



March 11, 1978
**Paper by the Chairman of the
North-South-Commission, Brandt, for the meeting in
Mt. Pèlerin**

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Summary:

Chairman of the North-South-Commission Willy Brandt's paper for the meeting in Mt. Pèlerin. Brandt's paper stresses the importance of mutual interest of the attending countries and talks about the new "international order."

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**Paper by the Chairman of the North-South-Commission, Brandt,
for the meeting in Mt. Pèlerin
11 March 1978¹**

AdsD, Nord-Süd-Kommission, 3.

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Reflections on Mutuality of Interests

1. The Commission has started its work on the assumption that international development policy can no longer be taken to be primarily a matter of “aid“. We have instead agreed to seek to define the “mutuality of interests“ of both developed and developing countries.²

If we succeed in doing this adequately, we would already have made a significant contribution to illustrate what changing the character of a conflict means.

2. Basing cooperation upon an interpretation of common interests would mean a major contribution to the concept of partnership among equals.
3. It would go beyond the Commission's capacity if – in addition to the self-imposed task³ – it would also elaborate on the question how to preserve world peace and prevent regional military conflicts. But it can be taken as undisputed that a policy which secures peace and reduces tensions is one precondition for any realistic attempt to improve North-South relations.

This implies, among other things, that peaceful and autonomous development must neither directly nor indirectly be influenced by interventions stemming from power politics.

It also means that individual states must be in a position to define their security interests themselves (or in the framework of regional groupings), but arms-exporting industrial countries

will have to impose considerable restraints upon themselves to avoid serious developments for the worse.

This requires that international public opinion and the community of nations accept decisions to achieve a balanced reduction in armaments expenditures and link it to an overproportional increase in development expenditures.

The exceptionally high input of scientific and technical expertise claimed by armaments production, represents an intolerable wasting of human resources.

4. Already the problems touched on here suffice to make it clear that the Soviet Union and the other Communist-ruled industrial countries cannot be left out⁴, if a serious attempt is to be made to consider how a reconciliation between the interests of North and South could be seen in a new light.

The expectations of developing countries, and above all the poorest among them, are increasingly directed towards all industrial countries, irrespective of their social structure and political system.

The objective interest of all industrial countries, at least in the medium run, does not argue for a withdrawal from increasing international cooperation.

This seems to hold also for the People's Republic of China whose own experience in a number of fields of development are attracting much attention.

5. The survival of mankind is not only threatened by the prospect that the arms race may get out of control and that a nuclear catastrophe might not be avoided. Mankind could also fall into extreme danger as a result of catastrophic food crises or through "international class struggle".

A program that aims at satisfying basic human needs⁵ is, therefore, not only a humanitarian duty but can also be founded on the common interest for survival. It is understood that each individual country maintains the full right to define these needs and that industrial countries do not use this aim as a pretext to prevent developing countries from building up

sophisticated industries.

I take it for granted that the Commission's report will deal with the desirable developments in food production and family planning.

6. We submit that there is a joint interest in securing the (natural) living conditions for coming generations.

It becomes more and more impossible to solve ecological problems and to answer questions of securing natural living conditions in national or regional isolation. Methods of production and technologies in the industrialised countries already cause extensive disruptions of ecological conditions.

If we do not succeed very soon in meeting basic needs in many countries in the South, one must expect the exploitative destruction of the environment to accelerate because poverty leaves them no other possibility but to take what nature still provides. Global changes with consequences for the North would also be likely.

The common interest in survival requires coordinated action against the global effects of desertification, changes in the atmosphere, disturbances of the earth's water supply mechanism, etc.

7. In the South an enormous potential demand for goods and services (in the first place but not exclusively to satisfy basic needs) is faced by relatively small purchasing power and a limited offer. Thus, in many instances, the basic condition for an enlargement of the supply of goods and services must be created first.

In the North, the present demand as well as that to be realistically expected in the future seems not adequate to provide outlets for the actual (or potential) productive capacity.

It must be in the mutual interest to turn the potential demand in developing countries into effective demand. But effective demand can only be permanently established if the buyer is in a position to produce goods and services of his own and trade

with them.

The creation of diversified productive capacity, including the corresponding infrastructure, in the South and of outlets for the productive capacity of the North are mutually interdependent. This relationship is crucial for the new international division of labour. (This might, for example, be illustrated by major cooperative projects in which Europe made a systematic contribution to the development of the railway system and other infrastructure on the African continent.⁶)

8. Countries which export raw materials have an interest in steady and lasting demands at least, in preventing a worsening of their terms of trade, and if possible improving them, and, of course, in at least partial processing of their own commodities. Countries that import raw materials have an interest in secure supply and in favourable prices but also in the maintenance of effective demand on the part of raw-material exporters for their products.

They have in common an interest in avoiding discontinuous or even turbulent developments. (Technical aspects of commercial policy and the various possible adjustment mechanisms will have to be dealt with later.)

9. We submit that there is a common interest in high employment, also because this will have great influence on the future of the industrial countries. Enlarged international cooperation would undoubtedly make it easier to make the right to work⁷ a reality.

In advanced industrial countries the replacement of human labour by machines, and even the replacement of routine intelligence by mechanized intelligence, has already been carried far. One now faces the possibility, partly because the phenomenon of general scarcity has disappeared, of deliberately charting a path toward a society with a large service and welfare sector. The supply of goods and services from the South remains significant in this context.

The developing countries will obviously not pass through all stages of industrialization that the present industrial countries have gone through. They can learn from previous experience and decide whether they would immediately strive for some elements of a service-oriented society. This is, of course, not by any means meant to imply that they should not intensify industrialization and expand employment. But the experience in developed countries might be looked at more critically and thus unnecessary “detours“ can be avoided.

10. Possibilities of further interpretations of common interests exist, e.g., in the following fields:

(a) Trade: Why it is in the long-run interest of industrial countries to increasingly open their markets for products from developing countries.⁸

(b) Investment: Why suitable investment guarantees are also in the interest of developing countries.

(c) Food: Why increased food production and stable international prices and markets for basic foodstuffs are in the interest of all countries.

(d) Indebtedness: Why imaginative solutions to the present and growing debt problems must be found.⁹

(e) Transfer of technology and knowledge: Why it is not in the interest of a world with extensive division of labour to monopolize technical progress; and why professional personnel must not be attracted from the developing countries.

(f) Indicators: Why additional measures might be devised in order to give development policy the orientation which is now called for.¹⁰

The history of many industrial countries shows that the rise of the working class from its oppressed state in the previous century has been in the interest of all, or almost all.

Today it is apparent in many industrial countries that the young generation takes a lively interest in the lot of the poorer people of the world. This seems to open a new area of common aims.

If one expects a new international order to be characterized by

more justice one should not expect too much from such concepts as “interdependence“ and “globalism“ in the near future. Such concepts must not deflect attention from the fact that the sovereignty of the new states¹¹ must in many cases first be given real content.

The report of the Commission should make it clear that the development of the Third World until now has been overwhelmingly a matter of self-development.

It is important that dangers and opportunities are given equal attention and that, by appropriate examples, it is illustrated why there is ground for hope.

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- 1 The paper was handed out to the members of the commission during the second meeting which took place in Mont Pèlerin (Switzerland) from 10 to 12 March 1978. See Summary Record, Mont Pèlerin Meeting, March 1978, in: AdsD, Nord-Süd-Kommission, 58.
 - 2 Cf. Introduction and No. 19.
 - 3 Cf. Introduction.
 - 4 Cf. Introduction. On the attempts to integrate this countries in the work of the commission, cf. No. 18. Note 13, No 23 and 33.
 - 5 Brandt refers to the debate about the strategy of basic needs. Its goal is to guarantee for the greatest possible number of people a minimal equipment with goods of private use (nutrition, clothing, residence) and to provide basic public services (potable water, waste disposal, health, education, transport). Cf. *Nohlen* 2000, p. 315-318.
 - 6 The idea goes back to Bruno Kreisky. In May 1976 the Austrian Chancellor had proposed a “Marshall Plan for the Third World“ at the Conference of European and Latin-American social-democratic parties in Caracas. Cf. EA 31 (1976) 12, p. Z 114.
 - 7 According to article 23 of the Universal Declaration of Human Rights everyone has the right to work, to free choice of employment, to just and favorable conditions of work and to protection against unemployment.
 - 8 About the debate on protection of private investments cf. No. 1.
 - 9 Cf. Introduction and No. 20, Note 6.
 - 10 The state of the developing countries was assessed primarily by the per capita income indicator (GNP divided by the number of national population). Thus the mostly very unequal distribution of income and especially the social and societal factors of development remained out of consideration. To the problems of indicators cf. *Nohlen, Dieter/Nuscheler, Franz: Indikatoren von Unterentwicklung und Entwicklung*, in: *Nohlen/Nuscheler* 1993, vol. 1, p. 76-108.
 - 11 Meant here are the African and Asian states, which were released into independence after the Second World War.