

5. From the U.S. debate on development

That the appropriate technologies strategy is murderous for the developing sector and economically (and otherwise) suicidal for the industrial nations is recognized by many in America's government, even by some long-time "development bureaucrats" in the State Department, AID, and other agencies. Therefore much of the organizing effort around the UN conference in particular and appropriate technologies in general has been devoted to pushing aside any opposition forces, or even those who may not go for these policies quickly enough.

A milestone in the campaign to make the Administration safe for appropriate technology was the November 1977 "Interim Report on U.S. Development Assistance Strategies" issued by the Brookings Institution. Author Lester Gordon, of the Harvard Institute for International Development, spelled out two primary goals:

First, all development policy should be removed from the hands of the State Department, the Congress, and any other bodies that might fail to be appropriately tough on the Third World, and put into the hands of a new Development Cooperation Agency,

responsible only to the President. Gordon explained in congressional testimony that "there is a tension in American aid agencies which goes back many years, between officials committed to quick results, and those concerned about our lack of knowledge for achieving such results." Taking development policy out of the hands of the former is necessary to open the field to innovative strategies emphasizing "quality of life," not technology and economic growth.

Second, development aid is to go only to the poorest countries. The "RLDCs" — relatively less developed countries — that might be within shouting distance of real development are to be left to existing institutions like the World Bank, Brookings advises. Moreover, the aid to the truly poor nations must be kept small ("rationed," in Gordon's phrase), because "if it becomes substantial, it is likely to discourage the kind of economic policies which would enable it to survive on its own."

A counterproposal from industrialists

In contrast to both State Department muddling and "appropriate technologies" superagency proposals,

From proposal to policy: the Humphrey bill

The principles laid out in the Stever and Brookings reports were given legislative form by one of the giants of British-brand "social consciousness" in the U.S., Hubert Humphrey, and introduced after his death as the International Development Assistance Act of 1978 by Senators Sparkman and Case in January. Now part of the foreign aid bill, it is awaiting Carter's signature, and he is expected to sign it this month. However, the provisions calling for an organization bypass of the State Department were not passed; hence Carter's move to accomplish this without Congress by expanding AID head Gilligan's powers.

Here are excerpts from the text of the bill as it was originally introduced:

Sec. 102. Development Assistance Policy.Provision of development resources must be adapted to the needs and capabilities of specific developing countries. United States assistance to countries with low per capita incomes which have limited access to private external resources should primarily be provided on concessional terms. Assistance to other developing countries should generally consist of programs which facilitate their access to private capital markets, investment, and technical skills....

Bilateral assistance and United States participation in multilateral institutions shall emphasize programs in support of countries which pursue development strategies designed to meet basic human needs and achieve self-sustaining growth with equity. The Congress declares that the principal purpose of United States bilateral development assistance is

to help the poor majority of people in developing countries to participate in a process of equitable growth through productive work, and to influence decisions that shape their lives...

Activities shall be emphasized that effectively involve the poor in development, by expanding their access to the economy through services and institutions at the local level, increasing their participation in the making of decisions that affect their lives, increasing labor-intensive production and the use of appropriate technology, expanding productive investment and services out from major cities to small towns and rural areas, and otherwise providing opportunities for the poor to improve their lives through their own efforts....

Sec. 201. Bilateral Development Assistance. ...Assistance from the United States shall be used in

there is another plan on the table. The industrialist faction in the U.S. is trying to secure government-private cooperation for high-technology exports.

Illinois Democrat Senator Adlai Stevenson III and Delaware Republican Congressman William Roth are supporting the creation of a new cabinet-level department to promote high technology exports to be called something like the Department of International Trade and Investment (DITI). The new department would be consciously modeled on Japan's Ministry of International Trade and Industry, MITI. Hearings were held on this proposal several months ago, before Stevenson's International Finance subcommittee of the Senate Banking Committee. Only last week, Roth introduced legislation to set up a foundation to promote high-technology exports, while Stevenson promised to submit similar legislation to the Senate.

The Stevenson-Roth momentum directly attacks the "appropriate technology" mentality. As Stevenson told the *Chicago Daily Defender*, Sept. 12, "That concept — appropriate technology — is a very demeaning one to the less developed countries."

Behind Stevenson-Roth and their congressional allies lie the industrialists of the Midwest and mid-Atlantic regions. Last year, at a time when Treasury Secretary Blumenthal was pushing protectionism against Japan and Europe and talking down the dollar, the Chicago International Trade Club, a group

of prominent industrialists, proposed a high-technology export drive. Their report pointed out that this would not simply take away existing markets from, for example, Japan, but expand world markets for exports, and would help stabilize the dollar. In response, and with prodding from trade Ambassador Robert Strauss, the Administration set up an export task force. But due to sabotage from the Treasury Department, the task force never amounted to very much.

The proposed "appropriate technology" super-agency is, among other things, an attempt to divert the industrialists' effort for a cabinet-level export department. The latest statements and proposed legislation of Stevenson and Roth indicates that the industrialist faction has not fallen for the gambit.

Brookings: no technology for the Third World

Indeed, like most appropriate technology tracts, the Brookings report is fairly direct in expressing its opposition to industry in general and U.S. industry exports in particular. In his congressional testimony, Brookings's Gordon explained that the purpose of the Brookings plan was to keep technology, as it is generally understood in the advanced sector, out of the Third World's hands. Even machinery and equipment cast-offs from the U.S. are too "technical" for the RLDCs, let alone the LDCs, he said. And anyway,

support of, rather than substitution for, the self-help efforts that are essential for successful development programs, and shall be concentrated in those countries that take positive steps to help themselves...

United States development assistance should focus on critical problems in those functional sectors which affect the lives of the majority of the people in the developing countries: food production and nutrition; rural development and generation of gainful employment; population planning and health; environment and natural resources; and education, development administration, and human resource development. . . .

Sec. 205. Selected Development Programs. ...Programs to help developing countries alleviate their energy problems by

increasing their production and conservation of energy, through such means as research and development of suitable energy sources including relatively small scale, decentralized renewable energy sources, conservation methods, collection and analysis of information concerning countries' potential supplies of and needs for energy, and pilot projects to test new or unconventional methods of production of conservation of energy, with due priority to be accorded to earliest practicable development and use of energy technologies which are environmentally acceptable, require minimum capital investment, are most acceptable to and affordable by the people using them, are simple and inexpensive to use and maintain...

Programs in cooperation with developing countries to promote the development and dissemination of intermediate and other tech-

nologies appropriate for developing countries.

Sec. 701. Establishment: Principle Officers. The Administration shall be headed by an Administrator who shall be appointed by the President, by and with the advice and consent of the Senate...

Sec. 703. Administrative Provisions. ...Subject to the provisions of this section, the President, for a period of four years after the date of enactment of this Act, may transfer to the Administration any function (including powers, duties, activities, facilities, and parts of functions) or any other department or agency of the United States, or of any officer or organizational entity thereof, which relate primarily to the functions, powers, and duties of the Administration as prescribed by this Act....

why indulge in capital investment when we need the kinds of technologies that will keep hundreds of poor natives employed? In the LDCs "the endowment of labor as compared to capital is more abundant," he explained:

so it really does not make much sense, in strict economic efficiency terms, for these countries to adopt highly capital-intensive activity when it has so much cheap labor.

Since a lot of our technology essentially is so capital-intensive, so much of it is inappropriate for these countries . . . The inappropriateness of a lot of our technology shows up particularly on the farm, where tractorization tends to lead to higher-priced products and to a great deal of unemployment.

But the report itself makes it a point to say that, despite appearances, it does not oppose economic growth per se:

While growth has been reasonably well served (in the Third World!—ed.), basic human needs have not. It should now be possible, without sacrificing growth, to serve the needs of the poor majority better than in the past . . . (There is a) tendency to equate these new and legitimate imperatives with an 'anti-growth' policy. We believe that economic growth remains the underlying means by which satisfaction of human needs is made possible. Simply put, the problem is how large can and should assistance be for the direct provision of social services. We believe that the size should be limited by each country's capacity in the long run to generate the revenues needed to sustain them. That capacity will be largely the result of the productive activities that are initiated . . . we urge that priority be given to the expansion of employment opportunities and the redirection of health, education, and other social programs away from a high technology, urban, and elite orientation towards low-cost services to the rural masses.

In his testimony, Gordon went on to explain that in the case of a nation that insists on inappropriate capital-intensive methods, or is not sufficiently committed to the Brookings version of "growth with equity," "we should lay back" — that is, refuse funds and assistance.

The report continues:

Expansion of the kinds of education, health, and other social programs now underway in the developing countries is likely to help the poor only marginally. Health programs which emphasize

urban, high-technology curative services are unlikely to help the masses of people in rural areas, or even the poor in the cities, whose dominant health problems are largely environmental in origin. . . .

Similarly, expansion of university education, which is typically free in poor countries, deserves deemphasis in comparison with rural literacy or out-of-school programs. The high-cost, urban-centered, high-technology programs are what international assistance has tended to emphasize because that is how Western technology is more easily transferred. The challenge is to develop low-cost delivery systems that will meet the needs of substantially more people with any given amount of funds. . . .

It should also be remembered that U.S. foreign aid strategy should reflect the fact that its capacity to help is limited by factors within the developing nations themselves. Explicit recognition of this fact should mute excessive expectations and ensure that highest priority in allocating assistance funds goes to nations following sound growth with equity policies.

The Brookings report recommends that the Agency for International Development (AID) be dissolved into the new Development Cooperation Agency, a step that would require congressional approval. In mid-May President Carter went a good part of the way by naming John Gilligan, the head of AID, as chief coordinator of all assistance and related economic policies supervised by federal departments ranging from the State Department to the Office of Science and Technology — a move requiring no congressional okay. Gilligan will be Carter's leading advisor on development affairs and the Administration's chief development spokesman to Congress.

In his testimony, Gordon had stressed, however, that a thorough clean-out of the old-line development men in AID and other agencies — those responsible for the Nixon Administration's "Rogers plan" and other relatively sane development initiatives in the past — was necessary if Brookings's proposals were to come into their own. The change to a DCA structure, he said, has to be more than "playing musical chairs." "Unless the change makes possible a substantial increase in flexibility for hiring and getting rid of personnel, then I see not much point to it." Perhaps, he suggested, real autonomy could be guaranteed by making the DCA a "Department of Development" with its own Secretary.