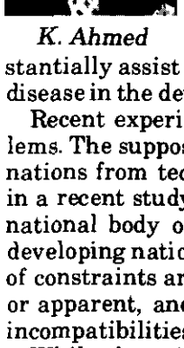
View of Developing Countries

Goals of accelerating economic growth, reducing massive poverty in developing countries requires aid of developed countries

BY K. B. AHMED*

An important reason for the widening inequalities between the developed and the underdeveloped, or so-called developing nations, is the vastly different kind of technology available to them. There is obviously a strong case for the developed countries assisting the development programs through transfer of technology.



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The U.N Conference of Science and Technology held in Geneva in 1963 achieved near unanimity of opinion that a massive transfer of science and technology from developed to the underdeveloped nations, would substantially assist in the removal of poverty, hunger and disease in the developing nations.

Recent experience, however, revealed certain problems. The supposed benefits accruing to the developing nations from technological transfer has been doubted in a recent study carried out by PUGWASH, an international body of scientists from both developed and developing nations. There is now a growing awareness of constraints arising from divergence of interest, real or apparent, and from the structural and operational incompatibilities in the international system.

While there is no doubt that highly qualified and skilled technicians and managerial personnel are available in developed countries, it is rarely that the government or private agencies of the donor country spare their best manpower for work in the developing countries. Quite often the professional credentials of the so-called experts to lead a team of local technicians or engineers turn out to be rather dubious. These minor employees of developed countries, when they visit the "primitive" areas of the Third World, are suddenly imbued with an exaggerated sense of self-importance which comes in the way of working as a team. Moreover, no matter what their social status may be in their own countries, when they go as experts to a developing country they cannot do without a posh bungalow, luxury cars, a retinue of servants and, of course, at the expense of the host country.

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The well-qualified experts are available usually for short visits, and hardly ever get the time to acquaint themselves with the conditions in the country to which they are supposed to give expert advice.

H. W. Hannah, an American consultant, suggests, "Before proceeding on a foreign assignment, an expert needs to have not only health inoculations, but a series of technical, cultural, socioeconomic, geographic, historic and political injections pertaining to the country

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and general region in question." Without this perconditioning, the expert may innocently recommend or adopt a technology which would have worked very well back home in Texas but has little or no chance of success in the villages of Dodoma in Tanzania.

The needs of two countries at vastly different levels of development and with widely different socioeconomic conditions, are very different.

H. W. Hannah reveals, "We know how to produce more food and fiber per farm worker better than any other country in the world, but in few, if any, of the developing countries is per-capita production very important at this stage. What the world needs to know most is how to produce a lot of food and fiber per acre —not per man . . .

"This is an obvious case of different factor-scarcity in two countries, labor in the U.S.A. and land in a country like India. The danger is not only that technological transfer in such situations may result in the import of an improper and unsuitable technology, but further that in the process of importing this technology, the development priorities of the developing country may itself get vitiated or distorted."

It is not always the indifference of the developed countries that hindered real development in the developing countries. Developing nations themselves failed to produce sufficient infrastructure; mobilize national resources and polarize political copmpetence. The decolonized new nations, and other developing nations, have developed a perpetual complacency of poverty, and inept political motivations failed to mobilize people's inspiration; instead, unmistakenly allowed the growth of doubts, instability and frustration. It will indeed be very naive for the decolonized nations to sulk on rhetoric and put no effort into improving their own living conditions.

Benevolence

In an apparent sense, to the developed nations, development is a benevolent gesture, a gesture that religiously and morally satisfies their ego, whereas, to

the so-called underdeveloped country, development is a kind of payoff for exploitation for a dream they never dreamed of, and for a consequence for which they are never prepared.

It is conceivable to expect a Marshall plan to be organized to reconstruct the war-ravaged Europe from dust, but it is highly unlikely that any such Marshall plan can ever be proposed to eliminate proverty, and thereby establish in these developing nations a self-generating growth pattern.

It is also conceivable that developed nations will allow their expertise to be utilized in less productive development projects in the Middle East, because it fits within their overall market control and international monetary balance, but most poor nations with skilled labor and compatibility could not attract the attention of investors from the developed countries. It has been feasible to finance the entire national budget of the State Israel, which contains less than four million people, and which amounts to 1½ times more than the total ODA to the less-developed countries.

I personally do not like to hold the developed countries responsible for injustices, unfairness and inequalities which prevail in the developing countries, but I am just trying to remind them that this world is not short of resources as much as of sincerity of intention.

The leadership in the poor nations are mostly supercharged with ideology and illusion of a promised land and sometimes infiltrated by remote controlled, well-groomed, made-to-measure politicians sponsored by developed nations.

In either case, the chances of poor nations organizing their own affairs to achieve a relative economic independence, are rare in the foreseeable future.

To set a target for development is not very difficult. Mr. Robert McNamara, the President of the World Bank, at the Annual Meeting of the Bank on 26 September 1977, stated, "1.2 billion people do not have access to safe drinking water, to public health facilities; 700 million are seriously malnourished; 500 million are unable to read and write; and 250 million are living in urban areas and do not have adequate shelter. Hundreds of millions are without sufficient employment." Life in much of the world is still in the Dark Ages.

Priorities

As one surveys the international development scene today, it is clear that there are two fundamental objectives that must command the priorities of us all. One is to accelerate overall economic growth in the developing countries, and the other is to reduce the massive dimension of poverty.

To establish this priority, both developing countries themselves, and developed nations, must increase their efforts. Developing countries could not achieve any economic growth without substantially greater support from the developed nations. That support is required, first of all, in the matter of trade. Just as the developing countries have begun to create their natural comparative advantage in certain labor-intensive manufacture, a threat of protectionism is gathering momentum in the developed world. According to the World Bank, "This is both inequitable and short-sighted since it denies the developing country the only long-range economic strategy that can ultimately decrease their dependence on foreign assistance."

The developing world constitutes an important and growing market for the exports of the industrialized nations, stimulating demand and helping to hasten their own economic recovery. But if the developing countries are to import even more goods and services from the OECD countries, then they must be allowed in return to export more to those same nations in order to earn the foreign exchange necessary to do so.

Figures recently published by the World Bank show that developing countries today supply less than 2% of the manufactured goods consumed in the developed countries. The number of workers displaced by the imports from the developing countries was only a fraction of those displaced by shifts in technology and demand in the industrialized countries themselves. In 1975 the industrialized nations imported $26 billion of manufactures from the developing nations, and exported $123 billion of manufactures to them in return. This adjustment problem has largely been neglected in the industrialized countries where often the effort is merely to keep weak and inefficient industries alive rather than designing effective incentives for labor and capital shift to more competitive and productive sectors.

In addition to that, the recent trend of the flows of Official Development Assistance (ODA) has been disquieting. As a proportion of GNP, the flow of ODA from DAC countries has declined from 0.52% in 1960 to 0.33% in 1977. None of the major four contributors came near an 0.7% contribution, a target of ODA jointly agreed to accelerate the development programs.

Energy Crisis

We constantly refer to standard of living in terms of development. The change in our living environment came with the Industrial Revolution when muscle power was replaced by mechanical power, for the purpose of increasing input of energy and thereby productivity. Today the world is confronted with an energy crisis which adds a dimensional problem to development programs. In terms of standard, demand and consumption, every nation has a list of requirements which is vital to its development. But no nation can make any definitive plan to sustain supply and availability of energy on the basis of conventional sources. The traditional sources of energy are more or less quantified and there will not be any addition to these sources unless the earth goes through some peculiar transformation. These sources, on the basis of present utilization, will suffice for a very limited period of time, and for mankind, even a period of 100 years is a short period of time.

Developing nations must, therefore, plan their programs on the basis of alternative sources of energy and all efforts should be made toward making a technological breakthrough for the utilization of energy from alternative sources. Technology does exist for solar conversion, and wind power, etc., but a breakthrough in the cost barrier will not take place unless the attitude of the developed countries changes. Alternative sources should not be made to compete with traditional

technology on the basis of cost effectiveness. They should be evaluated on the basis of being an available alternative essential to the continuation of the human race.

An interesting feature that emerges now is that both the developed as well as the developing countries have become conscious of the importance of alternative sources of energy. The reasons for this convergence of interest are different. The developed countries have used the conventional non-renewable sources of energy so intensively and extensively that some of them, like oil, appear to be depleting at a rate which may eventually lead to their exhaustion in the next 30 to 50 years. The developing countries on the other hand have such a poor resource base and such a low level of technological infrastructure that they have been living almost in an "energy vacuum." They have, therefore, no alternative but to take to the alternative sources for energy.

A new technology has to be offered to the developing nations, which will be adopted to generate energy from the alternative sources. A new pattern of economic planning has to be evolved to define and plan for the utilization of alternative technology.

Limit to Muscle Power

Experience in all developing countries has shown that there is an upper limit to what muscle energy of man and his animals can do. An input of energy into the village economy in the form of electric power, over a period of time, transforms the lifestyle and productivity of the villagers. The two conventional methods of putting electric power in the villages are either an extension of the national power grids, interconnecting the central power stations using conventional sources of energy (hydro, nuclear, coal, oil and gas) or through the installation of decentralized oil-fired (usually diesel) generators in individual villages. The first is very capital-intensive. The second has become very expensive because of high prices of oil. Further, a diesel-powered generator has a comparatively short life (6 to 8 years) and it is difficult to operate and maintain in the environment of remote villages due to nonavailability of spare parts and difficulty of transporting oil over rough and roadless routes.

The alternative technology to the two conventional methods would be to harness the renewable sources of energy like solar, wind and biomass (agricultural and animal waste) which are locally available in most of the tropical villages for the production of electric power to meet their energy needs through proven technological devices.

NOTES

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The Challenge of Energy, by Dr. I. H. Usman
Senior Energy Advisor, UND. Rural Energy Development, a concept by NARET, Washington D.C. H. W. Hannah, an American economist, Denis Hayes, World Watch Institute.