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Speech by Mr Edgard PISANI, Member of the European Commission

The emergence of the Third World, the assertion of its independence, its collective awareness of the historic role it has to play will appear as major facts in the history of the second half of the 20th century. It would be futile and absurd to want to obstruct this political reality.

It would likewise be futile and absurd to confound in the same sociological or economic analysis countries which are as different from each other as they are, taken together, from the developed countries.

The birth of the idea of least developed countries brings out and confirms the existence, within the Third World, of countries deserving special attention and special treatment as a result of the inadequacy of their per capita income, their levels of education and their scanty available resources.

The appearance in the United Nations glossary of a new abbreviation should not make us forget that there are more poor people outside the LLDCs than inside them. The difference between them consists in the fact that poor regions in less poor countries have some chance of being carried along; helped through the solidarity of the nation, they may benefit from any economic currents generated by the whole country.

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There is nothing similar in the least developed countries; there is no rich area on which poverty can fasten; there is scarcely any strong point to offset the weak points: few savings, frequently few natural resources, few trained personnel and little investment to carry the economy along. For them it is no longer a case of development, scarcely even of stagnation; it is a case of decline compared with previous years and neighbouring countries. It is no longer a case of men climbing laboriously towards the summits, but of masses of human beings rolling, crashing down the scree-littered slopes of a cruel history.

From one country to another the differences are considerable but the feature common to them all is the fact that as far as they are concerned the idea of profitability should take second place to that of need. To approach these countries' projects via a bank analysis, to await their salvation as a result of the benevolent working of the mechanisms of the market or commercial activity is to be utopian or fraudulent. The LLDCs call for official intervention ensuring, without asking for anything in exchange, their survival, their recovery and the foundations of their health and strength. Thereafter, having acquired the ability to stand on their own feet, they will rediscover positive ways of development.

Consequently, to move from the condition of underdevelopment to the stage of development, the LLDCs have much greater need of solidarity than of bank credit. Their situation, if only temporarily, involves a purely human solidarity, not the solidarity of mutual interests, which must at bottom be the case with the international community.

But the precariousness of these nations and the progressive deterioration in their situations require that official aid should be substantial and stable; for their future programmes they need a programme of the resources that they are to receive from elsewhere:

without that, everything becomes impossible. For the rich man, uncertainty is exciting; for the pauper, it becomes something fatal. Therefore, the idea of allocating a substantial share of official aid to the LLDCs forms part of the logic of the situation. A ratio of 0.15% of GNP to 0.70% is right and represents a minimum; it is a response that is geared to the situation which must be fought against.

With the proportion of aid given free of charge, without expecting repayment, thus stated, the economic problems can be tackled with the aim of improving the operation of the production and marketing cycles.

International fluctuations in commodity prices have destructive consequences for the fragile economies of the LLDCs. These countries are not able to withstand them. Many have succumbed to them.

To confront them, the European Economic Community and the ACP countries of the Lomé Convention invented the STABEX. This invention should be considered a decisive breakthrough in defining relations between the poor vendor countries and the rich buyer countries. It introduced the concept of guaranteed resources. Other techniques would have been or are possible and other countries, other products may be eligible. Thus, the STABEX is the point of departure for favourable developments which are only beginning. The genuine economic difficulties which it is facing makes it necessary for us to improve it. And now it is proposed that we extend it to more products, to more vendor countries (all the LLDCs) and to all the buyer countries, including even those which have not hitherto agreed to take the risks taken by the Community.

Fine. All those with experience of the STABEX will get to work on suggestions for additional or alternative solutions making it possible to extend the system. A fruitful debate will thus ensue.

But those with experience of the STABEX will think about its extension and diversification will not be able to ignore three obvious truths:

- does not the fact of guaranteeing export resources alone entail the risk of increasing the already excessive temptation for poor countries in search of foreign exchange to increase export crops to the detriment of food crops? This should be guarded against;
- does not the fact of guaranteeing export crops encourage the excessive development of certain products and do not so many coffee-trees, so many cacao-trees and so much planted tobacco risk provoking a collapse of prices and the ruin of STABEX producers and those financing the system? The logical follow-up to the STABEX must include forecasts for agricultural production and, in the first place, for planting;
- even if the Europe-ACP STABEX is extended to all the LLDCs and is copied on other continents, it cannot by itself ensure regulation of the world markets; while undertaking to pay for the damage caused to the poorest countries by disorders on these markets, it must strive to contain fluctuations in prices due to economic conditions or speculation. Given the current impossibility of making forecasts, the STABEX may ruin those that finance it or disappoint those that rely on it. It is after all because it makes it possible to set out all these problems in clear terms that it appears as an invention of great scope which should be improved, extended, consolidated and prolonged.

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The Commission of the European Communities will set to work on this and will always be prepared to contribute to a joint search for solutions.

The road along which we must travel is very long.

But the world can feed the whole of mankind and poverty is simply the result of our wish for power or of our organizational incapacity. Of our shortsightedness, of the demonstrated incapacity of most political leaders to take account of the long term in their actions.

The world can feed mankind provided that it sets about it in time. Allow me a grim historical reminder.

Twenty years ago, in the dawn of the first development decade, Mr SEN, Director-General of the FAO, prophesied that, without considerable effort, ten years later there would be 250 million starving people in the world. There were.

In 1979 the optimistic Mr BOERMA, the new Director-General of the FAO, complained in the dawn of the second development decade that, without enormous effort, the decade would end with a total of 400 million starving people in the world. It has them.

Yesterday or today the very serious-minded World Bank gave us to understand that, without enormous effort, by the end of this century there would be 800 million human beings suffering from or dying of hunger in the southern continents.

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Let us not just say that this prospect is intolerable and leave it at that. It is in fact so. Therefore, let us take the measures and adopt the principles, organizations and practices which will make it possible for us to prevent it from happening.

Since the world could in fact feed all future generations but does not succeed in doing so, this is perhaps because, this is undoubtedly because we, the leaders, are poor workers.

The Conference on the Least Developed Countries, that on new and renewable energies and the approach of global negotiations appear to the Commission of the European Communities as so many opportunities offered to governments and experts to re-learn their jobs, or rather as so many opportunities to change the world order so that everyone can eventually become a good worker in it and live a life of his own.
