

# DOCUMENTS

## THIRD WORLD LECTURE 1982 SOUTH-SOUTH OPTION

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Madame Prime Minister; Your Excellencies; Friends.

The establishment and annual award of the Third World Prize does, by implication, make a number of controversial statements. First, it asserts that there is such a thing as a Third World. Secondly, it asserts that the Third World is conscious of its existence as a diverse unity, and of its condition as a victim of exploitation. And, thirdly, this Prize is an assertion that the Third World is involved in the affairs of mankind, and has rights within the larger community. The Third World Prize is thus a declaration of pride in ourselves, and gives notice of our intention to become controllers of our own destiny.

On this basis of belief about the significance of the Third World Prize, I can only pay tribute to those individuals who established it, and those who have accepted the onerous responsibility of deciding who shall receive it year by year. I accept it today with feelings of humility, and, indeed, some inadequacy.

If countries were like companies, a number of the poor — and even the ambitious but not so poor — would by now be declared bankrupt. Within the poor states millions of people face the risk of starvation; even where health and educational services existed for the masses there is a shortage of drugs and books, and their transport and distributive systems are in danger of grinding to a halt. In the developed industrialised states on the other hand, there is mass unemployment, public services are being cut and reinvestment has been drastically reduced. All nations are experiencing severe economic problems, but the gap between the rich and the poor is wider than ever before.

World inequalities are nothing new; they have been increasing steadily for most of the twentieth century. But there has been a change. The complaint of the poor countries up to the early 1970s was that the international economic system resulted in nearly all their advance being appropriated by the rich. The reply of the rich countries was that growth was taking place everywhere, albeit slowly, and that this world growth showed that the international system was in the interests of all. That reply can no longer be made. Since about 1972 the poorest have become, and are daily becoming, poorer — absolutely as well as relatively. More recently the rich countries have seen their own growth rate decline while they face increasing uncertainty about the repayment of their past overseas loans. It is in fact becoming increasingly clear that an unjust and exploitative international economic system is in the process of falling apart, and no arrangements for its orderly replacement are in sight. The Law of the Jungle is returning.

In the face of these events there have been very many conferences and reports. The main result is vague promises, the calling of new meetings and mounting resentment. We in the Third World complain most, for we

are the ones who are suffering the most extremely, and whose need for relief is greatest and most urgent. There are many countries in the Third World for which disaster is imminent.

But what is this 'Third World', this 'South', (for I am using the words interchangeably), about which we talk so much?

Various definitions can be – and are – given of the 'Third World'; even those who agree that there is such a thing do not always agree about which countries belong to it. By any definition, however, the term 'Third World' is synonymous with underdevelopment and technical backwardness; it almost always means poverty also. As a result of history its membership virtually covers the geographic South excluding Japan, Australia, and New Zealand. Yet there is an important sense in which a country has to decide for itself that it is a member of the Third World. For some Third World countries are richer, or more industrialized, than others; and in segregated societies a man who is trying to 'pass' into the dominant community distances himself as much as possible from his relatives and traditional friends.

Whatever marginal countries are included or excluded, however, the Third World consists of the victims and the powerless in the international economy. Consequently, although we Third World nations have united in calling for a New International Economic Order we have not been able to force any noticeable progress towards it. We are not able to ensure that serious attention is given to the restructuring of the existing system, or of its major international institutions. Together we constitute a majority of the world's population, and possess the largest part of certain important raw materials; but we have no control and hardly any influence over the manner in which the nations of the world arrange their economic affairs. In international rule-making we are recipients not participants.

It is, of course, true that the oil-exporting countries, grouped in OPEC, have been able to affect the world economy. But I suggest that what they have really achieved is to show the basic instability and injustice of the present arrangements. In the process they have demonstrated their power, temporarily, to intensify world economic disorder, but their lack of power to cause any constructive change in the system itself. Thus, world inflation was well under way before the end of 1973; the oil price rises then merely gave a further sharp twist to an existing spiral, and the present world recession has damaged the development plans of almost all oil producers, regardless of OPEC. Thus, OPEC membership does not disqualify a country from membership of a group designated by its powerlessness in relation to the institutions of world economic management. It merely means that, by living upon their non-renewable resources, the countries concerned can for a time redistribute world income in their own favour.

It has been on the basis of their separate powerlessness, and in the belief that by speaking together they can reduce it, that the Third World countries have come together and entered hopefully into a series of North-South discussions and negotiations. We have achieved some positive results; in historical terms these are not insignificant. In particular, world poverty is now on the agenda; everyone at least finds it expedient to pay lip-service to ending it.

Unfortunately, the achievements are not enough even to protect the poor from a worsening both of their terms of trade with the developed North and their already appalling conditions. It is not only that the changes leave the basic structures of the world intact – which they do. It is also that the ameliorations conceded to the South have not been put into practice. Thus, only four countries – and these among the smallest – now devote at least 0.7 per cent of their GNP to Official Development Assistance. The average level is about 0.37 per cent, and two major powers have given notice that they intend to cut their contributions still further. There has recently been a growth in protectionism directed against the processed and manufactured goods of the Third World, and there are still barriers against the free entry into developed countries of some agricultural primary commodities. The Common Fund, established after years of negotiations, threatens to become a ghost of the original concept. The international financial institutions are no longer even talking about making their 'loan conditionality' terms more appropriate to developing countries. The long-awaited Cancun Conference concluded by – most probably – having some educational value, but without any commitment even to constructive Global Negotiations through the medium of the United Nations.

In his Inaugural Third World Lecture. 'The Politics of Affirmation', Michael MANLEY talked about the problems of development and concluded 'The developed world has the resources to make a serious start possible. What is needed is a great act of collective imagination, a quantum leap in statesmanship'. The Brandt Commission Report, published about one year later, made a series of practical proposals about how progress could be made towards the 'One World' which it demonstrated is in the interests of both rich and poor.

However, there is – to say the least – no evidence of any imminent 'quantum leap in statesmanship' by the world community. The major industrial powers of both the Eastern and the Western blocs have made clear their lack of practical interest in an organised attack on world poverty, and their imperviousness – for the present – to any rational arguments for international economic change. Smaller members of their alliances do not necessarily share their lack of concern, or their ideological hostility to discussion aimed at constructive change in international institutions. But few, if any, of these other states are likely to find it appropriate – or perhaps possible – to go forward with us alone; they feel constrained to limit their activities to bilateral trade and aid arrangements. Progress in the North-South dialogue is going to be minimal in the desperate years ahead.

This does not mean that the Third World should stop arguing, discussing, and educating. Pressure on the North must be maintained. We are part of the world, and are locked into the economies of the North and into the maze of international economic relationships which are controlled by the North. Our whole economies, and especially our urban areas, depend upon the continued working of imported technology and require continued importation of the spare parts, machines, fuel etc., which that technology implies.

The attempt to improve the terms of North-South trade and economic relationships must continue if our economies are to keep running.

To that end the continued unity of the Third World is vital. For it is only that unity, and the power of a united South to make the maintenance of Northern control over the world economy increasingly costly, which causes the North to negotiate at all. If we allow ourselves to be divided from one another, or one group from another, then we shall all be weakened and the present injustices will continue unchecked.

But unity is strength only when it is organized. If, in the present hostile atmosphere, we are to be able to maintain the pressures for a New International Economic Order, and meanwhile to gain marginal improvements in our economic relationships with the North, then we have to organize ourselves. For if genuine negotiations do become possible at all, they will be about highly complex and detailed questions, with larger implications. For dealing with these, rhetoric is not going to be sufficient.

We want justice in international economic affairs; but what justice consists of will sometimes be different for different circumstances, different times, and different types of economies in the Third World. Thus there are certain ingredients of a New International Economic Order in which the whole Third World has a common interest; a change in the governing structure of the international financial institutions is a case in point. But the priority which countries give to other ingredients will vary in a manner which reflects the different sub-groupings of the South – that is, the newly-industrialized countries (NIC); the landlocked or the island nations; the least developed countries; and so on. Our purpose in the immediate and middle-future must be to secure whatever advance is possible on any of these fronts, whether or not the major Third World demands are blocked for the time being.

No such advances will now be secured by a statement of demands collated at a Group of 77 meeting. Such a joint meeting, and the preparation of an overall position, is an essential beginning. But it is not enough. On the basis, and within the framework of, these defined Third World objectives, our negotiators have to be technically equipped to deal with detailed problems, and to do this in many different fora at the same or different times. When doing so, each one of them needs to be supported by the strength of the whole Third World, and to act in a manner which contributes to that total strength. Liaison and coordination between different negotiating groups and individuals is therefore essential. My conclusion is that there is no longer any alternative to a technically efficient and highly dedicated Permanent Secretariat – a Technical Support Group – for the Group of 77.

The Third World, in its relations with the North, is like a trade union in its relations with employers. It is trying to make unity serve as a compensating strength so as to create a greater balance in negotiations. And every trade union sooner or later discovers that both before and during any discussions with the other side, its skilled negotiators need the support of relevant research done by experienced technicians.

The North is strong and powerful. But it is not omnipotent. If we want our negotiations with the North to succeed we shall benefit greatly by having a Technical Support Group, staffed by highly-qualified and dedica-

ted personnel who will – over time – accumulate experience in the necessary fields. One of the jobs of that Secretariat will be to seek out areas of possible negotiation for the attainment of greater justice, and always to service our negotiators. Such a Support Group will have to be small, and managed on the [principle] of maximum cost-effectiveness. For it will have to be financed by the Third World it is intended to serve. He who pays the piper calls the tune !

Facilitating North-South negotiations, however, is not the sole task of a Third World Secretariat. It has another of equal importance.

Negotiators are ultimately as strong as the group on whose behalf they are working. North-South negotiations are possible because the dependence is not entirely one-sided. But the slow progress which the Third World makes in them reflects the existing adverse balance of our dependence. The obvious Third World task, therefore, is for us to reduce our dependence on the North as much as possible, and, in particular, to see that it does not increase as we develop our economies. The Third World and its individual members need to look at present development strategies to see how far they are leading to a worsening of our dependence balance, and, if so, how they can be changed.

Nearly all Third World countries have at one time or another declared their national objective to be the elimination of destitution, hunger, ignorance, and preventable disease in their state. We have said – almost all of us – that we want all our people to be able to live in dignity, with adequate food, clothing, and shelter available to them in return for their daily work. Those are very simple and basic objectives. Fulfilling them should be what we mean by development.

Development in this sense requires increased consumption – therefore, necessarily increased production – of food, clothing, and shelter. It requires the public availability of clean water, of basic knowledge, and basic health services. And it means that all resources are devoted to expenditure or investment which can be shown to contribute – directly or indirectly – to the provision of these basic needs of everyone.

In practice, however, it appears that the Third World has been thinking of development in very different terms. Judging by our actions, our national objective seems to be to 'catch up with the North', and development seems to mean buying the most elaborate building and the latest invention in every field, regardless of our capacity to pay for it – even to maintain it. Thus we have created a continuing dependency on the importation of technology and spare parts, which then requires us to produce for export regardless of our people's present hunger and present needs. All too frequently an adverse turn in the terms of trade, or a drought, or a simple miscalculation, then causes a major balance of payments crisis. This we try to deal with by urging our people to work harder for the same return, and by borrowing from the North (if we can) in order to invest in the production of greater exports which we hope will pay the old and the new debt! Thus we further increase our dependence and our weakness. In the process we create a so-called 'modern sector' which we point to as a sign of development. But it exists in a sea of poverty, ignorance and disease. Even-

tually we are unable to provide even this modern sector with its ever-increasing need for imports from the North, and much less to assuage the demand which its example has created among the surrounding masses. Our economy – modern and traditional sector alike – becomes less and less efficient. Our final position is worse than the first.

Defining development to mean catching up with the North means that development is impossible for the countries of the Third World. The United States of America, with about 6 per cent of the world's population is now said to use 40 per cent of the world's raw material and energy output. Between 1959–68 America used more of the world's resources than all the earth's people consumed in all previous history. Western Europe and the USSR both have a similar population, and both have the declared or implicit objective of 'overtaking America'.

Three times 40 per cent is 120 per cent, before Japan or any Third World country is considered! Two problems arise – quite apart from the obvious risk of war as the competition for resources gets intense. First, the world's resources are finite; the faster the rate of depletion, the quicker the end is reached. Secondly, the Northern levels of consumption are based on the use of an unfairly high proportion of the world's resources. Yet a world in which every nation gets an unfairly high proportion of its resources is an impossibility.

It is recognition of these two problems which is causing some people in the North to question the rationality of the consumerist philosophy, even for the North. It is that same recognition, combined with a desire to continue along the present path, which causes other Northern people to urge the integration into their world system of selected individual countries from the South, so that these can be tied more securely to the periphery of the existing economic centres and the unity of the South be broken.

But aiming to catch up with the North has more serious consequences than failure to arrive at the goal. It means that we will not abolish poverty in our countries, and that we will remain dependent and therefore weak in our relations with the dominant North. It also means that there will be very little South-South cooperation, because we shall all be trying to get entry into the rich man's club, if necessary at the cost of each other.

Defining development as the provision of basic needs for all our people has very different implications. First, it provides us with an objective which can be reached – in the future if not immediately. Secondly, as we pursue this kind of development we shall be gradually reducing the misery of our people's lives at the same time as reducing our dependence on the North. For we shall be concentrating on the kind of economic production and investments which can be sustained by our own resources and our own capacity. And thirdly, we shall be able to increase South-South cooperation to our mutual benefit and with consequential strengthening of the Third World as a whole.

Working towards the goal of 'people-oriented development' means adopting a more self-reliant approach than we have been doing. It does not mean ignoring human knowledge and the advances of modern science. But

it means looking at the whole of world knowledge and not just its latest caprice; it means allowing our national objectives to determine what type of technology we adopt or adapt from the North. Of necessity, we shall have to look at the experience, the productive capacity, and the knowledge of other Third World countries. For the technology needed for the purpose of eliminating poverty will not necessarily be the same as that which would be required if development meant catching up with the North.

Let me repeat: moving towards the self-reliance of the South, or of any member of it, does not mean pretending that the North is not there, or ignoring the harsh facts of our present dependence on it. We have to face the consequences of our past. That past has tied us to the North with strong ropes. Our urban areas exist; our so-called modern sectors exist. We cannot abandon them. What we can do is deliberately and carefully to re-direct our future development activities so that they lead us toward ever-greater Third World self-reliance, based on the culture and the real needs of our own peoples — our own masses. This requires that we shift the emphasis of our development plans, and in future decide to base them on our own roots and our own resources. In doing so we can benefit by cooperating on the basis of equality with others similarly engaged in the struggle against poverty. For the self-reliance of any member of the Third World can only be made really effective in the struggle against poverty when it is being carried out within the context of the wider collective self-reliance of the Third World as a whole.

Some South-South cooperation already exists. It has grown up even while most of our attention was directed at North-South relationships. Indeed its quantity and its quality should not be under-estimated, for it provides a solid foundation on which we can build. But we cannot continue to rely upon chance knowledge about each other, or upon the initiatives of transnational corporations, for there is no guarantee that this kind of knowledge and action will serve our people's needs. South-South trade and cooperation must be quite deliberately promoted, with the purpose of overcoming weakness and poverty. That is the second task of the Third World Technical Support Group.

The mutual advantage, and the feasibility, of such deliberately organized South-South cooperation cannot be doubted. But it will require from us — from the Third World — that kind of 'great act of collective imagination, a quantum leap in statesmanship' which Michael MANLEY called for from the developed world. For it needs confidence in ourselves and our own abilities, as well as a definite commitment to go ahead, on our own, in areas where the North is now unready or unwilling to work with us in the attack on world poverty. It requires, in other words, an act of political will. We have to make a deliberate commitment to development directed at meeting the needs of the people, and based on our own, Third World, resources and capacity. Without such an act of political will, every effort at cooperation, and every joint undertaking, will collapse when difficulties — occur as they always have done, and always will do.

Further, South-South cooperation cannot be developed along the pattern of past North-South interactions. Within the Third World there are the poor and the less-poor; there are the large and the small; the land-locked and the littoral states. If, within the Third World, those with advantages seek to exploit the weaker ones, then we shall simply repeat, among ourselves and at a lower level, the kind of dependency imbalance which now exists between the South and the North. And if we try to establish systems of Third World cooperation which would produce reasonably balanced results only on condition that all started equal, then we shall intensify the inequalities which now exist between us. The result of such practices would be the gradual build up of mutual resentments and a further division — perhaps between the Third World and a Fourth World — to the disadvantage of us all.

Political will for a positive South-South economic orientation is essential. But it must be married with realism. The individual states of the Third World, and the Third World as a whole, must only undertake what they believe they can actually do — and must then do it. A country's failure to fulfil a commitment is just as devastating to a joint undertaking, whether the failure comes from a lack of foresight about its capacity, or from a lack of will. Care, and thorough preparation, before undertaking commitments is not the same as a refusal to go forward with South-South cooperation: on the contrary, it is essential. We have to be like a tight-rope walker, who undertakes a high-wire walk only after assessing it in the light of his skill, and continues to ensure his balance at every step along the rope.

The benefit of Third World cooperation is likely to be greater the larger the number of countries involved. Yet if we wait for all the 120 members of the Group 77 to go forward together, then we shall not move at all. Our capacity varies; our political commitment to the well-being of our people and to the concept of self-reliance will also vary. South-South cooperation has therefore to be organized in a manner which will accommodate and encourage the participation of the less committed while allowing the more committed to proceed together as their capacity allows. It therefore means not one Third World plan, but many; not one agreement, but a multitude; not one Third World organization, but as many as are necessary to fulfil the functions any of us undertake together. South-South cooperation can involve bilateral agreements, regional agreements, or agreements involving all those Third World countries which are ready and able to move in a particular direction. The important thing is that we should take the deliberate decision to move in this direction of 'South-South', and that our internal as well as external policies should reflect this new emphasis in our international economic relations.

The problem is not that we lack any knowledge of what has to be done. In May 1981 we had the Caracas Conference on the subject of South-South cooperation. That Conference was a new departure, it was serious, and it made a great number of positive suggestions. But little progress has been made since. This was, I believe, partly because our different countries have still not faced up to the need to change the emphasis of our development planning. It may also have been partly because we are not organized to implement the resolutions we pass about South-South cooperation. So many aspects of cooperation are interlinked that there is a lack of clarity about where and how to start.



Perhaps we should learn from our experience on North-South matters. In the 1960s we had the Pearce Commission, and in the 1970s we had the Brandt Commission. Both of these commissions moved the world some way forward; it was not their fault if their constructive and clear proposals were not implemented by the world's political leaders. Indeed, the Cancun Conference did provide an opportunity for the crystallisation of that political will which would have enabled progress to be made on the Brandt proposals. Even now, some political leaders in both North and South are still trying to find a way to convert those proposals into action.

A South-South Commission, with the same kind of broadly-based, high-calibre membership and technical staff, could provide a similar service for Third World cooperation. It could examine the many different ideas which have been discussed over the years, the current and probable future organisational needs, and the priorities of intra-Third World action which are appropriate to a serious attack on world poverty. I would hope that it could, in the end, come up with a definite programme of action, with the question of 'how to move' given emphasis.

Let me try to sum up what I have been saying. I have claimed that the Third World does exist, and has a meaning which can be used for the betterment of the masses of poor people in the world. I have suggested that we need to reject the notion that the world's goals, or our goals, have inevitably been set by the technological and social patterns of the North. Indeed I have argued that only disaster can befall the Third World if it continues to try to 'catch up with the North'. Instead, I have urged that through self-reliance, and organised cooperation on a South-South basis, we can – even in the existing adverse economic circumstances – promote our own declared national objectives.

The war against poverty has still to be won. Let us re-engage ourselves, armed with the experience of our past endeavours.

New Delhi, Monday 22 February, 1982.