

"AGENDA FOR THE EIGHTIES:
PEOPLE'S STRATEGIES FOR DEVELOPMENT"

SPEECH BY HON. MICHAEL MANLEY
PRIME MINISTER OF JAMAICA

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PRIME MINISTER MANLEY: Mr. Chairman, Mr. - Believe it or not very handsome Master of Ceremonies - (laughter) -- I hope I resist him, Your excellencies, distinguished guests, ladies and gentlemen:

May I at the outset, thank all of those who thought I might contribute something to this occasion. That they thought I would do this best as a speaker rather than as a member of the audience may raise doubts about their judgment, but none about their generosity.

Coming as I do from a country with a long tradition of voluntary and valuable service through the work of non-governmental organizations, it is a particular pleasure for me to address this gathering. Believing as we do that democracy should be as much a system of participation as a method of representation, we have always attached great importance to the contribution which the non-governmental organizations make to the work and influence of the United Nations system. We meet Mr. Chairman, at a moment when one event relieves the gloom of a time in history when good news is rare. This morning the U.N. system admitted its 153rd member as sovereign Zimbabwe --

(applause)

-- as sovereign Zimbabwe took its place among the family of nations and thus closed a chapter of racial oppression redeemed by glorious struggle.

I have been asked to speak on the subject: "The Right to Development", and as I began to examine the moot, I found myself increasingly intimidated.

First, there are the problems of definition. What do we mean by development, and what are rights? There are a number of people, and probably most of us in this room who take these things for granted, but an awful lot of people wield an awful lot of power do not even address the question or try the question. Then if you can surmount these definitional problems in today's world, you proceed to the question: Why should people have this right? What is the argument that persuades those who have not already come to that conclusion? And, if your navigational aids are equal to that challenge, then the exercise would be idle if you could not suggest some answers to the question: How do we achieve development?

Unfortunately, I accepted the invitation before I heard the subject, and being already trapped, can now only try to explore the "what", the "why" and the "how".

There are a number of people in the world who have long since assumed answers to all three questions as they arise from the right to development.

For example, I belong to a group of people who think that the answers to "what" and "why" are self-evident and that the real problem and challenge reside in "how". But, there are many people in the developed North who assert that the original question is nonsense because development is a consequence of superior technologies. This for them the "Why" and "how" simply and naturally do not arise.

... is that the questions are posed in a world of contradictory dynamics set in the framework of reality.

I suggest is that of the explosion in technology with all that this implies for production has provided a basis in reality for the hope

rapid explosion in political dynamics for human expectations, dynamics for believing that the better

widening gap between the rich upon the absolute or near of the world's inhabitants. The fact that at this moment the majority of the world's workers and their expectations have reached a point where it is no longer possible to maintain the order

disarray. World debt is in crisis. The most sturdy nations, at the least,

being is new, or it is cyclical commonplace, now reached. Needs could be for the first time that nobody can ignore. Certainly, we learn to share equitably

practical measure is to

Unemployment, threats, World of optimism, a strategy

So, everything, anxiety, but what the point where we but find time in history gain more than our ability to engage our technology shared.

So against this

about first,

"development" and secondly, "rights". Development is to do with the ability of individuals to realize their hopes by coping with their environment. Collectively, development is about the capacity of communities to do the same, but with the complications that communities must discover the means to reconcile the conflicting hopes of different individuals. The collective purpose which results must then be pursued in an environment that includes other communities.

I think the concept of "rights" is complex because it has always involved understanding the distinction between those expectations of mine which are compatible with everybody else's, and those ambitions of mine which can only be achieved at the expense of everybody else's. May I suggest that at any moment of time, rights are those expectations which people share and accept as compatible as between the various members of a group.

We may therefore assume that what we seek to talk about is whether there is a set of means, development, which can achieve broadly equitable purposes, rights. We must then turn to "why", and ask whether development should be pursued as a global responsibility.

Mr. Chairman, I suppose that all social change begins with the question: Are things working at present?

Secondly, one asks: Will the benefits of change outweigh the costs? So let us begin the second phase of this discussion by a closer look at today's world.

I would like to suggest some examples which illustrate the state of the world. Everybody agrees that inflation is a serious problem. Such, however, is the extent of our collective failure that we are now witnessing policies in which more expensive money is used to fight the problem of a more expensive loaf of bread.

Surely, whatever the short-term merits of deflationary economics, the remedy has the same quality of unreality as we see in those who believe that a country is more secure because it can destroy everybody else five times over instead of only three times over. I suggest that 18 percent interest rates and ever-expanding nuclear capability from whatever source have common borders with a territory of madness that mankind cannot afford.

(Applause.)

Inflation in the industrial North represents a crisis in the system which will not yield to more do's of the system itself, but rather to modifications of the system. In the meantime who is stopping to calculate the costs to the rest of the world of mounting interest rates?

One listens to relaxed academic discussions in which the trade off between unemployment and inflation is discussed as a mathematical equation devoid of human consequence. This may be a permissible exercise for those societies which can support unemployment insurance at levels as high as 90 percent of normal income.

Clearly, at this level of income, one needs consider little more than the psychological consequences of idleness! But for two-thirds of mankind, unemployment does not present itself as a matter for psychiatric remedy since the real issue is whether children will grow up with brains that have been destroyed by protein deficiency.

One has every sympathy with the predicament of the two-car family trying to trade in one big car for one smaller car to help offset the price of fuel. This predicament is, of course, a little remote from the concerns of millions of people who view the prospect of their first bicycle across the hurdle of the first pair of shoes which they have not yet been able to afford.

I mention these things not in a spirit of moral reproach, although there is ground enough for that, but because we live in a world that is inter-dependent in fact; because the industrial North has benefited vastly from that inter-dependence in the past; because the world's poor are increasingly aware of the effect which the economic policies of the North have upon their own circumstances; because these consequences lead to an environment of instability and hostility; because the atom bomb may put the world's super powers in stalemate, but is not an answer to the anger of an aroused global majority; but perhaps, most simply and tellingly, because policies that defeat development and economic expansion for the majority of the world's peoples are now also depriving the people of the industrialized minority of that most precious commodity in Western democracy: certainty about the future.

I feel that the revolution of rising expectations was at once the product and the author of that unlimited vista of economic growth which began with the Industrial Revolution. Few understand the extent to which this growth rested upon the certainties of cheap labor, cheap raw materials and cheap energy. The dynamics of western society eliminated their own cheap labor in due course; but, the world economic system could be depended upon to guarantee cheap raw materials and cheap energy for a while longer.

Cheap energy has been the next to go. The industrialized North must now come to terms with a new contradiction. Having created a political environment in which democracy and rising material standards have become inseparable, it finds itself in a world in which the outcome can no longer be taken for granted. Whatever the initial confusions that surround the political response to the new dilemma, the policy choices are ultimately stark and clear. Either the industrialized North is going to retreat into an increased isolationism, building a new and

monstrous Maginot Line of armaments around an ultimately imaginary fortress, while muttering dark oaths about Third World ingratitude; or there is going to be a quantum leap in statesmanship.

So, let us now take an even closer look, not from an ideological point of view, but from a practical point of view, at the finer anatomy of present madness.

International trade is a fundamental part of world economic growth. This trade rests upon the capacity of nations individually and collectively to finance it. If the debts owed by the majority of people, not caused by extravagance, but because of successive crises within the system, reach a point where trade itself stagnates, and everybody is hurt. At this point, it becomes idle to tell me that my proper response to the rising prices of wheat, tractors, and finally, oil should have been made by the elimination of that part of my population which we could no longer afford to feed.

A simpler remedy, surely, would be to address the systemic and structural causes of the inflation before their effects have created havoc for the rest of us.

At present, the available answer to a national balance of payments crisis, flowing from the world crisis, is the International Monetary Fund. I do not raise the I.M.F. from an ideological point of view, nor do I question the integrity of those who carry out its policies. Rather, I speak from the standpoint of practical Third World experience. This body, for example, controls significant reserves of foreign exchange and is, among other things, intended to be the place to which one turns for short-term assistance. But, I.M.F. remedies, in the past, have done little to assist in solving basic economic problems in the Third World. Indeed, the effects of the remedies have often been worse than the original complaint.

Now, nobody expects a body like the I.M.F. to be a house of charity. Only fools do not understand that prudence and care are a necessary part of sound financial management. We know that crisis calls for better not worse management of resources. And, in any event, we have learned in bitter experience. But the effect of some of the I.M.F.'s prescriptions is to impose upon Third World countries in difficulty, remedies based exclusively upon demand management techniques worked out in our industrial economies. There are massive devaluations to promote exports. Heavy contractions in internal spending reduce local demand and force business to survive by exporting. This savage medicine is prescribed in the confident belief that a bright future of vibrant exports and balanced budgets will present themselves with the dawn of tomorrow.

Perhaps this can work in developed societies which have enormous productive capability, whose only problem is how to get

that capability going and who, in any case, can afford social security benefits to protect those who suffer from the immediate consequences of the medicine.

The young Third World country does not suffer from quite the same disease. Its sickness is not a productive capability that is under-utilized, but an economy which suffers from structural dependence, a lack of productive capacity, and which has no social security system with which to absorb the shock of the medicine. For this country, the short-term nostrum of demand management is inadequate in economic terms and may be disastrous in social terms. What is really needed is a long-term plan to develop its productive capability and an assured supply of foreign exchange like oxygen for the lungs in a long marathon run.

And if you now retort: of what concern is all that to the industrialized North? I reply: First, if the remedies of the system are counter-productive, my economic crisis will continue. If my economic crisis continues, I will import less and less of your goods as I can afford less and less to participate in world trade. And as I get poorer and poorer, my people will swell the ranks of those who become embittered in a world in which they can find no place. There is, therefore, a real sense in which the present response to world economic crisis places the North in a kind of economic and political double jeopardy even while it condemns the South to untold suffering.

Let us turn to armaments expenditure. By 1979 annual external capital flow into the Third World reached \$130 billion. During the decade of the seventies, Third World growth rates were barely more than 2 percent per annum, a rate which left poverty as entrenched as before. World Bank projections indicate that to achieve a growth rate of 4 percent in the decade of the '80s, annual external capital flows into the Third World will have to reach a total of \$470 billion by 1990. I must say that a 4 percent growth rate is modest, but is certainly better than 2 percent! If we could increase this rate of external capital flows to \$300 billion a year, we would begin to make a dent in poverty and, incidentally, add enormously to the capacity of the Third World to contribute to world trade and world economic expansion, including the industrialized North. We are searching for \$300 billion a year and can all enjoy a larger future if we find it. But \$450 billion a year are now spent upon armaments, where these funds are sterilized from the point of view of world growth and expose us all to mounting jeopardy. Yet voices are heard calling today for more on armaments.

This is I regard as the final and perhaps the simplest example of the kind of madness which we are currently experiencing.

(Applause.)

There are many who contend that ethics are irrelevant to

the hard world of public policy. It is a short-sighted view which I do not share. But, I suggest that we need not detain ourselves with the argument. I assert that there are compelling reasons of self-interest why the people of the industrialized North need to join the rest of us in the search for a new management of the world's economic affairs.

The process of development in which all the world's people can share is, therefore, not a simple matter of morality. It may even be more than the price of continuing progress for everyone. It may be, as some contend, a literal matter of survival.

The answer that comes, therefore, with shattering force to anyone who stops to think about today's world, is that development must become a shared global responsibility.

Let us consider finally then "how" we may approach it. I would like to begin by confronting a basic issue. We in Jamaica accept that the development process must begin within each nation. In the end, the development process rests upon individuals who have the training and relevant skills to perform the needed tasks; who have attitudes that lead to the capacity for great effort; who have aspirations that are socially compatible, and who as a result of all these things, can be mobilized. In the end, no society can escape the responsibility to address these things from within its own borders and as the first call upon its own energies.

That is why we in Jamaica have, within our limited means, tackled land reform, literacy, mass education, women's rights, new strategies of development for our bauxite and tourist industries, and so on. Our commitment to participatory democracy as the often missing part of the system itself, is absolute. We believe in a mixed economy, but we also believe in worker participation, farmer co-operatives, community councils and student democracy. That is our choice. We do not believe that mobilization will endure in a society that is not thoroughly democratized; and we do not believe that it is worth training people technically if you cannot also motivate them psychologically.

There are many who disagree with us, including many in our own country. But I mention this because at least we have thought through, as best we can, the nature of our responsibility to ourselves and the relationship between ourselves and the outside world. We have to assume that not all countries will view the internal development process similarly and must even confess that some countries do not even consider the subject. Nonetheless, there is a responsibility upon us all to consider what international environment will tend to promote a general, balanced and equitable development of the world as a whole.

This leads one to the central and crucial question of structural change in the world's economic system. Behind that question, however, lies the deeper question: Are the world's political sys-

tems capable of even influencing much less controlling world economic activity? I pose the question because there has arisen in this century a new, supra national government whose existence is not universally recognized. ~~There is a complex of transnational corporations and financial institutions which I suggest wields more real power than all of the politicians of the Northern Industrial nations put together.~~

(Applause.)

We do not need anybody to lecture us upon the extent to which the international organization of factors of production and marketing is the logical outcome of the process by which production is organized in an inter-dependent world. So far, so good. Our concern is with the institutions which have been created by this process of rationalized production, which are not accountable to the people and the political processes by which we seek to govern ourselves.

The first question, therefore, which must be answered and must be confronted is this: Will we the people of the world accept a world economy over which we have less and less control? Assuming, however, a will to tackle this problem, one comes finally to the system itself and what needs to be modified.

The New International Economic Order, describing as it does, a wide range of specific proposals for change, lies at the heart of the final question of "how"? We of the Third World are not asking for charity. We are concerned with the management of the world economy. We are concerned that the Common Fund be developed into a positive instrument for the management of the basic commodities in world trade, to the end that world trade contributes to stable and equitable growth.

We are concerned that the world's financial institutions and, in particular, the I.M.F., be subject to a program of reform to the end that I.M.F. lending agencies promote development rather than sacrifice long-term development on the altar of short-term adjustment.

(Applause.)

We are concerned that the process of foreign exchange adjustment bears upon surplus as well as deficit countries. We are concerned that a code of behavior be finalized and applied to transnational corporations.

(Applause.)

We are concerned that the arms race be halted and productive capabilities diverted to peaceful purposes.

I should be seen from all of this, Mr. Chairman, that we of the Third World, and I believe an overwhelming majority share

this view, do not think that the East/West perception of the world's problems has any continuing relevance except to those whose minds are irremediably focused upon the past.

We believe that the dominant realities which should concern the policymakers of today are those of the North/South dichotomy, and these very questions which surround equitable global development.

Throughout history ethics have been brought to the service of many causes. They have been misused to justify tyranny and anarchy. They have been misused to induce the consent of majorities to the oppression of minorities. But they have also been used as the means by which man searches for a framework within which society can contain the ambition and energies of its members so that they may be directed constructively within a broad consensus about social purposes. When ethics, in this latter sense, join hands with commonsense, it is time to take notice.

I have always been intrigued by the fact that many industrialized democracies dedicated to the principles of the free enterprise system have nonetheless intervened in that system politically to insure the equitable participation of farm communities in the general progress. These are pragmatic accommodations that sensible men have taken in their stride even while they profess their love of and devout adherence to laissez faire economics. Happy farmers make for good social ethics and even better politics!

(Applause.)

The economic interdependence of the members of a nation state has made this kind of pragmatic intervention as sensible as it was politically inescapable. I suggest that today's truth lies in the fact that technology is creating a reality of global interdependence that is going to force the nation state to adaptation and change. Already the United Nations and its many agencies have survived after thirty-five years where the League of Nations collapsed within twenty.

The European Parliament is an extraordinary rejoinder within a generation to World Wars I and II.

We are all in a part of a process of change that rushes upon us on the wings of technology more rapidly than our political systems can accommodate, much less control.

I suggest, therefore, that we had all better look to the political process lest this technology, inadequately understood and hopelessly misapplied, lead us all over a precipice. It is far better that we all sit down together and plan that larger future which that same technology places within our common grasp.

The 11th Special Session of the UN and the third such session

devoted exclusively to world economic issues begins today, and this is why we have met. This session is specifically to assess progress on the New International Economic Order, to approve the international development strategy for the 1980's and to lay the foundations for the launching of the new round of global negotiations due to commence in January. This round is to be directed towards all the matters including the critical issues of energy and money of concern in the world economy.

It would be, as you yourself suggested, Mr. Master of Ceremonies, idle to pretend that the exercise will commence with high expectations. Indeed, the contrary is the case.

Yet, we have recently seen the report of the Brandt Commission, a Commission comprising people of widely differing backgrounds and perceptions, linked only by their common claim to distinction, nonetheless come out with a remarkable report confirming unanimously all the major perceptions which are of the New International Economic Order.

The problem of world development is not a problem of ideas, and it is not a problem of means. It is a problem of political will.

(Applause.)

We all in this room share a common responsibility to contribute to the process by which that will can be rescued from present distractions and directed to constructive purposes.

This global village which we occupy can become a reasonably comfortable place or a death-trap. It is really up to all of us to decide which we would prefer.

Thank you very much.

(Applause.)

(Closing remarks by the Master of Ceremonies.)

(Closing remarks by Chairperson Hayes.)

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