first consists of measures to broaden productive employment opportunities, such as relatively equitable distribution of land and the construction of irrigation, roads, electrification and other economic infrastructure, using labor-intensive methods wher-

ever possible. It calls for access by the small farmer or businessman to credit, fertilizer, seeds, tools and other productive inputs; and it requires a pricing system that does not artificially favor capital over labor. The second approach would alleviate human misery directly through provision of basic services and commodities to the poor. It would have the government expand potable water systems, health services, food, shelter and the like for targeted low income populations.

U.S. policies must reflect what Americans regard as right and feasible, but ultimately the choice of strategy belongs to the developing countries themselves. By preserving independence of decision and clarity of responsibility for each party, collaborative effort should be possible. Gordon believes that a top priority for U.S. development assistance should be to strengthen institutional capabilities within developing countries to design technological solutions appropriate to their own conditions. Aid givers can help introduce new technologies, develop institutions, train people, and make capital available, but without the continuous development of new knowledge within the developing countries themselves, such assistance may have little impact.

How much development assistance should the United States give? Substantially more than at present, in Gordon's view. Practical economic considerations as well as ethical principles argue that the U.S. stake lies in fostering broad-based growth throughout the developing world. In summarizing, Gordon made a number of points to guide U.S. thinking about the design of a new development strategy to meet basic human needs:

- Support of basic human needs should be treated as a shift in emphasis, not a new strategy.
- Evolution of programs toward increased emphasis on rural areas is probably the most significant shift that can be made to meet basic human needs. Within rural areas, rising production of foods will normally have the broadest positive effect.
- Greater attention to the needs of the poor is ultimately each nation's own responsibility. A shift in emphasis toward the poor will frequently require internal reforms that many governments will be unwilling or unable to undertake. Whether and how foreign assistance might affect this process of domestic change should be a critical consideration in allocating assistance funds.
- By restricting its assistance to projects which affect the poor directly, the United States would risk providing only temporary help to a smaller number of poor people than would otherwise be reached. The poor are part of an interdependent economy, and any assistance program which ignores their indirect requirements is headed for failure unless these needs are met otherwise. An effec-

tive approach to basic human needs calls for flexible aid policies and instruments.

- Programs to expand the delivery of services for the direct satisfaction of basic human needs, as opposed to those which do so by raising incomes and increasing the number of jobs, use resources that could be employed in more immediately productive ways. This trade-off should not be ignored.
- Finally, greater emphasis on the direct satisfaction of basic human needs might well start with revision of existing programs to make them more effective. Expansion of the kinds of education, health, and other social programs now underway in the developing countries is likely to help the poor only marginally. The challenge is to develop low cost delivery systems that will meet the needs of substantially more people with any given amount of funds. This will entail continuing research and experimentation along the lines encouraged by the Congress in its New Directions legislation.

Reaching the Poorest: Food and Jobs

John Mellor, Director of the International Food Policy Research Institute, also stressed that a basic human needs strategy must be growth oriented, and would require a tremendous infusion of resources, including increased foreign assistance as well as greater mobilization of productive resources in the developing countries themselves. He pointed out that while the United States is only now beginning to focus attention on the needs of the poor majorities in developing countries, political leadership in most of these countries has explicitly noted these needs from the very beginning of the post-colonial period.

By the mid-1960's, however, it was becoming clear that in much of the developing world, economic growth was proceeding more slowly than had been expected, thereby greatly postponing the time when consumption of low income people could be increased as a product of growth. Concurrently, United States foreign assistance began its sharp decline to half its former level, further postponing help to the poor through growth. It was also recognized that the specific short run measures for dealing with the needs of the poor, such as community development programs, social organization, and special adult literacy programs, were not meeting the need. That spurred the search for an alternative or modified strategy of growth which placed more direct emphasis on employment, on agriculture, and on improving the lot of the poor.

Several dilemmas face aid givers in trying to design programs which will reach the poor more directly:

First, the self-interest of local rural elites often does not lie with a shift in the power structure toward the poor and disadvantaged. Thus, while

decentralization would be desirable, it may be necessary to retain considerable power in the hands of central government bureaucracies in order to have the interests of the poor explicitly considered.

Second, too little is yet known about the poor and how their needs for nutrition, health care, and education can best be met. Institutional structures which have worked in the United States do not necessarily succeed in foreign contexts.

Third, the financial costs and physical resource needs for the social services of a BHN approach are so immense that they must, in large part, be raised locally. This entails the problem of organizing village people to tax themselves and to direct a portion of the benefits to the poorest and least represented. Responsibility for accomplishing this is largely beyond the capacity of foreign assistance programs.

Despite these difficulties, in certain instances such as the People's Republic of China, Sri Lanka and the Punjab region of India, widespread meeting of basic human needs has been achieved. Mellor noted, however, that the patterns and rates of economic growth in these instances vary considerably, as does the degree to which civil rights have been preserved. These cases teach us that a basic needs strategy of growth must emphasize two features: increased production of food, and increased employment. The first is needed because food is itself the underlying basic human need. The lower forty percent of Third World populations is deficient in energy intake. The health, and even the literacy of these people cannot be improved while they are inadequately fed. If the poor are to have enough food, their incomes must rise. Thus, employment is also crucial.

High rates of growth in food production require technological advance and physical infrastructure. As agriculture modernizes and productivity increases, more and more new jobs will have to be found in relatively labor intensive industries which supply inputs to agriculture and consumer goods to laborers with growing incomes. If the United States is to be effective in assisting the world's poor in meeting their basic needs, it must make political and financial commitments commensurate with this goal, Mellor concluded.

Setting Target Goals for the Year 2000

James P. Grant, President of the Overseas Development Council, agreed that basic needs objectives should be given greater weight rather than absolute priority in relation to growth in output. He urged, however, that the United States and the United Nations explicitly adopt the goal of achieving satisfaction of most basic human needs by the year 2000. Grant suggested as one measure of success the standards recommended in the report of the Tinbergen Group, *Reshaping the Interna-*

tional Order, which calls for “attainment of the following national objectives for all countries by the end of this century: life expectancy, 65 years or more (compared to 48 in the low income countries); literacy rate, at least 75% (compared to 33%); infant mortality, 50 or less per thousand births (compared to 125); and a birth rate of 25 or less per thousand population (compared with 40 now)”.

Grant also argued for goals of doubling food production in the poorer countries and doubling per capita income in each country by the year 2000, thus graduating most low income countries into the lower middle income group of nations, and greatly reducing or even possibly eliminating their need for continued large scale assistance. He noted that increased international cooperation will almost certainly be essential if the low income countries are to attain these targets and, moreover, that the effective implementation of this proposal should have a beneficial impact on inflation, employment, and growth of output in the industrial democracies.

Answering Misconceptions about the BHN Approach

Paul Streeten, Director of the Institute of Commonwealth Studies at Oxford University, supported the view that a strategy of strengthening programs to meet basic human needs could prove more effective than the indirect, growth-oriented approach. In his view, provision of social services, as well as being desirable in its own right, could be an investment in human capital with a high payoff in the long run, both through raising labor productivity and through reducing fertility rates.

However, he noted that developing countries are apprehensive of the basic needs approach because they fear it may delay modernization and growth, conflict with the New International Economic Order (NIEO), and lead to interference with sovereignty of governments. There are also concerns that the basic needs approach may simply be a cop-out, permitting donor countries to reduce foreign assistance under the guise of redirecting it to the needy.

These fears are based on misconceptions, Streeten asserted. Basic needs define the goal but in no way imply that the means are to be neglected. Although there is a welfare component in BHN, it is entirely consistent with investment, industrialization and economic growth. However, this growth would be differently composed and distributed than in the past. The basic needs approach itself has two important productivity-raising consequences: first, it helps to create a well-nourished, healthy, educated, skilled labor force which is efficient and motivated; second, it attacks some of the most important “correlates of fertility decline”, such as women’s education and infant mortality and health.

Nor is meeting basic needs necessarily in conflict with the NIEO, in Streeten's view. It is true that the NIEO aims at revising the rules of international economic relations so as to provide more equal opportunities to all countries, whereas basic needs is concerned with the needs of individuals; that the NIEO deals with issues such as commodity price supports, debt relief, trade liberalization and technology transfer, while basic needs deals with food, water, health, education, and shelter; that the NIEO aims at general transfers of resources while basic needs aims directly at alleviating the deprivation of particular groups. These differences, according to Streeten, point up the need to advance on both fronts simultaneously, since the purpose of the NIEO is to ensure that the ultimate impact of the whole range of countries' policies is consistent with meeting basic human needs.

The resources required for meeting basic human needs are larger, not smaller, than those required for more conventional objectives. Aid donors, instead of imposing conditions on recipient governments, could select for additional assistance those countries that are willing or eager to meet the basic needs of their people. The essence of the basic needs approach, Streeten concluded, is that it enables countries to achieve a top priority objective sooner, and with fewer resources, than if they relied on the circuitous route of raising incomes.

The Poverty of People and the Poverty of Nations

Ever since the U.N. Declaration on the Establishment of a New Economic Order in 1974, proposals relating to structural reform have been the subject of discussions and negotiations inside and outside of the U.N. system. The specific elements in the U.N. Declaration—trade liberalization, stabilization of commodity markets, access to modern technology, debt forgiveness and increased resource transfers—are not new to the international community. But the developing countries now seek a larger role in the resolution of these issues and a greater degree of economic self-reliance than they have had in the past.

The resurgent interest in the basic human needs approach to development has evoked numerous objections from many advocates of a New International Economic Order. BHN strategies, they point out, side-step the need for new commodity and trading agreements, new investment policies and new international agreements governing such complex areas as the "law of the sea."

Third World speakers, at this Conference, discussed the relationship of NIEO to BHN. Most speakers expressed the view that the two perspectives are not necessarily in conflict, but in fact may be complementary. Their discussion centered on the relationship of meeting

basic needs and reshaping the international economic order, and the best ways for dealing with the internal and external issues involved.

Mahbub ul Haq, Director of Policy Planning and Program Review at the World Bank, presented the case for the primacy of meeting basic human needs. Donald O. Mills, Ambassador of Jamaica to the U.N., President of the U.N. Economic and Social Council and Chairman of the "Group of 77"; Bagicha S. Minhas of The Johns Hopkins University; and Juan Somavia, Executive Director of the Latin American Institute for Transnational Studies, placed primary emphasis on structural reform and economic growth in order to meet basic human needs.

Mr. Haq, who was formerly chief economic adviser to the government of Pakistan, argued that meeting basic human needs is only one aspect of economic development, but that it constitutes a priority aspect of the establishment of any new economic relationship between North and South. "Strategies for meeting basic human needs are concerned with the poverty of people," Haq stressed, "while the NIEO is concerned with the poverty of nations. There must be a link between equality of opportunity internally and internationally." The Third World's conception of the NIEO, according to Haq, stresses equality of opportunity, rather than equality of income, with the aim of removing systematic discrimination in the international order. Third World intellectuals reject the idea of trying to catch up with the developed West. The Third World is not simply seeking concessions, but a way to graduate from hopeless dependency to equal partnership and creative self-reliance.

In mustering global resources for development, Haq said, the BHN challenge is an "absolute first priority especially for the poorest countries. . . . The lack of access to shelter, health care, and education affects children most; thus a whole generation is wasted. Satisfying basic human needs is not charity but a prudent investment in the future of society. BHN strategies focus on the hard core of absolute poverty. They do not deny economic growth, which is necessary to fulfill these needs. Such strategies involve a redefinition of economic development, a focus on the ends of development rather than the means."

In order to attain these ends, North and South must seek areas of mutual interest in the international agenda, because it is in these "uniting areas" that breakthroughs will occur. The challenge is to find these areas and Haq suggested several:

- the liberalization of trade and migration policies;
- the geographical redistribution of industry to allow for greater efficiency all over the world;
- a "social contract" between LDCs and multinational corporations wherein host nations would be guaranteed greater shares of the profits and more protection for their labor pools while the MNCs

would obtain longer term security for their investments;

- increased access to knowledge and technology.

In all these areas, short term costs are involved, as such changes require economic and political restructuring and are, therefore, opposed by established interests. However, in the long run, they will greatly increase world equity and efficiency, Haq said, just as the Marshall Plan involved adjustment costs for the U.S., but resulted in shared prosperity for Europe and America.

The World Bank has estimated that a concerted twenty-year effort aimed at meeting basic needs of the abject poor would cost \$30 to \$40 billion a year for capital expenditures and recurring costs. Such a goal might be achievable, Haq suggested, if it is a shared target with North and South each contributing half. This \$15 to \$20 billion per year would constitute only .35% of the GNP of developed countries. The developing countries would have to make internal adjustments to finance the other half.

Summing up, Mahbub ul Haq asserted that there is no conflict between basic human needs and the New International Economic Order. A NIEO without attention to basic human needs would be counterproductive, and BHN must be seen within the perspective of a world restructured both domestically and internationally. There must be a "global compact" to liberate the poorest one billion persons from absolute poverty with the ultimate objective the elimination of the need for foreign assistance.

Structural Reform as the Key to BHN

Expressing full agreement with the objective of eradicating absolute poverty, Juan Somavia asked, ". . . how can anyone—except the most conservative sectors—really oppose such an aspiration? What justification can there be to deny the poor in the Third World their share in the right to food, education, health, shelter and adequate public services together with the employment necessary to make access to these needs possible?" However, the real crux of the basic human needs discussion, Somavia and other Third World spokesmen emphasized, is how to go about it. What are the best methods of meeting basic human needs?

The original Third World approach, as Somavia characterized it, is a structural one. Reports and conferences such as the Cocoyoc Declaration, the 1975 Dag Hammarskjold Report, and statements of the Third World Forum have linked the meeting of basic human needs to "another development," that is, to a fundamental change in development goals, stressing self-reliance, indigenous technology and environmental considerations. While economic growth with expansion of productive capacities and trading opportunities is essential to achieve these ends, it

is only part of the picture. In Somavia's view, the basic needs approach is fundamentally a political issue requiring major structural reforms in most Third World countries "to make possible a democratization of the power structure and to allow a generalized social participation." Somavia asserted that the satisfaction of basic human needs is incompatible with authoritarian regimes which deny human rights as well as material needs.

Dr. Minhas pointed out that, in view of the conditions in most of the Third World countries, basic needs, though an important aspect, cannot be the central concept around which development strategies can be organized. The focal point must be the improvement of the capacities of the poorest to earn a living through the expansion of employment opportunities and measures such as land reform and other programs of resource transfers. The major challenge, he asserted, is to accelerate the rate of growth, particularly of agriculture, and to ensure that benefits are distributed far more evenly than in the past.

Changing Perceptions of the Growth Process

One recurring note struck by almost all Third World speakers was the metamorphosis that has occurred in the 1970's vis-à-vis development strategies. Immediately following World War II, international attention was riveted on post war European economic reconstruction. It was only with the dismantling of the colonial institutions in the 1950's and 1960's, and with the growth of Third World participation in international institutions (U.N. membership grew, for example, from 51 members in 1945 to 149 today—most of them LDCs) that world concern focused more and more on the problems of underdevelopment, poverty, and international economic relations. The amounts and kinds of foreign assistance that had been funneled from the industrialized to the less developed countries came under critical scrutiny by the late 1960's. Many of the trickle-down economic theories of aid and investment simply did not work for the majority of people living in the LDCs.

In the 1970's, the developing countries organized into groups such as the Non-Aligned Movement and the Group of 77; they did so, as Ambassador Mills expressed it, because "they came to the realization that they were caught in a trap, created in large part out of historical circumstances, relating to the manner in which colonial relationships had expressed themselves in economic terms. They realized, in short, that they were operating in such matters as trade, investment and other activities within an international economic system that was created for and geared to the interests of one category of countries and that the structure and manner of operation of that system would have to be changed in order to accommodate the interests of all countries." The

discussions of the New International Economic Order mark a watershed in the history of relations between the industrialized nations and the LDCs, and some of the LDC demands have begun to attract a large audience in the Western and OECD Nations.

A Call for Commitment

Repeatedly, Third World spokesmen like Ambassador Mills, Mr. Somavia, and Dr. Minhas, stressed the need for meeting the basic human needs of the poorest majority within the framework of broad international economic structural reform. A BHN development strategy must not, they warned, serve as a substitute for global economic restructuring. Another aspect of Third World skepticism about the BHN emphasis by certain industrialized, aid giving nations is the fear that it raises very high expectations which simply cannot be met in the short run. A concerted strategy by the donor nations and the multinational financial machinery to wipe out abject poverty would require not only some radical internal changes in the developing societies; it would require an unprecedented, massive capital infusion through aid and concessional loans. However, the fact is, as every one of the Third World speakers noted, that a general retrenchment in the giving of foreign assistance has occurred throughout the industrialized world.

"If the rhetoric of 'Basic Human Needs' helps to instill a new resolve in the rich countries," Dr. Minhas stated, ". . . and provides more aid for the development of the poor, it will have to be rated a big plus for the new rhetoric. Nonetheless, the danger that needs to be avoided is that the benefits of additional assistance are not more than wiped out by the protectionist hand of the same rich countries." Nor must the enormity of the job of meeting basic human needs financially and otherwise be permitted to discourage citizens of the industrialized nations and make them hopelessly pessimistic about human conditions in the Third World, these speakers warned.

The Role of UNDP

Understanding for Third World views and an attempt to reconcile developing country concerns with the new emphasis on the poorest of the poor was expressed by two speakers from within the U.N. system: Bradford Morse, Administrator of the United Nations Development Programme; and Sir Richard King, Executive Secretary of the Development Committee of the World Bank and the International Monetary Fund.

UNDP is perhaps unique in allowing developing countries to set their own priorities for U.N. assistance. Typically, UNDP-supported programs, as requested by the governments themselves, contain many elements addressing basic human needs. On the other hand, Mr. Morse said, there

is a strong demand for sophisticated technology which is not indigenously available. Thus, there is a balance in the kinds of activities the UNDP is asked to support by its developing country partners. These fall roughly into three categories:

- traditional programs to promote exports, to improve public administration, to strengthen national and sectoral planning mechanisms or to provide agricultural extension services and other infrastructure support;
- requests which require strict political objectivity, e.g. projects to strengthen a developing country's negotiating skills in dealing with foreign trade and services, purchase of foreign equipment, transnational corporations or even external development agencies;
- basic human needs projects aimed at supplying adequate food, shelter, and clothing and such essential community services as safe drinking water, sanitation, public transport and health and education facilities.

Mr. Morse reiterated that any program designed to meet basic needs must be pursued cautiously with consideration for all the operational difficulties involved. Attention must be paid to the developing country's concerns for attaining global equity as well as meeting domestic human needs. A balanced realistic mix of resources is necessary for the development effort. Capital alone without managerial, organizational, and technological inputs is often ineffective. Morse quoted the late Senator Humphrey: "Dollars are not enough; they are spent and gone. Supplies are used up and equipment becomes obsolete. But education, knowledge and skills possessed by human beings are enduring."

Economic growth in the developing world has taken place at an impressive and unprecedented rate. While voicing concern that "development progress has not been shared equally by all sectors of society," Mr. Morse nevertheless expressed doubt about the contention that growth oriented development policies have bypassed the neediest. Since 1960, per capita GNP in the poorest countries has doubled, and World Bank statistics seem to support the general principle that "the richer each group of countries was in terms of GNP, the higher were its social indicators in terms of meeting basic human needs." For this reason, the UNDP has, over the five years of the current country programming cycle, allocated 80% of its planned country and intercountry resources to nations with per capita GNPs of under \$500.

Economic Growth and Basic Human Needs

The key to meeting basic human needs lies in a balanced steady economic growth for the LDCs, according to Sir Richard King. Growth is the necessary context for a policy of increased social services. "The

problem of absolute poverty to which the poorest one billion people are at present condemned is a vast and complex one. It would be a great mistake to claim that if only donors would concentrate their attention on these problems, absolute poverty could speedily be abolished. It can't. Nor will it be wise for donor agencies to go overboard on the new 'policy' by excluding all projects and other forms of assistance that could not be regarded as falling into the BHN sector. Not only do we as yet know too little about how precisely to go about a BHN policy, but at the end of the day BHN needs must fit into and become part of the larger perspective of balanced growth."

Sir Richard drew a careful distinction between the needs of the middle income LDCs with per capita incomes above \$265 per year and the poorest countries with per capita incomes under that figure.

In the case of the middle income LDCs, Sir Richard advocated increased access to capital in order for them to maintain a steady 6.8% or 4% per capita economic growth rate through 1985. The World Bank and the IMF estimate that, in order to achieve this growth, these countries will need an additional \$12 billion in net flows after trade earnings. Essentially this extra capital ought to come from three sources: (1) increased conventional lending from the multilateral development institutions; (2) increased private investment; and (3) increased borrowing from bond markets and private banks.

It is in the poorer category of LDCs—mostly in South Asia and sub-Saharan Africa—that the basic human needs problem is most pronounced. Fifty-seven percent of the population of the developing countries, excluding the People's Republic of China, lives in low income countries. And it is in these poorest countries that growth is most sluggish. At an annual growth rate of 1.7% per capita per year it will take fifty years to raise their income levels to \$300 per capita. In order to achieve even this modest rate of progress, these countries will need to triple their net capital inflows to \$10 billion by 1985, according to the IMF/World Bank estimates. Sir Richard postulated that these countries, unlike the middle income LDCs, must be able to count on substantially increased concessional aid, either from bilateral or multilateral sources, to meet these capital requirements.

The prospects for this increased flow of concessional aid are not promising, he said. Although the United Nations formally adopted an 0.7% target for concessional aid in 1968, the trend in such aid has been steadily downward. In 1965 the industrialized nations were providing the equivalent of 0.44% of their GNP's to concessional aid, but by 1976 this figure had dropped to 0.33%. The trend has been for the traditional donor nations like the U.S., the U.K., Germany, and France to give less and less of their GNP to concessional aid while the so-called newer donor nations

like Norway, the Netherlands, and Denmark have increased the percentage of GNP they provide to such aid; Sweden gives a remarkable .90% of its GNP for this purpose. The OPEC nations have also begun to make their presence felt in a substantial way and by 1976 they were providing 2.14% of GNP in concessional aid.

If the developing countries, especially the poorest group, are to achieve rates of growth which will permit them to pursue policies of meeting BHN, they will require considerably more aid from donor countries than they are currently getting. Furthermore, in Sir Richard's view, both multilateral and bilateral aid agencies will have to make a number of changes in their style and method of operations if they are to give increased emphasis to BHN-type projects. For example, they will have to work in closer cooperation with the developing country concerned, since policies should not be imposed from outside. Programs must be country-specific, taking into consideration the political, economic and social conditions and customs in a particular country. There must be increased emphasis on institution building in key areas such as agricultural and industrial extension services for low income producers. Sir Richard also suggested that aid programs promote the active participation of women in the development process, and noted that voluntary agencies and other non-government agencies have a particularly useful role to play in BHN-type of activities, where they often operate more effectively than donor governments.

Policy Issues for U.S. Development Assistance

Divergent Perspectives on the U.S. Stake

The Administration View

The U.S. stake in a new development strategy oriented toward meeting basic human needs was discussed by Administration officials, members of Congress, and representatives of labor, farmers, business and the public.

As chief spokesmen at the Conference for the Administration view on foreign aid, John J. Gilligan, Administrator of the Agency for International Development (AID) and C. Fred Bergsten, Assistant Secretary of the Treasury for International Affairs, emphasized the mutual economic interests of the U.S. and the developing countries, and took note of the dramatic change in our relationship over the last twenty years. Most Americans, Gilligan noted, do not know that they depend on the developing world for many critical resources including oil, tin, aluminum and copper, to name a few, and that the U.S. needs the developing world not only for these raw materials, but also as markets for our products. Our exports to developing countries are now greater than to Europe or Japan, having tripled over the last five years to almost \$30 billion, and they translate into millions of jobs for Americans. Moreover, almost half of U.S. direct investment overseas is in the Third World.

These facts, said Governor Gilligan, indicate that "our stake in the economic and social progress of the poor countries cannot be discussed apart from our national security and well-being. . . . We simply cannot afford to allow global problems of hunger, physical degradation and poverty to block the way of progress in economic and social development."

The fact that the U.S. spends 17 times more on military defense than on foreign economic aid illustrates the lack of awareness about the new relationship with developing countries, Gilligan said. Widespread ignorance about U.S. economic ties to developing countries is to blame for the U.S.' inadequate ability to respond to potential non-military threats. Gilligan warned that unless the U.S. mounts a serious attack on the massive problems plaguing the Third World, the situation "may soon be beyond our power to control. . . . The economic well being of the U.S., and the continued strengthening of individual freedom and liberty in our country, would surely be threatened, were the U.S. to be surrounded by a desperate, impoverished world," Gilligan concluded.

The policies of the Carter Administration toward developing coun-

tries are designed to support U.S. economic objectives and at the same time to strengthen our overall relations with Third and Fourth World countries. Mr. Bergsten outlined some of the specifics of the U.S. program:

1. "... the single most important step is to assure dynamic non-inflationary growth in the U.S. itself." A strong U.S. economy at home makes easier everything we wish to do abroad: encourage third world exports, liberal trading arrangements, and increased assistance.

2. "... stability of the international monetary system is essential for all nations." In this connection, the Administration supports the Witteveen Facility in the International Monetary Fund which would add about \$10 billion to the resources of the Fund (with the U.S. providing \$1.7 billion) and make it possible for the Fund to meet all legitimate needs for official balance of payments finance during the next few years. Mr. Bergsten emphasized that the Witteveen Facility provides repayable loans, not foreign aid. However, it can help developing countries finance their external debts and adopt improved economic policies.

3. "... the most open possible trading arrangements are very much in the interests of the U.S.—to minimize inflation, to create millions of export and import related jobs, and to avoid protectionist outbursts in other countries." Access to our markets for the manufactured products of Third World countries is essential for their growth. This will in turn create new markets for U.S. exports.

4. "... it is also in the economic interest of the U.S. to negotiate international commodity agreements, to stabilize prices, to support the establishment of buffer stocks . . . and to establish a common fund which, by pooling the financial resources of individual commodity agreements, would expand the resources available to each."

5. "... foreign investment is an area in which the U.S. and the developing countries have common interests. . . . Our major effort is to support the extension of the Overseas Private Investment Corporation with a new mandate to focus on the poorest developing countries."

The relations of the U.S. with the developing world cannot be delineated solely in terms of economic, political and security interests. The U.S. also has deep humanitarian concerns for alleviating the sickness, hunger and deprivation which prevail in the developing countries. More than one billion citizens of this planet do not now have access to potable

water. 700 million do not have enough to eat. 550 million cannot read or write. 250 million do not have adequate shelter. It is inconceivable that any American who is aware of these conditions could ignore them. "This Administration is determined to be in the forefront of the international effort to meet basic human needs throughout the world," Bergsten asserted. He pointed out that, in addition to the Third World of roughly one billion people in about forty countries now moving into the middle class, there exists a Fourth World of roughly another forty countries with another billion people. It is this latter group which faces the most dire situation in terms of hunger, poor health, illiteracy and stagnant economies—its needs are primarily concessional, financial and technical assistance.

In the last 25 years, the U.S. has dropped from fourth to twelfth place among donor nations in terms of the amount of aid provided. Although, in absolute terms, U.S. aid has remained at an average annual level of about \$4 billion over the past quarter century, inflation and devaluation have cut its real value in half. U.S. aid fell from one half of one percent of GNP in 1965 to one-quarter of one percent in 1976, while on the average other countries increased their share of aid from .31% of GNP to .42%. Substantial increases are essential to meet the need.

Of the many elements in our aid package, Mr. Bergsten emphasized the tremendous importance of participation in the international development banks, which currently appear to be the most controversial part of the U.S. program. He insisted that "the advantages to the U.S. of channeling an important share of its aid through the banks outweigh the inherent disadvantages of our being unable to work our will unilaterally in them."

Congressional Concerns

Members of the Senate and House, in speeches before the Conference, expressed their concerns for meeting the basic needs of the poorest majority in developing countries as well as for the international economic policies of the U.S. as they relate to the developing world, concerns which are little understood but of growing importance to the U.S.

Senator Dick Clark (D. Iowa) member of the Senate Committee on Foreign Relations, asserted that the U.S. must accord a high priority to the problems of both humanitarian aid and of economic development in its foreign policy decision-making. There is a growing consensus, he said, that the economic and political interests of the U.S. are "inextricably linked" to the future of the developing countries, and that the U.S. thus has a vital stake in their long term progress and economic growth. Moreover, global disease, hunger, and illiteracy are a real threat to our

own security. Food shortages and population increases can have a major impact on the quality of life for millions of Americans. Senator Clark voiced particular concern about the world food problem, noting that very little real progress has been made in achieving the objectives of the 1974 World Food Conference, and that there has been no real shift in priorities toward food and nutrition. Direct food aid cannot close the gap, he said; the emphasis must be on food production in developing countries. The global community can help overcome the worst aspects of absolute poverty by the year 2000, if this is accepted as a priority foreign policy initiative.

At a luncheon panel chaired by William M. Roth of New Directions, Representative Stephen Solarz (D. New York) and Representative Charles W. Whalen, Jr., (R. Ohio), both members of the House Committee on International Relations, agreed that the first and most important step to a successful aid program was, as Solarz put it: "to enunciate a clear and convincing case in favor of foreign aid that will reassure the supporters and persuade the skeptics of the importance of such an effort." Mr. Solarz criticized the American public and the Congress for a general apathy to foreign aid based on fundamental misunderstandings of the foreign aid program. He asserted that the U.S. spends far too little on assistance to developing countries and noted that of the eighteen most developed countries in the world, the U.S. ranks only fifteenth in terms of the percentage of national income devoted to foreign aid.

Stating the case for a basic human needs approach, Solarz declared that "development without a conscious effort to meet basic human needs will produce only the most inadequate trickle-down." Solarz identified the population problem as the most pressing in the Third World and the key to many other issues such as protection of the environment and illegal migrations. The basic human needs approach to development, he said, combines the principle of equity with the pragmatic need to relieve population pressures and all the problems caused by them. Population control and the elimination of hunger are the two goals toward which development efforts must be concentrated, he asserted. The technical capacity to eliminate human starvation exists, but the political will in the form of increased financial commitment is lacking.

Representative Solarz warned that development is a long term process and that it takes many years to build a base for development, "a physical infrastructure of transportation and communication and a human infrastructure of healthy, educated people . . ." but that it is an investment that will pay off both in terms of our humanitarian principles and our national interests.

Representative Whalen addressed the problem of increasing Congressional and public support for aid programs. Both from altruistic and

pragmatic points of view, he said, it is in our national interest to help the developing countries. There is no question that basic needs are unmet, with fifteen million dying of malnutrition each year and with fifty-seven nations having a per capita GNP of \$525 or less. Whalen urged a two-pronged attack. Citizens who believe in foreign assistance, and this constituency does exist, must trigger the "folks back home" to express these views to their representatives in Congress. The President must sell Congress on the idea that from an economic point of view, it is in the best interests of labor and business to provide assistance to Third World countries. Not only do we need the raw materials and the markets they provide, but we need their support in regional and international meetings and conferences. Above all, Whalen concluded, foreign aid programs contribute to stability and to peace around the world.

The Attitude of U.S. Labor

In attempting to clarify organized labor's concerns with present and proposed development strategies, Reginald Newell, Director of Research for the International Association of Machinists and Aerospace Workers, noted first that historically the American labor movement has been supportive toward efforts to improve the working and living standards of workers throughout the world, and has helped to pass every foreign aid bill since the time of the Marshall Plan.

Newell then criticized U.S. tax, trade, and tariff policies which have been "expressly designed to make it more profitable for U.S. based multinational corporations to build production facilities in Indonesia or Malaysia rather than in Indiana or Massachusetts." The net result, he charged, has been a cumulative increase in joblessness for industrial workers, erosion of the U.S. industrial base, sacrifice of productivity, greater imbalance in world trade, increased government budget deficits and continued outflow of investment capital badly needed at home." Obviously, he said, the American labor movement has no stake whatsoever in such a development strategy. Moreover, Newell asserted, U.S. based multinationals do not benefit the general population of the LDCs; in fact, they increase the gap between the few who are rich and the many who are poor. Newell also criticized development policies which seek to industrialize agrarian societies and provide them with capital intensive and labor saving equipment, creating a greater influx of idle workers into overcrowded cities. He stressed the need for small locally owned labor intensive enterprises.

The necessity for trade and development policies that put a priority on jobs at home is recognized by every other industrial nation in the world, Newell asserted. In the last ten years, due to U.S. policies, about 1.8 million U.S. jobs have been exported. American labor obviously has

no stake in trade, tax and tariff policies that encourage the export of jobs and technology into countries that pay the lowest possible wages under the worst possible working conditions. U.S. corporations should be required to meet at least minimal standards of wages, hours and working conditions overseas. Such a strategy would limit transfers of capital and technology to those less developed countries where respect for human rights would ensure observance of union rights and worker rights and would permit the people in LDCs to reap the benefits of industrialization and access to American markets. "Most of all," said Newell, "we would welcome a development strategy which recognizes that the prosperity and security of the so-called free world ultimately depends upon the prosperity and strength of the U.S."

The Farmers' Perspective

Robert Lewis, National Secretary and Chief Economist of the National Farmers Union, decried the drift toward "two worlds" and urged that our goal should be a unified world economy and international trading system, "using mankind's abundant labor resources and nature's scarce materials in accordance with the principle of comparative advantage". Declaring that no group has a bigger stake in economic development than farmers, Mr. Lewis pointed out that most of the billions of people who make up the poorest majority are themselves farmers, and the primary need of this poorest majority is for food. But their hunger can be transformed into effective demand for food only as economic development creates jobs for them. High unemployment rates in the U.S. may be the prime enemy, in Mr. Lewis' view. When workers and their communities believe their jobs are threatened by cheap imported goods, they will insist upon measures to restrict trade. High tariff barriers and other trade restrictions prevent employment in developing countries in exactly those labor intensive industries in which poor and unskilled workers could have jobs. Full employment in the U.S. would lessen these pressures for high tariffs and other trade restrictions and would thus generate new jobs in the developing world, in turn creating a demand for food. Mr. Lewis concluded that an aggressive, full employment policy in the U.S. might be the most significant possible measure to advance the farmers' interest.

Mr. Lewis also criticized the "cheap food policy of the U.S." which keeps farm prices at almost the lowest point in history in relation to other goods and services. He labeled talk of a current surplus of grain a "hoax" intended to mislead the public and farmers, and to keep food unrealistically cheap for short run political purposes. If U.S. farmers receive an adequate return for their products, they will produce the additional quantities needed to feed the world's poor in the most economic way possible.

Assistance for agricultural production in developing countries should not be given at the expense of the American farmer.

The Interests of the Business Community

Charles W. Robinson, investment banker and former Under Secretary of State for Economic Affairs, emphasized that he was not speaking for business alone, since we all have "a common stake and a common interest in development." Discussing the rationale for development, Robinson pointed out that, for a number of reasons, it is in our "enlightened self-interest" to help raise living standards in the developing countries through effective assistance programs. Whether we like it or not, "economic interdependence is a reality", a product of the technological revolution, which has been accelerating since the end of World War II. Our GNP investment in international trade has doubled. Commercial U.S. banking now derives more than half of its profits from foreign loans. We are more and more dependent on foreign countries, particularly the developing world, for raw material sources. However, the world trading system is increasingly influenced by political rather than economic considerations. In addition, the fact that many of the newly independent nations are not economically viable has led to political pressures both within and outside the Third World.

The perspectives of businessmen in this changing world are ambivalent; they are citizens of a global society and of the U.S., but they are also concerned about profit and loss. Robinson expressed the view that the business community can make a unique contribution in a number of areas, such as resource development. The problem is that increasing profit margins are necessary in order to encourage investment and overcome the political risks involved. He recommended some form of multilateral effort to reduce these risks. Donor governments and multilateral organizations must become involved in guaranteeing investment jointly with host countries, in commodity bond financing, and in working for a fair trading system.

If technology transfer is to be accomplished by the private sector, there must be compensation. But more important is the fact that technology transfer in itself has no value unless accompanied by education, training and management. Business has a big role to play in development, Robinson asserted, if business and government can work together in an effective partnership.

A Common Stake

"The public's stake in a new development strategy is not very high on the list of popular concerns. There is little awareness that all of us—whether we're workers, farmers, businessmen, or consumers—

have a common stake in a successful development strategy.” Ruth Hinerfeld, League of Women Voters President, thus characterized the attitudes of the American public and warned that, without at least tacit public approval, any major development initiative will not get off the ground. However, Mrs. Hinerfeld held out hope that a new approach to development designed to meet the basic needs of the poorest and translated into specific programs might, indeed, enlist the support of the American people. She cited two public opinion polls to make her point: a 1975 Roper poll in which 70% of those interviewed thought that most economic aid from the U.S. never gets to the people who need it, and a Harris survey the same year in which 79% favored giving economic aid if they could be sure it was actually helping the people of the developing world. Mrs. Hinerfeld believes that Americans will respond to a basic human needs approach on moral grounds, even though they may remain generally unconcerned about our economic and political stakes in development. They must be convinced, however, that a basic human needs strategy will not cut too deeply into their pocketbooks.

Mrs. Hinerfeld concluded that a major new development effort designed to meet the basic human needs of the poorest offers the American public the chance to regain a sense of real purpose by helping the poor countries to help themselves to a better way of life for their people. Perhaps that is the most important “stake” of all.

Organization of the U.S. Government for Development

The organization of the United States Government for development was one of the central themes running through the Conference. Just days before, the International Development Cooperation Act (the so-called Humphrey bill, S. 2420) was introduced in the Senate. Because of this, and the almost unanimous consensus among Conference participants that reforms were needed, discussions of ways to improve the management of U.S. foreign assistance programs were both prelude and postlude to the session devoted specifically to that topic. Perhaps the two key concerns articulated at the Conference were the status of foreign assistance programs in relation to other aspects of U.S. foreign policy, and the need for internal coordination in the administration of the various aid programs.

Designed to replace the Foreign Assistance Act of 1961, the Humphrey bill consolidates foreign aid programs, now scattered throughout the federal bureaucracy, into one independent agency, the International Development Coordination Administration. This new agency would have responsibility for administering all major U.S. development assistance programs including the bilateral program now run by AID; the contributions to the World Bank group and regional development banks now

coordinated by the Treasury Department; the voluntary contributions to the U.N. technical assistance and humanitarian agencies now handled by State; and the development and relief aspects of the PL 480 Food for Peace program, now under AID. The Act also creates an autonomous International Development Institute within the Administration to marshal the human resource potential that the Peace Corps and the private and voluntary organizations contribute to the development process. The head of the new agency, reporting directly to the President, is named the chief adviser to the President on foreign assistance and development and the government's chief spokesman on aid issues. He administers and coordinates all U.S. development policies, although the Secretary of State continues to give general overall policy guidance.

Senator Dick Clark, one of the keynote speakers at the Conference, and an original sponsor of the Humphrey bill, described it as "the most significant legislative initiative on the subject of economic development since the early 1960's," because for the "first time our government will be according a high priority to the problem of economic development in our foreign policy decision making processes." Senator Clark pointed out that the bill provides a clear statement of the importance the U.S. places on the formulation of an overall U.S. international economic policy. He noted also that the Act clarifies the 1973 New Directions goals of using direct U.S. grant and loan assistance in ways which promote economic growth with equity and assure that the basic human needs of the poorest majority are met. For example, the bill includes a grants program to the relatively least developed countries and a debt forgiveness provision if the resources normally used to repay obligations to the U.S. are utilized for New Directions-type projects.

In view of the timing, the Humphrey bill dominated the discussion at the session devoted to reorganizing the government for development. Describing the concerns which led Senator Humphrey to introduce the bill, Dick McCall, Legislative Assistant to the late Senator, explained that Humphrey regarded the welfare and rights of the poor throughout the world as an extension of his efforts in America's civil rights legislation. Moreover, he considered that U.S. relations with the LDCs were as important as those with the industrialized nations. McCall asserted that the Humphrey bill is an attempt to commit America's will and resources to meeting the basic human needs of the developing countries and that passage of such legislation would elevate development as a national concern.

James Grant, President of the Overseas Development Council, speaking earlier at the Conference, supported this view. "The Humphrey bill," he said, would result in "a quantum jump in effectiveness," and if aid is to be used effectively to increase food production and to address basic

needs, we must have far greater coordination at U.S. and global levels.

Speaking personally rather than on behalf of the Administration, Charles Paolillo, Deputy Assistant Administrator for Program and Policy, AID, agreed with the intent of the Humphrey bill to raise the level of importance of international development cooperation within the federal bureaucracy. He criticized the lack of coordination and the subordination of development concerns to other issues with greater bureaucratic clout. The Departments of State and the Treasury bicker over jurisdiction, he said, and different agencies pursue different policies, with the result that the U.S. position on development remains unclear and diffuse. John J. Gilligan, AID Administrator, in his keynote address to the Conference, also noted that "there is growing recognition that we can no longer afford a fragmented approach to international development." Gilligan and Paolillo both endorsed the Administration's strengthening of the Development Coordination Committee.

One of the central questions in the discussion about administrative forms for development assistance is whether there should be a consolidation of U.S. aid bodies as proposed in the Humphrey bill or greater coordination of development-related activities of existing U.S. agencies as proposed in the Brookings Institution study, *An Assessment of Development Assistance Strategies*.

One of the chief authors of the Brookings study, Lester E. Gordon, Director, Harvard Institute for International Development, questioned whether the reforms contained in the Humphrey bill could resolve the age-old conflict between the aims and imperatives of long- and short-run perceptions of needs within American foreign policy. Concessional aid, Peace Corps programs, the office of the Special Trade Representative, the Export-Import Bank and participation in U.N. conferences all contribute in valuable ways to development planning, Gordon said, but no spokesman can be found to assess the consequences of these disparate policies. Gordon gave qualified support for the Humphrey bill which, by creating a separate agency, would, he felt, improve the status of development and certainly be more effective than strengthening the Development Coordination Committee. However, his first recommendation was the establishment of an Office of Development Policy within the Executive branch headed by a Special Assistant to the President. Of course, the success of this alternative would depend on the special Assistant's access to the President and on the President's interest in development issues.

Gordon concluded by reiterating the importance of reform. "The growth of the channels through which our assistance flows, if not its real value, and the growing importance of our trade and investment policies to the developing countries call for an orchestration of the entire effort.

While I would not stand fast on any particular organizational nostrum, I would insist that this is a major problem for which an organizational solution is necessary.”

Human Rights and Foreign Aid

“Should observance of human rights be a prerequisite for aid?” U.S. Representative Tom Harkin (D. Iowa) answered *YES* and Ambassador Edwin M. Martin *NO* in a luncheon debate on this controversial subject, a critical issue in discussions of U.S. foreign assistance and a recurring theme throughout the Conference.

The question is not who believes most ardently in human rights, said Robert E. Asher, Public Affairs Consultant, introducing the debaters. Many individuals on both sides are equally dedicated to the promotion of human rights and to the eradication of absolute poverty in developing countries. The issue is the advisability and effectiveness of legislation such as the Harkin Amendment (Section 116 to the Foreign Assistance Act of 1961) which stipulates the withholding of U.S. aid from governments which show “a consistent pattern of gross violations of internationally recognized human rights . . . unless such assistance will directly benefit the needy people in such country.”

Representative Harkin noted first that until the adoption of the United Nations Charter, and later of the Universal Declaration of Human Rights in 1948, protection of human rights was considered “a question of domestic jurisdiction, beyond the reach of international law,” but that after World War II, the individual became a primary focus of international human rights law. “A thin membrane holds civilization together and that membrane is human rights. All U.S. actions, both foreign and domestic, must have as their goal the furtherance of basic human rights,” Harkin asserted.

Without first securing basic human needs and basic human rights, there can be no economic progress in the developing countries, Representative Harkin maintained. He dismissed arguments that if the issue of human rights is injected into U.S. foreign policy, the U.S. will be interfering in the domestic affairs of other sovereign nations. Any U.S. aid, military or economic, he said, already “interferes in the domestic affairs of the recipient country. To think that American aid is politically neutral is naive. . . . Our national interests will always dictate what aid, how much, to whom it will be given and under what conditions.”

It is not possible to pursue economic development without a strong parallel commitment to economic and social justice, Harkin argued. While we may not be able to force other governments to embrace human rights principles, we ought not to encourage them through economic aid to use secret police, detention without charges and torture to perpetuate

their power, he asserted. Harkin pointed out that some of the most "successful" economic development programs in such countries as Brazil, Korea, and Indonesia have apparently been accompanied by both greater economic inequality and increased repression.

Harkin was also critical of U.S. military aid, much of which has been going to Third World dictatorships, "which are inherently unstable and unreliable allies." If the observance of basic human rights is a prerequisite for economic aid, he said, it is doubly true that it should be so for military aid. Dictatorial regimes, he charged, do nothing to help preserve our institutions and values, provide little or nothing for our economic well-being and in most cases it is questionable if they provide for our physical security. Furthermore, he charged that U.S. aid to right-wing repressive governments implies approval which acts as a legitimizing force.

Multilateral aid institutions, Harkin said, have also given aid to right-wing repressive dictators while withholding funds from socialist governments and he cited, as examples, the cases of the Philippines, Korea and Chile. The human rights amendments to the charters of the multilateral institutions seek to direct aid toward those governments which observe internationally recognized human rights.

Representative Harkin asserted that a positive stand on human rights could shore up the steadily declining support of the American people for foreign aid and at the same time channel U.S. foreign policy into a positive direction. The observance of basic human rights, Harkin concluded, must be a prerequisite for aid if the U.S. is to meet its obligations as a rich nation to promote economic development among the lesser developed countries, if it is truly to be a leader of the free world, and if it is to have a broad base of support among the American people for our aid programs.

Career Ambassador and economist Edwin M. Martin began by pointing out that we are dealing with various types of societies which have different economic and political conditions, cultural patterns, and institutional arrangements. Many of the developing countries, he said, find themselves in a "no-man's land between traditional and modern societies." Under such circumstances, it is not a simple matter to define basic human rights.

The main thrust of Ambassador Martin's argument was that economic development is fundamental to an improvement of human rights. Quoting President Carter in his address to the Indian Congress in early 1978, Martin said: "Human needs are inseparable from human rights. While civil and political liberties are good in themselves, they are much more meaningful in the lives of people to whom physical survival is not a matter of daily anxiety. To meet these needs, [adequate food, shelter,

health-care and education] orderly economic growth is crucial and if the benefits are to reach those whose need is greatest, social justice is crucial as well . . .” The test of U.S. policy is whether giving aid to an LDC is more likely to improve the observance of basic human rights in the future than withholding it, he said.

Discussing foreign aid as a tool to pursue the goals of human rights, Ambassador Martin differentiated between military assistance and bilateral and multilateral economic and food aid. As a general principle, he opposed military aid to countries with poor human rights records, except in cases where there is a threat from internal or external enemies whose accession to power would make the human rights situation appreciably worse. In the case of economic aid, however, Ambassador Martin insisted that the burden of proof is on those who would withhold it for human rights reasons, even though aid might strengthen the government in power. Moreover, he said, “If wisely chosen and supervised, aid can bring about improvements in the short term in the basic aspect of human rights. The first guideline should be to send help most generously to countries most in need, and prepared to give proper priority to meeting the needs of their poorest citizens.”

This does not mean that all our aid must go “directly” to the poor, Martin cautioned, since meeting human needs also requires infrastructure investments. The right to a job, for example, depends heavily on overall economic growth, although additionally it is necessary to stress labor-intensive technology and open export markets for labor-intensive products. Democratic societies, devoted to human rights, he said, have never been “nourished on the soil of economic depression and cannot be constructed overnight by dictatorial fiat.”

Martin urged that action to accelerate the process of change rather than high moral fervor is required. Development aid, wisely given, can slowly change current attitudes and help create communities capable of doing more things for themselves. The most effective instrument we have is probably the example we present to the world of a society which respects the human rights of all and in which the result is an enhanced quality of life for all. Martin concluded that observance of basic human rights is a valid goal only so long as we use it to improve this quality of life.

Reports from the Panels

Health and Environment

“The principal causes of morbidity in developing countries are malnutrition, vector-borne diseases, gastro-intestinal diseases and respiratory ailments—all of them directly related to poverty, ignorance, and a squalid environment.” Dr. Charles Egger, Deputy Director of UNICEF, thus summed up the effects of social and environmental conditions on health. While international programs have indeed been effective in controlling some diseases through massive immunization and disease vector control programs, the time has now come, he said, to plan and implement community based primary health care programs. These programs must include efforts to provide safe water supplies, family planning services, and advice on sanitation in addition to simple health services. Local participation must be encouraged by utilizing community leadership skills and training local health-care workers and paramedics. Programs must become less physician oriented because there are neither the financial nor training resources to provide these services.

The idea of recasting policies and programs to increase grass roots participation is not new. Many private and voluntary organizations, including church groups, universities and foundations, had already taken the initiative in this direction, developing simple but effective community health programs. However, it is only recently that international organizations such as WHO and UNICEF have attempted new approaches. The underprivileged are pressing for more services and, at the same time, governments have become aware of the enormity of the problem and the potential for improving conditions through examples set by other countries, such as China. Thus, a new climate has been created for the development of community based health programs.

“In essence, primary health care represents a major shift in emphasis in the utilization of health services,” said Dr. Egger. “It entails building up a new relationship between health and other services and communities in urban and rural areas. In this new relationship, the role of the community is that of an active and involved partner in the endeavor of reorienting the health system to support a frontline approach.” For maximum impact, health services must go hand-in-hand with other development efforts including attention to safe water supplies, food production, nutrition and education. More specifically, Egger suggested that primary

health care programs should offer as a minimum basic services for children and mothers (basic nutrition education, deliveries by traditional birth attendants, and immunization); simple sanitation measures such as protected water sources, water disposal, food protection and vector control; family and community health education; simple procedures and training for diagnosing and treating easily recognizable diseases and symptom complexes. "The effectiveness of these services once recognized by the community (and communities are quick to recognize the effectiveness of well-run programs) will create the potential for dynamic growth to cover progressively other primary health needs in an efficient way." The adoption of such programs requires a commitment on the part of national governments to reorient their existing health policies and structures. Health officials must work with other government agencies in an integrated effort to achieve the best use of available resources.

The primary health care worker is the pivotal person for the success of primary health care programs, the connecting link between government and community. He should come, if possible, from the community in which he is working, and act as a spokesman to government on behalf of the community. He must be trained to give simple forms of health care, in collaboration with auxiliaries from different services. He must have and keep the confidence of his constituency and at the same time be able to introduce innovations without "offending the values held by the community." There is growing evidence in India and Western Africa, for example, that such workers can, with minimal training, provide 80% of all health needs and make appropriate referrals of cases they are not able to handle.

This new approach to primary health care in developing countries, Dr. Egger emphasized, requires that responsibility be decentralized. Planning, administration and budgeting should be entrusted to provincial and village organizations. In addition, a two-way system of communication or feed back must be set in motion to allow necessary central government in-puts to be responsive to local needs. The trend in many countries such as Senegal, Tanzania and India is toward the "streamlining and /or revamping" of administrative systems to allow for such local participation in development programs.

New programs and new efforts must be supported by international organizations. They can provide the "forum for the formulation of appropriate policies and for the promotion of global objectives." International and other donor organizations will also "have to simplify their own procedures to enable them to assist countries on a longer term basis, assume a greater share of local cost financing and give increased support to experimental projects."

President Carter's Special Assistant for Health Issues, Dr. Peter

Bourne, focused his attention on major trends in international health care services: the movement toward primary health care, emphasis on preventive health care, a switch from specific disease to more generic approaches, and integration of water quality and other environmental impacts on health. Dr. Bourne was in agreement with other panelists that the physician is no longer the primary provider of health care and that developing countries need to train more of their own health personnel instead of relying on medical training in developed countries. On U.S. policy, Dr. Bourne stated that the Carter Administration strongly supports the movement toward a "world community" view of health and is interested in developing more effective coordinating mechanisms.

A case study of the Guatemalan experience provided an example of the importance of the primary health care approach tailored to the culture and needs of the local populace. Dr. Ricardo Lopez-Urzuu, Chief of the Maternal and Child Division, Ministry of Public Health, criticized the official medical system as bureaucratic, paternalistic and insensitive to local needs. In the bi-ethnic society of Guatemala, the powerful "ladino" minority has imposed its system of "modern" health services on a powerless Indian majority. But because these programs have lacked a community base and ignored traditional Indian medicine, they have been only minimally effective. In contrast, Dr. Lopez described recent successful experiments in community participation in health care delivery by both the national Planned Parenthood Association and by the Institute of Nutrition of Central America and Panama (INCAP). The INCAP Program among Indian groups is effective, he said, because it "is tolerant of and adaptive to other medical traditions", because it involves representatives of the community in the planning and implementation stages, and because it utilizes medical and paramedical personnel who share the culture and/or language of the local population.

The Maternal and Child Health Division is now developing a model for the integration of medical care delivery with other aspects of development based on community involvement, the use of paraprofessionals, and the recognition of the central role of health services in promoting socio-economic development. Dr. Lopez would like to see health care which integrates institutions with the community by setting up village level health committees, for example, and seeking the community's views on its needs.

Concentrating on the environmental aspects of the problem, Erik Eckholm of Worldwatch Institute described the disastrous impact of "environmental degradation" on health and development. Diseased water supply, misuse of pesticides, and land erosion all have a serious effect on potential food supply, health and development. Eckholm is one of a new generation of environmentalists who increasingly insist upon a

recognition of the mutual interdependence of development and environment. Testifying before a U.S. congressional committee on “Environmental Quality and Basic Human Needs: Toward a New Synthesis,” Mr. Eckholm said:

“The environment influences the health of both the poor and the rich, but the nature of the effects varies considerably according to income levels. Because they lack access to pure water and safe waste-disposal facilities, and because of their often extreme economic deprivation, the world’s poor are ravaged by the infectious diseases and undernutrition that similarly ravaged North Americans and Europeans less than a century ago. Childhood deaths remain tragically commonplace; an estimated 35,000 children under the age of five die *every day*, in almost all cases of simple infectious diseases, often combined with undernutrition. Poor sanitation gives rise to frequent infection, especially among children; poor nutrition gives rise to high mortality from intestinal and respiratory diseases that are regarded as merely routine aspects of childhood among the affluent. In large measure because so many infants and children die there, average life expectancy at birth in the world’s poorer countries ranges between about 40 and 65 years.”

Other panelists and participants agreed that the environmental dimension of development projects can be ignored only at the peril of their intended beneficiaries.

Basic Education

Education that is really basic must be functional and relevant to the daily critical needs of economically and socially disadvantaged millions. Philip Coombs, Vice Chairman of the International Council for Educational Development, thus defined the subject of the panel, emphasizing the importance of relating basic education to meeting physical needs for food and nutrition, clean water, shelter, and the opportunity for a decent job.

Mr. Coombs noted that current development efforts are focusing on the rural poor, the one third to one half the population of the world’s poorest countries who have been largely bypassed by national and international development programs. Illiteracy is the norm for these people, with no more than 10% completing a full primary school course. By every indicator—income levels, health, literacy, school attendance and completion—the condition of this population group is worsening. Even though illiteracy is a problem, their overriding need is to learn skills to raise themselves above the poverty line, to learn preventive medical practices to improve their health, and to learn how to raise new or better crops to improve their nutrition. However, this emphasis on the priority of

nonformal education does not mean that literacy should be overlooked. Literacy and numeracy should be taught in ways which are appropriate, meaningful and practically oriented; where possible, literacy programs should be tailored to jobs and other immediate needs.

Drawing a clear distinction between learning and education, Coombs asserted that formal education is not the way to meet the basic human needs of the poorest majority. Instructors trained in Western educational techniques must overcome their prejudices and view education as a lifelong process rather than a simple five year program. Nor should education be maintained as a separate sector; it must be like a “nutritious bloodstream” flowing through all other human needs programs, Coombs said. He stressed that schools must equip rural children to make the most of opportunities in rural areas. To achieve this, rural people need to do much themselves in defining what they want, but they need both physical and intellectual help. There must be broad infrastructural schemes cutting across various skill-training disciplines. All of this, Coombs pointed out, implies a radical change in past bureaucratic processes within and outside of developing countries.

Thomas Keehn, President of World Education, identified some of the key elements in basic education in which the focus is on the learning process rather than on educational techniques, facilities or products;

- needs assessment—a learner-centered process which allows the teacher to identify the students’ level and design a program geared to their abilities and objectives;
- a partnership between the learner and the facilitator (teacher) that encourages mutual self respect, self awareness and self reliance;
- development of a variety of educational materials from different media, and
- nonformal learning centers rather than formal school structures.

Most of the best recent initiatives in identifying the fundamentals of learning for the rural poor have come from the developing countries themselves. Keehn particularly mentioned Paulo Freire of Brazil; Dr. Julius Nyerere, President of Tanzania; Dr. Kowitz Vorapipatana of the Ministry of Education in Thailand; and Dr. Lyra Srinivasan of India as having made significant contributions to new directions in basic education. They have recognized that the educational “expert” is often an anachronism in rural settings and that the villagers themselves know their own needs and circumstances best. In the words of Dr. Srinivasan: “It is not the outsider as much as the insider whose imagination holds the key to a major breakthrough in rural development.”

Dr. Akilu Habte, Director of the Education Department at the World Bank, and former President of Haile Selassie University in Ethiopia, warned that education for the rural poor which encourages self aware-

ness and participation may have obvious and perhaps explosive political implications in certain countries. For this reason, both aid recipients and donors must realize and accept the consequences of a rural education focus. A new definition of needs of the rural poor in which the poor themselves have a voice is bound to have an impact upon aid policies and organizations. The poor themselves have never had a real voice in determining aid policies. There must now be a redefinition of rural needs and a willingness on the part of aid giving and distributing organizations to accept and act upon that definition. If the rural poor are to voice their needs effectively, Dr. Aklilu believes that the vernacular rather than French or English should be used as the language of instruction, but pointed out that the lack of educational material makes this difficult.

Discussing the possibility of an integrated education-development system, Dr. Aklilu urged the establishment of linkages, and collaboration between education and the specialized sectors, such as agricultural or industrial training. The crux of the problem, he said, is a method for instructing skilled technicians in a basic human needs approach to education or, in effect, a collaborative effort of technicians with trainees.

External assistance agencies, too, will have to make major changes in their organizational structures, attitudes, doctrines and styles of operation, if they are to put into effect their own new rhetoric about an integrated approach to rural development, Coombs said. In particular, they must change the bureaucratic segregation of various specialties, including education, and shift their emphasis from the conventional top down approach to a more bottom up approach to rural development.

While the major thrust of the panel was on basic education for the rural poor, it was noted that large numbers of urban poor are also desperately in need of basic education. For these people, education can be formal as well as nonformal. It must be free and compulsory, especially at the elementary level, encompass literacy training and include adequate instruction materials. Most important, there must be access to education for girls as well as boys, for members of different ethnic and tribal groups, for migrants, immigrants, refugees, for the indigenous population, and for the handicapped. Such a program will involve commitments by governments of funds, energy and time, and the understanding that this is a long term project whose results will not be immediately apparent.

As a postscript to the discussion, Mr. Keehn pointed out that large numbers of people in the so-called developed world are also in great need of basic education because the educational systems in which they participated were not adequate to enable them to deal with their individual, family and community problems. At least 25 million adults in the U.S. have been determined to be functionally illiterate. To these can be

added thousands of migrants and foreign workers who are denied or do not have easy access to adult or continuing education programs and whose children do not have educational opportunities. Thus, developing countries should not look to the U.S. for effective models of educational development. They must work them out by and for themselves.

Employment

“Beyond any doubt, an increase in productive employment must be one of the principal, probably *the* principal, operational tools (to achieve) the ultimate aim, the satisfaction of basic needs.” Thus, Hans Singer, of the Institute of Development Studies at the University of Sussex (U.K.), presented the case for an employment oriented development policy, suggesting “fuller employment with growth” as the basic strategy for developing countries.

With some 300 million people unemployed or underemployed in the world today, a basic human needs strategy must meet the challenge of putting people to work, just as it must meet the challenges of providing food, clean water, health care, and basic education. Peter Henriot, Director of the Center of Concern, posed a number of questions to focus the discussion:

- What strategies create jobs in less developed countries?
- What are the political and structural blocks to achieving greater employment?
- What is the role of women in new employment strategies?
- What is the effect of multinational corporations and appropriate technology on employment?
- What is the impact of unemployment problems in the LDCs on the developed nations?
- What are the implications for employment of an international division of labor?

These questions were explored by a panel of experts, including Professor Singer; Antoinette Beguin, of the Employment and Development Department, International Labor Organization; and William Doherty, Executive Director of the American Institute for Free Labor Development.

Until recently, it was thought that economic growth along with industrialization, urbanization, education, and modernization would usher in a period of growth with full employment for developing countries. But, as Dr. Singer made clear, “the old view that growth necessarily results in greater employment is in ruins”. Industrialization in itself does not

guarantee jobs; social arrangements and type of technology are also determining factors. He pointed out that not until 1964 did the International Labor Organization first set employment as a separate development goal and not until several years later did ILO employment missions to Colombia, Sri Lanka, and Kenya provide the first concrete and operational material for an employment oriented development policy. Compared to the West, a special type of unemployment exists in the Third World, created and aggravated by a number of factors: rapid increases in population, surplus rural population, seasonal idleness in agriculture, concentration of land ownership and rapidly expanding numbers of landless, and the impact of mechanization among larger farmers.

Another dimension of the problem is the urban migrant escaping rural unemployment and unsuccessfully seeking a coveted job in the "modern" urban sector where the increasing capital intensiveness of modern technology proves a bottleneck. The result is that some urban migrants may work occasionally or part-time and others may work very hard and long hours but in either case, most are not able to earn enough to satisfy their basic needs.

Dr. Singer stressed the lack of productivity or low productivity in developing countries as a substantial factor in insufficient incomes. It is this gap between achievable real income and the amount needed for simple subsistence, Singer contends, that moved development strategists to pioneer the basic human needs strategy. But, in Singer's view, it would be a mistake to pursue such a strategy if it results in curtailment of resource flows to employment creating activities. He asserted that the "solution of the unemployment problem would solve the bulk of the poverty problem", since as many as 80% of those in poverty are able-bodied adults, though they may be weakened by malnutrition and illness and disadvantaged by lack of training. He described the tragic waste of human and economic resources due to visible and invisible unemployment, underemployment and grossly unproductive employment, as well as seasonal unemployment in rural areas. "To bring home the magnitude of the waste of resources", said Singer, "we may try to visualize that unemployment in developing countries is equivalent to the total idleness of a population of the size of India."

Fuller employment is, of course, desirable to satisfy the basic human needs of individuals, but it would also serve broader economic purposes: increasing national output (GNP) through better use of resources, creating greater income and more equal income distribution, and widening participation in the economic life of the country. Singer noted that 41% of the population in developing countries is effectively excluded from participation in the productive life of the country. This lack of participation means that many local and regional sources of initiative and administra-

tion are not utilized, putting further strain on scarce central resources.

Two concrete policy suggestions were offered by Singer. First, he emphasized the need for modern, efficient, labor intensive technology coupled with a closer look at the most appropriate technological capacities of individual developing countries, suited to their specific product and factor needs. Second, he cited the need for changes in the world monetary system in order to meet problems created by the rapidly increasing indebtedness of the developing countries. On a more pessimistic note, he concluded that restrictive trade policies of the developed countries were making greater employment in the Third World nearly impossible.

Ms. Beguin focused mainly on rural development as "essential for providing higher incomes to the greatest number of people". She urged an increase of resources earmarked for agricultural development, especially since these have been largely neglected; only 15% of development resources have been allocated for the two-thirds of the population in developing countries who derive their income from rural areas. More needs to be done to upgrade the skills of village weavers, iron workers, potters, and other skilled producers. Beguin also advocated more support for the "urban informal sector" — small producers — the shoeshine boys, street peddlers, repair shop operators and bakers who had migrated to the cities in search of work. "They line the streets and provide low-cost services, meeting the needs of the people, so they are producers," she said. "If they had better access to credit, better tools, and the right kind of technology, they could be better producers" and increase their earning capacities. Beguin recommended that labor-intensive public works programs be investigated and tried in the future, although admittedly they have not had much success in the past. She called attention to the needs of women which have been largely ignored. Women, like men, could and should have the opportunities to benefit from credit extension and technological innovations.

The importance of free trade unions in achieving greater employment worldwide was emphasized by William Doherty, who asserted that workers must take greater responsibility for a more equitable distribution of wealth by building stronger trade unions in developing and developed countries alike. "Our assistance should not go to a country unless it can be shown that our aid benefits the workers of that country. As a precondition, our government should see to it that employment is created but under decent conditions." He noted the important role of multinational corporations in creating employment opportunities in developing countries. However, simply transferring jobs from developed to developing nations is not the answer. Trade must be a two-way street, with developed countries finding and establishing consumer markets in the Third

World to compensate for the opening up of their own markets to developing countries' exports.

Peter Henriot concluded the session by reiterating that employment is the key link between a basic human needs strategy and the New International Economic Order. Both he and Professor Singer urged that labor intensive technology be a prime concern of the approaching U.N. Conference on Science and Technology.

Food and Nutrition

"The nutritional deficiencies that are so common in the developing countries seriously affect them socially and economically. In fact, malnutrition is a key element in a cluster of development problems that form the core of development tasks." Dr. Nevin Scrimshaw, Professor of Nutrition and Food Science at the Massachusetts Institute of Technology, stressed the importance of international policies, planning and programs for improving the nutritional status of the 450 million persons in the world, whom FAO estimates to be chronically underfed. In Dr. Scrimshaw's absence, his speech was summarized by Kristen McNutt, Congressional Science Fellow, Senate Committee on Agriculture, Nutrition, and Forestry.

Despite gains in world-wide food production, nutritional needs of millions of people continue to be neglected. In the 45 countries most seriously affected by oil and grain price increases in 1973-74, food production has not kept pace with rising demand, and per capita production has actually declined in several instances. Again, the FAO estimates that between 1970 and 1978 the percentage of Africans suffering some form of malnutrition actually rose from 25 percent to 28 percent of the total African population. Half of all children in the Third World are underfed. Forty percent of adult women in the LDCs suffer from anemia. Twenty-two million babies—one-sixth of the total of all births—weigh less than five pounds at the time of birth and over 95 percent of these are in the developing countries. Even in the middle income LDCs, hunger affects millions because the purchasing power of the poorest majority has not improved, despite dramatic macro economic gains in growth for these nations, and because food production has lagged far behind industrial development in many of these countries.

Although the quantitative dimensions of the problem appear staggering, about 25 million tons of grain would be sufficient to bring these people up to 2000 calories per capita. This is less than two percent of world grain production in the developing market economies. And better

distribution of existing food supplies can benefit hungry populations, even without any improvement in production capacity.

While increased production can have a beneficial impact on the nutritional status of a population, there can be no significant increases in food production without improvement in the nutritional well-being of the farmers themselves. Ultimately, nutrition has to be seen by governments as a sine qua non in their long range development strategies. Nutrition must become an integral part of the development planning process.

Economic growth, while desirable, can sometimes stymie the meeting of nutritional needs in the short run, even when that growth includes plans for increased agricultural production. Instead of concentrating on improved yields for export crop production on farmlands held by wealthy landowners, efforts could be made to increase yields on small farms producing for internal consumption. Dr. Scrimshaw believes that this would lead to nutritional improvement for the rural poor.

In Dr. Scrimshaw's view, the most widespread form of malnutrition in the developing nations is protein-caloric, which occurs most seriously in pregnant or lactating women whose diets are not adequate to promote healthy fetal growth and development or to sustain proper growth of the newborn infant. The result is significantly higher morbidity and mortality rates among infants in the developing countries, and impaired mental and physical development as well. Dr. John Mellor, Director of the International Food Policy Research Institute, argued that the more intractable problem is that of protein deficiency, since caloric deficiencies could be met by raising income levels, particularly in the rural areas of the developing countries.

In the area of nutrition education, Dr. Scrimshaw noted that there has been little evidence of success, thus far. In his opinion, nutrition education could change the distribution of food within the family sufficiently to prevent the almost universal malnutrition among young children in developing countries. Dr. Mellor, on the other hand, said that "the poor seem to be very good at economizing in meeting their caloric problems. Education about their lack of calories is not what is needed. They need food. If you meet the underlying caloric problem, then education could be extremely effective."

In spite of the fact that nutrition underlies human health at all stages of the life cycle, it is frequently forgotten in the training of physicians and health workers for the practice of both curative and preventive medicine. Dr. Scrimshaw pointed out the relationship between malnutrition and infection and the fact that the two together have much more dire consequences than could be expected from the occurrence of one or the other alone. "Successful programs for control of malnutrition and infectious disease are interdependent and should not be conceived and im-

plemented as if they were separate problems," he said. He also noted that malnutrition affects the body's response to drug toxicity and metabolism, which delays healing and treatment of disease. He urged that malnutrition programs be integrated with population control. "Without fertility modification," he said, "the ceiling on nutritional improvement for most poor families remains low." Dr. Scrimshaw criticized several aid donor organizations, with the notable exception of UNICEF, for neglecting or isolating nutrition although WHO, FAO, the World Bank and AID are now beginning to integrate nutrition into their programs.

During interim periods when long-term agricultural production programs are getting underway, food aid can play a vital role in meeting the need for food among the rural poor, Dr. Mellor maintained. Daniel Shaughnessy, Deputy Director of the AID Office of Food for Peace, urged that development agencies emphasize nutrition delivery in the distribution of food. Noting that food programs are heavily involved with political decisions, he insisted that both donor and recipient governments must make political and financial commitments to better nutrition. He also suggested that food aid can legitimately be used as leverage on recipient countries to encourage them to adopt stockage, marketing and pricing policies which would advance nutrition.

As Dr. Scrimshaw put it: "Nutrition in the developing and industrial nations alike is often affected positively or negatively by policy decisions taken with no thought to their nutritional or health consequences." Political and economic considerations often hinder solutions to nutritional problems; progress is far more often the cumulative effect of many individual legislative and administrative decisions than the result of implementing a planning model.

Women and Economic Development

"If a man is laying a water pipe in Washington or in Addis Ababa, he is considered to be economically active, while a woman who carries a water jug over miles of rough terrain is 'just doing a household task'." When women grow food to feed their families, they are just tending kitchen gardens, but when men grow cash crops like tobacco and coffee they are engaged in agricultural and commercial enterprises. These blatant examples of the perception of the work of women were provided by Dr. Margaret Synder of the U.N. Economic Commission for Africa. The fact that the day-to-day work of women fails to get recognition and support as "economic activity" has resulted in barring women from direct access to markets, to credit and to training programs. Nor have development projects seriously attempted to aid women; most of the so-called women's projects have promoted the "stitchin and stirrin" type of work

which has actually impeded women's progress in the developing nations.

The decade of the '70's, however, has seen a growing awareness of the roles of women in economic development. Particularly since International Women's Year in 1975, governments in the developing countries and bilateral and multilateral aid givers are revising their images of women's work and making efforts to assure that women get their equitable share of the tools and rewards of development. But Dr. Snyder emphasized that public and private aid giving agencies must coordinate their activities and projects to achieve a greater impact for development assistance. Moreover, women themselves must clarify the issues among their own people and with their governments, and they must stimulate the political will to assure that basic needs are met.

Dr. Snyder spelled out a four point program for achieving these goals:

1) establishment of cooperative ventures, in order to maximize available resources;

2) establishment of national government machineries to assure that all projects are planned "to consider the actual and potential social and economic contributions of women". When necessary, special projects should be set up for women, to enable them to catch up with men in education, small business, village technologies, cooperatives and especially access to credit and loans;

3) priority to income generating activities, so that women can supplement the family income or support themselves and their children;

4) establishment of training programs for women.

From her experience in East Africa, Dr. Snyder has learned that women who live and work in the vast rural areas *do* know what they want and need. "We should listen to them and not be misled with the 'trickle down' theory that assistance given to men will inevitably reach women and their families.

A more pessimistic view of women in development was heard from Marilyn Zak, who argued that a good deal more information and data from both nationals and planners are needed to design appropriate projects. The lack of adequate data will hinder the ability to design every economic development project to have an impact on women. Ms. Zak, a Foreign Assistance Inspector of the U.S. State Department, observed that for countries in deep economic trouble, stabilization of the balance of payments is far more important to the government than women's development projects. Moreover, whenever a government must cut back on its budget, the social projects involving women are the first to go.

Notwithstanding these negative factors, some progress is being made. Current efforts to provide credit and loans to women in the form of two new development banks were outlined by Dr. Marta Ventilla, a

science and technology expert serving as Industrial Liaison Officer with the U.N. Environmental Program. Women's World Banking is the first effort to ensure credit for women in the Third World. It will start with \$3-\$5 million in contributions from private sources and international agencies and will emphasize loan guarantees, rather than serving directly as a lending institution. The African-Caribbean-Pacific (ACP) Bank is still in the planning stages, but it has the endorsement of the U.N. and World Bank. It will focus on help to organizations such as small businesses, rather than to individuals, and while it does not have a program expressly for women, women should benefit since they run many small businesses.

Carmen Delgado Votaw, President of the National Conference on Puerto Rican Women, posed the basic question: do individual women in fact profit from the development policies of their countries and of international and bilateral assistance efforts? She pointed out that we do not yet have yardsticks to measure the involvement of women in development efforts nor are the issues clearly understood. She warned that unless assistance agencies are told what women want and unless actual results can be measured, women will be unable to demand additional gains or to express dissatisfaction with the rate of progress. Ms. Votaw urged women's groups to join efforts to monitor the effects on women of multinational and binational development plans. In this connection, she noted the importance of Senator Percy's 1973 amendment to the Foreign Assistance Act directing AID to integrate women into its programs.

Ms. Votaw supported these proposals advanced by Arvonne Fraser, Coordinator for Women in Development at AID:

- the creation of a Women in Development Task Force to "propose a series of model cooperative programs to meet the minimum basic human needs goals of the (IWY) World Plan of Action"
- the encouragement of private entrepreneurial and cooperative ventures by OECD and other international organizations to bring about a realignment of the use of technology with human needs
- basic needs work forces at community, national and international levels to mobilize men and women to meet basic human needs through community participation; training at international regional centers in functional skills needed for community development work, literacy and numeracy.

The panel discussion was an action-oriented strategy planning session concerned with such issues as how to lobby for more participation of women in decision-making roles, how to plug women's programs into existing projects, and how to get women's concerns accepted as legitimate and important aspects of any development project. Ms. Zak's answer was simple: "The name of the game is power, political power. Women must either be elected, appointed, or take over governments."

Family Planning and Population

Family planning is a basic human right, a basic human need, and an indispensable element in attaining the goal of a decent standard of living, especially in the developing nations. Thus the panel characterized the overriding importance of population and family planning in a development strategy, noting that while substantial inroads have been made, an enormous effort is still needed to prevent another doubling of the world's poor by the end of this century. The level of unmet demand for family planning services is indicated by recent data showing that half of the women in many developing countries want no more children; yet only a tiny proportion have access to a full range of birth control services. Wherever this demand has been met in ways acceptable and accessible to both rural and urban women, fertility has declined rapidly. Over the last ten years, birthrates in developing countries have fallen an average of 20%, from 39 to 32 per thousand in 28 of the developing countries that have family planning programs and that together represent more than 2 billion people. But because death rates are also falling and because populations in the developing countries contain huge numbers of people with their whole reproductive lives ahead of them, (40% or more are under 15) the population growth rate will remain high for some time to come.

Ambassador Marshall Green, Coordinator for Population Affairs, Department of State, and chairman of the panel, opened the session by stating categorically that population is one of the most fundamental and complex problems facing the world today, affecting every other segment of development.

Guadalupe de la Vega, founder and Director of the Planificación Familiar A.C. of Ciudad Juárez, Mexico, expanded upon this theme. "It is dramatically true," she said, "that we cannot divorce the problems of family planning from the problems of hunger, ignorance, disease and political passivity—for these are all part of the unmet needs of the poor." Señora de la Vega traced the development of a "small scale, privately initiated effort . . . organized not in the setting of offices and desks, but in the corners of streets and within the walls of one-room homes of the poor 'Barrios'." She described the stoical nature of Mexican women, their conformity to social expectations and pressures, their acceptance of hardships and of their traditional roles as women, resulting in large families. Mexican women, however, were not unaware of their needs, "for these are so obviously there at the gut level that they cannot go unnoticed."

The initial family planning effort in Juarez was a systematic program of information and awareness. Teachers, social workers, physicians, and religious leaders spoke out in order to encourage the women to do so. "They broke the ice and . . . an avalanche of voices poured out." Women began to talk about their disillusionment with marriage, their aversion to intercourse and pregnancy, and the overwhelming burdens of a large family. Radio, TV spots, newspaper articles, and movies were used to call attention to alternatives to large families. But the most exciting aspect of the program was the involvement and participation of the women themselves as they crossed the line from awareness to action in their quest to limit the size of their families.

It soon became apparent that the demand was greater than any small scale program could effectively meet, and thus de la Vega confronted a different set of problems—how to get the resources, facilities, supplies and personnel to satisfy the needs. Gradually, with more volunteers, generous donors, determination and hard work, and finally aid from the city government, a wide range of family planning services became a reality in Ciudad Juarez.

While de la Vega favors private efforts because they are more flexible and more responsive to specific needs, she stressed that the ideal system is one in which government and private programs work together for maximum results, each providing what it does best. The present government in Mexico, in an unprecedented move, has given highest priority to family planning, and a massive effort is now underway to coordinate all private and public family planning activities in Mexico. There is a five year plan to reduce the birthrate from 35 to 25 per thousand by 1982.

Dr. Alfredo Goldsmith of the International Fertility Research Program agreed with de la Vega that "the common presumption that the main barrier in taking family planning services to the world's poor lies in their lack of response is clearly unfounded. . . . It is everybody's experience that the major bottleneck in family planning invariably turns out to be political indifference or opposition rather than reluctance on the part of the potential consumer." He cited four major factors in successful family planning programs:

- 1) active promotion through advertising with a system of material incentives;
- 2) systematic "doorstep" coverage including easy follow-up services in terms of access to supplies and medical attention;
- 3) plans to understand and counter the destructive effects of adverse rumors;
- 4) support and involvement of local social and administrative networks, especially women's organizations where they exist, and of local

political and religious leaders.

The primary need is to promote the concept of family planning rather than particular methods, although of course clear instructions and honest information about methods are essential, as are appropriate personnel. Dr. Goldsmith proposed that there should be carefully trained paramedics for non-surgical programs incorporating follow-up and mobile services. He urged major national and international efforts, both governmental and private, "to build up a cadre of paramedics who could also double in creating public awareness of all reversible methods of family planning." He also suggested a greater involvement of private doctors and private institutions, now largely ignored by government family planning programs, which would not only spread the work load, but also secure the support of private doctors for family planning.

Dr. Goldsmith emphasized the importance of good relationships with the media to spread the family planning message and also to forestall adverse rumors or misunderstandings. He noted, for example, that every step of de la Vega's program was boldly advertised, and each time opposition arose, she was able to secure further publicity and use the press and television as a platform for explaining the project's aims.

How can we link family planning, the status of women, and development was the question addressed by Kaval Gulhati of the Center for Population Activities. Family planning is a "priority need" for women. More women should be involved in the decision making process, and women-oriented programs should be run by women, she asserted. This role would form links to other kinds of development where women "must take the lead to have their voices heard." The development strategy of the "trickle-down effect" to women has not worked; therefore, women must now take the initiative themselves.

Mrs. Gulhati identified the main problem in family planning as access to supply and she listed five barriers to women in getting the services they need:

- 1) limited clinical services and a view of birth control as part of an "alien culture";
- 2) professional constraints such as the decision by the Indian government to withhold the pill for safety reasons, even though it is considered relatively safe in western countries;
- 3) the fact that the policy makers and the hierarchical supervisors are men while field workers are mostly women;
- 4) economic constraints, including lack of infrastructure and trained manpower; and
- 5) the low status of women in the social structures of most developing societies where women are "not supposed" to be independent.

There was general recognition that much remains to be done to

bring family planning to the people who need and want it. Solving the population problem on the macro level really means meeting the human needs of individual women and families on the micro level.

The Role of Transnational Corporations

There are few aspects of the development discussion that cause as much contention as the question of the role of transnational corporations (TNCs) in developing societies. It is estimated that several hundred TNCs now account for annual revenues and assets of half a trillion dollars—or one-sixth of the world's gross annual product. The power wielded by the TNCs is immense given their technical and financial resources. Certainly their potential for improving employment, capital investment and income distribution in the developing nations is enormous. But are they a force that can be harnessed for the general improvement of the poorest people of the Third World? Business and labor have radically divergent views on this subject; and many spokesmen from the Third World seem to have varying views regarding the relative merits of the TNCs.

In turning his attention to the question of the TNCs' contribution to meeting basic human needs, Gonzalo Biggs, a Senior Attorney with the Inter-American Development Bank, capsulized the issues. He pointed out that on the one hand the TNCs can contribute much to a developing nation including an infusion of capital, the development of heretofore untapped natural resources, creation of new jobs, training programs, technology transfers and access to international markets for processed and manufactured goods. On the other hand, Biggs stressed, the ultimate objective of the TNC is basically the maximization of profits.

Biggs noted that the international climate had changed considerably since the 1950s when TNCs largely were subject only to private corporate policies. Today, Biggs observed, there are many international and national restrictions and safeguards vis-à-vis the TNCs. Among the developments and events that have influenced this new climate, Biggs listed the adoption of the Andean Foreign Investment Code; the passage of stricter controls by some LDCs on foreign investment; the U.S. Senate investigation of TNC operations overseas; the increasing scrutiny by labor and the ILO of TNC employment/investment practices; the movement toward international guidelines and codes of conduct by the OECD, the International Chamber of Commerce and the U.N. Commission on Transnational Enterprises; and the passage of extraterritorial legislation

regulating the overseas activities of the TNCs—such as the Foreign Corrupt Practices and Foreign Investment Disclosures Act of 1977 in the U.S. These examples serve to remind us that the TNCs have come under closer scrutiny and closer control by sovereign states.

Their ability to improve the lot of the poorer masses remains very much in doubt because the economic objectives of the TNCs, Biggs believes, mirror those of the now discredited “trickle-down” theories of development in past years. TNCs, Biggs suggested, are more comfortable with the economic growth models of the industrialized societies—pursuit of quantitative economic growth—rather than the new models now espoused in most of the developing nations.

Raymond Vernon, Professor of International Business Management at Harvard University, pointed out the inherent difficulty of the topic of TNCs and basic human needs, but attempted to describe the link between the two. A program aimed at the lower and middle income groups must meet four conditions: (1) increased revenue through taxation and borrowing, (2) redirection of national expenditures, (3) suppression of product differentiation within the country, and (4) elimination of the diversion of resources to products satisfying the demands of the rich. LDC policies regarding TNCs could fit within this framework.

There are two powerful factors, Professor Vernon asserted, which are counterpoised, pushing in two different directions: “the need for the LDCs to be seen as independent states, endowed with autonomy and choice vs. the driving force of technological change in transport and communication compelling interdependence.”

A “rising capacity to bargain” with the TNCs has come about for two reasons: (1) the LDCs themselves have grown considerably more sophisticated in their investment and capital formation practices, and (2) there has been a significant proliferation in the numbers of TNCs offering their services to these nations; when one leaves there are several ready to take its place. Although there has been some fallout among TNCs because of LDC policies (e.g. IBM's pullout from India), in the aggregate there seems to be no diminishing investment by the TNCs in LDC economies.

Joseph Davis, a representative of IBM—a transnational corporation—asserted his belief that the role of the TNCs was to satisfy basic human needs as well as the maximization of profit. “In penetrating a given market,” he stated, “other considerations come into play; that is, the promotion of economic growth for both the host country and the TNC as well as the satisfaction of basic human needs. If one can improve the basic human needs, the economy as a whole will inevitably improve as well.” In some instances, TNCs have initiated special projects directed at meeting basic human needs in the host countries such as special hous-

ing projects and irrigation projects.

Labor takes a very jaundiced view of the ability of the TNC to contribute much to meeting basic human needs, according to Jacob Clayman, the President of the Industrial Union Department of the AFL-CIO. Clayman outlined three basic tenets of the American labor movement on this subject: (1) the United States needs a sound economy if it is to be able to provide development assistance; (2) the U.S. labor movement, in contrast to other segments of U.S. society, has a long and consistent history of support for such development assistance; (3) the TNCs are unsuitable as American economic ambassadors to the world because they disrupt markets and jobs. In fact, Mr. Clayman emphasized, TNCs export U.S. capital and technology and U.S. jobs, thus serving to diminish the U.S. ability to provide development assistance. The question to be faced is whether the LDCs need to industrialize on the one hand or to enhance their food production capability on the other. Over one million jobs have been lost in the industrialized nations to the newly burgeoning manufactures of the LDCs, weakening Western economies and thus impeding their ability to help the LDCs meet basic human needs.

The Executive Director of the Latin American Institute of Transnational Studies, Juan Somavia, suggested that the transnational corporation question be divided into four parts; the relationship of the TNCs to basic human needs, to LDC self-reliance, to the U.S., and to the question of codes of conduct for the TNCs. There is an inherent conflict between the TNC and the desire to meet the basic human needs of the poorest majority because by its very nature the TNC produces goods and sells them only to those who can afford to buy such goods and services. The poor are automatically excluded from this process, Somavia insisted. Concerning LDC self-reliance, Somavia stressed that TNCs are in conflict with most developing nations because self-reliance is predicated upon cultural pluralism and ethnic differences while the TNC requires homogeneous markets in order to maximize both efficiency and profit. In this connection, he pointed out the damaging influence of advertising on the consumption patterns of developing countries. The demands thus stimulated for non-essential goods pressure governments into giving priority to investments necessary to produce these goods to the detriment of the more basic needs of the population.

Noting the fact that the TNCs receive an inordinate amount of attention in U.S. foreign policy, Somavia raised the question as to what extent non-TNC interests are represented in U.S. foreign economic and political policy making. Finally, regarding codes of conduct, Somavia cautioned that probably no one international code could accommodate the various TNCs and the many different needs of the LDCs. Probably

the only alternative is for each individual LDC to set its own development strategy and within that context to establish rigorous codes of conduct for foreign investment.

Somavia also made reference to another type of transnational activity not usually included in discussion of TNCs. Current international communications are largely controlled by transnational media originating in the West, he said, and are not geared to the cultural and social realities of the Third World. He called for a new international information order to provide better understanding of issues by people in developing countries.

World Agriculture and Food Security

The concept of food security has received a great deal of international attention since the World Food Conference in 1974, noted Lester Brown, President, Worldwatch Institute, chairman of the panel. In its broadest sense, food security means that a nation has a guaranteed ability to feed its population adequately, even in times of tight food supply, without exhausting its foreign exchange reserves for the importation of food. The short-term and long-term aspects of food security were discussed by Dr. Moise Mensah, Executive Secretary of the Consultative Group on Food Production and Investment. In the short run, food security is concerned with leveling out fluctuations in supply and meeting periodic shortages through grain reserves and food aid. In the long run, food security means improving and increasing agricultural production levels and investing in strong rural infrastructures in order to achieve adequate nutritional levels. Mensah warned that food aid for the short run should not be allowed to discourage food production for the long run.

"Adequate food distribution should be the cornerstone of an effective world food system," Dr. Mensah said. The real issue is who will supply the food? Mensah criticized the present system which tries to solve food shortage problems by shipping commodities from surplus areas to remote deficit countries. In Mensah's opinion, this system cannot meet the challenge of the next decade. Moreover, the overdependence on a few major countries as a source of food supply for the rest of the world has seeds of instability in supply and risks of political dependence as well.

The long-term aspect of food security involves the desirability and feasibility of food self-sufficiency in the developing countries. Figures cited by Dr. Mensah clearly indicate that the greatest potential for growth in terms of land for food production is in the Third World. Only 15 percent of the arable land in South America, 20 percent in Africa and 28 percent in Asia is now being used for agricultural production, he stated. By contrast,

41 percent of the arable land in North and Central America and 77 percent in Europe is under cultivation. The investment required to put these lands into production, however, is enormous. For example, the Overseas Economic Cooperation Fund of Japan estimated that it would cost \$67 billion to double rice production in Asia over the next 15 years. On an annual basis, this would require twice as much money as is now spent for all agricultural production in Asia and the Far East.

Increased production in developing countries is obviously essential to long-term food security. But is food self-sufficiency a realistic goal? In Dr. Mensah's view, "the relevance of self-sufficiency as an advisable target can be discussed only on a country-by-country basis. Self-sufficiency is a matter of degree, as there may be optimal levels beyond which production may reflect wasteful resource utilization, while the non-attainment of such a level would mean insufficient domestic effort resulting in waste of foreign exchange for food imports."

Fred H. Sanderson, of the Brookings Institution, argued that "the problem with placing absolute primacy on food self-sufficiency is that it overlooks the value in the LDCs' pursuit of export markets with which to diversify their production and consumption patterns." In many cases, he pointed out, poor countries can feed themselves better by exporting products in which they have a comparative advantage by virtue of climate or cheap labor, and by using some of the export earnings to pay for grain imports.

Cheryl Christensen, Assistant Professor of Political Science at the University of Maryland, focused the issue of food security on the inequality of food distribution. She advocated self-sufficiency in the short run in the interests of feeding poor people, since small farm production is for local consumption. However, she would be less concerned with self-sufficiency if there were large-scale international reserves of food and supply guarantees from exporters.

The need for a food reserves system to meet temporary shortages was recognized by all panelists although they emphasized different aspects. The World Food Conference, four years ago, explicitly endorsed the creation of an international system of grain reserves to stabilize prices and income for producers and consumers. Under this system, countries would agree to buy certain grains and stockpile them based upon previously established individual limits. When grain prices began to rise above the level set by the participating nations, these nations would start to sell their grain stockpiles to stabilize prices. Christensen preferred such a global food reserve over regional or national reserves because studies have shown that grain reserves are not cost-effective in LDCs. Furthermore, reserve commitments could be smaller on an international rather than on a country basis.

Dr. Sanderson agreed that an international system of grain reserves, which would benefit developed as well as developing countries, was the best way of dealing with the problem of high prices in periods of world shortage. The second best solution would be a firm commitment by donor countries to provide food aid to make up crop shortfalls in poor countries. In his opinion, national reserves in developing countries are too costly; resources tied up in this way could be better used in agricultural development.

The real problem for developing countries is not so much access to supplies as it is the problem of purchasing supplies, Dr. Sanderson said. "Even during the recent food crisis, India was able to import four to eight million tons of grain a year, most of it commercially, at then prevailing high prices. The problem is to enable the poor countries to purchase what they need to make up for crop shortfalls." Sanderson argued that the most cost-effective method of ensuring access to supplies for Third World countries is through an international financing commitment. "Just as a country suffering from a sharp decline in its export proceeds is entitled to compensatory financing by the IMF, it should have the benefit of this (proposed) facility in the event of abnormal import needs caused by crop failure." The cost of this type of facility, he claimed, would be considerably less than storing the amount of grain needed to meet an emergency which might arise only once in a decade.

While recognizing that developed countries can contribute to the kind of reserves needed to stabilize food supplies in developing countries, Dr. Mensah also argued for establishment of domestic reserves, in spite of the high cost of building and carrying stocks, for a number of reasons: reserves would improve grain storage technology, act as a food price stabilizer, encourage regional trade and mitigate high import costs.

The world food picture has improved dramatically since the period from 1972 through 1975 when a global food crisis seemed imminent. Total world grain supply for 1977-78 was estimated to be a record 1,261 million metric tons. Carry-over stocks this year are hovering about 180 million metric tons world-wide, or the equivalent of 20 percent of world consumption, well above the 17 percent figure which FAO considers to be a safe buffer level. Production gains in the Third World are equally impressive; the LDCs averaged a four percent increase in their food production in both the 1976 and 1977 harvests.

There are, however, still imbalances in world-wide food production and consumption, and inequalities in distribution between nations and within nations. In Dr. Mensah's words, there is a need for an effective world food system directed toward achieving a unified global objective: the satisfaction of the basic food needs of the poorest at minimum possible cost in economic, social and political terms.

International Trade

To meet basic human needs, the less developed countries must grow and for many of them, "trade is the engine of growth," providing the foreign exchange which allows them to invest in their own development. Isaiah Frank, William L. Clayton Professor of International Economics, The Johns Hopkins University School of Advanced International Studies, thus introduced the panel session. Developing countries, he said, also seek changes in the structure of international trade for other reasons: 1) commodity exporters desire protection from the endemic price fluctuations that have occurred in the past; 2) trade is the only viable alternative for most developing countries to lessen their dependence on aid and achieve the primary goal of the New International Economic Order—self-reliance; 3) rising protectionist trends in the OECD nations, if not checked by a new round of international agreements, threaten to wipe out the important gains the developing countries have made since 1960.

Fear of job loss if tariffs on the manufactured exports of developing countries are liberalized is an understandable response of certain segments of American industry and labor to the improvement in the trading position of LDCs. Despite trade barriers and the rigors of the 400% oil price hike and subsequent recession in 1973, U.S. imports of manufactured goods from developing countries rose from \$380 million in 1960 to almost \$5 billion in 1977 and the LDC share of the global export pie increased in that same period from four to seven percent. The World Bank estimates that this improvement in terms of trade has indeed cost the OECD nations jobs: one million of them. On the other hand, concurrent with the remarkable improvement in developing country exports to the industrialized nations has been the extraordinary growth of markets in developing countries for exports from the West. The U.S. economy, for example, has become critically dependent on these expanding export markets—last year developing countries accounted for 40% of total U.S. exports. Non-OPEC developing countries alone took goods totaling \$30 billion—a figure representing some \$3 billion more than U.S. exports to all of industrialized Europe. Similar trading patterns are evolving among other OECD nations as well.

Because of changes such as these, negotiation of a new set of trading arrangements is underway in both the General Agreement on Tariffs and Trade (GATT) and the United Nations Conference on Trade and Development (UNCTAD). Developing countries seek access to industrialized markets for their manufactured goods and agreement on a series of commodity price stabilization arrangements for their primary agricultural and mineral exports. Guy Erb, U.S. trade specialist and member of the National Security Council staff, reiterated the Carter

administration's commitment to these negotiations, and its commitment to freer trade between the United States and developing countries.

While the United States seeks to accomplish this goal by a general reduction of tariffs and adoption of universal codes regulating the use of nontariff barriers, the developing countries are more concerned with extending tariff preferences currently accorded them under the Generalized System of Preferences (GSP) and with obtaining special treatment as regards the application of nontariff barriers to their products. Developing country participation in the negotiations is hampered, Erb said, by a lack of sufficient skilled personnel, by the political nature of some of their demands, and by their unreadiness to offer a reasonable degree of reciprocity for benefits extended to them. He also expressed some pessimism regarding the negotiation of price stabilizing commodity agreements in the UNCTAD because of internal divisions within the Group of 77 which, he said "make it difficult for the Group to take a common position or to compromise, once a position has been taken." Nevertheless, he felt some progress is possible on a case by case basis. To insure the success of the negotiations, Erb urged that the UNCTAD Secretariat act as broker between the developing and developed countries.

Lawrence Fox, Vice President of International Affairs of the National Association of Manufacturers, commented on these issues from the point of view of the business community. The developing countries should moderate their demands at this particular time, he said, because persistent "stagflation" in the OECD nations obviates the possibility of expanding their export markets for manufactures. Fox maintained that LDCs would benefit more from maximum across the board reduction of tariffs rather than a retention of the present cumbersome GSP; indeed, some LDCs such as Taiwan, Mexico and Korea, can be competitive without the GSP. Fox suggested that stringent codes of conduct will also be required in dealing with nontariff barriers such as government subsidies, for example, and should be agreed to by all countries, developed and less developed alike. In relation to the commodity talks, the LDCs must allay suspicions that they want to push prices up, rather than stabilize them, if the talks are to succeed. He concluded by counselling moderation on the part of the LDCs generally and the acceptance of international trade responsibilities by the more advanced LDCs.

Benjamin Sharman, Director of International Affairs, International Association of Machinists and Aerospace Workers, AFL-CIO, stressed the concern of the trade unions for workers in the developing countries, saying that U.S. assistance, through trade and aid policies, should go particularly to the poorer countries. However, assistance should not be given at the disproportionate expense of the American worker. The U.S.

policy of encouraging U.S. multinational corporation investment in the LDCs through trade and tax policies is unacceptable to the unions, since it causes unemployment in this country and undermines collective bargaining. Sharman expressed misgivings about the U.S. definition of "developing country" for tariff-preference purposes: Should Taiwan, with its steel mills, shipyards and TV industry qualify for the same preferences as Bangladesh? He voiced deep concern over U.S. assistance to developing countries where human rights and trade unions are repressed, noting that LDC policies that keep wages down tend to promote investment by U.S. multinational corporations to the benefit of these companies and of local LDC elites.

The importance of a high and stable level of international trade, including commodity stabilization measures, to both the developing and developed countries, was emphasized by David Pollock, Director of the Washington Office, U.N. Economic Commission for Latin America. Deploring even small protectionist measures as dangerous, since they inexorably grow, he pointed out that protectionism has cost \$30 to \$60 billion in lost global commerce since 1974. Pollock outlined the advantages of freer trade to both the developed and the less developed countries, citing the following indicators:

- one out of eight manufacturing jobs in the U.S. produces for export:
 - one out of three acres of U.S. farm land produces for export;
 - \$1 out of \$3 in corporate profits arises from U.S. business abroad;
 - U.S. export sales are now as large as total business fixed investment in this country and almost three times as large as residential construction investment;
 - 90% of the U.S. export surplus since World War II came from trade with the less developed countries;
 - since the mid-1960's the U.S. has had a trade deficit in low technology goods but a large surplus in high technology goods. What this suggests, Pollock said, is that the U.S. should focus on developing the dynamic sectors of its economy, where there is great potential for both foreign trade and domestic economic progress as well as for the economic advancement of the less developed countries.

The challenge in current trade negotiations, the panelists pointed out, is to devise a strategy by which the masses of poor people can reap real benefits from trading. It is the elite group in the LDCs which have always gained the most from economic aid and growth. This has led to skepticism in the Third World about development strategies aimed at meeting basic needs and has also eroded support for aid programs in the developed countries. Erb suggested that, after current negotiations on all fronts are completed, a new set of talks will be needed within the develop-

ing countries themselves to achieve better distribution of the gains between the elites and the masses of ordinary people.

Panelists agreed that the U.S. also must address the problems trade has posed for the U.S. economy. As Erb said: "The present situation presents a challenge that the U.S. must meet if it is to continue its role as leader of the world economic system." Expanding the adjustment process and absorbing labor displacement in the developed nations are necessary and achievable goals in the next few years.

Science and Technology for Development

What role should science and technology play in development and particularly in meeting the basic human needs of the poorest? How are employment and income distribution affected by technology choice? What is the role of imported technology as compared to the capacity of LDCs to innovate on their own? Are the LDCs right in complaining that the rich countries are denying them the "latest" and "best"? By importing technology, are the LDCs increasing their dependency on the rich countries or moving toward their self proclaimed objective of self-reliance? How can the U.S. effectively provide assistance in technological development to less developed countries? These questions emerged as the main topics for discussion at the workshop and, although different points of view were expressed, there was general agreement on some basic premises:

- science and technology have thus far not had much impact on the problems of the poor in less developed countries;
- technology is of major importance if Third World countries are to achieve their development goals in reasonable time;
- effective ways must be found for more advanced countries to share their modern technological know-how with developing countries although transfer of technology is not always appropriate;
- there should be more emphasis on creating or adapting technology from within rather than relying on imported technology.

Marcelo Alonso, the Director of the Department of Scientific Affairs, Organization of American States, noted the great differences among countries in levels and kinds of development, rates of economic growth, population growth, income distribution, and capital and natural resources and how they are used. He emphasized the importance of "appropriate know-how, organization and understanding," scarce commodities in some LDCs. What differentiates the developed countries from less developed countries, Alonso said, is not so much the extent to which

technology is *used* as the degree in which it is *produced*. "For the DCs science and technology is an "endogenous" factor, while for the LDCs it is basically "exogenous."

Although LDCs often do not know what technologies they should adopt and what model of industrialization is best for them, in the long run "technology is the only hope for LDCs to achieve their development goals within a reasonable period of time," Alonso emphasized.

Perhaps the most delicate issue raised by LDCs is their access to "modern" technology. The problem simply stated is that modern technology, "the life and blood of the DCs" is basically privately owned, largely by transnational corporations, which are responsible for most of the circulation of technology in the world. "Modern technology is expensive to produce and its unrestricted transfer may backfire against those who have taken the trouble and the risk to produce it." The big question is whether modern technology can be safely circulated or shared with the LDCs. Are the costs and restrictions on technology transfers really limiting the development of the LDCs? Do the DCs have moral obligations to share technology? While there are no satisfactory answers to these questions yet, nevertheless, in Alonso's opinion, a strategy for assistance to LDCs cannot ignore their need for access to technology.

Norman Neureiter, manager of Texas Instruments Europe Division, indicated that the LDC demands for access to proprietary knowledge (i.e. technology patents) cannot be met as long as U.S. corporations feel that the competitive costs of such actions are too high. However, other LDC goals, such as increased exports, greater cash flows and upgrading of management and worker skills are being addressed by U.S. companies abroad.

Dr. Clarence Long, U.S. Representative from Maryland and an economist, suggested that technological answers to development can best be found in "light capital technologies," i.e. those which economize on capital. He particularly criticized development efforts based on large-scale capital intensive show pieces based on imported technology which fail to have any development impact on the poorest sector of the population. However, he did not rule out more expensive projects for infrastructure as long as they aided the needy and contributed to the success of light capital projects.

In Alonso's view, the main challenge facing LDC development planners is how to achieve a capacity for technological innovation within their limitations, as well as the most appropriate technological mix. The objectives should be twofold: in the short run, to increase productive capacity, and in the longer run, to achieve high technological competence. To reach these goals, LDCs must have at least a minimum science and technology infrastructure with engineering and consulting capability,

research institutions and quality control. LDCs must also be prepared to resist pressures for accepting technologies which are not desirable or even necessary.

Dr. Alonso emphasized that technical assistance must be a partnership with U.S. scientists and institutions working jointly with, rather than independently of, their LDC counterparts. This is the only way to encourage development of the kinds of skills necessary to make science and technology meaningful for development. The U.S. should concentrate on the key productive sectors in order to create employment, increase production and encourage programmatic rather than project approaches.

Jordan Lewis of Appropriate Technology International (ATI) also expressed the view that U.S. scientists should not work alone on development problems, but should research and build on existing technologies in Third World countries. Lewis emphasized the need for innovation from within and for employment generation. Lewis also suggested that "technology transfer" among developing countries might be no less important than transfer from rich to poor countries.

Mr. Neureiter and Mr. Lewis agreed that publicly supported scientific research and development programs in the U.S. or the LDCs had thus far not had much of an impact on the problems of the poor or on economic growth. Yet, potentially at least, in Alonso's words: "Science and technology constitute the major factor of social change in this modern world and affect all societies no matter what their level of development." How LDCs can become the masters of their own technological development is a critical challenge for both aid-giving and aid-receiving countries.

Strengthening the System of Multilateral Development Assistance

How can the United Nations system, and the multilateral agencies in particular, best respond to the challenges of meeting basic human needs? The question was posed by Charles William Maynes, Assistant Secretary for International Organization Affairs, Department of State. Mr. Maynes sees the U.N., first and foremost, as a "forum to define and legitimize a consensus on basic human needs so that it becomes a policy echo chamber of poor people's voices and choices." Secondly, he sees it "as a mobilizer and manager of international resources to complement the resources of individual countries according to need." And thirdly, he sees the U.N. system as "an effective tool" for assistance. Since the U.N. is able to bring together donor and recipient countries, it is in a unique position to give legitimacy to a BHN development strategy. But changes

are needed, Mr. Maynes asserted, before the U.N. can most effectively play this role.

An historical perspective on how the U.N. system has functioned in the development arena up to this time was provided by Roger Cochetti of the United Nations Association of the USA who pointed out that the U.N. has devoted much of its attention to the technical assistance side of development. A half dozen of the U.N. specialized agencies have provisions in their respective charters which call for some form of technical assistance activity. Perhaps the most advanced of these has been the World Health Organization, engaged in technical assistance activities in health related fields for over two decades. By the latter part of the 1960's, there was increasing concern over the lack of effective coordination within the U.N. system and the possibilities for duplication and waste. Largely for this reason, the U.N. established the United Nations Development Programme (UNDP) in 1966 as a central vehicle for coordinating and funding technical assistance programs throughout the U.N. system. The UNDP, often under difficult circumstances, has performed this task remarkably well, Mr. Cochetti said.

Similarly, there has been substantial growth in the international organizations which focus on financial flows. These international financial institutions (IFIs), consisting of the World Bank Group and regional development banks in Latin America, Asia, and Africa, are the most important source of concessional development loans to the LDCs. Since the late 1960's they have experienced a doubling of their lending activities, and a major increase in their soft loan activities. The International Development Association (IDA) of the World Bank Group, in particular, has become the centerpiece of much of the world's efforts to promote development in the poorest nations. This increase in IFI concessional lending has been made possible because of increased contributions to the IDA. The U.S. contribution to the fourth replenishment to IDA (1973) consisted of \$1.5 billion, payable over a four year period; while the U.S. contribution to IDA's fifth replenishment (1977) consists of \$2.4 billion, payable over a three year period. Other countries have also made comparable increases.

The U.N. system has been the market place for new ideas and lent its prestige and resources to make these ideas acceptable globally as well as nationally. For example, Mr. Maynes recalled, it was the U.N. that launched the first Development Decade, stressing the need for growth and setting growth rate targets for the developing countries. It was the U.N. World Conference on Population that made that subject a legitimate concern. It was the World Employment Conference in 1976 that first articulated basic human needs strategies as an essential feature of economic growth. The U.N. Conference on Environment and the U.N.

Conference on Women dramatized and provided recognition for these issues.

But, Mr. Maynes emphasized, the U.N. requires reform if it is to strengthen a consensus around a basic human needs strategy. Recent reorganization efforts promise to have a beneficial impact. In 1977, the General Assembly created a new post of Director General for Development and International Economic Cooperation, reporting directly to the Secretary General, with particular responsibility for coordinating economic and social activities. New efforts are being made to establish uniformity in planning, budgetary and other procedures to more effectively integrate assistance efforts of U.N. agencies within recipient countries. UNICEF and ILO pioneered development assistance programs centering on basic human needs and it now appears that the WHO, FAO and UNDP are moving toward BHN objectives. Furthermore, planning figures for the second five-year cycle of the UNDP indicate that the poorest countries will receive 48 percent of UNDP funding as compared to 34 percent in the first cycle, and two-thirds will go to countries with per capita GNPs below \$300.

Discussing the concept of basic human needs as a new organizing principle of development assistance, Mr. Maynes enunciated three premises:

- (1) the people most affected must participate in the definition of basic human needs;
- (2) basic human needs strategies must aim at creating jobs in industry as well as in agriculture and increasing a people's potential to provide for itself; simply delivering goods in accordance with wants is not adequate;
- (3) those receiving development assistance should not be passive beneficiaries but decision makers and shapers of their own physical and psychological well-being.

One difficulty in articulating basic human needs priorities results from the problem of data collection, as well as from an inability to agree on a culturally unbiased interpretation of such priorities. For this reason, Mr. Maynes avoided any specific definition of basic human needs.

S. M. Abdulai, an adviser to the African Executive Director of the World Bank, agreed with Mr. Maynes that there was no clear definition of basic human needs. He also pointed out that acceptance of a basic human needs strategy among less developed countries will vary, since such a strategy will entail a redistribution of resources and an implicit sacrifice on the part of the wealthier developing nations. More important, according to Abdulai, is the fact that the present level of official development assistance would have to be doubled if world poverty is to be alleviated by the year 2000. Mr. Abdulai expressed support for the World

Bank's system of allocating aid funds on the basis of a country's economic profile rather than on a project basis. He indicated that multilateral institutions will have to play a central role in future development activities because they are the only mechanism which can bring together donor countries from diverse backgrounds.

Helmut Führer, who is Director of the Development Directorate of the OECD Secretariat, discussed ways to strengthen multilateral assistance, specifically the improvement of financial resources and administrative procedures to meet the needs of the least developed countries. He suggested greater coordination between multilateral and bilateral aid programs—a revitalization of the network of consultative groups and consortia—and emphasized the importance of preventing duplication among all donor sources. He also pointed to the responsibility of developing countries to respond constructively to initiatives offered by multilateral development institutions. In this connection, Mr. Führer noted a number of controversial problems. For example, there is considerable contention among the less developed countries themselves about increased concessionary aid to the very poorest members. The LDCs must be ready to explore jointly with the multilateral institutions the need for expanding basic human needs programs, and multilateral institutions should express preferences as to the uses of development funds.

The Staff Director of the Senate Subcommittee on Foreign Assistance, Frank Ballance, provided yet another point of view—that of the U.S. Congress. In recent years Congress has questioned U.S. support for multilateral development assistance on two counts: first, whether the management of these institutions is excessively wasteful and undeserving of continued, large-scale support and second, whether the program and lending policies of these institutions undermine foreign policy objectives of the United States and thwart the will of Congress regarding bilateral U.S. aid programs. Issues ranging all the way from salary structures to inter-agency duplication have come under close scrutiny, and restrictions on the use of U.S. contributions to multilateral agencies have been proposed. On the one hand, Ballance noted several recent Congressional initiatives favorable to greater U.S. support for development assistance—increased emphasis on humanitarian developmental purposes of Food for Peace programs, splitting of military and economic assistance in foreign aid legislation, increases in the UNDP allocation, and more recently, the Humphrey Foreign Aid bill which would reorganize and strengthen the U.S. foreign aid program. On the other hand, he identified a number of major impediments to congressional approval of increased U.S. contributions for development assistance, including labor protectionism, human rights concerns, and resistance to high taxes and inflation which are linked in the popular mind to overseas “giveaway

programs.” A strong educational effort will be needed to clarify for the American public the benefits of continued support for a multilateral approach to development assistance and economic growth.

The Role of Private Voluntary Organizations

The pivotal role played by private and voluntary organizations (PVOs) in meeting basic human needs has been recognized by most development experts over the past three decades. The unique contribution of American PVOs was cited by Dr. Landrum Bolling, Chairman of the U.S. Council of Foundations, as representing “diverse private initiatives working for the public good”. It is estimated that each year Americans provide nearly \$1 billion through private voluntary organizations for development assistance. Although the U.S. has fallen to twelfth among the OECD nations in terms of GNP percentage for official development assistance, the record of private giving in this country ranks the U.S. third, next only to Sweden and Switzerland, in terms of percentage of GNP for private aid. Beyond the obvious fiscal resources, these organizations represent a significant private U.S. commitment for meeting the basic human needs of the LDC populations. Dr. Bolling enumerated some of the uniquely important contributions these groups make to development:

- PVOs sensitize the public to the basic needs of the developing nations;
- PVOs work at the grass roots level and often involve local people in direct project participation;
- PVOs recruit and train indigenous staff, enhancing the local pool of skilled workers;
- PVOs also recruit and train specialists to work in developing countries;
- PVOs are able to experiment, take risks, and engage in long range planning commitments which governments often avoid;
- PVOs lay the project groundwork for potential government subsidy;
- PVOs monitor and evaluate development projects.

The real challenge for the private and voluntary organizations, Dr. Bolling asserted, is to accomplish something significant, with lasting effects, rather than doing something “merely good”. Funding is a major continuing problem with a flow of private funds needed to offset the real eventuality that government funds will cease. It is crucial to the independence of PVOs that they maintain their diverse, non-governmental

sources of funding to avoid being “in the pocket of one great angel”. Dr. Bolling also suggested that PVOs should coordinate their efforts and share their experiences for mutual benefit.

The Associate Executive Secretary of the Mennonite Central Committee, Edgar Stoesz, long associated with nonprofit, private voluntary organizations, enumerated several of the favorable features of the PVO role in development. In contrast to governments, PVOs are better suited to meet the needs of the poorest majorities, and to function effectively at the village level. They are also less bound by political restraints than governments and are thus more independent and flexible in responding to specific needs or situations. Since PVOs have smaller overhead costs, they can undertake small scale projects which larger, government agencies would not find economically feasible. Reflecting on his own years of experience, Mr. Stoesz had some caveats for PVOs: avoid complacency and the temptation to seek simple solutions to complex development problems; resist the pressures to emulate government projects; preserve their “non-governmental” structures and capitalize on their strengths as *private* and *voluntary* organizations.

Wallace J. Campbell, now President of CARE, one of the largest PVOs in the U.S., used the case study approach to evaluate the contributions that PVOs have made to development. Drawing on his long experience in cooperatives, Mr. Campbell stressed that successful PVO development projects should be reproducible on both small and large scales. Small scale projects, particularly, are well-suited to PVO efforts, are flexible and lend themselves to replication. The cooperative movement, Mr. Campbell observed, is one of the most successful approaches to PVO and government cooperation. Cooperatives foster employment, leadership development and more equitable income distribution whether they are in the field of agriculture, housing, or handicrafts. The growth of many of these coops occurred precisely because they started with small, replicable projects and progressed to larger scale enterprises. To illustrate, he mentioned the impressive growth of credit unions in Latin America, the National Rural Electric Cooperative Association in the Philippines serving a million members, and a huge farmers' fertilizer cooperative in India. The pioneering efforts in the coop movement, he stressed, were made possible through governmental-PVO partnership; CARE, for example, has found that carefully planned development projects undertaken with governmental support or sponsorship have been successful.

Maryanne Dulansey, Director of a small, non-profit PVO called Consultants in Development, believes that PVOs have a special role in the developing nations because they are agents of change in those societies. “PVO programs that are well planned, and genuinely invite

local participation go far beyond the dogooder, charitable role of the past." She cited four positive qualities of PVOs:

1) they are oriented toward meeting basic human needs; 2) they are attuned to the poor of the developing world; since they themselves are often small and relatively poor, they are able to identify and prioritize the poor's basic needs more easily than government agencies; 3) their input in technology, manpower and resource allocation is generally appropriate to the Third World setting; and 4) they are concerned with leadership training and enabling local people to solve their own problems. Ms. Dulansey also called for a number of possible improvements in PVO efforts:

- greater participation of local people in project implementation;
- more realistic longer time frames to reach development goals;
- more and better technical input in project planning and implementation;
- better monitoring and evaluation;
- closer cooperation and collaboration among PVOs in the field;
- education of constituencies at home about the needs and aspiration of people in the Third World.

Most observers agree that private and voluntary organizations are held in high esteem in the developing countries. Even when relations between the U.S. and a given nation may be poor, the work of American PVOs often continues unimpeded. The people to people contact which the PVOs have come to symbolize ensures a humanitarian dimension to the American commitment to development. Undoubtedly, the roles and functions of the PVOs are evolving, often becoming more sophisticated as they attempt to tap the technical resources from the private sector that are sorely needed in many Third World nations. Public support for the PVOs has remained consistently high, even during the 1973-75 recession; this support, coupled with the growing cooperation between the PVOs and government, promises to enhance the role of the private and voluntary organizations in their efforts to meet basic human needs.

The International Development Conference—25 Years

The International Development Conference has served since 1952 as a vital platform for American organizations and individuals concerned with raising living standards and fostering economic growth among the developing regions of the world. The Conference is a forum for the exchange of experience, information, and ideas concerning international economic, technical, and social development among individuals in the United States Government, international agencies, business, universities, and, especially, non-governmental organizations.

Participants in the annual meetings organized by the Conference have represented a broad cross-section of American life including farm, labor and business associations, religious and women's organizations, cooperatives, youth groups, educational and civic interests. Conference participants have freely expressed the viewpoints of their organizations and in turn have benefitted from the practical experience, imaginative thinking, and attitudes of fellow conferees.

Looking back over the 25 years of the International Development Conference, these elements stand out:

First, the very durability of the Conference is remarkable. There must be few, if any, inter-organizational groupings which have survived so long in Washington.

Second, the large and constantly growing participation in the Conference is noteworthy. The Conference has from the beginning been based on the concept of involving a very wide range of organizations.

Third, the Conference has performed its functions with very modest means, relying primarily on its chief resource—the commitment of its members and their organizations.

Fourth, it has kept its members up-to-date and alert on development issues.

Fifth, it has mobilized a constituency for the support of U.S. development programs.

Sixth, it has kept open channels through which ideas could flow up to and down from government policy-makers, thus helping to develop a consensus on critical issues.

Finally, the Conference has served as a platform for launching new ideas. It was in this forum that Paul Hoffman put forward the concepts which took shape in the U.N. Development Program, which he later headed. It was here that Senator Monroney made the first public presentation of the idea of the International Development Association; and that Victor Reuther and Orville Freeman, on the same day but independently, sketched out what later became the Peace Corps.

The first International Development Conference was held in Washington, D.C., April 7-9, 1952. Over 1200 people attended, representing some 270 organizations. The idea for this Conference originated in the Point Four Information Service, which drew its name from the fourth point of President Harry S. Truman's 1949 Inaugural Address, in which he proposed that the United States initiate a program to help the peoples of the world to raise their standards of living and to achieve decent, satisfying lives. President Truman, then in his final year of office, was the principal speaker. John A. Hannah, then President of Michigan State

University, was the Chairman of the Conference. Among the other speakers were W. Averell Harriman, then Director for Mutual Security in the Truman Administration; Justice William O. Douglas; Nelson A. Rockefeller, not yet Governor of New York; Walter P. Reuther, President of the United Automobile Workers Union; and James G. Patten, President of the National Farmers Union. The Conference report, *World Neighbors: Working Together for Peace and Plenty*, was widely circulated.

The informal body of representatives of 40 to 50 national organizations (business, farm, labor, religion, education, cooperatives, civic, and many more), which organized the first Conference, has provided the backbone of support ever since.

After 1952, conferences were held each year for several years, and in some years there were workshops on special subjects as well. While none of these meetings matched the size of the initial 1952 meeting, they regularly drew several hundred organizational representatives.

From 1955 through 1960, Orville Freeman, then Governor of Minnesota, and Charles P. Taft, then Mayor of Cincinnati, functioned as Co-Chairmen of the annual Conferences. Among the speakers in those years were Senators Humphrey, Javits, Cooper, Monroney, and Sparkman; Paul G. Hoffman, then a member of the U.S. delegation to the UN; Justice William O. Douglas; and two successive Under Secretaries of State, Christian Herter and C. Douglas Dillon.

The 1959 Conference commemorated the 10th anniversary of President Truman's Point Four address. The former President attended and was honored in person. The tribute presented to him on that occasion read in part:

"The truly great ideas which transform history take such immediate hold of men's minds and hearts that it seems as if they must have been there always, only waiting to be awakened. All religions have summoned men to the aid of their fellow-men—and, above all, to help others to help themselves. In times of emergency or disaster, we Americans have long recognized that this obligation transcends all frontiers.

"It remained for you, Mr. President, to perceive that this duty is not an occasional but an enduring one—that our narrow world cannot survive half rich and half poor, any more than our own nation could endure half slave and half free."

The 1961 Conference marked the beginning of a new Administration and, appropriately, President John F. Kennedy was its principal speaker. Gaylord Nelson, then Governor of Wisconsin, joined Charles P. Taft as Co-Chairman. Other speakers were Senator Humphrey; Secretary of State Dean Rusk; two Under Secretaries of State, Chester Bowles and George W. Ball; Secretary of Agriculture Freeman; and Paul G. Hoffman, by then Director of the UN Special Fund. Some 210 organizations were represented, marking a distinct upsurge in outreach for the Conference, as compared with the preceding years.

In 1962 the first (and, so far, the only) Conference was held outside Washington—in Chicago, on the then timely theme of the Alliance for Progress. Messrs. Nelson and Taft continued as Co-Chairmen. The speakers included Orville L. Freeman, Secretary of Agriculture; W. Willard Wirtz, Secretary of Labor; Governor Gaylord Nelson; Ambassador Chester Bowles; and Bill D. Moyers,

then Associate Director of the Peace Corps. Upwards of 700 persons, representing nearly 400 private and governmental organizations, attended.

Charles P. Taft and Matthew E. Welsh, then Governor of Indiana, were the Co-Chairmen for 1964. The next year Neil Staebler, then Congressman from Michigan, replaced Governor Welsh. For 1968, a new pair of Co-Chairmen took over—Judge Frank M. Coffin and Senator John Sherman Cooper. Speakers during the Johnson years included Senators Humphrey and Javits; Secretary of Agriculture Freeman; Raoul Prebisch, UNCTAD Secretary-General; David E. Bell and William S. Gaud, successive AID Administrators; Ambassador Harriman; W. Michael Blumenthal, then President of Bendix International Corporation and now Secretary of the Treasury; and Gunnar Myrdal, internationally-renowned Swedish economist.

“World Development in the Seventies: The Need for New Departures” was the theme of the 1970 Conference. Daniel Parker, then President of the Parker Pen Company, and Mrs. Theodore Wedel, then President of the National Council of Churches, were co-chairs. Other speakers included John A. Hannah, AID Administrator; Senators Muskie, Pell, and Yarborough; Judith Hart, Britain’s Minister for Overseas Development; and Congressmen E. Ross Adair, Jonathan Bingham, John Culver, Dante Fascell, Bradford Morse, and Henry Reuss. The highlight of the Conference, however, was the first appearance of Barbara Ward, who said:

“We operate in a single (world) system so interconnected that we can no longer cut off and isolate the results of what we do. . . . If we don’t start from the idea that our planetary economy is in desperate imbalance, and growing worse, we’re not starting from reality.”

Nearly 900 people from more than 150 organizations took part in this Conference.

Paul G. Hoffman, just retired after more than a decade of distinguished service as Administrator of the UN Development Program, chaired the 1972 Conference. Barbara Ward again addressed the Conference. Other speakers included Senator Edward M. Kennedy; John A. Hannah, AID Administrator; Congressman Sam M. Gibbons; and Congressman Bradford Morse, Under Secretary-General of the United Nations (designate). Over 800 persons attended.

The 1973 Conference was held October 23-25, shortly after the Yom Kippur war. Prophetically, since this year marked the beginning of effective action by the oil-producing countries to boost the price of oil, the theme of the Conference was “The Developing Nations in Tomorrow’s World: Poverty and Power.” Senator Humphrey and Theodore M. Hesburgh, President of the University of Notre Dame, co-chaired the gathering. The speakers included the Reverend Hesburgh; Senator Walter F. Mondale, Addeke H. Boerma, FAO Director General; Daniel Parker, who had become AID Administrator; Under Secretary of State William J. Casey, and the Ambassadors of India and Sri Lanka.

From the beginning, the Conference has relied on the hard work and the organizational skills of dedicated volunteers. They are too numerous to list, but three deserve special mention as key figures throughout the existence of the Conference—Rachel S. Bell, Wallace J. Campbell, and Andrew E. Rice.

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The following speeches are available in cassette form:

Plenary Session—Basic Policy Issues from Perspectives of the U.S., the U.N., and the Third World

- *C. Fred Bergsten, Assistant Secretary of the Treasury for International Affairs
- *Dick Clark, U.S. Senator from Iowa
- *Lester E. Gordon, Director, Harvard Institute for International Development
- *Mahbub ul Haq, Director of Policy Planning and Program Review, The World Bank
- *Bradford Morse, Administrator, U.N. Development Programme

Dinner Meeting—25th Anniversary Observance

- John A. Hannah, Executive Director, World Food Council; Chairman, 1st IDC Conference, 1952; Administrator, Agency for International Development, 1969-73.
- Jacob K. Javits, U.S. Senator from New York
- *Rocael Garcia, President, Latin American Confederation of Credit Unions
- *John J. Gilligan, Administrator, Agency for International Development

Plenary Session—How to go about meeting Basic Human Needs: Developing Country Perspectives

- Paul P. Streeten, Director, Institute of Commonwealth Studies, Oxford University
- *John Mellor, Director, International Food Policy Research Institute
- *Bagicha S. Minhas, Visiting Professor, The Johns Hopkins University

Plenary Session—How to go about meeting Basic Human Needs: The International Perspective

- *James P. Grant, President, Overseas Development Council
- *Sir Richard King, Executive Secretary, Development Committee, World Bank and IMF
- *Juan Somavia, Executive Director, Instituto Latino Americano de Estudios Transnacionales

Plenary Session—The U.S. Stake in a New Development Strategy

- *Reginald Newell, Director of Research, International Association of Machinists
- *Robert Lewis, Chief Economist, National Farmers Union
- Charles W. Robinson, Vice-Chairman, Blyth Eastman Dillon and Co., Inc.
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World Agriculture and Food Security

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