

REVOLUTIONARIES OR BARGAINERS? Negotiators for a New International Economic Order

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SINCE the heads of state of the Non-aligned Movement issued their call for the creation of a new international economic order (NIEO) at their meeting in Algiers in September 1973, this demand has been in the forefront of North-South economic negotiations. In the extensive literature that the NIEO controversy has spawned, little attention has been paid to the individuals who have been involved in the negotiations. This study may fill that gap, and thus contribute to a better understanding of the NIEO talks. It analyzes an important category of these actors—individuals, principally from less developed countries (LDCs)—who negotiated economic issues in international governmental organizations (IGOs). It examines aspects of their behavior in the negotiations, and it explores their attitudes toward some of the substantive issues at stake.

There are several reasons why behavior and attitudes could affect the outcome of the NIEO negotiations. Since the discussions are largely conducted within the framework of IGOs, the processes of these institutions will to some extent shape the outcome. To understand these processes fully, one must comprehend not only the formal rules for making decisions, but also the behavior of the participants. Because crucial aspects of behavior are not recorded in documents, data gained through interviews and observation are an important supplementary source.

Knowing the attitudes of the participants is also important for a full understanding of what has happened and what might happen in IGOs.

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The attitudes of delegates are likely to be reflected in their communications with their governments and thus can affect the framing of their instructions. Their outlook is also almost certain to affect the way in which they execute these instructions. In cases where participants are not instructed, the effect of their attitudes can be even more direct.

Attitudes, however, are not permanently fixed, but can be altered by experience. Scholars have long assumed that participation in international institutions would have an impact on participants' attitudes; this issue has been explored empirically, though mainly to analyze whether or not participation has led to greater support for international institutions. The interest here is to examine the interaction in shaping individuals' views on substantive problems between: (1) *personal attributes*, such as age, educational background, and work experience, and (2) *role* defined in terms of *position* (whether an individual is an IGO official or the representative of a state, and if the latter, what type of state) and *function* (the nature of the negotiations in which the individual is participating). This interaction can be a significant consequence of participation in IGOs, and an important dynamic of negotiations.

THE NIEO CONTROVERSY

The call for the creation of a new international economic order is a demand to change international regimes so that they would contribute more substantially to accelerating the economic development of LDCs. The LDCs' proposals to achieve this end were embodied in the Program of Action on the Establishment of a New International Economic Order, adopted on May 1, 1974, by the 6th Special Session of the United Nations General Assembly and in the Charter of Economic Rights and Duties of States—which they pushed through the General Assembly that fall.¹ The adoption of the program of action and the charter launched the controversy that has since pervaded international economic institutions and negotiations.

The industrialized states of the West have in varying degrees opposed the LDCs' proposals. Their opposition has had both philosophical and practical roots. Some of the proposals involve greater interference with market mechanisms than the governments of several of the Western states believe is wise. Few of them are willing to bear the burden that full implementation of the LDCs' proposals would involve. The final vote on the Charter of Economic Rights and Duties of States illustrates their positions: Belgium, Denmark, the Federal Republic of Germany, Luxembourg, the United Kingdom, and the United States voted against

¹ U.N. General Assembly Resolution 3281 (XXIX).

the resolution; Austria, Canada, France, Ireland, Italy, Japan, the Netherlands, Norway, and Spain abstained. Australia, Finland, Greece, Iceland, New Zealand, Portugal, Sweden, and Turkey—all also OECD members—voted for the resolution, along with 112 LDCs and communist states.

The LDCs' proposals have been interpreted as a call for a revolutionary transformation of the existing economic connection between the LDCs and the industrialized states, as a theatrical concoction induced by the availability of international institutions and their peculiar procedures, or as a bargaining effort to improve the position of the LDCs within the framework of existing relationships and institutions. Their ultimate meaning, of course, will emerge only as the negotiations progress. In the meantime, it may be possible to clarify some issues and narrow the range of possibilities. The nature of the proposals provides some clues. The behavior and the attitudes of the negotiators may provide others.

THE DATA SET

The interviews on which the following analyses of the behavior and attitudes of participants in the NIEO negotiations are based were conducted in Europe in the summer of 1976 during the early days of the NIEO confrontation. All of the respondents were participants in negotiations that were in progress at the time. Sixty-nine were delegates who represented states in the Group of 77 (G-77), the LDC caucus in international institutions; four were nationals of G-77 states who were employed by IGOs; and seven were nationals of OECD states. Six of the OECD delegates were nationals of states that voted for the Charter on the Economic Rights and Duties of States; one was a national of a state that abstained. Four OECD delegates were nationals of three states that had per capita GNPs that were smaller than those of several LDCs; thus, the OECD states that the delegates represented had many of the characteristics of those of their G-77 colleagues.

The 80 respondents were nationals of a total of 56 states, 51 of them members of the Group of 77 and 5 of OECD.² Thirty-five, or 44 percent, were participants in the Tokyo Round of negotiations within the General Agreement on Tariffs and Trade (GATT); the others were participants in the 22nd session of the Governing Council of the United Nations Development Program, various working groups of the United Nations Conference on Trade and Development (UNCTAD), the 61st session

² They included one national from each of 38 states, 2 from 14 states, 3 from 2 states, and 4 from 2 states.

of the U.N. Economic and Social Council (ECOSOC), and the first meeting of the ACP-EEC Council of Ministers (the supreme decision-making body provided for in the Lomé Convention which structures the relationships between the African, Caribbean, and Pacific countries and the European Economic Community).³

Because of the difficulty of interviewing delegates to international conferences, we interviewed whom we could, scientific canons notwithstanding. Since the more active participants in the negotiations were easier to identify, they tended to predominate among the individuals included in the sample. Only two persons refused to be interviewed. On the whole, the sample of G-77 states is reasonably representative, both in terms of income levels and types of economic system.⁴

None of the questions involved fixed responses. Each interview was coded separately by two of the authors; then the differences between the codings were reconciled by discussion among the members of the research team and, in a small number of cases, by one of the principal investigators.

³ The distribution of the respondents among the five institutions is as follows:

	<i>GATT</i>	<i>UNDP</i>	<i>UNCTAD</i>	<i>ECOSOC</i>	<i>ACP-EEC</i>	<i>Other</i>	<i>Total</i>
G-77 delegates	30	10	7	8	13	1	69
G-77 IGO employees	1	0	1	0	1	1	4
OECD delegates	4	1	1	1	0	0	7
	35	11	9	9	14	2	80
	(44%)	(14%)	(11%)	(11%)	(17%)	(3%)	

The two respondents under "other" cannot be categorized by negotiations. One IGO employee had participated in several international economic negotiations, but had not participated in any in 1976, and one delegate had just taken up his post, but had not yet participated in a negotiation.

⁴ The World Bank divides LDCs into low-income countries (those with per capita GNP of \$300 or less in 1979), middle-income countries (those with per capita GNP of more than \$300 in 1979), and capital-surplus oil exporters (Saudi Arabia, Libya, and Kuwait). See IBRD, *World Development Report, 1979* (Washington, D.C.: IBRD, 1979). The distribution among the three categories of the 51 G-77 states that are included in this "opportunity" sample (39% low-income, 59% middle-income, and 2% capital-surplus oil exporters) almost exactly duplicates the distribution of the 95 states included in the World Bank's classifications (39%, 58%, and 3%, respectively). In its annual surveys, Freedom House categorizes states according to the economic ideology of their governments as capitalist, mixed, or socialist. (See Raymond D. Gastil, "The Comparative Survey of Freedom—VII," *Freedom at Issue*, No. 39 [January-February, 1977], 5-15; criteria used for categorization are found on p. 12.) In this categorization, which reflects the situation in 1976, of the 104 countries that would be included among the LDCs as that term is used here (excluding Asian and Caribbean states with centrally planned economies), 48% had capitalist economic systems, 33% had mixed systems, and 19% had socialist systems. In our sample of G-77 states, 53% had capitalist economic systems, 31% had mixed systems, and 16% had socialist systems. In our sample, capitalist economic systems are thus slightly overrepresented, and mixed and socialist systems are slightly underrepresented. Because this sample contains multiple respondents from some states, the proportion of respondents falling in the several categories is different from the proportion of states. Thirty-seven percent of the respondents were nationals of low-income countries, 62% were nationals of medium-income countries, and 1% came from capital-surplus oil exporters. Fifty-six percent of the respondents were nationals of states with capitalist economic systems, 27% came from mixed systems, and 17% came from socialist systems.

PERSONAL CHARACTERISTICS OF THE NEGOTIATORS

The negotiators in the sample were overwhelmingly male, well-trained (largely at Western universities), cosmopolitan, and experienced. The characteristics of the respondents did not vary significantly with the institutional framework of the negotiations, except that a substantially higher proportion of the respondents engaged in the GATT negotiations were members of their countries' permanent missions in Geneva, and more than a majority of those participating in the UNCTAD negotiations were regularly employed by functional ministries in their home countries. However, these differences appear to have had little consequence either in terms of reported behavior or expressed attitudes.

Contrary to the inference that might be drawn from the unity among the less developed countries displayed in roll-call votes such as that on the Charter on the Economic Rights and Duties of States, the respondents in this sample displayed a wide range of views. Even nationals from the same state did not always agree. They were more likely to agree, however, when reporting behavior than when giving their attitudes about policy issues.

SHAPING STATES' POLICIES

As a point of departure, delegates were asked how their countries determined their positions on the issues involved in the NIEO negotiations in which they were participants. The responses indicated overwhelmingly that the delegates were acting primarily as instructed agents. All of the 7 OECD delegates and more than 90 percent of the 61 G-77 delegates who gave codable responses stated—either as their sole answer or as a part of a more complex answer—that the position of their country was determined by decisions in the national capital. No respondent said that the delegation alone determined its position.

These responses contrast sharply with those to a similar question a decade earlier by delegates to conferences of the World Health Organization (WHO) and the International Labor Organization (ILO).⁵ In that case, a much smaller proportion of the delegates mentioned decisions in their national capitals. The difference fits with the impression that governments tend to take negotiations about economic issues more seriously than they do negotiations about social issues. Another factor explaining the difference may be the development of national bureaucracies in LDCs. Members of the Group of 77 were in a much stronger position in 1976 than they had been a decade earlier: they had trained

⁵ See Harold K. Jacobson, "Deriving Data from Delegates to International Assemblies:

A Research Note," *International Organization*, LXI (Summer 1967), 500-503.

and experienced personnel who were capable of giving instructions to their negotiators.

It is indicative of strengthened bureaucracies that the process of developing instructions in LDC as well as in OECD governments appears to include considerable interdepartmental consultation, usually involving the foreign ministry and the economic ministry. In addition, all of the OECD delegates and 80 percent ($n = 52$) of the LDC delegates indicated that, for some issues at least, consultation with domestic interest groups was part of the process of determining their countries' positions. Most frequently and specifically mentioned by both were manufacturers' and producers' groups.

Interactions among LDCs also played an important role in determining the position of the delegations. Almost half (46 percent, $n = 28$) of the G-77 delegates stated that some form of consultation with other LDC delegates or governments contributed to determining their countries' positions. By contrast, none of the OECD delegates mentioned consultations with other states.

Thus we find that LDC delegates in NIEO negotiations are hardly less instructed than those from the Western countries; the processes by which these instructions in both groups of countries are formulated involve a variety of domestic institutions. International economic relations have important domestic consequences for less developed and industrialized states; as a consequence, ministries with responsibilities for their countries' domestic economies are likely to seek to influence the positions their countries take in international negotiations about economic issues. For LDCs, consultation with other LDCs is also important for, among other reasons, the bargaining strength they derive from their numbers and from taking a uniform position. Much of the literature about the NIEO negotiations has tended to emphasize the G-77 caucus and the solidarity of its members. The data gained from our interviews underscore that the positions of the LDCs have deep roots in their national governments; group consultation in IGOs is a secondary rather than a primary factor.

International actors also played a part in the NIEO negotiations. The role of secretariats in preparing documents for international conferences is well known, but the extent of consultation between national delegates and representatives of international organizations is less well understood. Our questionnaire contained several items about consultation with IGOs. The responses indicated that the delegates engaged in an impressive amount of consultation with members of IGO secretariats. The answers to specific questions—whether they consulted the secretariats of GATT

and UNCTAD during the negotiations—are particularly interesting. Seventy-five percent ($n = 3$) of the OECD delegates and 72 percent of the G-77 delegates ($n = 44$) affirmed that they consulted members of the GATT secretariat; 40 percent of the OECD delegates ($n = 2$) and 85 percent of the G-77 delegates ($n = 52$) said they consulted with the UNCTAD secretariat. The interaction between GATT and UNCTAD delegates and the secretariats of the two organizations is notable. Ninety-three percent of the G-77 delegates to GATT ($n = 28$) said unambiguously that they consulted members of the GATT secretariat, and the remaining two gave a qualified affirmative response (whether or not they did depended upon circumstances). What is even more striking is that all 30 of the G-77 delegates to GATT said without qualification that they consulted members of the UNCTAD secretariat, and half ($n = 3$) of those G-77 delegates to UNCTAD who answered the question responded similarly with respect to consultations with the GATT secretariat.

Some commentators on the NIEO negotiations maintain that LDCs aspire to have UNCTAD displace GATT as the principal forum for negotiations about commercial policy. In view of the attachment of the Western industrialized countries to GATT and its procedures, that is unlikely to happen. However, the UNCTAD secretariat has become an important source of assistance to LDCs in GATT negotiations, and is used extensively. Furthermore, contrary to the general impression that they are hostile to GATT, at least some LDCs utilize the GATT secretariat as a source of assistance in negotiations conducted within UNCTAD. These interactions are undoubtedly made easier by the fact that both GATT and UNCTAD are located in Geneva, and many members of permanent missions participate in negotiations organized by both institutions.

Beyond consulting IGOs, many of the delegates also reported a strong propensity to consult international non-governmental organizations (INGOs). Forty-nine percent of the G-77 delegates ($n = 32$) said that they had consulted INGOs during the course of the negotiations. Delegates participating in the negotiations conducted within the framework of the United Nations Development Program and the U.N. Economic and Social Council were somewhat more likely to consult INGOs than those participating in the other three sets of negotiations—probably because of the more diverse subject matter covered by UNDP and ECOSOC, which attracts INGOs to their sessions, and because of the greater INGO representation allowed by their procedures. Delegates from socialist states were considerably less likely to consult INGOs than

those from capitalist mixed economies, reflecting the relatively smaller role of non-governmental organizations within socialist systems.

Despite the extensive consultations in which they engaged, G-77 delegates did not feel completely satisfied with their situation. When they were asked if things could be done to improve their countries' capacity to conduct the negotiations, 52, or 81 percent, responded yes. Twenty-four mentioned that they needed more experts, 14 desired better communications and data analysis facilities, and 11 wanted more information. Later in the interview, respondents were asked directly if they were handicapped by a lack of information. Although 37 percent ($n = 24$) said no, the other answers were positive in varying degrees. We inferred from their statements that by "information," they primarily meant analyses directed specifically at the interests of their own countries.

PERCEPTIONS OF INFLUENCE AND POLARIZATION

Beyond wanting to learn how negotiators behaved, we also wanted to learn how they perceived the negotiating processes. We were particularly interested in their perceptions of influence and alignments. To the question whether some countries had more influence on the outcome of the negotiations than others, 85 percent ($n = 57$) of the G-77 delegates answered yes: only in the ACP-EEC Council did more say no than yes. When they were asked to specify which countries (we coded up to three responses), the United States was mentioned more frequently than any other country; the U.S., members of the EEC, and Japan accounted for almost two-thirds of the countries specifically mentioned; 78 percent of the countries that were specifically mentioned were members of the OECD. The West was clearly and broadly perceived as having influence in the negotiations. The only G-77 countries to be mentioned more than once were Brazil (three times) and India (twice). The U.S.S.R. was mentioned only three times, which is indicative of the limited role the Soviet Union has in economic negotiations.

Economic strength figured prominently in the negotiators' understanding of the bases of influence. Seventy-four percent of the respondents ($n = 42$) said that the states they mentioned were influential in the negotiations because of their economic strength or their relatively high GNP. Other reasons frequently given for countries having greater influence were negotiating skill (mentioned 13 times) and relatively large financial contributions to international organizations (9 times).

In addition to determining the extent to which the respondents perceived influence in the NIEO negotiations to be stratified, we also sought to find out the degree to which they perceived the negotiations as a

polarized bloc-to-bloc confrontation. All respondents were ranked on a polarization-perception index according to their answers to four questions.⁶

Roll-call analyses of voting in the U.N. Assembly portray the negotiating process as an unrelieved North-South, polarized bloc-to-bloc confrontation. There were much greater nuances in the perceptions of the negotiators whom we interviewed. Figure 1 shows the distribution of the 72 negotiators who answered the questions in the polarization index. More than two-thirds of them gave responses of the polarization-perception type to one or two of the questions only. Twelve gave no polarization-perception responses at all, while 9 gave three or four such answers.

Table 1 shows how the respondents were distributed on the polarization-perception index according to their positions in the negotiations. A striking feature of the table is the difference between LDC nationals who were IGO employees and those who served as their countries' delegates. None of those who were secretariat officials had a polarization perspective. Since, because of its components, the polarization index is slanted against the West, it is more surprising that the OECD delegates score at all than that their scores are lower than those of the G-77

⁶ The following answers are illustrative of those that were scored as indicating a perception of polarized bloc-to-bloc confrontation:

(Q17) With which country is your country most frequently aligned during this round of negotiations?

A. Group of 77 and all developing countries, or in the case of the ACP-EEC Council, ACP countries.

(Q6b) Why so these issues [mentioned in response to a preceding question] create greater divergences [in the negotiations]?

A. Developed and less developed countries can't agree; proposals by developed countries aren't acceptable to LDCs; developed countries want a bigger share of the market.

(Q17b) Which countries most frequently oppose the solutions sought by your country during this round of negotiations?

A. The U.S., the EEC, and Japan; the developed countries; OECD; some combination of EEC member states, the U.S., and Japan.

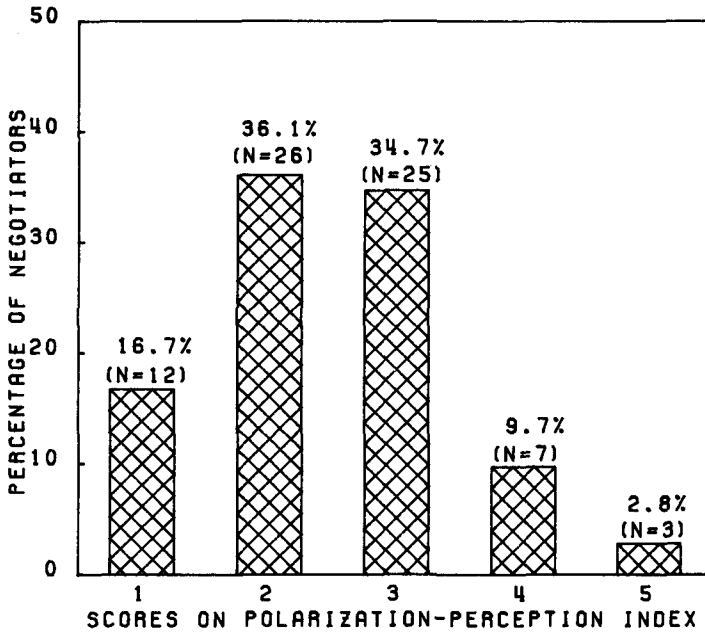
(Q6ac) Why do you think that these issues [mentioned in response to the preceding question] are not included [in this round of negotiations]?

A. Developed countries prevent their being discussed.

These questions are listed in descending order of the frequency with which a polarization-perception type response was given. There were 39 such responses for the first question, 32 for the second, 20 for the third, and 8 for the fourth. Negotiators who gave polarization-perception responses to all four questions were given a score of 5; those with 3 such responses, a score of 4; with 2, a score of 3; and with 1, a score of 2. Negotiators who answered the questions but did not give any polarization-perception type response were given a score of 1. Those who did not answer any of the four questions were given a score of 0, and were excluded from subsequent analyses. Applying a Guttman scale to the four questions coded in this manner yielded a coefficient of reproducibility of .917.

The application of a Guttman scale with the missing data and negative responses collapsed yielded a coefficient of reproducibility of .92. Jackson plus percentage ratios are, respectively, .73 and .75.

FIGURE 1
DISTRIBUTION OF NEGOTIATORS
ACCORDING TO PERCEPTIONS OF POLARIZATION



delegates. The explanation may lie in the fact that some of the OECD delegates represented countries that have lower per capita GNPs than those of some of the G-77 delegates. These OECD countries and some of their delegates perceived their economic interests as paralleling those of LDCs and obviously felt that their economic advance was blocked by the richest states. As we have seen, most of these countries joined the LDCs in voting for the Charter of Economic Rights and Duties of States.

Negotiators participating in the GATT Tokyo Round were most likely to have a high score on the polarization-perception index: those participating in UNCTAD were next, and those participating in the ACP-EEC Council were least likely to have a high score. GATT and UNCTAD dealt with trade issues, where conflicts of interest could be substantial: it is therefore not surprising that perceptions of polarization were highest among participants in these negotiations.

TABLE 1
POLARIZATION PERCEPTIONS OF NEGOTIATORS ACCORDING TO POSITION
(percentages)

Score on Polarization Perception Index	G-77 National IGO Employee (n = 3)	OECD Delegate (n = 6)	G-77 Delegate (n = 63)
1	100	33.3	11.1
2	—	33.3	38.1
3	—	33.3	36.5
4	—	—	11.1
5	—	—	3.2

Chi square 18.22, level of significance .02

The positions that individuals held and the functions they performed were strongly related to the tendency to perceive negotiations as polarized. G-77 delegates engaged in negotiations where substantial conflicts of interest are possible were more likely to perceive polarization than those of their colleagues who were engaged in other types of negotiations, or delegates from other types of states.⁷ In other words, the negotiators' perception of polarization was directly related to what they were doing.

Some observers of the NIEO negotiations have noted that the extent to which G-77 delegates perceive polarization varies. They argue that confrontations in international economic negotiations will ease eventually because, as countries progress economically, they will become less confrontationist: they will have a greater interest in the existing economic order and will therefore be less inclined to challenge it. The data analyzed here provide no support for this position. On the contrary, the higher the level of per capita GNP in a delegate's country, the more likely the delegate was to have a high score on the polarization-perception index. A least-squares regression analysis—using a delegate's score on the polarization-perception index as the dependent variable, and his or her country's per capita GNP in current 1976 dollars (n = 62) as the independent variable⁸—produced the following equation:

⁷ By using the respondents' positions on the polarization-perception index as the dependent variable, and the two components of role as independent variables, we arrive at the following least-squares regression results (n = 72):

$$\text{Polarization perception} = 1.21 + .72 \text{ Position} + .56 \text{ Function}$$

(Standard error .21) (Standard error .20)

R square .20, standard error of estimate .83, level of significance .0004
(The partial coefficient is unstandardized.)

⁸ Source for per capita GNP data: International Bank for Reconstruction and Development, *World Bank Atlas 1978* (Washington, D.C.: IBRD, 1978).

$$\text{Polarization perception} = 2.31 + .0004 \text{ per capita GNP}$$

(Standard error .0001)

R square .10, standard error of estimate .91, level of significance .01
(The partial coefficient is unstandardized.)

This result corresponds to findings concerning individuals as well as to the recent experience of decolonization. Individuals who have begun to make economic progress are more likely to push hard to better their situation than those who are stagnating in poverty. Similarly, territories that had achieved *some* political privileges were more likely to bridle under colonial rule than those that had not gained any such privileges. Thus, it seems unlikely that economic progress among LDCs will lessen the conflict in international economic negotiations between LDCs and industrialized countries.

NEGOTIATORS' PERSPECTIVES ON DEVELOPMENT STRATEGIES

In turning from process to substance, the negotiators' attitudes concerning broad issues involved in development strategies are an appropriate starting point. We asked the respondents, "What do you think are the most promising ways of promoting the economic growth of developing countries during the next decade?" Fifty-eight respondents discussed both international and domestic measures and 17 discussed only international measures; this finding reflects an understandable propensity among persons involved in international institutions to concentrate on international measures.

In analyzing the responses, we coded as many as three international and three domestic measures. The various international measures mentioned by the respondents have been grouped into four broad categories, and the domestic measures into five categories. The four categories of international measures are: (1) increasing the flow of economic assistance to LDCs; (2) improving conditions for the sale of primary commodities exported by LDCs; (3) improving access to the markets of developed countries for manufactured goods exported by LDCs; and (4) restructuring international economic institutions and the relevant international political processes. Of the 75 respondents, 59 percent discussed measures in more than one category, while 41 percent concentrated on one category only. GATT negotiators typically mentioned items in two or three categories; the average was 2.29. The average number of categories mentioned by negotiators in the other forums were: ECOSOC, 2.13; UNDP, 1.70; ACP-EEC, 1.67; UNCTAD, 1.5. Although various scholars and government officials have argued that as an institution, UNCTAD has a broader view of development than GATT, the per-

ceptions of participants in the GATT negotiations appear to have been broader than those of UNCTAD negotiators.

Fifty-nine percent of the respondents ($n = 44$) discussed various measures related to increasing the flow of financial resources to LDCs; no other category of international measures was mentioned by more than half of the respondents. Restructuring international economic institutions and political processes was mentioned by 45 percent ($n = 34$); improving conditions for the sale of primary commodities by 41 percent ($n = 31$); and improving market access for manufactured goods by 37 percent ($n = 28$).

The issues discussed by the negotiators were not strongly related to their personal attributes, but they were related to aspects of their roles. Participants from socialist states were considerably more inclined to mention increasing the flow of financial assistance than those from states with capitalist or mixed economies (80 percent versus 56 percent). In addition, negotiators who had been or were currently employed by their foreign ministries were slightly more inclined to mention restructuring issues than those who had never worked for their foreign ministries.

Table 2 shows that those respondents who felt that the United States, the European Community, and Japan frequently opposed solutions sought by their countries (cf. fn. 6, Q17b, the question used in the construction of the polarization index) were inclined to list the restructuring of international institutions as an important measure for facilitating the economic growth of developing countries.

The sharpest distinction among the negotiators concerned the experience of their respective countries in international commodity markets. Those whose countries had experienced declining terms of trade in the 1970s were much more likely to mention measures concerning commodities than those whose countries had experienced stable or improv-

TABLE 2
SALIENANCE OF INTERNATIONAL RESTRUCTURING IN DEVELOPMENT STRATEGIES (percentages)

<i>View of Opposition</i>	<i>Did Not Mention Restructuring (n = 23)</i>	<i>Mentioned Restructuring (n = 21)</i>
Did not mention		
U.S., EEC, and Japan	70	38
Mentioned U.S., EEC, and Japan	30	62

Chi square 4.38, level of significance .04

ing terms of trade during this period.⁹ The relationship is shown in Table 3.

The respondents' attitudes toward development strategies were also related to the institutional frameworks within which they were negotiating, though not in the obvious ways. One might expect that participants would stress the issues with which they were currently dealing: thus, participants in GATT would stress market access; in UNCTAD, commodities; and in UNDP, economic assistance. Actually, negotiators in all of the forums except the ACP-EEC Council were more likely to mention measures relating to financial assistance than any other category. However, negotiators in UNDP and UNCTAD were equally as likely to mention institutional restructuring. As collective entities, both UNDP and UNCTAD have pressed for greater authority and resources. By contrast, only slightly more than one-third of the negotiators ($n = 12$) in GATT—which has authority in international commercial policy comparable to that which UNCTAD would like to gain—mentioned restructuring. The frequency with which GATT negotiators mentioned market access was no greater ($n = 12$). An even smaller proportion of UNCTAD negotiators ($n = 2$) mentioned commodities, and only one of the negotiators in the ACP-EEC Council mentioned commodities, despite the fact that the system for the stabilization of earnings from commodity exports is one of the principal features of the Lomé Convention. On the other hand, more than half of the ACP-EEC negotiators

TABLE 3
SALIENCE OF COMMODITY MEASURES IN DEVELOPMENT STRATEGIES
(percentages)

<i>Terms of Trade</i>	<i>Did Not Mention Commodity Measures (n = 38)</i>	<i>Mentioned Commodity Measures (n = 22)</i>
Country experienced declining terms of trade	39.5	68.2
Country experienced stable or improving terms of trade	60.5	31.8

Chi square 4.59, level of significance .03

⁹ The figures for terms of trade were taken from International Bank for Reconstruction and Development, *World Development Report, 1979* (Washington, D.C.: IBRD, 1979), Table 8, "The Growth of Merchandise Trade," 140-41. Index numbers in this table use the terms of trade for 1970 as a base. Countries with index numbers of less than 100 for 1977 were categorized as experiencing declining terms of trade, and those with index numbers of 100 or more were categorized as experiencing stable or increasing terms of trade.

mentioned market access and institutional restructuring (67 percent and 58 percent, respectively).

Respondents appeared to accept the philosophical positions generally articulated in the institutions in which they were participating. Thus, restructuring was salient for those in UNCTAD and UNDP, but not for those in GATT. At the same time, the negotiators almost seemed to minimize the importance of the substantive problems on which they were working, perhaps out of a sense derived from their experience of the limitations of feasible policies.

The five categories of domestic measures are: (1) social policy; (2) economic policy; (3) issues concerning the functioning of political and governmental institutions and processes; (4) steps to increase the role of government in the economy; and (5) idiosyncratic proposals (a residual category). Social policy includes responses related to education and to health care, especially family planning. Economic policy includes a broad range of responses that mentioned diversifying exports, developing particular economic sectors, increasing investment, developing infrastructures, and making increased use of technology. The third category, political and governmental factors, includes the need for more governmental stability, better political leadership, greater political mobilization, and streamlined institutions. The fourth category consists of suggestions for national economic planning, control of investment, and nationalization of foreign-owned enterprises. Several of the responses in the final category dealt with moral issues. Economic policy issues were mentioned by more respondents (59 percent, $n = 34$) than any other category of internal measures. Twenty-eight percent of the respondents ($n = 16$) mentioned political and governmental issues, and 24 percent ($n = 14$) mentioned social issues. Twelve percent ($n = 7$) discussed increasing the role of government in their economies. Thirty-six percent ($n = 21$) gave idiosyncratic responses, making this the second largest category of responses after economic policy measures.

As was the case with respect to external measures of development, the internal measures mentioned were not significantly related to the respondents' personal attributes, but they were related to aspects of their roles. Again, GATT negotiators tended to mention more internal measures than the negotiators in other forums. They appeared to have broader perspectives concerning development strategies, although the difference is not nearly as marked as in the former case.

The United Nations Development Program and the U.N. Economic and Social Council have mandates that clearly involve domestic economic development policies; such matters are not as much within the purview

of GATT, UNCTAD, and the ACP-EEC Council. However, negotiators in the latter three were much more likely to mention domestic economic policies than those in UNDP and ECOSOC. Table 4 shows the distribution of responses. Negotiators who have to deal with external measures through their concentration in international trade issues appear to develop both a sense of the linkages between international trade and domestic economic policy and of the limitations of international measures as strategies for stimulating economic growth.

As mentioned above, only twelve percent ($n = 7$) of the respondents mentioned increasing the role of government in economic management as a measure important to stimulating economic growth. While no national of a socialist state gave such a response, three of the persons who did were among the 15 negotiators in ECOSOC and the ACP-EEC Council, and 4 were among the 41 negotiators in the other three institutions—a significantly disproportionate distribution (Chi square 3.76, level of significance .05). Again, the negotiators appear to have been influenced by the philosophical positions generally articulated in the institutions in which they operated: both ECOSOC and the ACP-EEC Council are more likely to stress governmental planning than the other bodies.

Finally, whether or not G-77 respondents mentioned social issues was significantly related to the level of wealth of their countries. Only one of the 20 respondents from low-income countries who discussed internal measures to promote economic growth mentioned social issues. By contrast, 11 of the 33 respondents from the other G-77 states noted social issues, such as the need to increase educational opportunities and to slow the rate of population growth (Chi square 5.71, level of significance .02). There appears to be an income threshold below which these issues are not salient.

TABLE 4
SALIENCE OF DOMESTIC ECONOMIC POLICY MEASURES
IN DEVELOPMENT STRATEGIES
(percentages)

<i>Negotiating Forums</i>	<i>Did Not Mention Domestic Economic Policy Measures (n = 23)</i>	<i>Mentioned Domestic Economic Policy Measures (n = 33)</i>
GATT, UNCTAD and ACP-EEC	56.5	88
UNDP and ECOSOC	43.5	12

Chi square 7.11, level of significance .008

The most notable feature about our respondents' views concerning development strategies is that they are both moderate and pragmatic. Their focus on the international transfer of resources and on domestic economic issues coincides with many mainstream Western economic analyses. Only a small minority wanted to increase the role of government in economic management. Fewer than half perceived the restructuring of international institutions as an important issue. Not surprisingly, this issue was salient for those who felt that the major Western states had blocked solutions which their countries had sought to economic problems. Commodity issues were salient for those whose countries had experienced declining terms of trade. In other words, preferred development strategies appear to be causally related to concrete experiences.

Perhaps most striking is the fact that participation in negotiations on a particular subject appears to result in a sense of the limitations of solutions in the relevant area, rather than of the opportunities. On the other hand, negotiators have a tendency to take on the philosophical views generally articulated in the organizations in which they work.

REGIONAL ECONOMIC COOPERATION AMONG DEVELOPING COUNTRIES

Beyond examining broad views toward development strategies, we were concerned with certain narrower key issues that have been prominent in international discussions about development and in the NIEO debate. Regional economic cooperation among LDCs has been advanced as an important technique for promoting development goals ever since Raul Prebisch and his associates in the U.N. Economic Commission for Latin America began publicizing the idea in the 1950s. It has been a significant element of the U.N.'s international development strategies, and a large number of economic cooperation schemes have been created among LDCs.¹⁰ Our interviews explored the respondents' attitudes toward regional cooperation among LDCs and the extent of coordination in the negotiations among states that were members of regional economic cooperation schemes.

Of the 75 respondents, only one, an OECD national, doubted that membership in a regional economic cooperation group could have a beneficial effect on the economic growth of a member state. Ninety-two

¹⁰ For a description of the nature and institutional structures of many of these organizations, see Dusan Sidjanski, *Current Problems of Economic Integration: The Role of Institutions in Regional Integration Among Developing Countries* (Geneva: U.N. Publication Sales No. E.73.II.D.10, 1974); see also U.N. Document TD/13/609, *Economic Cooperation and Integration Among Developing Countries* (Geneva: UNCTAD, 1976), Vols. I and II and Addenda Vols. 1-5.

percent ($n = 69$) gave unqualified affirmative responses, and 7 percent ($n = 5$) were affirmative with some qualifications. When we asked the respondents to explain why membership in a regional group could be beneficial, we coded up to 3 different explanations. More than two-thirds of these (68 percent, $n = 103$) related to specialization in production and economies of scale. Respondents said that regional economic cooperation could lead to the creation of larger markets and more rational utilization of resources. Fifteen percent ($n = 23$) dealt with increasing the bargaining strength of the member states in international negotiations, and 7 percent ($n = 11$) broadly referred to increasing the political power of the members. Only 2 percent ($n = 3$) said that regional groups of states would be in a better position to control transnational corporations than the same states acting alone. The outstanding feature of the responses is the overwhelming concentration on the internal aspects of regional economic cooperation, a focus that logically accompanies an economic development strategy emphasizing import substitution.

Strengthening the bargaining position of member states in international negotiations is one of the putative advantages mentioned in the literature about regional economic cooperation. We therefore asked several questions designed to ascertain whether delegates from regional economic groups actually took measures to coordinate their positions during the negotiations, and the extent to which they sought to adopt common stands. Five questions were particularly relevant to this issue.¹¹

¹¹ The questions, and illustrative answers indicative of regional cooperation, are as follows:

- (Q8) How does your country determine its position concerning the issues that are involved in the negotiations?
 - A. In consultation with members of the regional economic cooperation to which the state belongs; by persons in the national capital and in consultation with the members of the regional cooperation group.
- (Q11) Are there countries or groups of countries which your country regularly consults concerning the issues that are involved in the negotiations? Which countries does your country consult with respect to which issues?
 - A. Name of the regional group or of countries that are members of the group.
- (Q13) What importance do you attach to consultations with your country's partner countries in (name of the regional group to which the country belongs)?
 - A. Very important; important; of some importance.
- (Q13c) Do the states involved in the consultations agree to coordinate negotiating positions?
 - A. Always; generally; occasionally.
- (Q17) With which countries is your country most frequently aligned during this round of negotiations?
 - A. Mention of the regional group to which the country belongs or of individual members of the group.

Regional cooperation was indicated by 21% ($n = 10$) of the responses to question 8; 28% ($n = 13$) to question 17; 68% ($n = 32$) to question 11; 83% ($n = 39$) to question 13c; and 87% ($n = 41$) to question 13.

We used responses to these questions to create an index of regional group cohesion.¹²

This index was applied to G-77 delegates representing states belonging to eight prominent economic cooperation organizations: the East African Community (EAC); the Central African Customs and Economic Union (UDEAC, after its French title, *Union douanière et économique de l'Afrique centrale*); the Economic Community of West African States (ECOWAS); the West African Economic Community (CEAO, after its French title, *Communauté économique de l'Afrique de l'Ouest*); the Andean Common Market (ANCOM); the Caribbean Community (CARICOM); the Central American Common Market (CACM); and the Association of South East Asian States (ASEAN). Forty-seven of the respondents were nationals of member states of one or more of these organizations. Their responses were weighted so that, in the instances in which the sample included more than one respondent from a member state, the total would be equal to that of a member state that was represented in the sample by only a single respondent. The responses of 4 of the 47 delegates gained the maximum possible score of 15. The composite score for each group was calculated by averaging the weighted scores of respondents from countries belonging to the organization. Thus, the composite score is an average of country scores.

The scores are shown in Table 5. Since the probability of achieving a relatively high score is affected by the number of respondents in the sample and the relationship of this number to the number of countries, and since the validity of the score is related to the proportion of member states included in the sample, these figures are provided in addition to the average of the weighted scores for each of the eight groups and their rank orders.

In the literature on regional economic cooperation it is generally argued that the stronger an organization's central community institutions, the more effective the cooperation should be, including their coordination of bargaining in international negotiations. In the light of this proposition, ASEAN's and CARICOM's high scores on the cohesion index are surprising. The members of ASEAN had only just agreed to

¹² Each question was weighted equally. For each, a response indicating regional cooperation was given a score of 3, making 15 the maximum possible. In cases where respondents could either mention the regional group or members of it (questions 11 and 17), respondents were awarded a score of 3 if they gave the name of the regional group, or scores of 1 for each individual member state; respondents could not receive more than 3 points, but they could receive 1 or 2 if they merely mentioned the names of 1 or 2 other members of the regional scheme. For questions 8 and 13, the scoring was either 3 or 0. For question 13c, responses of "always" or "generally" were scored 3, and responses of "occasionally" were scored 2. Applying a Guttman Scale to the five questions coded in this manner yielded a coefficient of reproducibility of 1.00.

TABLE 5
INDEX OF COHESION
AMONG MEMBERS OF REGIONAL ORGANIZATIONS

Rank	Organization	Index Score (Maximum = 15)	1	2	3	4	5
			Number of Member States in Organization	Number of Member States in Sample	Ratio of Sample to Organization (2:1)	Number of Delegates in Sample	Ratio of Delegates to States in Sample (4:2)
1	ASEAN	10.75	5	4	.80	7	1.75
2	ANCOM	10.67	5	3	.60	3	1.00
3	CACM	10.50	5	2	.40	2	1.00
4	CARICOM	10.20	12	5	.42	7	1.40
5	UDEAC	8.63	4	4	1.00	7	1.75
6	CEAO*	7.00	6	4	.67	5	1.25
7	ECOWAS*	5.75	16	12	.75	17	1.42
8	EAC	5.17	3	2	.67	4	2.00

Regional Organization Membership: ASEAN—Indonesia, Malaysia, Philippines, Singapore, Thailand; ANCOM—Bolivia, Colombia, Ecuador, Peru, Venezuela; CACM—Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua; CARICOM—Antigua, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Kitts-Nevis-Anguilla, St. Lucia, St. Vincent, Trinidad and Tobago; UDEAC—Cameroon, Central African Republic, Congo, Gabon; CEAO—Ivory Coast, Mali, Mauritania, Niger, Senegal, Upper Volta; ECOWAS—Benin, Cape Verde, Gambia, Ghana, Guinea, Guinea-Bissau, Ivory Coast, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo, Upper Volta; EAC—Kenya, Tanzania, Uganda.

* Since CEAO member states are also members of ECOWAS, respondents are included in both groups.

create a central secretariat and to appoint a Secretary-General of this secretariat in 1976, the year in which the interviews were conducted. CARICOM's central institutions were also weaker than those of the other organizations. On the other hand, the East African Community's dismal showing clearly reflected the crisis that led to its demise in 1977.

If the strength of the central community institutions of regional organizations is not the key to explaining the extent of their cohesion, what are the important factors? Since the G-77 delegates were predominantly acting as instructed agents, one would not expect their personal characteristics to make much difference, and indeed they generally did not. However, the regional groups that achieved higher scores on the cohesion index tended to have more delegates with greater experience and higher rank than those that achieved lower scores.

More important for the relative cohesion of the regional groups was the nature of the negotiations in which most of the respondents were participating. G-77 delegates participating in GATT and UNCTAD were much more likely to engage in practices of regional group coordination than those in the ECOSOC, UNDP, and the ACP-EEC Council. (Chi square 75.78, level of significance .0000.) Since GATT and UNCTAD have mandates that focus directly and exclusively on international trade issues, while the other institutions have mandates that are more diffuse, regional issues would seem to be more clearly at stake in GATT and UNCTAD; consequently, one would expect greater regional cooperation there. The sharpness of the relationship, though, is striking. There is also a significant relationship between regional group cohesiveness and states that have exports of substantial absolute value.¹³

Relative levels of economic development are even more strongly related to levels of regional cohesion. There is almost a perfect relationship between the rank order of the eight groups on the cohesion index and the rank order of the groups' median per capita GNPs.¹⁴ The Kendall tau-beta rank-order correlation for regional group cohesion and the median per capita GNP for the groups is .9966 (level of significance .0000). Were it not for the fact that ANCOM and CACM had identical median per capita GNPs, this relationship would have correlated perfectly. We found earlier that rising per capita GNP appears to be related

¹³ The results of a least-square regression are (n = 32):

$$\text{Regional Group cohesion} = 3.75 + .0003 \text{ Exports}$$

(Standard Error .00014)

R square .15, standard error of estimate 2.11, level of significance .03
(The partial coefficient is unstandardized)

¹⁴ Because of the distorting effects of petroleum export earnings on per capita GNP of Gabon and Venezuela, median per capita GNP seems to be a more appropriate measure than mean per capita GNP.

to a sharpening perception of bloc polarization; it appears to be even more strongly related to increasing ability for groups of countries to act cohesively in international negotiations.

ASEAN's high score on the regional group cohesion index is, in addition, a testimonial to the effectiveness of the large-scale UNCTAD project financed by UNDP that was designed to assist ASEAN's member states in the GATT Tokyo Round. Project personnel emphasized the importance of regional cooperation during the negotiations, and provided advice about how it could be achieved. While this may have made up for ASEAN's absence of central institutions, it in no way diminishes the relationship between economic development and group cohesion. The project made sense because ASEAN's member states had important economic interests at stake in the negotiations—a clear consequence of the level of economic development that the states had achieved.

NEGOTIATORS' VIEWS CONCERNING TRANSNATIONAL CORPORATIONS

In the confrontation about a new international economic order, defining the appropriate role for transnational corporations (TNCs) has been one of the principal issues. Several of our questions were designed to ascertain the negotiators' views about TNCs and their role in the world economy. The first was: "What in your view are the economic implications of the expansion of transnational corporations for developing countries?" Of the 65 negotiators who responded to the question, 9 percent unambiguously stated that the implications were positive; 45 percent answered that the implications were mixed (both positive and negative); 14 percent gave answers that took a neutral stance; and 32 percent answered that the implications were clearly negative. Of the three G-77 nationals working as IGO officials and the three OECD delegates who responded, none gave a purely negative answer. In view of the rhetoric that has dominated some international meetings, the fact that only one-third of the respondents expressed exclusively negative views should be noted. The proportion of G-77 delegates expressing only negative views was only slightly higher (36 percent, $n = 21$) than that of the total sample.

Nonetheless, those with negative views were a sizable minority; their personal attributes were significantly related to their answers. Those who expressed negative views tended to be under 40 years of age rather than over 40; to have concentrated in a social science in their university studies rather than in other subjects; and to be currently employed by their foreign ministry, or to have worked for their foreign ministry at some time, rather than never to have had a connection with it. Table

6 shows these relationships. There is a strong interaction between age and education. Training in the social sciences had virtually no impact on the views toward TNCs of the respondents who were over 40 years of age (Chi square .02, level of significance .89), but was strongly associated with the views expressed by those under 40 (Chi square 4.92, level of significance .03, tau-beta .34).

The nationality of the respondents was also strongly associated with their view of transnational corporations. First, as Table 7 shows, nationals of socialist states were more likely to express a negative view of the implications of the expanding role of TNCs than those from states with capitalist or mixed systems. Second, nationals of states with higher per capita GNP were less likely to express a negative view of TNCs than

TABLE 6
PERSONAL ATTRIBUTES AND VIEWS CONCERNING TNCs
(percentages)

<i>View on TNCs</i>	<i>Personal Attributes</i>	
	AGE	
	Under 40 (n = 44)	Over 40 (n = 19)
Not exclusively negative	61.4	84.2
Exclusively negative	38.6	15.8
Chi square 3.20, level of significance .07		
	EDUCATIONAL BACKGROUND	
	Social Science (n = 43)	Other (n = 21)
Not exclusively negative	58.1	85.7
Exclusively negative	41.9	14.3
Chi square 4.87, level of significance .03		
	FOREIGN MINISTRY EXPERIENCE	
	Some (n = 44)	None (n = 20)
Not exclusively negative	59.1	90.0
Exclusively negative	40.9	10.0
Chi square 6.11, level of significance .01		

TABLE 7
ECONOMIC SYSTEM AND VIEWS CONCERNING TNCs
(percentages)

<i>View on TNCs</i>	<i>Economic System</i>	
	<i>Capitalist and Mixed</i> (<i>n</i> = 54)	<i>Socialist</i> (<i>n</i> = 11)
Not exclusively negative	74.1	36.4
Exclusively negative	25.9	63.6

Chi square 5.94, level of significance .01

those of states with lower per capita GNP.¹⁵ When the respondents are considered as nationals of OECD states and of G-77 states, the negative view continues to be significant for the latter group, but not for the former: it is stronger among G-77 delegates than among the broader group of G-77 nationals.¹⁶

States with higher per capita GNP probably are more familiar with TNCs; that may give their nationals a greater sense of confidence in dealing with them, and also a better appreciation of the potential benefits they offer.

The five factors discussed thus far—the three personal attributes of age, education, and career experience, plus the two role attributes related to the economic system and the level of per capita GNP of the respondent's state—can be combined in a regression analysis using the respondents' views concerning the implications of the expanding role of TNCs as the dependent variable. The results of a least-squares regression are

¹⁵ Using only the 56 responses that can be coded as negative, mixed, or positive, a least-squares regression of these views with the per capita GNP of the respondents' states produces the following results:

$$\text{TNC Attitude} = 2.37 + .0001 \text{ per capita GNP} \\ \text{(Standard error .00004)}$$

R square .10, standard error of estimate .62, level of significance .02
(The partial coefficient is unstandardized)

¹⁶ The results of the three least-squares regression are:

$$\text{OECD Delegates } (n = 3) \quad \text{TNC Attitude} = 2.29 + .0003 \text{ per capita GNP} \\ \text{(Standard error .00055)}$$

R square .23, standard error of estimate .72, level of significance .68

$$\text{G-77 Nationals } (n = 41) \quad \text{TNC Attitude} = 2.19 + .0001 \text{ per capita GNP} \\ \text{(Standard error .00004)}$$

R square .12, standard error of estimate .56, level of significance .03

$$\text{G-77 Delegates } (n = 38) \quad \text{TNC Attitude} = 2.18 + .0001 \text{ per capita GNP} \\ \text{(Standard error .00004)}$$

R square .14, standard error of estimate .55, level of significance .02
(The partial coefficients are unstandardized)

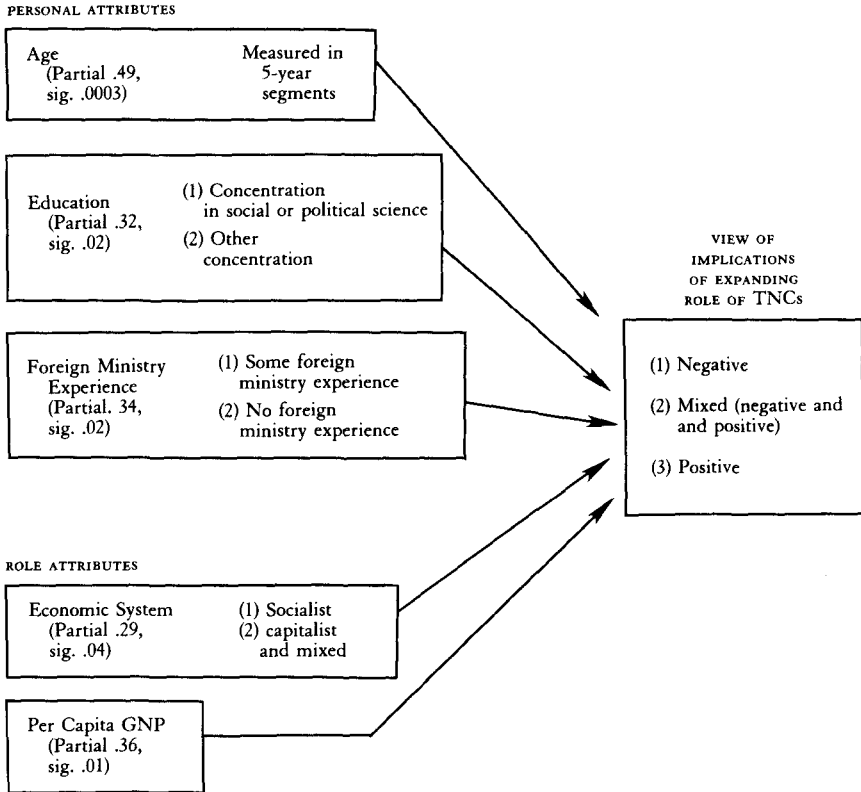
shown in Figure 2. In combination, these five independent variables explain almost 50 percent of the variance in the dependent variable.

Respondents to the question about the implications of the expanding role of TNCs expressed their views in some detail. Up to four responses, two positive and two negative, were coded for each respondent. The following positive features of TNCs were mentioned by respondents: they provided for the transfer of technology ($n = 16$), promoted industrialization and development ($n = 15$), brought investment ($n = 14$), and provided jobs ($n = 9$). The negative feature mentioned most frequently was that TNCs interfered with state affairs ($n = 27$)—for example, by ignoring laws. Other negative aspects were that transnational corporations failed to reinvest in the host countries ($n = 19$), interfered with development planning ($n = 16$), and pursued harmful pricing policies ($n = 10$). Both the positive and negative features are frequently cited in scholarly discussions. Except for the respondents' emphasis on sovereignty, their views are not strikingly different from those of others who have concerned themselves with the role of transnational corporations.

In order to understand how much the negotiators' views were based on the direct experience of their states, we asked, "What has been the experience of your country in regard to transnational corporations?" Thirty-two percent of the 59 negotiators who answered this question reported that their countries' experience had been mixed; 22 percent gave exclusively negative answers, and 19 percent gave exclusively positive answers. Seventeen percent said that their countries had had so little experience with transnational corporations that they could not comment, and 10 percent gave neutral responses.

There is a strong association between the answers to the question concerning the implications of the role of TNCs in the world economy and to that about the experience of the respondents' countries with TNCs. Those who gave a negative response to one were likely to give a negative response to the other; so, too, with positive responses (Chi square 18.72, level of significance .03). Negative experiences with TNCs are most strongly associated with respondents from countries that have nationalized several TNCs. Table 8 shows the relationship. Apparently, countries either nationalized TNCs because of bad experiences with them, or their bad experiences grew out of the process of nationalization. As one would expect, states with socialist economies were much more likely to nationalize foreign investment than those with capitalist or mixed economies (Chi square 47.69, level of significance .0001). And states with higher per capita GNP were less likely to nationalize TNCs

FIGURE 2
FACTORS CONTRIBUTING TO ATTITUDES TOWARD TNCs
(n = 54)



$$\begin{aligned}
 \text{Attitude toward TNCs} = & - .43 + .16 \text{ Age} + .36 \text{ Educational} + .38 \text{ Foreign Ministry} \\
 & \text{(Standard error .40)} \quad \text{Background} \quad \text{Experience} \\
 & \quad \quad \quad \text{(Standard error .15)} \quad \quad \quad \text{(Standard error .15)} \\
 & + .36 \text{ Economic System} - .00009 \text{ per capita GNP} \\
 & \quad \quad \quad \text{(Standard error .15)} \quad \quad \quad \text{(Standard error .00003)}
 \end{aligned}$$

R square .49, standard error of estimate .49, level of significance .0000
(The partial coefficients are unstandardized)

TABLE 8
 RESPONDENTS' EXPERIENCES WITH TNCs AND
 NUMBER OF NATIONALIZATIONS OF TNCs
 (percentages)

Number of Nationalizations, 1960-1976 ^a	Experience with TNCs			
	Positive (n = 11)	Mixed (n = 19)	Neutral (n = 6)	Negative (n = 13)
0	18.2	42.1	100	15.4
1-5	54.5	15.8	0	30.8
6-10	18.2	21.1	0	23.1
More than 10	9.1	21.1	0	30.8

Chi square 19.21, level of significance .02

^a Source: United Nations Document E/C.10/38, *Transnational Corporations in World Development: A Reexamination* (New York: United Nations, 1978, E.78.II.A.5), 232.

than those with lower per capita GNP.¹⁷ In other words, negotiators' views concerning the implications of the growth of TNCs appear to have been strongly associated with their own countries' experiences, and particularly with the contentious issue of nationalization.

Finally, we asked respondents how the influence of transnational corporations on developing countries could be made more beneficial. Twenty-nine percent (n = 19) commented on the need to develop some measure of international control, 27 percent (n = 18) stated that the host countries should exercise greater control, and 14 percent (n = 9) said that the TNCs themselves must develop attitudes of responsibility and change their policies. Six percent (n = 4) asserted that the home countries of the TNCs should exercise greater control, and another 5 percent (n = 3) spoke of control in general terms. Only 3 percent (n = 2) mentioned the possibility of regional economic organizations' developing investment codes, and another 3 percent suggested that host countries should nationalize or threaten to nationalize the TNCs. Six percent asserted that the influence of TNCs could not be made beneficial, and the remaining 5 negotiators who responded to this question gave individualistic responses. Views on making the influence of TNCs more beneficial were not related to either the personal or role attributes of the respondents; they appear to be distributed randomly.

The general moderation and sophistication of the views concerning

¹⁷ A least-squares regression using the number of nationalizations categorized as the dependent variable, and per capita GNP as the independent variable, resulted in the following equation (n = 79):

$$\text{Nationalize TNC} = 2.51 \quad - .0002 \text{ per capita GNP}$$

(Standard error .00007)

R square .07, standard error of estimate 1.16, level of significance .02

TNCs is impressive. Almost 60 percent of the respondents made at least some positive comment about the expanding role of TNCs in world development and in the economies of the LDCs. The catalog of potential benefits offered by TNCs, and the problems they may cause, broadly resembles an academic treatise on the subject. At the core of the contention between less developed countries on one side, and the TNCs and their Western home countries on the other, appears to be a concern of the LDC nationals about the sovereignty of their countries. One could hypothesize that this concern is the reason for a large number of the nationalizations. Whether negative views about TNCs cause nationalization or vice versa, there is a strong association between the two. Not many negotiators, however, advocated nationalization as a strategy for dealing with TNCs. Clearly, nationalization was not the negotiators' preferred policy for dealing with transnational corporations. Whether or not a larger number would advocate nationalization if efforts to achieve international or national control proved fruitless or unsatisfactory remains to be seen. In any case, the nationals of the poorer rather than of the relatively richer states (as measured by per capita GNP) were more likely to express negative views about TNCs. It will be interesting to see if this relationship holds as levels of per capita GNP increase. Progress toward appropriate and effective measures of control will probably be an important determining factor.

NEGOTIATORS' VIEWS CONCERNING THE LOMÉ CONVENTION

In 1975, about a year before the interviews were conducted, the member states of the European Economic Community and more than 40 African, Pacific, and Caribbean states had signed the first Lomé Convention. (By 1982 there were 63 signatories.) The Convention replaced the Yaoundé Agreement that had been in force for several years and had governed the economic relations between the original six members of the EEC and several of their former colonies. Even though some of its stipulations had existed in the earlier agreement, the new Convention, because of its many new features, was widely regarded as a response to the LDCs' demands for changes in the international economic order.

The Lomé Convention provided for tariff-free and quota-free entry into the EEC for all manufactured goods and more than 95 percent of the agricultural products from the ACP countries. The mechanisms provided under the STABEX system for stabilizing the ACP countries' earnings from the exports of their primary commodities were the Convention's most innovative and notable feature. It also continued the

European Development Fund (established in the earlier agreement for transferring resources to the LDC signatories), but expanded the resources that would be available to it and earmarked some of them for projects that would promote regional economic cooperation among the ACP recipients. Decision making concerning the implementation of the Convention was to be handled in the ACP-EEC Council. Fourteen of the respondents included in our survey participated in the first session of this Council. In a broad way, the Lomé Convention offered an alternative conceptualization of North-South economic relations that emphasized substantial efforts to manage market forces; EEC and ACP signatories alike applauded it as a progressive move in North-South economic negotiations.

We asked our respondents whether or not they thought the Lomé Convention was "beneficial for the developing countries that are involved." Seventy-three percent ($n = 54$) answered without qualification that it was beneficial, and another 22 percent ($n = 16$) felt that it was beneficial in some ways. The features of the Convention concerning the treatment of the ACP countries' commodity exports, including the STABEX mechanisms, were mentioned by more than half of the respondents in explaining why they thought that the Convention was beneficial.

Four percent of the respondents ($n = 3$) said it was too soon to evaluate the effects of the Lomé Convention. The only respondent who expressed an exclusively negative view was a participant in the ACP-EEC Council. For this individual, working with the Convention appears to have led to a tendency to be more critical than those who did not have first-hand experience with it. As a group, however, the participants in the ACP-EEC Council were as positive toward the Lomé Convention as other respondents.

When confronted with the issue of the broader application of the Lomé concepts, the respondents' enthusiasm dropped. To our question whether they thought the Lomé Convention should "be regarded as a model for defining the relationship between developed and developing countries," only 37 percent ($n = 26$) answered yes; 23 percent ($n = 16$) equivocated, indicating in some manner both yes and no; 10 percent ($n = 7$) said that it was too soon to tell; and 31 percent ($n = 22$) answered unambiguously no.

The hesitation about applying the Lomé formula more broadly is not easy to explain. A majority of those who thought that problems associated with the export of primary commodities should be dealt with in order to promote economic growth responded that it was too soon to tell whether or not the Lomé Convention should be a model for North-

South relations generally. In view of the novelty of the STABEX mechanisms, they apparently wanted to see how the program would be implemented.

Nationals of states with socialist economies were much more likely to be negative about using the Lomé Convention as a model than those from states with capitalist or mixed economies, as shown in Table 9. On the other hand, nationals of states that were parties to the Lomé Convention were more likely to be in favor of its being used as a model than those who were not: nationals of that subset of states that had been associated with the EEC through the Yaoundé Agreement were even more likely to be positive on this question.¹⁸

These two role attributes of the negotiators—whether they were nationals of socialist states or of states that were parties to the Lomé Convention and the Yaoundé Agreement—were the only factors that significantly predicted their view of the desirability of Lomé as a model for structuring North-South economic relations. Put in a least-squares regression, however, the two factors explain less than 15 percent of the variance.

Again, the rather random character of attitudes toward the desirability

TABLE 9
ECONOMIC SYSTEM AND VIEWS CONCERNING THE LOMÉ CONVENTION AS
A MODEL FOR NORTH-SOUTH ECONOMIC RELATIONS
(percentages)

<i>View toward Lomé as a Model</i>	<i>Economic System</i>	
	<i>Capitalist and Mixed (n = 60)</i>	<i>Socialist (n = 9)</i>
Not exclusively negative	73.3	33.3
Exclusively negative	26.7	66.7

Chi square 5.77, level of significance .02

¹⁸ The relationship is:

<i>Views Concerning Lomé as a Model</i>	<i>Yaoundé Signatories (n = 17)</i>	<i>States not Parties to Yaoundé (n = 47)</i>
Positive	64.7	31.9
Mixed	11.8	29.8
Negative	23.5	38.3

Chi square 5.72, level of significance .06

The difference between the nationals of states that were parties to the Lomé Convention and all others is not large enough to be statistically significant. However, the difference between nationals of states that had been parties to the earlier Yaoundé Agreement and all others is statistically significant.

of using the Lomé Convention as a model for North-South economic relations may well have stemmed from the relative newness of the agreement at the time the interviews were conducted. Negotiators generally were familiar with its terms, but at that time they could know little about how it would be implemented. The negotiators overwhelmingly viewed the Convention as beneficial to its LDC parties. The fact that nationals of those states that had had the longest associations with treaty arrangements linking the EEC and LDCs were the most likely to favor using Lomé as a model could indicate that, as experience with Lomé progresses, individuals may become more favorably inclined toward applying its features more broadly.

GLOBAL BARGAINING ABOUT THE DISTRIBUTION OF THE WORLD PRODUCT

Our analysis illuminates the NIEO negotiations in several ways. First, the negotiators' views are much more diverse than would appear from analyses of roll-call votes. In the U.N. General Assembly, where each state has one vote, the Western industrial states appear to be a beleaguered minority faced by an implacably hostile and firmly united coalition of less developed and communist countries. The data and analyses presented here show that the LDC component of this coalition, while it might find it tactically advantageous to vote as a bloc, actually contains a wide spectrum of views, with only a minority seriously hostile toward the Western industrialized states and their economic institutions.

It is fair to ask whether positions of governments can validly be inferred from the responses of individual delegates. The argument is supported by the fact that our respondents were important government officials who had some say in the formulation of their countries' policies, and who were charged with executing these policies. Moreover, time and again, role rather than personal attributes emerged as significant predictors of their attitudes. It therefore seems clear that the answers of our respondents were strongly influenced by their official positions and responsibilities. In other words, they could hardly have been expected to give answers that would seriously contravene their governments' policies.

A second conclusion is that the positions taken in the NIEO negotiations are firmly grounded in national political processes and in pragmatic conceptions of a country's national economic interests. The LDC delegates in our sample were only marginally less "instructed" than the OECD delegates, and the process in which their instructions were prepared was just as complicated. Positions that countries take in inter-

national economic negotiations are more the result of proceedings in national capitals than of proceedings in the international institutions sponsoring these negotiations; disagreements are most frequently caused by conflicting national economic interests, not by the procedures of international institutions. The negotiators' concepts of desirable strategies to promote economic development were notable for their pragmatic emphases. They tended to stress issues that were quite clearly related to their countries' economic needs. Only a small minority argued for substantive governmental intervention in domestic economic affairs, and the pressure for restructuring institutions was relatively modest.

Third, despite all of the information produced by international and national agencies, LDC negotiators obviously felt a need for more information, as evidenced by their extensive consultations with IGOs and INGOs. They clearly would appreciate having more information available to them, or perhaps the information that is available should be better organized to suit their needs. Efforts at institutional reform could well concentrate on this issue. Because of the relatively small populations of most LDCs, their bureaucracies will never be able to match the capabilities of the major Western industrialized states.

Fourth, respondents from countries with socialist economies stand out as a group with distinctive views. Although negotiators from all states were inclined to stress the transfer of resources to developing countries more than any other measure as a desirable action to promote economic development, negotiators from socialist states emphasized this issue even more strongly. They were less inclined to consult INGOs than their colleagues from states with capitalist and mixed economies, and more likely to have negative views about transnational corporations and about using the Lomé Convention as a model for North-South economic relations.

Fifth, although the negotiators almost unanimously supported regional economic cooperation rhetorically, efforts to achieve cohesion in the several regional groups varied markedly, and not according to the strength of the regional organizations. At least as of 1976, the negotiators saw regional economic cooperation primarily in terms of import substitution rather than of export promotion, thus de-emphasizing almost to the point of ignoring one of the putative advantages of regional cooperation. In several cases, they gave little evidence of attempting to act as members of coordinated regional groups.

Sixth, the effect of participation in economic negotiations conducted within the framework of international institutions appears to be modest but consequential. Individuals seem to accept to some extent the broad

philosophical positions generally articulated within the institutions. More importantly, in working with particular substantive issues, individuals are likely to become more sophisticated about the real potentialities and limitations of possible solutions in the relevant area. Those who were involved in real negotiations about trade issues, rather than merely talking about them, were more inclined to take the view that solutions in other areas are also essential.

Seventh, and perhaps most significant, are the attitudinal and behavioral characteristics associated with nationals of states that have higher per capita GNPs. They are: (1) heightened perceptions of polarization, but also include (2) paying greater attention to such social issues as the need for limiting population growth and promoting education as important elements of development strategies; (3) more cohesive behavior among the members of regional economic cooperation organizations; and (4) less negative views toward transnational corporations. Whether these relationships will continue as the level of countries' per capita GNP increases remains to be seen. If they did, global bargaining about economic issues would become neither less salient nor less intense. Indeed, conflicts of economic interest may well be pursued more forcefully in the future, with LDCs taking advantage of the added strength that membership in regional groups can give them. However, some of the ideological contention may be removed from these negotiations, particularly if appropriate international measures can be crafted to control some of the more objectionable practices of transnational corporations; greater attention may also be given to important domestic aspects of development.

On the basis of this analysis, the NIEO negotiations appear to be misnamed. They are not really negotiations about the creation of a "new" international economic order; rather, they are—in the apt phrase coined some years ago by Helmut Schmidt—a "struggle for the world product."¹⁹ Those who are disadvantaged in the existing international economic system can be expected to continue to call for action (such as greater intervention in market forces to redress their condition), and to bargain to better their position (just as those comparably disadvantaged in domestic political systems have done). But that hardly amounts to a revolutionary call for the overthrow of the old order.

¹⁹ Schmidt, "The Struggle for the World Product," *Foreign Affairs*, Vol. 52 (April 1974), 437-51.