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BASIC ELEMENTS IN CONTEMPORARY DEVELOPMENT THINKING

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was originally written in autumn 1978 and its various versions have been published eg:
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Kekkonen, Natri, Väyrynen (edit.). 1984. *Rauha ja oikeudenmukaisuus. YK:n neljä vuosikymmentä* (Peace and Justice. The four decades of the United Nations),
The Finnish United Nations Association, Helsinki

Pietilä, Hilkka. 1985. *UNDP. YK:n kehitysyhteistyön sydän* (UNDP, the Heart of the development cooperation within the UN). The Finnish UN Association, Helsinki

in English:

Graves, N.J., Dunlop, J.O. and Torney-Purta, Judith (editors). 1984. *Teaching for International Understanding, Peace and Human Rights*. Unesco, Paris.

It was distributed widely in Finnish and English and was also translated in German.

For those of us, who have been searching alternatives so long, reading this now in search for alternatives to the globalization dilemma is a surprising and nostalgic experience, because the options for organizing the world economy differently were already there.

Helsinki, twenty years later, 12.01.1999
Hilkka Pietilä

BASIC ELEMENTS IN CONTEMPORARY DEVELOPMENT THINKING

The New Economic Order and Meeting Basic Human Needs the Main Objectives of Development

In recent years the problems of social and economic development have been discussed more than ever before, both within the UN system and in international forums of researchers. Development problems first came up in the UN at the end of the 1950s, after more and more developing countries gained their independence and became members of the UN. Development co-operation became an essential part of the activities of the UN system in the 1960s.

At the end of the first development decade, the 1960s, a number of important reviews and reports were produced on international development policies and activities. The policies and structures of the UN development co-operation system were reformed to a considerable degree on the basis of these reports. The most significant effect of the reports – the UN Capacity Study, Pearsson's Report, Tinbergen's Report and Myrdal's Asian Drama – was, however, that development policy thinking began to take a more definite shape. Clearer ideas about what is meant by development and how to measure it began to evolve.

In the 1970s new concepts such as development research, development information and development education have entered the discussion. So far development research institutes have organised themselves into regional organisations. The EADI (European Association of Development Research and Training Institutes) held its third General Assembly in Milan in 1977 under the theme "Europe's role in World Development".

Peace research, which was initiated in late 1950s early 1960s, has also placed more and more emphasis on development orientation. The nature of both peace research and development research is transdisciplinary and thus both represent an important new trend in science. Another common feature is that both fields of research are based on clearly expressed values and aim openly to influence international politics and development.

Several important reports on development were also published in the 1970s. The Dag Hammarskjöld Foundation in Sweden published the results of its extensive project, "Another Development", in a number of volumes in 1975. The report drawn up under the guidance of Professor Jan Tinbergen for the Club of Rome, "Reshaping the International Order", came out in 1976. The Leontief study, "The Future of the World Economy", published by the UN and "Catastrophe or New Society", drawn up by the Bariloche Institute in Argentina came out the same year.

The UN as a Forum for Discussion on Development

These reports had an obvious influence on the development policy discussions in the UN system in the 1970s. The International Development Strategy adopted for the Second Development Decade, the 1970s, was already a significant development policy programme. As it proved inefficient at the very beginning of the decade – primarily due to the lack of political will in industrialised countries – the demand of developing countries for an entirely new international

economic order grew ever stronger.

The search for a new international economic order began, in fact, at the Third Session of the UN Trade and Development Conference held in 1972 and not – as it is often understood – with the “oil crisis“ at the end of 1973. At UNCTAD III a commission was established to draw up “The Charter of Economic Rights and Duties of States“ under the guidance of Louis Echeverria, then president of Mexico. The Charter was adopted by the UN General Assembly in December 1974 [Resolution UN/GA 3281 (XXIX)] In the meantime, the Sixth Special Session of the UN General Assembly had been held at short notice in spring 1974. The Declaration on Establishment of the New International Economic Order and the Plan of Action, NIEO; were adopted at this session [Resolutions UN/GA 3201 and 3202 (S-VI)]

Along with the NIEO, the Strategy for Meeting Basic Human Needs adopted at the World Employment Conference in 1976 became another essential programme of principles for discussions on development. The document has, unfortunately, remained much less widely known than those of the NIEO. Nor has proper recognition been given to the Declaration of Lima and the Program of Action, adopted at the Second General Conference of the UN Industrial Development Organisation in 1975, which outlines the new economic order in the field of industrialisation.

The policies of *self-reliance* among the developing countries and the emphasis on *public participation* have also been essential elements in all discussions on development in recent years. The questions concerning the role of technology in development – access to, transferring and adaptation of technology and the development of traditional technology – have received increasing attention during the decade. The discussion on these problems will culminate in the UN Conference on Science and Technology for Development in August 1979.

Many internationally renowned development researchers and politicians have recently been formulating a kind of synthesis of these basic elements of development thinking in their speeches and writings. The synthesis outlined in this article is based upon discourses by Professor Johan Galtung, Director of the UN University Project on the Goals, Processes and Indicators of Development; by Jan Pronk, former Minister of Development Co-operation in the Netherlands; and by Juan Somavia, Director of the Instituto Latinoamericano de Estudios Transnacionales.

The Main Issues in the NIEO*

The documents on the New international Economic Order outline the principal framework of an entirely new mode of economic intercourse between states. The central questions are:

- Full permanent sovereignty of every state over its natural resources. Based on this principle, each state is entitled to exercise effective control over these resources and their exploitation using the means suitable to its own situation, including the right to nationalisation or transfer of ownership to its nationals and the right to control the activities of transnational corporations.
- Diversification of production in developing countries.
- Industrialisation of developing countries towards the Lima target in the year 2000, the developing countries accounting for at least 25% of the world industrial capacity.
- Free access for the products of the developing countries to the markets of industrialised

* See figure on page 11.

countries.

- Stabilisation of commodity prices in international trade.
- Improving the competitiveness of natural products with synthetic substitutes.
- Promotion of agricultural development.
- Stopping all waste of natural resources, including food products.
- Reforming the international monetary system.
- Problems of the access to, transfer and adaptation of technology.
- Strengthening co-operation among developing countries.
- Management of the Common Heritage of Mankind ? (eg the minerals of the deep sea bottom).

Progress on Many Fronts

These issues are being negotiated and developed in various organs of the UN system. The UN Center for Transnational Corporations is working on an international Code of Conduct to control the activities of these corporations. A data bank has been established to provide information on transnational corporations.

The UN Industrial Development Organisation, UNIDO, works in the Field of industrialisation and is just about to become an independent Specialised Agency. The question of access for the products of developing countries to the markets of industrialised countries is included in the negotiations on both the multilateral and bilateral levels. The competitiveness of natural products has automatically improved when the prices of synthetic substitutes have risen together with that of their raw material, oil.

The FAO and the World Bank have allocated an increasing amount of resources for agricultural development and a new Specialised Agency, the International Fund for Agricultural Development, IFAD, has been established to channel additional resources for this purpose.

Technical co-operation between developing countries was the theme of the UN Special Conference held in Buenos Aires in 1978. The process of outlining a Code of Conduct for the Transfer of Technology is ongoing in the respective organs. The adaptation of science and technology for development was debated in one of the widest UN Special Conferences in Vienna in 1979.

Development co-operation and assistance to developing countries are issues constantly being debated in different organs. The UN Conference on the Law of the Sea has already held seven sessions about the management of the Common Heritage of Mankind, and this work is at last approaching its conclusion.

The Integrated Commodity Programme

The most concrete of the processes towards the NIEO so far is the work for the integrated commodity programme. The aim of the programme is to stabilise the prices of essential primary commodities such as coffee, cocoa, copper, cotton, hard fibres, jute, rubber, sugar, tea and tin. A compensation system for the export incomes of developing countries is also planned. A decisive step towards the Integrated Commodity programme was the principal agreement to establish the Common Fund, made at the conference on the subject in March 1979.

The most important primary commodities in world trade, grain and oil, are not part of the Integrated Commodity Programme. The negotiations on them are held separately both in the UN system and between different groups of countries (eg OPEC).

Basic Needs Strategy

The Basic Needs Strategy, another comprehensive, important programme for development along with the NIEO, was brought up for discussion in 1976 (ILO, 1977). Its outlines were present in the basic document “Employment, Growth and Basic Needs, the One-World Problem“ drawn up for the World Employment Conference (ILO, 1976). The Conference proclaimed a fundamental principle: “Strategies and national development plans should include explicitly as a priority objective the promotion of employment and the satisfaction of the basic needs of each country’s population“.

While the NIEO aims towards a more equitable distribution of income between nations, the objective of the Basic Needs Strategy is to make the distribution of income more just within each nation. The Basic Needs Strategy also emphasises that the citizens should have the right and the opportunity to participate in planning and decision-making in matters concerning themselves. If the people concerned have no say in the decision-making process, there is no guarantee that their interests will be taken into account. This was the realistic point of departure for a strong emphasis on public participation in connection with the Basic Needs Approach.

The basic human needs are defined in the documents of the World Employment Conference:

- first, certain minimum family requirements for private consumption: adequate food, shelter and clothing, as well as certain household equipment and furniture;
- second, essential services provided by and for the community at large, such as safe drinking water, sanitation, public transport, and health, educational and cultural facilities.

The Employment Conference was only concerned with material needs. However, “man does not live by bread alone.“ Development researchers have brought up for discussion people’s non-material needs, for instance such as

- social needs, togetherness, human relations, appreciation
- freedom of speech and thought
- the right and the opportunity to participate in society
- the need to feel that life and work are meaningful.

The Cocoyoc Declaration by researchers and development experts back in 1974 emphasised these needs: “Development includes freedom of expression and impression, the right to give and to receive ideas and stimulus. There is a deep, social need to participate in shaping the basis of one’s own existence, and to make some contribution to the fashioning of the world’s future. Above all, development includes the right to work, by which we mean not simply having a job but finding self-realisation in work, the right not to be alienated through production processes that use human beings simply as tools“(Development Dialogue, No 2/1974)

What Is Development?

Widening the Basic Needs Approach to include non-material basic needs as well makes it a useful tool for evaluating the quality of development also in developed countries. Development and underdevelopment are like two sides of the same coin. If one sees only the material side, then developed countries seem to be highly developed, even overdeveloped. But if one seeks

such qualifications of development as genuineness in human relations, meaning in one's work and life, attitudes towards children and old people, many developing countries seem to be far ahead. Along with our material development we have lost or ignored many essential values when it comes to people's basic needs.

Meeting basic needs is naturally a very old concept and objective. People at all stages of development have always striven in their own activities to meet the basics of life first. Many political lines of thought have emphasised the same objectives as the Basic Needs Strategy. Socialism emphasises the needs and the rights of the proletariat. The founder of the Finnish Center Party (originally Rural Union), Santeri Alkio, stressed the work for "the sake of the poor" and public participation as the most central objectives along with self-education in early 20th century.

The only new point is that basic needs have now been raised to one of the central objectives of international development co-operation between governments. As a matter of fact, it is a question of getting development back on the right track, having it guided by people's essential needs. The mechanism of market forces, the desire for power and the greediness of individuals estranged from social responsibility have caused it to run off the rails.

Self-reliance

Over the years, the developing countries have placed increasing emphasis on self-reliance in order to decrease their dependence on industrialised countries both as individual nations and as a group. Collective self-reliance is one of the main aims of the non-aligned countries. The cornerstone of the development policy of, for example, Tanzania is a striving for national self-reliance.

The Cocoyoc Declaration defined self-reliance as follows: "Trust in people and nations, reliance on the capacity of people themselves to invent and generate new resources and techniques to increase their capacity to absorb them, to put them to socially beneficial use, to take a measure of command over the economy, and to generate their own way of life."

The concept of self-reliance can be further defined as

- self-confidence, co-operation, self-help
- reliance on one's own knowledge, skills and ability to learn
- reliance on one's own natural resources
- reliance on the work of one's own people
- autonomous goal-setting and decision-making
- independence from outside influences and powers which can be used as political pressure
- co-operation on an equal footing between nations
- rejection of methods of trade which cause exploitation
- reliance on the adaptation and the generation of local technology
- decentralisation of the world economy
- decentralisation of the national economy
- increased co-operation between developing countries for collective self-reliance.

A striving for self-reliance is in a way the element of development thinking which links the New International Economic Order and the Basic Needs Strategy. It shows how these two principal programmes are complementary. Together, both programmes could lead towards more balanced development, both nationally and internationally.

Self-reliance is Needed at All Levels

Self-reliance is required at the international, national, regional, family and individual levels.

Collective self-reliance is needed by the developing countries as a group in order to protect themselves against the political and economic domination of industrialised countries. Every country needs self-reliance in order to avoid becoming too dependent on its bigger and stronger neighbours. People and enterprises on the peripheries of the developed countries need regional and local self-reliance in order to protect themselves against the domination and exploitation of national centres.

Self-reliance on the part of families and individuals is needed especially in industrialised countries to enable people to maintain their intellectual and material integrity against market forces and manipulation.

At the family level, the prospects for self-reliance depend primarily on the family's access to the means of production, land, woods or professional skills which can be used in generating income within the family. Self-reliance at the individual level depends mostly on the individual's capability. The more professional skill one has, the less one is dependent on employment opportunities in one's specific field of production. If one can cook one's own meals and make one's own clothes, one is not dependent on commercial services.

The conditions for self-reliance at the national and regional levels depend on the natural resources and the capabilities of the people in each country. Regional self-reliance in the developing areas of industrialised countries also depends decisively on the legislation and administration of each country. If one has to appeal for permission for every single activity in developing areas from the bureaucracies of the national administration, severe limitations are set upon self-reliance.

Finland serves as a warning example of a country where the development of eg agriculture has taken place with the help of technology which has made the formerly independent farmers dependent on the fertiliser industry and foreign oil producers. When it comes to meeting basic needs in the field of food production, the whole country is totally dependent on imported energy.

The Macro and Micro Levels

The NIEO and the Basic Needs Strategy are concerned with very different levels in practical development policy. The NIEO is a macro-level programme progressing within the intergovernmental negotiation and conciliation processes. The Basic Needs Strategy is based on the everyday life of individuals. Its implementation explicitly means activities and policies within the countries and at the local level. One is international, the other national; one covers foreign politics, the other domestic politics.

While the NIEO drives at a more equitable international distribution of income, the Basic Needs Approach implies remedying the national distribution of income. While the Basic Needs Approach considers public participation to be a prerequisite for development, it in fact demands changes in the power structures in many countries. The NIEO does not touch upon power structures as such.

Two different interpretations of the NIEO and the Basic Needs Strategy are used in discussions today: a superficial version and a more through and profound version. According to the superficial interpretation, the NIEO only means international agreements and regulations and the Basic Needs Strategy applies only to basic material needs. According to the more profound interpretation, the NIEO implies changes within nations – eg changes in the structure of production, new energy policies, changes in foreign trade, etc – and the Basic Needs Strategy is extended to apply also to people's basic cultural, intellectual and social needs.

The discussions of governmental representatives in the UN use mainly superficial interpretations. Researchers, however, are demanding more profound interpretations of concepts. The same language is becoming more and more common among citizens' and people's organisations which in different countries act as information, education and pressure groups for development.

Development Is Indivisible

A study of self-reliance and the Basic Needs Approach leads automatically to the conclusion that the problematics of development concern the developed as much as the developing countries. Attention is no longer focused only on the developing countries but on the development of one's own country as well. Development research and development thinking, which started at the international level and the problems of the developing countries, has now reached the phase where development is seen as a universal phenomenon which is naturally at different stages in different countries.

While development thinking has matured, it has become more and more clear that the only sensible way to assess the quality and standard of development is to see it from the point of view of a human being. Contemporary development research uses criteria and indicators which are also suitable for evaluating the development of the industrialized countries and setting up new directions for development in these countries.

Strategy for the 1980s

The preparations for the Third Development Decade are now in progress in the UN system. The developing countries have already established their own plan for this purpose. The idea of the Basic Needs Approach is being raised in the discussion in many ways, but the concept itself is rarely used. The same objectives can be covered by concepts of eg social justice or basic human rights.

Professor Galtung stated in his speech on the NIEO and the Basic Needs Strategy in 1979 that "They are both political movements, more or less crystallised, created by particular historical situations. One can be against them or in favour of them, but there is also a sense in which they simply *are, exist*, unfold themselves like the tide. The political task is to crystallise and help steer these tremendous political energies in directions that serve human and social development."

From the UN point of view, one can say that the NIEO and the Basic Needs Strategy represent a third phase in United Nations development strategies. The first phase was the import substitution phase: The developing countries must produce goods themselves rather than import them from developed countries. In this way they could avoid the drawbacks caused by deteriorating terms of trade with the developed countries.

The second phase emphasised growth in the export of commodities in order to increase foreign currency revenues since the developing countries had to buy eg capital goods abroad. In this

trade the developing countries were, however, always on the losing side. The real losers in most developing countries were the masses who in any case did not share in foreign trade incomes.

Demands for the New International Economic Order and Strategies for Satisfaction of Basic Needs have arisen from the recognition of these problems. Strong forces stand behind these programmes, notwithstanding all the arguments against them.

Consequences in the Industrialised Countries

Finally, we should examine how the objectives of these leading development programmes of principles are mediated to us in the industrialised world in 1978. It is clear that we have come to the global stage of development where the demands for and consequences of change reach all countries and cannot be projected to the developing countries alone.

The efforts of the developing countries to get better and fairer prices for their commodities, both raw materials and manufactured goods, naturally means a rise in prices in the industrialised countries. It is easy to guess that eg the price of coffee will be at least three or fourfold higher when the standard of living of a Kenyan coffee farmer approaches the standard of living of a Finnish farmer.

The consequences of rising oil prices have already been experienced in the economy of the industrialised countries. The interest in new forms of energy has grown quickly for this reason. But new forms of energy also imply a new kind of technology which in turn will change the modes of work and production.

The first consequence of the NIEO felt in the developed countries is the pressure towards restructuring production, ie to create a new international division of labour in industry. Developments will undeniably take that direction. The question is merely whether the industrialised countries will be able to adjust their industry in a smooth and orderly manner to the new division of labour or whether this will take place through big waves of bankruptcy and growing unemployment.

The Basic Needs Approach emphasises the importance of agriculture in every country. In a world of threatening famine no country can rely only on imported food supplies. It is important to strive for self-sufficiency in food production in each country. At the moment food production in most developed countries is heavily dependent on imported energy, fertilisers and fodder. Furthermore, increased production of eg wool and linen should be considered in order to better meet basic clothing needs.

Technical developments will also increase leisure time. Shorter paid working hours will undoubtedly be the only way to solve unemployment problems. People will have more time to read, devote themselves to hobbies or participate in social activities. If directed in the right direction, increasing leisure time could mean a renaissance of democracy after today's passive and alienated phase. Political participation is one of the cheapest, most rewarding and constructive types of entertainment that one can imagine.

Taking into account all the trends of change, it becomes obvious that the whole way of life in the developed countries must change significantly. Squandering and mass consumption must be transformed into thriftiness and economy which will save natural resources and ensure the

ecological balance. People will again discover the ability to enjoy nature, the joy of doing things with their own hands, creativeness and human interaction. Life may become meaningful again, even for those who are sceptical and frustrated today.

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The Pillars of Healthy Development

