

STAT



"Polemic"

The United States Has an Opportunity to Move Away From The Highly Polemic
"North-South" Dialogue Toward a More Realistic Effort to Assist Third
World Countries

To date, the North-South dialogue has (not surprisingly) borne little fruit. There has been a yawning gap between the rhetoric of discussants and pragmatic efforts to confront concrete problems. Both developed and less developed countries have indulged in the articulation of sweeping demands and responses, rarely getting down to brass tacks. There has also been an emphasis on process rather than substance, with enormous expenditures of time and effort expended in debating how to debate issues and in discussing how best to organize and facilitate discussions of issues.

More specifically, the global exchange has failed to discuss the enormous and growing differences that exist in economic prospects among developing countries and has paid little attention to the important bilateral economic links that have evolved between the developed and less developed world. Instead the discussion has focused mainly on ways to boost the flow of resources from the developed to less developed world, even though recent experience has shown that this approach does little to spur sustained economic growth and in some cases even hinders progress. There are several reasons why rhetoric and generalization have not given way to realism:

- The most vociferous supporters of the "global" effort, both in the Third World and the West, are captives of strong ideological predispositions which emphasize socialist utopias rather than

incrementalism and flexibility.

- The profound economic and political differences among the countries of the Third World, can be papered over only by resort to rhetoric and generalization.
- Western beliefs in the free market, unfettered trade and investment, and private enterprise are incompatible with the socialist and collectivist beliefs of many Third World leaders.
- There are significant differences in the perceptions and economic interests of the DCs themselves.
- With a few exceptions, LDCs are neither politically nor economically critical to the West.

For their part, the European socialists and their allies see the LDCs as the international equivalent of the "underclass" within their own societies. Thus, they seek to harmonize their international attitudes with their domestic policies of economic and social reform. Despite these oft stated beliefs, the countries of Western Europe and Japan have relatively little to offer the LDCs. In varying degrees, all of them have acute budgetary and other economic problems at home that preclude bold new initiatives in the North-South arena. Then, too, they are constrained by an array of domestic interests that would resist such initiatives. For example, even though Japan, Canada, and most countries of Western Europe have supported a reduction in trade barriers against LDC manufacturers, their markets have remained relatively more closed to such LDC goods than the United States. Indeed, the EC has recently called for a further tightening of textile imports from LDCs in order to protect domestic industries.

The changing political-economic environment provides an opportunity to move away from the polemics of the North-South global debate toward a more constructive approach to Third World development. An increasing number of Third World leaders are following more pragmatic policies, a change that has been spurred by the hard economic times of recent years. This tendency has also been encouraged by the increased awareness among LDC leaders of the success that the NICs have had in utilizing the private sector to encourage economic expansion. For example, Argentina, Chile, Jamaica and Sri Lanka have adopted policies that are closer to those followed by the NICs. Finally, many LDC governments are keenly aware that concessional aid increases will be small because the industrial countries are coping with fiscal constraints and most OPEC members are facing shrinking oil revenues.