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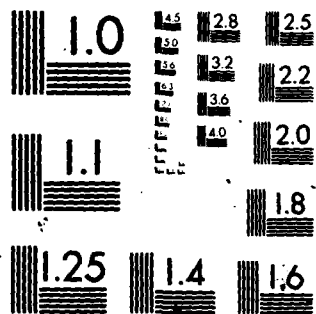
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NEW IMPERATIVES IN SOCIO-ECONOMIC DEVELOPMENT: NATIONS HELPING --ETC(8)
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New Imperatives in Socio-Economic Development:

Nations Helping People to Help Themselves

Marshall Green

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NEW IMPERATIVES IN
SOCIO-ECONOMIC DEVELOPMENT:
Nations Helping People
to Help Themselves

by

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Ambassador Marshall Green
Adjunct Research Fellow

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The National Security Affairs Issue Papers

This paper is one of a series of brief research studies on national security issues. The series supplements the National Security Affairs Monographs, which are lengthier studies of more general interest. Papers in both series are researched and written by the Research Fellows, faculty, students, and associates of the National Defense University and its component institutions, the National War College and the Industrial College of the Armed Forces.

The purpose of this series is to contribute new insights and background materials to national security policymakers and to others concerned with the many facets of US national security.

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FOREWORD

As Director of Research at the National Defense University (NDU), I am pleased to introduce this second paper in our new genre of research publication--the National Security Affairs Issue Paper. This series joins our other NDU publications--books, monographs, proceedings--in transmitting the results of policy research to the national security affairs community.

In this contribution to our new series, Ambassador Marshall Green addresses the imperatives driving international development policy. During the past decades, the United States and other industrialized nations have responded to the economic assistance needs of less developed nations. This aid is sometimes a critical factor in the economies of these nations, but does not always achieve one desired goal of benefiting the majority of the people. Today, global economic difficulties have an insidious, two-pronged effect: they constrain the assistance resources of donors, while increasing the needs of recipient states.

Ambassador Green suggests that it may be necessary to reassess US development assistance programs. Arguing from the vantage point of one with close knowledge of US economic development policymaking, he advances the thesis that the developing nations must do more than they have in the past to assist their people to help themselves. To the extent these nations set attainable goals and foster programs directly involving and benefiting the majority of their people, donor nations should respond with assistance.

The United States has a tradition of seeking to assist other nations to achieve a better quality of life. We must continue in this tradition, but more wisely. As Robert McNamara noted in his recent farewell address to the World Bank, "None of us . . . can pretend that our understanding of the poverty problem is complete." We can seek to improve that understanding; our hope is that this paper will move us closer to the goal of understanding economic development and its relationship to the maintenance of national and international stability and security.


FRANKLIN D. MARGOTTA
Colonel, USAF
Director of Research

ABOUT THE AUTHOR

THE HONORABLE MARSHALL GREEN prepared this paper during his tenure as an Adjunct Research Fellow of the National Defense University. Before retirement from the Department of State in February 1979, after more than 30 years of service, Ambassador Green was Coordinator for Population Affairs, Department of State; Chairman of the NSC's Interagency Task Force on World Population; and Chairman, US Delegation to the UN Population Commission, 1977, 1979. His extensive foreign service includes ambassadorships to Indonesia and Australia. He has also held the following positions: Assistant Secretary of State for East Asian and Pacific Affairs; Deputy Chief of Mission, Seoul, Korea; Consul General, Hong Kong; First Secretary of the Embassy, Stockholm, Sweden; and Chairman of a Special Group on Southeast Asia. Ambassador Green is a Yale graduate.

NEW IMPERATIVES IN SOCIO-ECONOMIC DEVELOPMENT: NATIONS HELPING PEOPLE TO HELP THEMSELVES

The rapidly changing world scene requires a new hard look at development in and development assistance to other nations. The reasons are compelling, and include soaring oil prices that are driving many poorer nations to the wall, wiping out hopes for development; likely restraints on increases in donor assistance brought about by high energy costs, inflation, possible recession, and doubts about the efficacy or even desirability of development assistance which could be used to prop up dictatorial regimes; and probable renewed emphasis on security assistance at the expense of development assistance to counteract threats in the Middle East and elsewhere.

Conditions of life in the poorer nations are a matter of deep concern to the United States, both for humanitarian and enlightened self-interest reasons. In the latter regard, US exports to the less developed countries (LDCs) now exceed in value US exports to all developed nations, and we depend on the developing world for sizeable amounts of oil, gas, chrome, cobalt, bauxite, and other key resources. Above all, frustrations within the developing world, exploitable by hostile forces, increasingly threaten the security of nations as well as world peace.

Consider the following interrelated adverse factors which characterize most countries of the developing world: high population growth rates;¹ high unemployment and underemployment and the concomitant task of new job creation; massive rural-urban migration to explosively overcrowded cities; vast and increasing disparities between rich and poor; and frequently weak, unstable governments unable or reluctant to address long-range issues or multi-year strategies for social and economic betterment. And, especially in modernizing LDCs, a growing gap between popular expectations and economic realities, causing resentments exploitable against the United States whose economic, political, and cultural influences are seen as challenging traditionalist forces.

The policies and programs of the United States that are designed to help poorer nations cope with these problems take many forms: military assistance, developmental assistance, preferential access to US markets, investment, technology transfers, exchange programs, and cooperation in a variety of

economic, scientific, cultural, and other fields. Yet, what the United States and other nations can do to assist the developing countries is minimal in comparison to what these countries must do to help their own citizens help themselves. It is suggested that these self-help efforts focus anew on rural and village development programs which enlist the positive support, participation, and skills of the rural populace. To the degree successful, this approach should create jobs in the rural sector and stem the flow of migrants into already congested urban areas, thus forestalling social distress and unrest.

Population Growth And Overcrowded Cities

According to the latest US Bureau of the Census projections (medium series), world population will grow from 4 billion in 1975 to 6.35 billion in the year 2000. Over 90 percent of this increase will occur in the developing world.²

These medium-series projections further show that, even though annual growth rates will be decreasing over the decades ahead, the absolute increase of the world's population each year will rise from 65 million in 1975 to 100 million in the year 2000. Even low-series projections show increasingly large annual increments in the populations of less developed countries for at least the next two decades.

According to the above medium-series projections, population growth will cause some countries like Mexico, Nigeria, Pakistan, Bangladesh, and Brazil to double in population between 1975 and the year 2000. Others, including key populous nations like Egypt, the Philippines, Thailand, and Indonesia, will nearly double in population; and the two great demographic giants--China and India--will each pass the one billion mark, with India's population likely to surpass eventually that of China, according to a 1977 World Bank study on ultimate stable population levels.

But the most striking and politically significant feature of rampant population growth in the developing world has been overcrowded cities. As the population grows in many rural areas, land holdings become more and more fragmented, and per capita productivity declines. Rural unemployment/underemployment, boredom, and other factors, result in hundreds of millions of people swarming into already overcrowded cities looking for jobs and diversions.³

The Worldwatch Institute has estimated that the populations of developing countries are doubling about every 25-30 years, but their large cities are doubling in size every 10-15 years, and their urban slum areas or shantytowns every 5-7 years. This is reflected in the following rough projections, based on US estimates and medium-variant projections for selected urban agglomerations in developing countries (in millions of persons):

	<u>1960</u>	<u>1970</u>	<u>1975</u>	<u>2000</u>
Calcutta	5.5	6.9	8.1	19.7
Mexico City	4.9	8.6	10.9	31.6
Greater Bombay	4.1	5.8	7.1	19.1
Greater Cairo	3.7	5.7	6.9	16.4
Jakarta	2.7	4.3	5.6	16.9
Seoul	2.4	5.4	7.3	18.7
Delhi	2.3	3.5	4.5	13.2
Manila	2.2	3.5	4.4	12.7
Tehran	1.9	3.4	4.4	13.8
Karachi	1.8	3.3	4.5	15.9
Bogota	1.7	2.6	3.4	9.5
Lagos	0.8	1.4	2.1	9.4

The flow of migrants from rural areas into the noisome slum areas of congested cities is a matter of major concern to almost all developing countries. Every year there are countless millions more people in slums without adequate water supply, sanitation, health, education, and other social services. Daniel Lerner sees these migrants as the displaced persons of a modernizing world. Languishing in hopeless conditions, mostly herded into shantytowns in urban peripheries, they rarely enter into productive relationships with their communities.⁴

Other observers have taken a less stark view. Some note that many of the migrants are seasonal workers and that the great majority of them live with kinship groups who tend to share their poverty and otherwise ease the hardship and disorientation of urban life. Moreover, it may be at least the initial perception of some rural-urban migrants that as bad as conditions may be in the cities, conditions are worse in the villages.

On balance it is reasonable to conclude that if the already overcrowded large cities of the less developed countries should double or triple in population over the next two decades, as current projections indicate, the problem may take on new political dimensions. Teeming, fetid slums are probable breeding grounds for disillusionment and alienation, especially on the part of younger people living five or six in a room in proximity to the highly visible wealth of the privileged few, and

aware of the widespread corruption that lines the pockets of ruling groups. It is not so much the poorest of the poor who are the potential troublemakers; they may be better off by their standards than they were in rural areas. Rather, the problem is more likely to involve the second or third generation migrant, a younger man (often described as "a student") who is thwarted in his ambitions and is easy prey to leaders who know how to manipulate him.

George Ball, called to Washington by President Carter to head an investigation of events in Iran, concluded:

Iran was beset by three problems that are the common curse of Third World countries: demography, urbanization, and spendthrift and corrupt government. . . . Since subsistence farmers cannot go on indefinitely splitting up small plots among an expanding number of children, the young flocked into the cities which (especially Teheran) have become the victims of a pernicious hypertrophy, forced by social and economic pressure to accommodate 50 percent of the entire population.⁵

Iran is but one of a series of populous countries extending from Burma in the East to Morocco in the West where population growth is rampant and population programs are generally ineffectual.

Improving living conditions in the cities, though fully justified on humanitarian, health, and other grounds, may nevertheless tend to attract even greater waves of migrants to the cities, which in turn negates efforts to improve urban living conditions.

In dealing with this situation, it is clear that the major emphasis must be on lowering fertility rates in developing countries and finding more productive rural employment and other attractions to keep people in the rural areas.

Renewed Focus on Rural and Village Development

A key problem confronting the developing world over at least the next two decades (aside from that of greatly reducing

fertility rates) is finding gainful employment for labor forces that are growing by tens of millions every year. To the maximum extent possible, new jobs or workplaces must be created in rural areas to stem the politically explosive surge of humanity into already overcrowded cities.

Yet, the cost of creating full-time jobs in developing countries for the vast numbers of new job-seekers every year is well beyond the financial capabilities of LDC governments, even with generous outside assistance.

Average job creation costs have been variously estimated as \$10,000 in Egypt, \$20,000 in Mexico, and \$100,000 in the United States. These figures are but rough estimates. However, they underline the astronomic costs involved in creating conventional workplaces for the vast cohorts of additional workers who will be coming on the labor market over the next two decades or more, reflecting high LDC fertility rates of the 1950-1980 era. It is arguable whether there is enough work to be done in the developing world to occupy all the work force, but the tasks of organizing and funding enough new workplaces seem insurmountable.

It is impossible to quantify unemployment in low-income countries. The very poor simply cannot afford to be completely unemployed--they would soon starve. They manage to get by somehow, however pitiful their earnings. Unemployment is a term that is more applicable to the educated person who is out of work.⁶ What is under discussion here is essentially underemployment and how to generate at sustainable cost enough earning opportunities, especially in the rural areas, to accommodate younger people who will be coming on the job market year after year in increasingly large numbers.

China offers the outstanding example of a government that organizes society so as to share the poverty and purportedly to provide everyone with a workplace. It is nevertheless accomplishing this objective in a way that invites errors on a grand scale (e.g., Great Leap Forward; Cultural Revolution). Furthermore, China's draconian solutions are based on a way of organizing society which few, if any, nations are willing or able to duplicate.⁷

India, Indonesia, and some other LDCs have adopted limited strategies for dealing with this problem. They stress the agricultural sector, and, recognizing the urban bias in patterns of investment, insist that major new industries be

located away from existing urban agglomerations. Income generation in villages is also being stimulated by encouragement of cottage industries producing such items as furniture, bamboo-ware, sandals, and handicrafts. However, locating factories in rural areas offers few economic advantages, except in terms of providing more rural workplaces and reducing migration to urban areas. For example, in Korea many such rural industries (manufacturing dolls, artificial flowers, knitware, and raffia goods) failed; they proved inefficient and uneconomical.

Meanwhile, there are disturbing signs that earlier efforts to maintain labor-intensive methods in rural areas are giving way to new technologies for agricultural production and processing that result in loss of jobs and income for countless millions of people in the countryside. For example, much of the hope in Java for holding the line on poverty in absolute terms rests on the ability of the modernizing rice industry to absorb more of Java's growing ranks of unemployed and underemployed and to generate mass income. However, the new technologies have had precisely the opposite effect. The appearance of rice mills during the period 1971-73 displaced 373,000 hand-pounders of rice (mostly women), involving a loss of \$55 million in women's income, poorly offset by the \$5 million earned by male operators of rice-milling machinery.⁸

Clearly, highest priority in economic development must be directed toward the agricultural sector, bearing in mind the slowness of employment creation in the capital-intensive sector. In the Philippines, for example, the proportion of the labor force engaged in manufacturing fell from 13 percent in the mid-1950s to less than 10 percent in the mid-1970s.⁹

What then can be done at sustainable cost to increase jobs and generate income in LDC rural areas?

The most obvious approach emphasizes generating supplementary farm income, for instance, piggeries (especially cost-effective where there is an abundance of rich bran); duck and poultry raising; intercrop use of rice-paddy lands for beans and peanuts; fish tanks and fish cultivation in wet paddies; brush and footwear manufacture from local products, and medicinal plant cultivation. Additionally, a number of developing countries are promoting off-farm rural income, largely through small-scale manufactures of locally available products (leatherware, glassware, ceramics, tiles) and household

or handicraft industries. The use of rural biogas* units offers great promise in saving fuel, promoting sanitation, and producing fertilizer.

All these enterprises require some help and guidance from governments, yet governments are typically plagued with red tape, bureaucratic delays, and supply failures. Often the only way to get things done is through payoffs or family connections. But individuals are also at fault, especially when it comes to risk-taking, business acumen, and innovativeness. The best cure is education, business experience, and a system that adequately rewards hard work and enterprise.

For the venturesome few who have benefited from education, vocational training, and experience in management, there is little need for governmental interventions to provide special inducements. But for the others, some interventions, such as community incentives, seem necessary if traditionalism and inertia are to give way to greater community activity and enterprise.

Community incentives could take the form of the national government rewarding the communities that are most successful in achieving developmental goals, including, for example, stipulated levels of food production and reductions in fertility rates. Egypt's newly launched PDP (Population and Development Program) offers great promise in this regard. It involves upgrading the management capabilities of village officials and introducing a system of village incentives. The latter takes the form of incentive loans to those villages which reach fertility reduction target levels. These loans (actually grants) are extended to qualifying villages to finance low-cost projects which could not be financed from other sources and that are designed to supplement the income of villages; typical projects are apiaries, tile-making, poultry raising, and weaving. Projects such as these run the danger of creating their own cumbersome bureaucracies to manage them, but this can be mitigated, as it is in Egypt, by leaving initiatives as far as possible to the villages and administration to existing village organizations.

In sum, what is needed is a socio-political system that provides a strong national planning center or core, a high degree of decentralization in the execution of national policies and programs, active political and social participatory processes at the community level, and rewards for both private enterprise and community achievements.

*Combustible gas that results from anaerobic decay of organic waste material.

Enlisting the Positive Support and Skills of the Rural Masses

A major obstacle to progress in the developing world is deficient program design and management, all the way from the governing of nations down to managing programs at the grassroots level. Understandably it is difficult to carry out nationwide programs in countries where cultures and languages are diverse, where communication and transportation systems are lacking, and where educational levels are low. But an even greater obstacle to progress--and one that is often overlooked--is the inability of some developing nations to carry out sustained efforts in any one direction, partly because leaders are hesitant to move with required determination and boldness lest opposition forces take advantage of the situation and overthrow the government.

These factors argue for greater decentralization in the execution of national policies, largely through enlisting the positive support of villages and communities in managing their own affairs, though with overall government support and direction. The relative permanence of village life, in contrast to oft-changing national governments, makes villages a better base for carrying out development programs which require sustained effort for success.

It is nevertheless true that power structures in LDC rural areas are usually autocratic. Larger landowners tend to oppose change and they rarely favor village self-reliance programs which are seen as undercutting their political and economic power. Rural elite groups have close ties with national leaders, who, in fact, are often drawn from the ranks of the large landowners. In combination, they seem to have been primarily responsible for blocking the two major efforts in East Pakistan, later Bangladesh, over the last two decades to create village self-reliance programs, which were first launched in the Comilla District and subsequently in 6,000 Bangladesh villages under the 1976-78 Swarnivar Movement. Cancellation of the Swarnivar Program in 1978 was all the more puzzling because Bangladesh Government documents which appeared at the time of the program's demise extolled its accomplishments and those of related self-help projects. It was reported in mid-1979 that the Swarnivar Program was to be reinstated, which is welcome news; but repeated launchings and terminations of the program forbid indulgent speculation as to its future effectiveness in Bangladesh.¹⁰

Land reform is widely regarded as a necessary precursor to rural economic development, but land reform almost inevitably encounters the opposition of politically and economically powerful landowners who often have predominant influence in the national government. Thus, as pointed out by James Kocher, some of the more successful land reforms have been in conjunction with revolutions and wars, though he notes that those events need not be necessary preconditions, especially if governments and international aid organizations can be persuaded that land reform leads to increased output and better labor utilization.¹¹

A major weakness of governments in developing countries is the failure to enlist their own people in action programs for solving their own problems. The first thing a nation does when confronted by wars or floods is to mobilize people for action: soldiers are drafted into the army; or manpower is assembled to build levees against impending floods. The battle against abject poverty is no less urgent and, similarly, requires mobilizing people into action groups to solve their problems and giving them the means and information to do so. Enlisting the positive support of people is especially critical in those poorest countries whose only real resource is people. Until that is done, there is little outside donors can do to help which will be of any lasting value.

This is not so much an economic problem as it is a political and social problem. That being so, the United States and other donor nations have been reluctant to become involved in what is usually referred to as the internal affairs of other nations. Within the US Government, the State Department is concerned with national and international affairs; and AID (Agency for International Development) with economic development. But who in our government understands local politics and social dynamics in developing countries?

Whatever the approach, it must recognize that people cannot act alone effectively. They must be part of an action organization—an action organization of the people, one which is based on their initiatives and is in response to their demands.

Village-action programs could involve (and sometimes do): strengthening village organizations for self-help progress; initiating nonformal education programs with emphasis on subjects of greatest practical use to villagers; counseling from the central government on improving community income by maximizing agricultural output, subcontracting for urban

industries, processing local products, and launching small handicraft industries; forming wives' clubs to help involve women in community affairs and to promote income earning projects for women (similar projects for youth have equal merit); and establishing cooperatives and credit arrangements in rural areas.

Village-action programs would not only help improve physical conditions of life in areas widely neglected today, but would also serve to give people in those areas greater control over what happens within their visible horizons--usually a matter of greater concern to them than national or international affairs--and in a way that would not threaten the authority of central governments. Indeed, if managed well, such programs could indeed be a long-term source of grassroots strength for the national government. Evidence of a participatory political process at the village level would also help offset authoritarianism at the national level, and make it more possible for the United States and certain other donor countries to be supportive. Otherwise, there is likely to be deepening disillusionment within donor countries over assistance programs that are seen as propping up dictatorial regimes.

The Republic of Korea's Saemaul Undung (Community Life Movement) exemplifies a village-action program that not only has contributed substantially to improved rural living conditions but also has encouraged a village-level participatory process and a system of incentives and rewards that has increased rural support for the national regime. It would nevertheless be impossible to replicate the Saemaul Undung in countries lacking adequate village cohesion and organization. Even in the Republic of Korea, government efforts to extend the movement to cities and towns have not been successful.

In summary, there is a clear need in most developing countries for strengthening the institutional base on which development, especially rural development, is to proceed. This involves extending the political, social, and economic capacity of villages or communities to conduct self-help programs, albeit with national government assistance. It also involves overcoming the resistance of elitist groups currently benefiting from organizational weaknesses and mass rural indebtedness.

Setting Realistic Sights

It is widely accepted that the key to development lies in generating greater income and productivity in the agricultural

sector, and that the benefits should be shared among the masses. Although the "trickle-down" approach to development has been discredited, a strong tendency persists in the developing world to emphasize capital-intensive industrialization with insufficient attention to development strategies that will have greater impact on improving conditions of life for the great body of the people.

Along with the new emphasis in development circles on programs for mass benefit, there is recognition that per capita GNP (gross national product) is a faulty way of measuring living conditions in the developing world. Certain countries, such as Iran or Nigeria, have relatively high per capita GNP rates because of oil exports, but conditions of life for most people are at levels approximating those of the poorest developing nations of the world. Conversely, Sri Lanka or the State of Kerala in India have nearly the lowest per capita GNP rates in the developing world, yet conditions of life for most of their people are above those of LDCs with per capita GNPs several times higher.

Noting these factors, the Overseas Development Council devised a new measurement technique called the PQLI (physical quality of life indicator) based on three quantifiables: longevity, infant mortality, and literacy. On this scale, Sri Lanka would be one of the "richest" LDCs and Iran one of the "poorest."¹²

Granted that the PQLI provides a more valid measurement than per capita GNP of median living conditions, it still is wanting in terms of measuring human well-being or happiness. Over the past decade or two, Sri Lanka has enjoyed the highest literacy rates of almost any developing country. Physical health standards have also been among the highest in the developing world. Nevertheless, there is a serious mismatch between educational attainments and job opportunities, between government promises and government delivery on promises, between aspiration and reality. These factors underlay the youth rebellion that broke out in many localities in Sri Lanka in 1971.¹³ Even today the situation remains tense, as competitive politics have raised aspirations while limiting necessary reductions in the extensive subsidies, social security, and medical allowances that could bring the nation to its knees economically. Similarly in India and South Asia generally, school systems often induce unrealistic ambitions and divert young people from modest productive occupations, turning them into unemployables demanding nonexistent white-collar jobs.¹⁴

In short, social advances that far outpace economic advances can contribute to undermining economic development and to heating the political scene dangerously.

West Africa includes countries that are at the very bottom of the per capita GNP scale and the PQLI scale. Yet poverty does not seem as evident in West Africa as it does in crowded South Asia; and one is tempted to conclude after visiting West Africa that many of their people seem more contented than many in the United States or Europe. E.F. Schumacher regards the United States nowadays as one of the unhappiest places in the world for all its material wealth.¹⁵ This may relate to poverty being defined, not as the possession of little, but as the nonpossession of much.

It is my impression, based on extensive travels and talks in the developing world, that the most valid universal indicators of human well-being prominently include:

- Kinship (family, involvement in community, being needed and of service)
- Health (physical and mental well-being)
- Mobility (freedom of movement and opportunity for advancement)
- Self-realization (progress towards one's aspirations whatever they may be)

Since indicators such as these cannot be quantified (except that of health to some extent), they are likely to remain ignored by governments and organizations. But I believe such indicators nonetheless represent a more valid basis for judging the human condition than any measurement systems currently in use. I further believe that, by placing emphasis upon quality of life rather than on quantity of material things, the above approach to judging human conditions will help close rather than widen, as at present, the gap between expectations and reality. That gap, as suggested earlier, is far more politically explosive than the gap between rich and poor, or between wealth and poverty.

Moreover, this approach is deemed more valid in terms of limits to growth. Since world population is bound to double or triple, global consumption levels cannot continue to expand. Strains on world bio-systems are already heavy, even at current population and consumption levels, both of which are rising ominously.¹⁶

In sum, there is an urgent need for rethinking objectives, priorities, and approaches.

Implications for US AID Policies and Programs

Recognizing that US assistance benefits were not "trickling down" adequately to the impoverished, Congress, at the suggestion of AID, adopted in 1973 the New Directions legislation which required that future development assistance be so conceived and administered as to bring employment, higher income, and more food, education, and health care to the poor. That focus has been refined and is now labelled the Basic Human Needs Concept.

So far so good, but our assistance programs still require: (a) placing greater emphasis upon the obligations of receiving governments to undertake social and socio-political action programs designed to improve conditions of life for the people, notably the rural poor whose interests are often neglected, and (b) determining AID allocations with greater attention to what receiving governments are really doing to help improve conditions of life for their people, including due attention to demographic and social factors.

Even today, with our focus on growth with equity, the main beneficiaries of outside assistance programs tend to be the urban well-to-do, the large farmers, and the people in the upper echelons of government, including military officers. This not only compromises our declared objectives of helping those in need, but it also leaves the United States in a vulnerable position when governments we thus assist are ousted.

A seeming principal concern of many LDC leaders is to command and retain the loyalty of the powerful, the rich, and the military (especially the armed forces stationed in or near the capital city), and to ensure sufficient food at affordable prices for urban dwellers to keep them in a state of compliance. As to the poor, governments seem to be most interested in placating those who might otherwise take to the barricades.

It is a regrettable fact that much outside assistance may be helping to perpetuate that situation. PL 480 Title I food, for example, may lower national priorities for agricultural programs. It is usually delivered to and stored in the capital city or in large port cities to keep down food prices, even though that may serve as a disincentive to increase food

production in the rural areas and otherwise adversely affect the interests of people in the countryside. There is also the worrisome possibility that our food-aid programs allow governments to defer the tough decision of investing in those without political power (the rural poor) and to delay needed reorganizations of agriculture.

I am not arguing that we should terminate project assistance or PL 480 food programs, but I am emphasizing a point well appreciated by AID: our assistance is still not benefiting the mass of the people to the extent desired and much of our food assistance program, vigorously spurred by our agricultural lobby, is having the effect of making many low-income countries ever more dependent on our food export efforts and less on their own production efforts. Recognizing this, AID recently created a new category of food assistance--Title III--which extends PL 480 food on highly concessional terms, provided the receiving country undertakes certain programs to increase its own food production and otherwise put its economic house in order.

Title II food-for-work programs also have great merit, although I realize they are difficult to administer, requiring managerial skills that are often lacking in host countries and therefore requiring administration by outside voluntary organizations, such as CARE or Catholic Relief. On the other hand, these two arguments suggest weaknesses that can best be corrected through experience and training, both of which our food-for-work programs could help supply. More importantly, food-for-work has the following positive advantages: (a) it provides work in the rural areas, thereby reducing urban migration; (b) it results in increased food production in the host country since almost all food-for-work programs are related to rural development, for example, irrigation and flood control; (c) it comports with human dignity to pay for labor rather than put people on the dole. With regard to (c), any policy that undercuts self-reliance retards development.

Even greater emphasis in our AID programs should be on integrated health, food, and nutrition; population and family planning; and medicine, public health, and sanitation. In these mutually related areas the United States has the greatest capacity to help and, by working cooperatively with receiving countries and other donors, we could seek to ensure that supplies and services reach the needy, however remotely situated, at sustainable cost. Although food self-sufficiency is usually a desirable goal for nations, there are a number of

countries where this is not possible or desirable and where export earnings adequately cover food and other import costs.

The State Department and the Agency for International Development must give greater attention to understanding local political organization and social-action measures designed to draw people in communities together for self-help programs. It is, of course, not for us to decide how this is to be done or to be involved in its execution. It is, however, our responsibility to discuss these issues with governments receiving our assistance, with a view to encouraging their attention to such programs in the context of their own social, political, and cultural settings.

I do not suggest that we are in a position to pressure or even counsel other governments as to how they could best involve their own people in solving their problems. Every country differs. Sensitivities abound. But I think that, drawing on the experiences of social-action programs and local political organization which have succeeded, we could promote greater attention to proven approaches. This, together with parallel and mutually supportive efforts by the World Bank and other responsible donors, could encourage LDC governments to initiate programs of their own devising that are responsive to their peculiar circumstances and needs.

Incentive systems need to be carefully reviewed to ensure that enterprise and risk-taking are adequately rewarded. In particular, community incentive schemes could come to play a far more important role in motivating villages to cooperate in achieving community-desired goals. Community rewards should be discussed in advance with each village, whose inhabitants would help determine by consensus which of several awards the village most desired.

Our efforts in encouraging greater LDC attention to the foregoing approaches need not be confined to top leaders. There may be other "problem-solvers" in a country receiving our assistance with whom we would do well to consult and exchange views. After all, we are not trying to solve the problems of developing countries so much as we are trying to help their problem-solvers.

In this connection, some of the greatest successes in our AID and military assistance programs have been in the field of advanced training in our universities and military schools for those with leadership potential. Many of the best civilian and military leaders in the developing world were thus trained, and

most of them have retained friendly attitudes towards the United States (though there are some notable exceptions). There are now moves in the Senate to eliminate or drastically reduce these training grants. Were this to materialize, advanced training of tomorrow's LDC leaders would be concentrated in schools such as the Sorbonne, St. Cyr, and the London School of Economics. This would be neither in the interests of the developing countries concerned nor of the United States.

Implications for Easing North-South Differences

Turning, finally, to what the United States (and other donors) can do to assist the poorer nations of the world, a lengthy catalogue of proposals and possibilities was outlined by our Secretary of State at the Sixth Special Session of the UN General Assembly on 1 September 1975. Similar statements were subsequently made at the Nairobi and Manila Meetings of the UN Conference on Trade and Development. However, political and social factors affecting development were given little attention in our statements and efforts, even though those factors are fully as important as economic factors in development. It is, of course, understandable that US representatives would be reluctant to address political and social issues in large international conclaves, but I also suspect that our representatives have scant knowledge in such areas as national government-village relationships, village organizations, social dynamics, and community incentives. The literature on these issues is often highly academic, and little has been done to bring it all together as a useful guide for leaders and developers.

There would accordingly seem to be merit in taking careful measure of those villages and rural areas in the developing world where significant progress is being achieved in bettering peoples' lives; and based upon that study to discuss with other donors, and governments receiving our assistance, how greater impetus can be given to village programs of a type that would most likely succeed in host countries.

There are, however, serious shortcomings of the developed nations that also need correction. I have particularly in mind the fact that "no developed country has the right," as was so well stated by the Minister for Development of the Netherlands before the United Nations in 1976, "to talk to LDCs on social

justice and human rights, unless it is prepared to practice in its own country what it preaches for others." This implies, among other things, less conspicuous consumption patterns, conservation of scarce resources like oil, and a preparedness to apply the basic-needs concept to oneself. Moreover, there is need to place as much emphasis on human responsibilities as on human rights.

If there is to be any amicable, productive resolution of the North-South controversy, it is going to involve a kind of grand social contract between nations and also between nations and peoples. The basic elements of this contract are:

- Greater efforts by the nations of the developing world to put their own houses in order, to include attending to the needs of the masses and to improving and utilizing the skills of the people;
- Greater conservation of resources (especially oil) by the developed nations and greater assistance and support by the developed nations and donor organizations to those countries whose governments are doing the most to help their people.

ENDNOTES

1. See US, Department of State, Silent Explosion (1978), for full discussion of certain adverse effects of high population growth.
2. Illustrative Projections of World Populations to the 21st Century. Special Studies Series #79 (completed in 1978). It now appears probable that world population in the year 2000 may be closer to 6 billion.
3. Paul Bairoch, Urban Unemployment in Developing Countries (University of Geneva, 1977).
4. Daniel Lerner: Comparative Analysis of Processes of Modernization.
5. "What Brought Down the Shah-Interview with George Ball," Evening Star, 14 March 1979. See also Prof. Lencowski, "The Arc of Crisis," Foreign Affairs Quarterly (Spring 1979).
6. International Labor Organization, Poverty and Landlessness in Rural Asia (1975).
7. Paul and Arthur Simon, Politics of World Hunger (Harpers Magazine Press, 1973).
8. International Labor Organization, Poverty and Landlessness in Rural Asia (1973); C. Peter Timmer, Bulletin of Indonesia Economic Studies (July 1973).
9. International Labor Organization, Poverty and Landlessness in Rural Asia (1977).
10. Based largely on my conversations with officials in Bangladesh (1978), and on subsequent correspondence; on Bangladesh Institute of Development Studies, Development Through Self-Help: Lessons from Ulashi; and Kujipukur Project, Rangpur District by Lincoln Chen of the Ford Foundation.
11. James E. Kocher, Rural Development, Income Distribution and Fertility Decline (Population Council, 1973).
12. Overseas Development Council, The US and World Development (1977), updated in its annual report The US and World Development Agenda (1979).

13. W. Howard Wiggins, Population, Politics and the Future of Southern Asia (Columbia University Press, 1973). (Wiggins was recently US Ambassador to Sri Lanka.)

14. Cora Dubois, Schooling and Modernization in India.

15. E.F. Schumacher, Good Work: Toward a Human-Scale Technology.

16. A viewpoint best explained in various publications of the Worldwatch Institute.