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ABSTRACT

The problems of economic development are long term; the conditions to be overcome today by the less-developed countries of the South are likely to be the conditions they will continue to face in 2000 and beyond. Consequently, the strategic issues faced by the industrial North which grow out of problems of Southern development are likely to persist. The consequences of development in terms of North-South relations and strategic interests include revolutions in Southern nations, shifting political alignments, and problematic availability of bases, facilities, and other valued resources in the Third World.

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FOREWORD

This paper is a Futures Group report on a search for North-South issues that can lead to further study of this relationship and its associated political and strategic consequences in the future. The author concludes that developmental ideology is divisively different as between North and South and that, for this and other reasons, the problems of economic development are long term and a proper subject of Futures studies.

This paper was prepared as a contribution to the field of national security research and study. As such, it does not reflect the official view of the US Army War College, the Department of the Army, or the Department of Defense.



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INTRODUCTION

Two qualities of North-South (N-S) issues and problems seem certain. The first is that they will extend into an indefinite future. The second is that they are and will be colored by conflict. These issues and problems are, therefore, proper subjects of interest to any national security agency of government with a futures or long-range planning mission.

Although the qualities of continuity and conflict are separate, they can be mutually reinforcing. Even if the nations of the North and of the South agreed about the ends and means of economic and political change, physical and social barriers would postpone the achievement of goals. But they do not agree, and the perspectives, ends, and means of each are in conflict, which itself will prolong the course of development each group of nations favors.

This paper is a report on a search for N-S issues for the purpose of further study into the future of this relationship and its associated issues, problems, and political consequences. For this purpose, it is sometimes enough to list and briefly define problems of development and political issues. That is not the case here. The topics are sterile when separated from their emotional, psychological, and ideological contexts. Consequently, we will probably learn more about the issues and problems if we look at how they are described by people who are not necessarily strategists or otherwise primarily concerned with national security.

A result of this approach is that several sources cited in the paper tend to be biased in "favor" of Southern positions and reasoning or, if not biased, they have written to explain the Southern positions sometimes with, sometimes without, approval. Predictably, some of the views repeated here will be downright insulting to the more sensitive among us. Some third-worlders might be poor in food and income but they are rich in indignation and invective.

Five sections follow. The first gives the findings. The second section is an attempt to be brief about the semantics of "North and South." The next section is the first look at issues and problems through extensive quotations from literature which help to form the context of the North-South "debate." Following that is an attempt to roughly order the issues into categories, with supporting quotations once again from the relevant, if often biased, literature. The final section lists issues and derivative national security problems, and concludes with a brief suggestion of the interdependence of issues and problems.

FINDINGS

These findings are not matters of fact. They are deductions about strategic matters from matters of economic relations and political conflict between the North and South.

-- The fundamental division between the industrial North and the developing South in the world political economy is ideology. They do not disagree about the laws of supply and demand; they disagree about the distribution of wealth.

-- The problems of economic development are long term; what is true today is likely to be true for 2000 and sometime beyond. Consequently, the strategic issues which grow out of continuing conditions associated with development in the South are also likely to persist into the distant future.

-- Assuming the United States will see strategic value (access to territory and resources) and political value (alignment; expectations about future US behavior) in the future South, the problems and issues of development and of N-S relations can show themselves in indirect threats to those values in the form of resource cartels, embargoes, nuclear proliferation, revolution, expropriation, and third-party war.

-- Revolution is likely to be the most common and dramatic manifestation of Southern and N-S problems. The outcome of revolution need not be contrary to US strategic values but, of course, could be contrary.

-- Third-party wars (third-world nations as antagonists; Communist nation intervention directly or by proxy), sometimes in the form of revolution, will present the United States with a policy dilemma in the case of proxy combatants. The problem would arise when the United States, to protect a political or strategic value, sides with the status quo regime where the revolutionary force may be the long-term stronger force and is being helped by the proxy.

-- Beyond dramatic events like revolutions, there are the beginnings, in the 1970's, of a surge or wave of coalescing attitudes and expressions of values from the South. This is new in the annals of economic development and N-S relations. If it continues, say in the form of the South's call for a New International Economic Order, we can expect Southern states to try to develop or to find sources of power they can use in dealings with the North, as opposed to the quiet diplomacy of conflict resolution of the past.

-- Finally, the obvious problems and the sometimes subtle problems and issues of N-S relations are clearly appropriate subjects for long-range strategic study because of their almost certain continuation and their heavy flavor of conflict.

NORTH-SOUTH DEFINED

A recent cartoon showed a man standing at a travel agency counter being told that he could go around the world in 30 days or around the civilized world in 3. Before the end of colonialism, the "other" world was indeed referred to by one or another patronizing, snobbish, and otherwise culture-loaded term unflattering to its inhabitants. Many of the labels we use today--First and

Third, Developed and Underdeveloped, Rich and Poor, and others--fare no better as acceptable to the people on the negative side of these pairings.

The concept of the Third World is not a cultural category; it is a political and economic category born of oppression, indignity and self-contempt.¹

North-South, we may speculate, might have been relatively neutral and inoffensive had not those other two cardinal directions, East and West, already been used for so many years to divide the world into ideological camps. Still, although an unprovable guess, we can suspect that North-South started as a euphemism for the more objectionable terms in earlier use. Underdeveloped countries, third force, backward nations, less-developed countries (popular in US Government writing), emerging nations, poor and have-not are used or have been used in writings dating from the 1950's. "Developing world" is used in United Nations documents and is, presumably, inoffensive to the people it covers. But Third World is the most popular and might be called the precedent term for North-South.

The French had a word for it. Third World is a direct translation of tiers monde. In 1952, a French demographer, Alfred Sauvy, wrote,

For this Third World, ignored, exploited, and despised, exactly as the Third Estate was before the Revolution, would also like to be something.²

The Third Estate was the common people, as distinguished from the nobility and the clergy.⁷

Further use and development of the term may be seen in these passages.

In common parlance, First World refers to the Western industrialized democracies, with Japan, Israel, and South Africa often included. The Second World consists of the Communist bloc of nations, including the Soviet Union, Poland, East Germany, Hungary, Romania, and Czechoslovakia. All other states. . .are grouped together as the Third World.³

The general characteristics attributed to Third World nations included a relatively low per capita income, a high rate of illiteracy, agriculturally-based economies, short life expectancies, low degrees

of social mobility, a strong attachment to tradition and, usually, a history of colonization.⁴

John A. Pincus used the terms 'rich' and 'poor' countries in the 1968 volume he edited. . . .Third World was not used, but Pincus did note that trade between rich and poor countries is sometimes called North-South trade.⁵

An unexplained narrowing of the concept of the North is a recent reference to the "'North,' or industrial market states of the OECD, and the 'South,' or non-Communist developing world. . . ."⁶

Another writer echoes the frequent lament that showing distinctions between groupings of nations by economic or other characteristics usually fails and the results are somewhat arbitrary.

'North' refers to the technologically advanced, high-income industrial democracies in North America, Western Europe and Japan. . . . 'South' is the less-developed poorer countries of the world.⁷

[But this author excludes the Soviet Union and the COMECON nations, Spain, Greece, and Turkey.]⁷

Those of us not satisfied with untidiness will find no comfort in North-South or other two-part labels. Exceptions and qualifications always are necessary for reasonable precision. But North-South is a useful designation if we must have one for shorthand communication in every day work.

Another two-part designation is 'North-South,' based on the fact that Northern Hemisphere nations tend to be more economically advanced than their southern counterparts.⁸

If our purposes for writing and research demanded better distinctions than N-S, surely they could be devised. For example, Edwin Reischauer, looking to the future of world economic development, suggests that "for the purpose of analyzing the effect of global limitations on various types of countries. . . .," three dimensions of distinction could be used -- industrialization, resources, and trade.⁹

	<u>Industrialization</u>	<u>Resources</u>	<u>Trade</u>	<u>Example</u>
First World	1. industrial	rich	trading	United States
	2. industrial	poor	trading	Japan
Second World	3. industrial	rich	autarchic	USSR
	4. nonindustrial	rich/poor	autarchic	China
Third World	5. nonindustrial	rich	trading	Saudi Arabia
Fourth World	6. nonindustrial	poor	trading	Bangladesh

The prospect and then the reality of global limitations will press down upon these various categories of nations in varying ways, producing perhaps quite different problems and divergent reactions. Sharply contrasting attitudes, for example, will develop between the industrialized and preindustrial groups regarding the allocation of limited global resources and the rules to govern environmental pollution. The preindustrial countries will demand a larger proportion of total resources than they now have in order to accommodate their own industrialization, while the present affluent consumers of the bulk of world's resources will resist a diminution of their share. On the other hand, the already industrialized countries, being more aware of the ecological threats to the world environment, for which they are overwhelmingly responsible, will insist on stringent ecological controls, while the others will protest the brake such controls would put on their own industrialization, arguing that until they have reached the levels of pollution and consumption of the already industrialized nations, they should be exempt from these restrictions.¹⁰

North-South is, then, the inheritor and one of the last in the line of two-part distinctions which can, depending on our purposes for study, be broken down into finer distinctions. Yet something vital is still missing from these various definitions of the distinctions--almost all point to a material distinction of some kind, and, as in Reischauer's set-up, a political quality. Attitudes and values also seem different enough between North and South to have meaning for relations, and these values are more than reflections of different stages of industrial development. Accordingly, part of the reason for documenting the expressions of problems and conflict found in the following section is to get a sense of these nonmaterial differences.

THE NORTH-SOUTH RELATIONSHIP

What is the N-S relationship about? In large part it is the demand for a New International Economic Order (NIEO). The NIEO

can be formally dated from the Algiers conference of the Non-Aligned countries in 1973 and which has been pursued with the backing of these countries at the United Nations and other international instances, has precipitated a reconsideration of the structure and processes of the world political economy. . . . This has resulted in a large and growing literature that to date, if it has not entirely clarified the problems and issues besetting the world political economy, has at least made it possible to identify certain salient currents of thought about them. . . .¹¹

What, then, is the literature on the NIEO about?

At a first level, the NIEO is a series of specific demands and considerations embodied in an impressive range and number of official documents adopted by international conferences.¹²

Concern for the NIEO dates from the first UN Conference on Trade and Development in 1964 where the Group of 77 was formed. A "better economic order" (rather than a NIEO) was advocated.¹³

The demands formulated in this session, though mainly exhortatory in character, were nevertheless opposed by the United States and other developed countries. . . .¹⁴

In 1967, the Group of 77 met and developed a number of principles that summarized their wishes in the field of international trade and aid. The exhortations of 1964 became the demands of 1967. "Should" became "must." "Goodwill" became "duty." By 1971, both the North and the South were feeling the international monetary crisis and other economic difficulties. At this time, a Southern declaration raised, for the first time, "the imperative necessity to build a more just international, social, and economic order."¹⁵ In other words, the South wanted not only changes in trade and aid practices, but wanted also to change the structure of international economic relations.

This desire was confirmed following the 1973 oil crisis. The 77 expanded to include most or all of the developing nations in the United Nations. After a series of meetings, the UN General Assembly proclaimed its determination to work for the establishment of a New International Economic Order. The South's desires and demands, which are covered in general categories of issues later in this paper, are really incidental to the political character of the NIEO, which, in the sense of political economy, meant a fundamental change away from open trading in open markets where prices and quantities are set and where the guiding ethic is reciprocity (both parties gain in any economic relationship), to equity in the form of a redistribution of world wealth.

This formula [the NIEO] was to encompass all the claims of the South. It also had the merit to show that the old Breton-Woods system could not function any longer in the new international environment. The structural issue was the first concept underpinning the new order. The second was that of self-reliance for the South, harnessing and applying its capacity for joint action and mutual cooperation.¹⁶

One reaction to this movement by the South is that it

Thus becomes the means to eventually overcome U.S. capitalism and to transform American society to the levels of "justice, equality and liberty" to be achieved according to the socialist theories guiding many representatives of the Third World. Even if the rhetoric were just an instrument encouraging the U.S. intelligencia supply of guilt feelings designed to foster transfers of wealth, such transfers require institutional arrangements modifying the long-run nature of our society.¹⁷

Well, whatever the South is up to, its members were obviously trying to do it through strength in numbers. And, whether many of the South's claims were rhetorical, this cooperative action itself was something new. LePrestre makes an interesting point related to this idea.

The more one's unity is precarious, the more one has to express one's faith in it. In that regard, the formula [NIEO] was very useful. All the LDC's grievances were summarized in that term; all their energy

turned toward achieving it. Quickly, the political solidarity of the South became centered around the call for an NIEO. It was, then, more and more difficult to abandon it.¹⁸

At a second level, the NIEO is "a negotiation process, broadly speaking, between countries of the North and South" ¹⁹ This is clear enough in the previous quotes. The missing subtleties have to do with how serious the common voice of the South is when speaking through the "formula" of the NIEO. Do they really want what they say they want, or do they believe that demanding dramatic changes will get them less dramatic concessions from the North that they would otherwise not realize through a more "reasonable" approach? Currently, this is probably a moot question. The important political point is that many in the South are acting as if they were serious about their demands.

At a third level,

The NIEO has precipitated a debate about the real and desirable basic structure of world economic relations. /But the debate is not confined to international relations.⁷ Structure here encompasses the relationship among regions within countries, among different industries and economic activities, among different modes of production, and among social classes, as well as those among countries of different groupings.²⁰

It is worth backing off to take one person's broad look at what is behind this debate about basic structure.

The great discovery of the 1930's which we call the Keynesian revolution brought the political and economic powers of the state into action in order to make good the shortcomings of the capitalistic economic system, through the provision of welfare and the deliberate exercise of compensatory demand management /e.g., deficit spending by governments/. So long as either national economies were relatively little penetrated by foreign trade and international production (and balance of payments therefore still predominantly determined by the current trade balance), and so long as the international environment allowed Keynesian policies to achieve some growth in the national economies, the solution to the problems of capitalism appeared to have been found. But in the 1970's we have seen a situation in which the industrialized countries have experienced an extended recession set off by the . . . effects of the redistribution of financial resources to non-consuming oil states, at the same time as a tremendous increase

in international trade and production has opened these economies to the effects of this recession. The power of the state in these years has consequently been used in each of them. . .to exacerbate instead of to remedy the problems of capitalism, making adjustments more difficult through competitive subsidies and putting obstacles in the way of continued growth through expanding markets.²¹

A more general way of saying that the "market" cannot solve problems any more is that we have a world economic system which

Gives power to the market and an international political system that gives power to the states--but in which power is dispersed among many states.²²

Other than the features of the system which allowed Keynesian policies to work, these conflicting market and state powers were made to work by one or another dominant economy--first, the United Kingdom; later, the United States. A liberal international economic order (free trade) does not confer equal benefits on all nations as they see it, compared, possibly, to going it alone. The liberal order had to be imposed; today and in the future neither the United States nor any other nation is strong enough to impose it.

When the alleged benefits to all nations of a liberal order seem to be missing, and when it seems to the South that the "system" won't work to help them, then they might expect--by such devices as the NIEO--to get help through a new structure of distribution of wealth, something on the order to an international welfare state.

But,

the ideal shared by old-fashioned liberals and social democrats, by business executives and old-fashioned Marxists, can never be realized so long as political authority is shared among sovereign states. It would be unreasonable to expect such states either to apply the principle of "fair shares" to others in socialist planning or to regulate (and compensate for) a market economy so that the economic interests of others are given precedence over their own.²³

The concepts 'interdependence' and 'dependence' have come to characterize and symbolize rather different world views and visionsInterdependence tends to be proposed as both approach and

ideology by individuals and institutions in the advanced industrialized states whereas dependence is seen by many in the poor countries to be their major problem and constraint, resulting in underdevelopment rather than development.²⁴

The interdependence perspective is essentially a Northern one whilst the dependence critique is largely a Southern response.²⁵

Rather than seeing increasing interdependence as the path to peace and prosperity, the dependence perspective treats it as a 'mystification' which attempts to disguise the causes of uneven growth and the lack of a national autonomy in the majority of Southern states.²⁶

Advocates of the dependence and interdependence approaches have their own institutional affiliations and concerns. . . . The dependence perspective was closely associated initially with the Economic Commission for Latin America and has now become the new orthodoxy of Third-World-related organizations, such as UNCTAD and the Third World Forum. By contrast, the interdependence school is closely linked with the Council on Foreign Relations and the Trilateral Commission which, together, have been influential in both the US State Department and now the Carter White House.²⁷

Advocates of NIEO when influenced by the dependence perspective seek to transform established global structures by instituting new forms of international exchange and interaction in which redistribution of wealth for equity is the major criterion. By contrast, those concerned with interdependence seek merely to reform present institutions, not so much to reduce inequality as to ensure relative tranquillity, based on the ethic of reciprocity rather than redistribution.²⁸

This last quote may be as good a characterization of North-South differences as we are likely to find.

ISSUES AND PROBLEMS

The general context of the North-South debate contains more specific issues and problems which will be discussed here in three categories: international economics, internal change in Southern nations, and power. These are not the traditional problems and issues of development such as overpopulation, too few usable resources, and social barriers. Development issues, while being true problems for both the South and the concerned North and underlying the entire range of N-S relations, would exist quite apart from the newer N-S issues

reflected in the NIEO. One way to put this more clearly is that the "new" perspective of many in the South is that the North is not only part of the solution to developmental problems, but also much of the problem. However, we should not be interested in the fairness of perspectives so much as that they exist.

International Economics. Five economic issues are repeated in the N-S literature. They are pertinent but also questionable in light of some of the Southern views expressed in the previous section. This is because four of them, and even some parts of the fifth, imply acceptance by the South of the "structure" of the world economy, a structure which they reportedly might want to change. Or, another interpretation is that the South seeks solutions to the problems expressed in these issues by means other than the current system of international commerce. In any case, these are the issues on which the developing countries "have agreed to negotiate."²⁹

-- The price stability of raw materials. This includes what is called the terms of trade problem where rising prices in the North are passed on to the Southern importers of Northern manufactured goods while the South's raw materials prices do not rise by offsetting amounts for the importing Northern countries. If some proposed solutions do not work out, or do not even reach agreement to try them, the South might see benefits in getting out of the "interdependent" free-trade world economy. Obviously, getting out is no solution for those developing countries most dependent for their economic life on exports of a few raw materials.

-- Tariffs and nontariff barriers. These do exist to limit Southern exports to the North and some apply, ironically, to production which is a stepping up of a Southern economy from a single product export country to a more diverse,

developing economy. In other words, the issue refers to all of those barriers created by Northern states to imports which compete with Northern industries which would be threatened with dislocation and unemployment if the barriers were let down.

-- The South's indebtedness. The poorest countries of the South, especially, have run up huge debts to Northern countries and banking interests. Economically, the Southern countries want relief from the burden of debt while trying to develop. Politically, debt is a sometimes self-inflicted loss of national sovereignty to the creditors of the North.

-- Participation in the decision-making of international bodies such as the International Monetary Fund and the World Bank. Since the decisions of these agencies about loans, technical assistance, and money policy tend to determine the economic situation in some Southern countries, the developing nations believe their current underrepresentation makes them subject to the North's power in yet another way.

-- National sovereignty over national resources. "This question is not disputed as a principle; the problem deals rather with compensation. The LDCs argue that compensations should be considered according to domestic law and enforced by domestic tribunals, to which of course the North is strongly opposed."³⁰

Internal Political Change in Southern States. Surely, it no longer takes statistical correlation techniques to see that revolution is associated with conditions in those nations we call the South, while stability and orderly transition of governments are characteristics of the North. It must be suspected, then, that as these economic and political conditions continue in the South, revolutions will continue.

Internal political change in Southern states is an issue in N-S relations because of the Northern economic and strategic interests affected by the changes, and because of the role Northern states might have in causing revolutions or in maintaining the non-revolutionary status quo. The North's "revolutionary" influence need not, but can, be deliberate and intended. Economic and military assistance, debt management, a human rights policy are all avenues of influence on weak governments and exemplary practices in the eyes of new regimes. That is, the range of policies of, say, the United States toward a Southern nation is exemplary in the sense that whichever "government" wins the revolutionary battle, it will, because of these US policies, have some set of expectations about the United States which will determine its degree of friendship and cooperation. An example of creating expectations is the following quote from Ambassador Moynihan at the UN in 1975. It is really a human rights policy expression uttered before the explicit US human rights policies of later years.

We have no desire. . .to participate in a new economic arrangement whose beneficiaries will be the state rather than the individual, leaders rather than the individual, politicians and bureaucrats rather than the individual. If there is to be an increased flow of wealth to the countries of the South, the United States will insist that it be channeled into the pockets of individuals and not into Swiss bank accounts. . .³¹

But the point here, in looking to the future, is that the Southern states are vulnerable to internal political change.

The subordinate position of the South in the international economic system has its corresponding political reality. . . .Today these states are not only economically weak, but for the most part politically and administratively weak as well. Ironically, then, the greatest threat posed by the South in its demands /on the North/ may be to itself. Not international but internal crisis would be the most likely result of a paralyzing Southern attack on the world economic order.³²

While the self-inflicted wound idea may be true, another source of crisis in Southern states are those connections with the North which place them in a dependent position. One writer even describes dependence as

the manifold and sometimes hidden or subtle political, financial, economic, technical and cultural presence of the developed capitalist states in the underdeveloped country, which contributes significantly to shaping the nature, structure, functioning and transformation of its economy, society, and policy; a kind of 'fifth column' as it were.³³

One result of these last two quotes seems to be that the South can (1) rise up against the seen injustices of the current economic system and in doing so suffer internal crisis; or (2) continue to try to cooperate with the North and be subverted in the sense of having no real control over the direction of economic and political development in their own countries.

But internal crisis in a poor country trying to develop can have its own logic. For example, development means growth, but growth for whom? One finding of interest is that economic growth in the South has been accompanied by increased income inequality.³⁴ The cliché, the rich get richer. . . is what is meant by this idea. The industrialization of a country means, among other things, that the price of land rises, the poor are pushed off the land, and small artisans are put out of work by more modern corporate industries. Indeed, in the American experience, all of this seemed to work out well, but that experience was when industry was labor intensive and soaked up employable people as fast as they were displaced by the change and as fast as they immigrated. Unlike Eighteenth and Nineteenth century America, the poor countries are characterized by a number of different political, economic, and cultural conditions which make them ripe for crisis during development.

If we focus on the psychological manifestations of economic development, the motives for revolution are there. "Relative deprivation" is a person's

perception of the discrepancy between what he expects and what he believes he is capable of getting and keeping. When the gap is wide between expectations and beliefs, he may want to do something drastic about it.

The fundamental proposition that strife varies directly in magnitude with the intensity of relative deprivation is strongly supported by empirical research.³⁵

Which Southern governments might be overturned by strife in the future?

The answer is those which cannot be changed any other way. Dictatorships, military juntas which promise free elections any year now, oligarchies of ruling "families," and the like, all common in the South, no matter how strategically friendly to the North, are subject to future revolutions from the combination of relative economic deprivation and lack of political legitimacy.

Power. Strategists, perhaps overly conscious of Soviet values, are fond of saying that nations respect power in their dealings with each other. The South cannot be blamed for stealing this principle to apply in its dealings with the North. In one way or another, several possible future developments might be motivated by the South's seen need to develop negotiating power and, where Southern nations cannot do so economically, they might try to do so in other ways.

The South has not successfully organized resource cartels (other than oil) or otherwise been able to use any collective economic power in dealing with the North. But the picture of a powerless poor is dated. The resource rich developing countries are to be distinguished from the poor "basket cases" with little to bargain.

For all the clout demonstrated by the oil-rich nations of the Middle East, most other LDCs remain individually and collectively weak. Things may be changing but the balance of power economically remains "heavily weighted in favor of the North."³⁶

Other considerations include these.

There are voices in the Third World that regard accelerated growth as essential to the pursuit of all goals of reform. In effect, not until there is 'parity' along the North/South military axis will there be parity in the geopolitical division of spoils. Such a perspective . . . may introduce a dynamic new element of danger into international relations--namely, a universal, multi-actor arms race.³⁷

There is a real danger that we can become rigid and self-defeating if we fail to consider the connection between, say, nuclear proliferation and energy concerns.³⁸

At the crudest level, current foreign aid can be seen as buying off disruptive behavior on the part of the poor countries. By that argument, the more disruptive the Third World becomes, the more the developed will pay.³⁹

Some of these views are nonsense. Nevertheless, it is best to know what people think is true and possible because, in dealing with the future, even today's nonsense can be tomorrow's real capacity to act. If there is more conflict than cooperation between the North and South, as this review has implied, then all that is lacking to make that conflict escalate is the South's capabilities. The intentions are already there.

STRATEGIC ELEMENTS OF FUTURE NORTH-SOUTH RELATIONS

In this final section, the elements of N-S relations mentioned or alluded to in the previous sections and other elements which can be deduced from this approach to N-S problems and issues are brought together with concepts of US interests. These elements are those which can be expected to endure into the next century; indeed, they are no more than broad categories of conditions and activities which could contain a variety of changes in the coming years. For example, population is likely to be an enduring problem in the development of many Southern states; population pressures on available resources might get better or worse in the next 20 years, but "population," as a category, will still be important as long as the pressures are great enough to be a developmental

problem. In other words, this section does not contain analytical breakthroughs; rather, it illustrates a suggestion of the categories of things and ideas which should be considered in any analysis of North-South conflict or cooperation.

US Interests. The interests of the United States in the South can be expressed in terms of strategic and political value.

-- Strategic value is associated with territory, the loss of access to and use of would place the United States at a disadvantage in dealing with subsequent threats to its worldwide interests. Clear examples are bases, facilities, over-flight rights, and passage through straits. Another kind of access is to raw materials which, for the time they might be denied, are needed for national security. Of course, more stringent criteria could be applied to indicate when the loss of access to resources creates a crisis for the United States. In any case, the key concepts of strategic value are territory, resources, and access.

-- Political value is associated with the political alignment of a Southern country, and the expectations about future US behavior raised by past US behavior. Unlike strategic values, neither of these two concepts would probably have an immediate result. If we were denied access to a base, then obviously the results are immediate. But the alignment of a Third World nation might change (or not change) through some decision taken quite a while after an event. Consequently, the political value for the United States in a Third World country or region has to do with thinking about some of the consequences of some of our actions and policies. A current example is with the Soviet Union in Afghanistan. The political value to the Soviets (in the context of the Third World) could be negative if, (1) the Southern states become more

friendly to the West or less friendly to the Soviet Union, or (2) the Southern states expect that the Soviet Union would not hesitate to intervene in any one of their states, should such an occasion arise, in the future (for other than their protection).

It is easy to see that the two aspects of political value overlap a great deal and that strategic value and political value are also closely related.

Events and circumstances in the South and in relations between North and South which would bring strategic and political values into question would probably grow out of the elements that are described below.

Core Economic Development Problems. These are problems in most Southern countries which exist independently of relations with the North (although they can, of course, be influenced by the North).

-- Population. In many Southern states, a fundamental problem is the numbers of people compared to the resources and skills available to improve their lives through economic development. Related problems are found in culture, religion, tradition, birth rates, death rates, education, literacy, and the like.

-- Food. Many Southern countries have too little food for their populations. Imported food bought from or given by the North helps feed people today but may retard agricultural development if used as an excuse or expedient for too little local emphasis on land use programs.

-- Natural Resources. Many LDCs simply lack economically available resources to use or to trade. Others have developed one or a few and are subject to world economic trends affecting those resources on which their whole economy becomes dependent.

-- Energy. High prices and shortages of oil are problems common to North and South but from far different cultural perspectives. Local sources of energy, as with other resources, are poor or lacking in many countries and must be developed or imported.

-- Income Distribution. The people "at the top" in LDCs might live as well as most people in the affluent North. Gains in national income which go mostly to the local affluent are misleading indicators of a Southern nation's economic health. More dramatically, great inequalities in income distribution which persist are probably good indicators of coming political strife.

Ideology. This element, which has no subcategories, interacts with the elements of core development problems. One feeds on the other. Some Third World spokesmen associated their less developed status with their countries' colonial experience, an attitude which can include a philosophical rejection of Western "systems" of economics--in a word, the capitalist model of development does not necessarily appeal to them.

An additional aspect of this element is the variety of ideologies about the place and aspirations of the South held not only in the South but all over the world. In the literature on the Third World, these ideologies tend to be expressed in terms of the international economic order, with some favoring what we in America understand as capitalism, and others favoring various brands of socialism, including democratic socialism on some European models.

It is worth noting that when anyone writes about a Southern "ideology," he is necessarily taking great liberties of interpretation and use of language. The South has no one voice speaking for it. Individual nations in the South seldom have one voice speaking for them. The regimes in Southern states at any one time might range in ideology from closet Facism (a police state dressed up in democratic rhetoric) to true democracies with mixed economies. Yet it

is no accident and it is not free interpretation to draw a sense of an ideology in the statements produced jointly at conferences of the nonaligned nations and the General Assembly of the United Nations. We should not dismiss this source of difference and of conflict because we cannot "prove" it.

North-South Connections. The elements in this category exist because of interactions between North and South.

-- Debt. The enormous debt to the North of the LDCs may be defaulted by failing development in some countries or denied by new governments after revolutions. Some financial institutions in the North could be hurt by defaults.

-- Trade. Tariffs and other barriers to free movement of goods and services might get higher or might go down depending on economic developments in Northern and Southern countries. International agreements have sometimes been progressive, but for Southern states building new industries depending on exports for earnings, the outlook could not be very optimistic when their individual economic bargaining power is so limited.

-- Multinational Corporations. These are a significant instrument of North-South relations and raise issues of direct and indirect investment for development, outside control of a nation's economy, unbalanced development (immediate profit versus long-term infrastructure development), and national sovereignty (see below) over natural resources.

-- Participation. Mentioned previously, this refers to participation by people from Southern countries in the decision-making of international economic and financial institutions such as the World Bank.

-- Sovereignty. The long-term development and husbanding of natural resources and suspicion of foreign control raises problems of asserting national sovereignty over the use of those resources. The South wants such questions

decided locally, by local standards; expropriation and nationalization are always threats to the North in the background of N-S interaction.

Northern Initiatives. These are policies and actions initiated in the North and usually, in some way, intended to help Southern economic development or shape Southern economic and political life.

-- Technology. The North transfers technology to the South in many forms, all of which amount to more efficient ways to use what the Southern country has to work with. One issue among students of development is which technology is "appropriate" for a developing country. Some technologies which might be outdated in the North might be more useful in some Southern countries than more sophisticated alternatives.

-- Economic Assistance. Although this may be the core of Northern help given to the South, questions remain about priorities and benefits. Who benefits from economic assistance is not so much an economic as a political question. Even "correctly" applied economic assistance which improves a country's development could run into the theory of relative deprivation. Ironically, the more successful Northern aid is to a Southern country, the more likely that some economic setback during development could stimulate political strife and even revolution.

-- Military Assistance. This form of help is an issue in N-S relations in the sense of competing political interests within a recipient country (for example, an oppressive regime maintains itself in power while receiving some form of military assistance), and in the sense of dependence on the supplier for the continued usefulness of equipment (spare parts, ammunition, etc.).

-- Human Rights. Unlike the other elements in this category, the North's policies on human rights as they affect relations with the South are not something transferred from North to South. But the human rights

policy, when it is a criterion for other kinds of assistance, is a form of influence. The current (Carter Administration) emphasis given human rights consideration and the label, "human rights," can be misleading in discussions of N-S relations. The North has always had a human rights "stance" or "attitude" in dealings with Southern countries. The United States, for example, could not have condemned Communist takeovers in the Third World without reference to how such regimes would subjugate the people, and the like. Clearly, the United States was saying that it stood for "something else." Today, the human rights policy is more explicit in the North; its reception in the South is mixed. The policy has been honored in its breach through the hypocrisy of some Southern spokesmen (for individual regimes) who do not say it is none of your business, but rather deny that human rights have been violated.

Consequences as Conflict. The elements of N-S relations can produce events which might include one or more of the following activities. Each and all raise questions about the strategic and political value of the affected country or region to the United States.

-- Revolution. The violent or coercive attempt to overthrow a regime is the most serious future threat to strategic and political values. If Southern nations are both politically and economically weak, then internal dissidents, perhaps aided by foreign sources, are likely to try to establish a new regime. And, where democratic processes of change are absent, the means of change more or less comes down to revolution. The outcome of revolution might produce a regime friendly to the United States or hostile, depending on how extreme its ideology and how it interprets the record of US relations with the country.

-- Third-Party War. This concept includes military aggression from any foreign source. The consequences are largely the same as for revolution, but

when the aggressor is foreign it should be easier to predict if the outcome would be positive or negative for US interests.

-- Revocation of Base Rights and Facilities. This is a self-explanatory action a Southern state can take against Northern states with access to these values.

-- Expropriation and Nationalization. Southern states might simply take over Northern industrial interests in their countries as a "weapon" of economic warfare or as a policy of a new regime following war or revolution.

-- Cartels. Possibly a threat without substance, cartels of selected raw materials, if Third World states were to organize successfully might be a device to control prices.

-- Nuclear Proliferation. Some Southern states have shown that a general condition of poverty and underdevelopment does not stop an otherwise able state from developing nuclear weapons. As world economic relations are seen more and more in terms of coercive power (as they may or may not be), then other visible trappings of power such as nuclear weapons might lure some developing states.

This mixed bag of events and policies are those which can be the initiatives or the curses of the Southern states in the future. All have in common a potential threat to strategic and political values issuing from the Third World itself rather than from Communist states. They are the result of seeing North-South relations in the context of sources of conflict.

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