

United Nations: The Hope and the Reality

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IN 1961 The United Nations Organization launched its first "Development Decade." Member states were urged to assist under-developed nations to attain an annual five per cent rate of self-sustaining growth in their national incomes. This was to be achieved by helping them to export primary products at "suitable" prices, and by increasing capital investment in their territories on mutually acceptable terms.

UN agencies were instructed to accelerate economic development, to establish planning—"including, where appropriate, land reform," to mobilise internal resources and to attack hunger, illiteracy and disease. Donor countries were asked to increase aid to at least one per cent of their national incomes.

Principal objective of the programme was to reverse the increasing gap in *per capita* incomes between the economically advanced and the less developed countries.

THE UNITED NATIONS' first Development Decade failed in its aims. That little has been achieved in improving the economic welfare of the developing nations throws doubt on the UN's future as a unifying force among the world's nations. Ideological and economic conflicts have prevented the co-operation which could have relieved human suffering and have breathed reality into the UN's programme of fuller and freer trade.

Events have demonstrated how crippling impotent has been the available help. David Morse, Director-General of the International Labour Organization, an agency associated with the UN, says that the decade has shown no perceptible improvement "for the peasants, for the landless agricultural workers, for the millions of inhabitants of the shanty towns and the slum areas of the large cities of the developing world, who constitute the large majority of the populations of the developing countries."

Robert McNamara, President of the World Bank Group has reported that growth in *per capita* income was extremely disappointing. Falling far short of the UN's five per cent target, the figures were: Latin America, under two per cent; East Asia, two per cent; Africa, one per cent; South Asia, half of one per cent. The richer

countries had given vast sums in aid to the developing countries, but Mr. McNamara sought to show how they could do still better. During the decade, he said, richer countries had added to their annual real incomes about \$400,000 million. This increase was larger than the total annual incomes of developing countries!

Why this continuing poverty among two-thirds of the human race? One answer is that booming populations swallow up the growing resources. The rich countries are blamed for either favouring manufacturing industries at the expense of traditional agriculture, or for rigging world prices to their advantage—or for simply being

132

indifferent. In the middle, trying to bridge the gap, stands the UN, desperately seeking to co-ordinate the multiplicity of interests of member-states.

It would be wrong to ask, why did the UN fail? Such a question overstates its authority. The UN is not a world government; it is a debating forum that passes resolutions in the hope that member states will act accordingly.

The first Conference on Trade and Development, in 1964, aimed at forging trade agreements that would help the products of young industrial economies into the world markets. By the following year the Secretary General, in a mid-decade report, admitted that the gap in *per capita* incomes between rich and poor countries had actually widened.

"The world community," said U Thant in his policy statement last year, "still appears unwilling to take the resolute steps required to translate into practical measures the lofty aims set forth by the first UN Conference on Trade and Development. This was perhaps the most striking feature of the second session of the Conference at New Delhi earlier this year, when a major opportunity for advancing these aims was lost." In fact, he reported, the poor achievements of the New Delhi conference "suggest that the political will to work towards concerted action, which constitutes the mainspring of international economic co-operation, was lacking."

What of the efforts being made by countries receiving the fortunes given in aid? It would be foolish to expect anything but a slow decline of the in-built resistance to change in these communities. They have meandered through the ages without apparently feeling the need to reappraise the traditions which have acted as bulwarks against internal change. However, for better or worse they now aspire to European living standards. They are not conveniently arranged to fit economists' theoretical concepts of models of planned growth, which is hardly surprising since in development economics there are divergent views on how best to help a primitive economy to "take-off," but given the uncertainties in the basic thinking of economic planners, there are still crucial regions of action where the foundations of future development and prosperity could be laid.

One of these is land reform, a term that the UN of necessity uses loosely. Since land is the source of wealth, its ownership, and the customs associated with its use (or non-use) are among the features most resistant to change in the Third World, where agriculture is the major form of economic activity. It is not surprising, therefore, that the UN should report that there are few examples of development plans that take account of land reform. "This fact in itself is a reinforcement of the argument concerning the economic importance of political changes following land reform. In countries where there is a demand for land reform but no political intention of meeting it, there is usually no effective planning for economic development. Serious developmental planning usually comes only after a political change which includes, or is confirmed by, land redistribution—at which stage it is too late for the reform itself to be included in planning calculations . . ." ¹

Land is allegedly short in developing countries, yet field investigators have produced the proof to contradict this. In South Asia, for example, Prof. Myrdal ² found that the man: cultivated land area ratio was comparable to the European average, and that there was much under-used or unused land just waiting to be employed productively. There is also the potential increase in yields to be expected from education and innovation.

The developing countries are said to be too poor to be able to accumulate the necessary capital resources to exploit improved techniques for growing and manufacturing. Increased production, it is claimed, is barely sufficient to feed rapidly increasing populations, thus the need for vast sums to be poured in by rich nations.

From Bihar comes evidence that questions this contention. According to Doreen Warriner³, up to 1964 the rent-claiming zamindars took 120 million rupees annually from tenants, but paid only 20 million to the government. "They could live as sleeping partners without investing: their tenants were too poor to invest

in their holdings." The money could have been used to provide irrigation and water conservation systems, either by the tenants, or (if the money had been taxed by the state), by the public authorities. It was not. In 1966 and 1967 Bihar was officially designated as famine stricken,

and photographs of pot-bellied children were used to solicit sympathy from the rest of the world.

This is the classic conflict—first expounded by Ricardo—of privately-appropriated land rent versus the economic well-being of the community. Economists and politicians have tried to ridicule the idea that the claims of the landowners on the national income might impede economic development. But, as Michael Stewart, economic adviser to the Kenya Treasury, recently stated: "Is this not exactly what has happened in many developing countries, particularly in Latin America? Quite a number of economists, at any rate, would be prepared to say so."

Against this background of vested interests, which profit as much by the present ignorance and poverty as by the progress of knowledge and technological innovation, U Thant talks of the "increasing bitterness and frustration" felt within the UN, and of "some uncertainty as to competence, and even some inter-agency friction."

The UN, inevitably, is a compromise institution, a reflection of the conflicting interests of its members. Short of it having effective independent power, the Secretariat can do little but tread delicately along the tight-ropes of international diplomacy.

The critical challenge of the '70s will be whether member-states can give real meaning to the UN. This they can do only by shaping a common purpose, a global strategy, the co-ordination of which would have to be delegated to the UN. Next month I will examine the second development decade, which begins next year, in the light of U Thant's own proclamation that "the effectiveness and influence of the UN may be significantly lessened" if member governments failed to employ resources in the interests of economic development.

¹ p. 162, *Progress in Land Reform*, 4th Report, United Nations, 1966.

² Gunnar Myrdal, *Asian Drama*, Pantheon Books, 1968.

³ p. 159, *Land Reform in Principle and Practice*, Clarendon Press, 1969.

⁴ "The Relevance of Ricardo," *The Times*, August 4.