

Editorial

THE ONLY GLOBAL meeting of governments of major economic significance to be held this year took place in Belgrade during the month of June. The occasion was the Sixth Conference of UNCTAD and its purpose was to consider action necessary for the promotion of economic recovery and development.

The proposals, prepared by the Group of 77 under the title of the *Buenos Aires Platform* contained a comprehensive programme which centred round the key issues of trade, monetary policy and commodities, but met with little response from the developed countries. There was consent on the need to implement the agreement on the Common Fund (which it is expected that the United States will now ratify) and support for the intensification of work on commodity agreements; a consensus in favour of completing the Code of Conduct on the International Transfer of Technology, as well as approval of a long term of work designed to strengthen the technological capacity of developing countries; a reiteration of the commitment to the Substantial New Programme of Action (SNPA), already undertaken in Paris at the UN Conference on Least Developed Countries in 1981; and developed countries which had not reached the target undertaken of 0.7 per cent of GNP by 1985 as official development assistance agreed to redouble their efforts to that end. But little else.

It was not expected that a great deal would emerge from the Conference, but it was at least assumed that the continuation of the North-South dialogue would result in some general conclusions being arrived at as to the diagnosis of the present economic situation and some assessment made of the measures that would have to be taken in the long or short term by governments. But no such diagnosis could be agreed. The United States and its followers believed that recovery could only come through the market forces at work, while the rest considered that the present situation would only be remedied by appropriate governmental intervention. A final statement drawn up by the Conference attracted reservations by Britain, the Federal Republic of Germany and Japan, but the United States stood alone as the only country totally rejecting it. This was on the grounds stated that the United States believed that recovery was now firmly on the way, whereas the statement adopted had only referred to "tentative" signs of recovery.

It was to be awaited that third world experts such as Dr. Prebisch should declare that even recovery at the centre would not produce prosperity in the peripheral developing countries and that drastic

measures were required to deal with the basic structural problems. What was perhaps more significant was the criticism directed at the industrial countries by the heads of the organizations they had themselves established, namely the World Bank, the IMF, GATT and OECD. Mr. Clausen said that policy improvements in the industrial countries were crucial, not only for themselves but for the world economy as a whole. Mr. de Larosiere spoke of the need to tackle structural fiscal deficits in the industrial countries. Mr. Dunkel proclaimed that pious declarations against protectionism were not enough (which exactly fitted the statement finally adopted) and Mr. van Lennep said that in respect of IDA funding certain of the largest donor countries could and should do more.

And what are the conclusions to be drawn from the Conference? The 77 remained solid, but unity without organization, as Mr. Ramphal remarked, did not mean strength. The 77 were left with the reflection that they must concentrate on self-reliance and South-South co-operation (as described in our editorial in the July issue of this Journal). The malaise of Group B was evident its inability to discover anything other than a negative response to the 77. The United States is powerful enough to act on its own, but by its abrasive behaviour at the Conference produced a caricature of its own position. The other Group B countries were mostly embarrassed, and some at least would have liked to be more constructive. Nevertheless there would still have been a huge gap between what they could have accepted and the 77 *Platform*. Group D continued its unhelpful attitude.

The rich countries in UNCTAD have seldom put forward any positive suggestions, and however sincere their belief in non-activity may be, it is a concept which feeds their present mood and which may lead to misinterpretation. The Chinese delegate, for example, declared that the developed countries at the Conference had shown a lack of political will, inflexibility and a protection of selfish interests.

Perhaps it is permissible to reflect that the developed countries might have done more good for themselves, as well as helping the third world, if they had followed some of the advice offered to them by their distinguished compatriots in the international institutions.