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Approaching Common Issues with Developing Countries

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the American polity—a realism about the world that is neither defeatist nor cocky. The next decade will require strengthened defense programs, tough negotiations, and a firmness and constancy of principle. I have no doubt that we will meet that challenge. I have no doubt that the fundamental advantages, now and for the future, lie with the West, not the East. ■

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Approaching Common Issues With Developing Countries

by *Thomas Ehrlich*

Address before the Council of Presidents of the National Association of State Universities and Land-Grant Colleges in Washington, D.C., on November 27, 1979. Mr. Ehrlich is Director of the International Development Cooperation Agency.

It is a pleasure to be here today. I am honored to speak before the representatives of institutions that have played a vital role in the development of this country and many other nations as well. My hope today is to underscore my commitment to a partnership in international economic development between the Federal Government and State universities and land-grant colleges and to suggest some of the ways in which that partnership can be strengthened, using the energy field as an example.

Your institutions have been a major force in increasing American and global agricultural production since the last part of the 19th century. They deserve much of the credit for our country's ability not only to feed its own citizens but also to serve as the granary of the world. Your universities have made powerful contributions, not only in educating students but also in sponsoring innovative research and, through unique extension services, in applying its benefits to communities throughout the world.

Our system of State universities and land-grant colleges is a particularly important asset to the developing nations of the world, where more than 75% of the world's people—over 3 billion human beings—live. Far too many people in these countries exist in conditions of abject poverty—more than 1 billion are continually hungry and malnourished, more than 700 million persons in developing countries are illiterate, and 2½ billion do not have adequate health care.

We should all be proud of the 30-year history of cooperation between your universities and the Agency for International Development (AID) and its predecessors. Research, extension services, and training facilities planned and implemented by your universities—in collaboration with your colleagues abroad—have helped develop vital technology and services for poor families in the Third World. Many of

the leaders in every walk of life in the Third World were educated in universities represented here today. The U.S. Government relies heavily on you for the expertise and training to manage many of our assistance efforts.

In 1975 Congress reaffirmed the vital role of U.S. universities in alleviating world hunger by passing title XII of the Foreign Assistance Act. The title mandates AID to utilize the skills and experience of American universities. It goes on to provide means for strengthening the capacities of agricultural universities to assist developing countries in increasing their food production.

As a former university dean, I understand the importance of government support in planning, building, and maintaining specialized capabilities. Concerns are increasingly expressed in some quarters, however, that foreign aid funds may merely subsidize American universities and not go significantly to meet the pressing development needs of poor countries. These concerns arise when there is a perception that development assistance funds are not being used directly to address the basic human needs of people in developing countries.

Our efforts should be and will be carefully scrutinized, especially in times of fiscal restraint. The ultimate success of those efforts rests on our ability to deal with the challenges represented in these questions. Your universities, the U.S. Government, the American people, and, especially, poor people throughout the world have an enormous stake in insuring that our cooperative arrangements are implemented in the most effective manner possible and that they are carefully and fully explained to the American people and their representatives in Congress.

Purposes of Foreign Aid

U.S. interests are at stake in a wide range of problems that foreign economic assistance addresses. Our own prosperity and security, to a large extent, will depend on how effectively we assist developing countries in advancing their economic growth and meeting the basic needs of their citizens.

Our foreign aid serves both the development aspirations of the Third World and U.S. interests in three fundamental ways.

First, our historical values and beliefs provide a humanitarian basis for our efforts to help alleviate world poverty. As a free people with one of the highest standards of living in the world, we must respond to the staggering picture of world hunger, poverty, illiteracy, unemployment, and disease and the misery that these words represent in human terms.

Second, we have vital global interests that require collaboration with developing countries. These include the need to control world population growth and the need to manage better the world's deteriorating natural resource base. The promotion of international human rights and democratic values vitally depends on our cooperation with Third World countries. Developing countries cannot adequately respond to these challenges without our assistance.

Third, foreign aid serves our economic and political interests. Third World development means more trade and more jobs for Americans.

- The developing countries are a major—and the fastest growing—market for U.S. goods. They already buy over one-third of our exports—the same share as for Europe and the Communist countries combined. One out of every three acres of American farmland produces food for export, much of it to the Third World, and 1.2 million American manufacturing jobs now depend on exports to the developing countries.

- The United States is increasingly dependent on Third World countries for essential raw materials vital to our economy and security. We import from developing nations 85% of the bauxite required for aluminum products. We obtain 93% of our tin from developing countries. The importance of oil imports from the Third World has been repeatedly, almost bitterly, brought home to us. I will focus on energy a bit later in my remarks.

- Our country earned more than \$16 billion from our direct investments in the developing world in 1978. Last year U.S. firms invested nearly \$6 billion in the developing world.

- Our economy also benefits substantially from aid dollars spent here to buy commodities and services. For every dollar we have paid into the multilateral development banks, U.S. GNP increased roughly \$3 as a direct result of bank lending activities.

A developing country's commitment to its equitable growth is the most

important factor in determining its own economic development. Basic policies concerning trade, investment, commodities, and technology transfer have an enormous impact on the development process. But external aid also plays a vital role, and this will continue for the foreseeable future.

Earlier this month I visited Bangladesh, Thailand, and Indonesia and saw how important the programs of AID, the multilateral banks, and the international organizations are to the development goals of these countries. The problems are enormous. I found the pressures of overpopulation in Dacca frightening, for example. Every aid program, of course, can be strengthened. But they are making a major contribution.

World peace and security interests are served by foreign aid because developing countries are key participants in the quest for peaceful resolution of disputes, regional stability, arms restraint, nonproliferation, and other basic foreign policy objectives. Good relations with developing nations are essential in a wide range of areas that affect our security.

Human economic and social progress, promoted by effective development, mitigates against conflict resulting from poverty, inequitable distribution of resources, and denigration of basic human rights. The words of Pope John XXIII come to mind: "In a world of constant want there is no peace. . . ."

The United States has committed substantial amounts of foreign aid over the past years—acting bilaterally and through multilateral development banks and international institutions. But since 1975, our contributions to development assistance as a share of U.S. gross national product have been only about ¼ of 1%. This year the figure is less than that—.22%, which ranks the United States 13th out of 17 major donor countries. All foreign economic aid amounts to only about 1% of our national budget: \$7.3 billion for FY 1979. Given the importance of U.S. interests at stake, a major priority of all our efforts must be to seek support throughout this country for stronger development assistance efforts in the future.

Role of IDCA

An important step in that direction came earlier this fall when the new International Development Cooperation Agency (IDCA) was established. The IDCA, which came into being on Oc-

tober 1, 1979, plays the central role in U.S. development assistance efforts. It is primarily responsible for formulating U.S. international development policies for the President and for serving as his principal spokesman on those matters.

As the principal adviser to the President on international development, IDCA must insure that our varied bilateral and multilateral development efforts are coordinated, efficient, and effective. The agency just prepared the first comprehensive foreign assistance budget and will present it next year to the Congress and the American people.

The component parts of IDCA include AID, the Overseas Private Investment Corporation, and—if approved by Congress—a new Institute for Scientific and Technological Cooperation. IDCA's concern and responsibility is economic development, and from this perspective it shares with the State Department responsibility for U.S. involvement in the U.N. system; with the Treasury Department, responsibility for U.S. participation in the multilateral development banks; and with the Department of Agriculture, the direction of the U.S. Food for Peace Program.

Finally, the new agency has been mandated by the President and Congress to insure that our economic relations with developing nations are taken into account in the full range of U.S. international policies, including trade, commodity arrangements, and financial matters.

In short, IDCA has a broad range of responsibilities that extend beyond U.S. bilateral assistance. The agency should lead the way in analyzing and understanding the full complexity of U.S. economic relations with developing nations and provide advice on the development aspects of these relationships. In that role, we need your help—we need the partnership of your institutions in many areas, just as it exists in agriculture. Let me use energy as an example.

Challenge of Energy Development

Among development problems, none is more challenging than energy. Many universities—and many of you, their leaders—have already become involved in the complex issues that the dynamics of energy have thrust on us. Energy concerns are plainly global. Domestic solutions alone cannot adequately deal with our own energy problems. The enormity of the task of the transition to a postpetroleum era requires our best

minds and efforts in cooperation with their counterparts in the Third World.

As events of the past weeks have made increasingly clear, the totality of our relations with the developing countries is interwoven with energy economics.

- More than one half of world oil production is in developing countries.
- Nine out of every 10 barrels entering the international market come from developing countries.
- Developing countries currently use about one-sixth of the world's oil, a figure likely to approach one-fourth within a decade.

The oil-importing developing countries have been hit very hard by petroleum price rises. Expensive imported fuel is exacerbating balance-of-trade problems. Many countries are postponing needed investment projects, holding down the growth of essential social services, and going more heavily into debt. Stagflation and the dangers of protectionism in industrialized countries, as well as the overall slower growth in the countries belonging to the Organization for Economic Cooperation and Development, have seriously affected most developing countries.

Developing countries' demand for commercial energy is likely to double by 1990. Many of these economies are entering energy-intensive phases of growth, much as we did during the last century.

What is too often not understood, or overlooked, is that most of the people in developing countries rely on so-called traditional fuels for their direct energy needs. In the rural areas of the Third World, between 80% and 90% of nonanimate energy is provided by wood, charcoal, and crop and animal wastes, as well as simple forms of solar, water, and wind energy. Growing populations are straining these supplies. Firewood shortages are especially serious. The ever-demanding search for firewood diverts villagers from agricultural tasks and denudes the landscape causing widespread soil erosion. The shortages of wood leaves people without fuel to cook and boil water for health needs. Here are a few examples of how serious is the firewood crisis.

- At current rates of depletion, the world's tropical forests, which are mostly in developing countries, will disappear in only 60 years.
- At least 12 countries, with a combined population of about 150 million people, are currently using fuelwood in excess of sustainable yields.

• The pace at which the firewood crisis is expanding, and the economic and environmental damage it portends, present a clear and present danger to future generations throughout the planet.

Policymakers and planners in the Third World are now paying much more attention to energy problems than in the past, just as we are. Virtually all developing countries have begun to take concrete steps to manage their energy sectors more efficiently. These steps include more rational energy prices, expanding investment in domestic energy resources, organizing energy ministries, and funding research on locally suitable energy techniques.

It is also becoming increasingly clear, however, that foreign assistance is needed to expedite this process. Rapid development of their energy sectors is limited by lack of:

- Basic knowledge of their own resources;
- Appropriate technology;
- Financial resources; and
- Adequately trained personnel.

Moreover, most developing countries are just beginning systematic energy planning. Much of what must be done will be new, experimental, and innovative. As a new and growing area of major concern, IDCA is making energy a priority area of focus. Today, I want to share with you some of the actions that are underway.

Energy Assistance Programs

At both the Bonn and Tokyo summits, the United States and other Western countries agreed to increase aid for energy conservation and supply. President Carter has emphasized the U.S. commitment to increased energy assistance. I reiterate that pledge to you. The United States will continue to support vigorously bilateral and multilateral programs for balanced energy development.

• With strong U.S. backing, the World Bank recently approved a major new lending program for petroleum, natural gas, and coal projects. We anticipate that lending will rise to an annual level of \$1.5 billion by 1983.

• We are further urging the World Bank to take a more active role in coordinating the energy assistance programs of bilateral and multilateral agencies, especially in the areas of renewable energy.

• We will continue to encourage all multilateral development banks to con-

sider expanding their energy programs. This process has begun at the Asian and Inter-American Development Banks, and we are encouraged that the World Bank is now preparing a policy statement on renewable energy.

• The U.S. strongly supports the planned 1981 U.N. Conference on New and Renewable Energy. Preparations are underway for active U.S. participation at all levels, including helping less developed countries with their own conference preparations.

• The United States is currently funding, on a bilateral basis, a substantial range of assistance projects in the energy field.

• The Department of Energy and AID have undertaken energy sector assessments in Egypt, Peru, Indonesia, Portugal, and Argentina. These efforts undertaken in collaboration with those governments, establish an essential data base for planning.

• A Peace Corps energy program has been established to strengthen energy-related volunteer training, identify rural energy needs, and develop village-level energy projects. I anticipate that such volunteer efforts will become an increasingly important part of our energy assistance.

• AID's funding for pilot energy projects in rural areas has more than doubled in the past 2 years.

• We are taking steps to insure that energy concerns and needs are integrated as a matter of standard procedure into all rural development assistance projects that the United States supports.

The lack of properly trained technical manpower is a serious constraint to accelerated and diversified energy production in the Third World. AID is already funding several training programs related to energy. Two are at your member institutions—a course in energy sector management at the Stoneybrook Campus of the State University of New York and a course on alternate energy technology at the University of Florida. I am convinced that much more can, and should be, done.

Recognizing that the U.S. higher education system is the most significant asset we have for transferring technical skills, I am pleased to announce to you that we are preparing a new program to provide support for long-term training in science and engineering fields related to energy. The program will offer fellowships for training ranging from internships to doctoral-level studies, with heavy emphasis on existing master's degree programs. I hope that by September 1981, the first students will

The Nonaligned Movement After the Havana Conference

by Charles William Maynes

Keynote address before the National Conference on the Third World at the University of Nebraska in Omaha on October 25, 1979. Mr. Maynes is Assistant Secretary for International Organization Affairs.

Once in a while an act can symbolize an age: This summer Garry Davis asked to come home.

Who is Garry Davis? A highly patriotic bombardier in World War II, Davis renounced the United States for a citizenship of the world to dramatize his view that nationhood was incompatible with peace. Over the years he drew tens of thousands of Europeans to world government rallies and upset immigration officials by appearing at their borders with a 42-page "World Citizens Passport." Now he wants to come home.

But Garry Davis' return poses a problem for those of us interested in American foreign policy, particularly those of us interested in U.S. policy toward the Third World. Many of us undoubtedly thought Garry Davis' quest for world government foolish. Yet in an extreme way, he represented an underlying and coherent current in the postwar American approach to the world. In the wake of the devastation of World War II—with the evidence of the monumental inhumanity which the traditional game of international politics can bring—we thought we knew what we wanted. We also thought we knew what the rest of the world wanted. Even if few believed in world government, many believed we were in the process of creating a tightening web of international institutions and laws which would make the world a better place to live. The process of change in the Third World seemed almost reassuring. With these new nations, the world could begin afresh.

At first things seemed to work out. Self-determination, a word American Presidents minted for international coinage, swept the world. New states took their place on the international stage, most verbally supporting our values, most visibly copying our institutions. They joined the United Na-

tions. They asked for our help. We seemed to have new friends and new interests.

Then it seemed to go sour. In country after country, democratic structures crumbled under military or mob assault. Or the very men and women who controlled the new democratic institutions appeared intent on subverting them. When even India, dear to American internationalists, temporarily moved out of the democratic camp, the whole postwar vision of the way the world would develop seemed bankrupt, and many wanted to withdraw from the area of the world we never understood very well in the first place—the developing world, the Third World, the nonaligned world.

So many Americans in recent years came home like Garry Davis. Yet once home, they soon faced a paradox. They no sooner retired from the developing world—declared it was outside the "core of U.S. interests"—than everyone began hinting it was important after all. Angola, Ethiopia, Rhodesia, and Namibia suggested that not only [former U.S. Ambassador to the U.N.] Andy Young considered Africa important. Many had downgraded the importance of Indochina until the Vietnamese occupied Cambodia and threatened Thailand. Commentators considered the Caribbean of secondary importance until revolutions began to sweep the area. South Asia was not even on the back pages until the coup in Afghanistan, the revolution in Iran, and the nuclear moves in Pakistan. Suddenly and surprisingly, everyone agreed the Third World was important.

Suddenly everyone agreed we came home too soon. So I would like to spend the rest of my time discussing the following questions. Who is in the Third World? Why do we have trouble talking to them? What should our policy be?

Organization of the Nonaligned Movement

Let's begin with the so-called nonaligned movement. What does it represent? What are its priorities?

The current membership is 95. Burma having just detached itself in protest to Cuban intimidation tactics in Havana, the nonaligned movement now consists of 91 nations and four liberation movements, nearly two-thirds of

have enrolled, many of them at your institutions. This could eventually become one of the largest single economic development training programs ever undertaken by the U.S. Government for people from developing nations.

Against this background, I underscore the important role that you and your institutions can play in the energy area and in other development sectors as well. Training programs relevant to the Third World need to be expanded. There will be a need to absorb more students. There is a need for new curricula, especially in emerging fields such as energy sector management and renewable energy technologies. Similarly research on new energy technologies will have to take into account developing country circumstances.

A strong partnership between development agencies and universities is essential given the task before us. Development is a taxing and often discouraging process. It will be even more difficult in the future. Our commitment to Third World development will require even more sacrifice and dedication. But no effort is more worthwhile in terms of the world's future and the future well-being of our children.

Just 2 years ago, Senator Hubert Humphrey, who first proposed the International Development Cooperation Agency, spoke at the Famine Prevention Symposium. It was his final public speech. His words apply today as they did 2 years ago.

So, as I said, it is appropriate for these institutions which are in title XII—that have such a responsibility—begin to play a vital and integral role in the agricultural development of countries around this planet. But, may I say to my friends of the diplomatic corps that are here today, it won't work if we just have to come knocking at your door. We have to join hands. You may have to knock at our door or we at yours, but more importantly we have to understand we can help each other. . . . ■