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CONTENTS

The future of the international railways of South America. A historical approach
   Robert T. Brown 7

The basic needs strategy as an option. Its possibilities in the Latin American context
   Jorge Graciarena 39

The process of modernization in Latin American agriculture.
   Gerson Gomes and Antonio Pérez 55

Plans versus planning in Latin American experience
   Carlos A. de Mattos 75

The Brazilian economy: option for the eighties
   Pedro Sampaio Malán 91

Contemporary protectionism and the exports of developing countries
   Gary P. Sampson 103

Economic Policy: Science or Ideology? (Part Two)
   Carlos Lessa 119

Some CEPAL publications 145
The basic needs strategy as an option
Its possibilities in the Latin American context

Jorge Graciarena*

The basic need strategy has been intensively discussed at international forums in recent years, but there still exists today a certain ignorance regarding its content and the economic and political factors which would favour its establishment and consolidation. Accordingly, the author begins by defining it clearly, for which purpose he contrasts it with other strategies, particularly those aimed at eradicating poverty and other which combine elements of several options in a somewhat eclectic manner.

After this definition, he devotes the body of the article to an analysis of some national and international political requirements of the basic needs strategy. As regards the internal political order, he emphasizes that in order for this strategy to prosper, the political régime must be one which, supported by a participating and organized community that controls the State apparatus, can guide and strengthen the strategy's implementation and at the same time overcome the innumerable obstacles it would face. International relations would require the establishment of a new order, of the type proposed under the system of "collective self-reliance", which sees basic needs as its central objective.

Given these and other political requirements which he also considers, he deems it unlikely that this strategy will be adopted within the short term in Latin America. Taking into account the rapidly changing times and the seeds of change they bring with them, however, he does not consider it as a useless exercise to start defining more precise features of this "concrete utopia", for it should not surprise anyone if, in a few years' time, it were to become the most likely horizon of our peoples.

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1. Two antithetical proposals: poverty versus basic needs

In this rapid examination of some recent proposals concerning poverty and basic needs, attention is focused on a small but significant group of such proposals which are shown under A and B in the footnote. These two proposals have been chosen because they adequately represent the extreme positions of the broad spectrum of proposed hypothetical options and possibilities which dominate the international debate today. It will thus be possible to discern more clearly the differences between them and to clarify some of the reasons which have converted them into a motive for confrontation.

The basic aim is to distinguish the true nature of the clearest and most influential proposals concerning poverty and basic needs when compared with one another in a broad frame of reference and as possible options not only in the face of problems of want and mass poverty but also as real options for social development and change.

These proposals are essentially very different in their axiological and ideological assumptions, their basic principles and aims, the time horizon involved, and their social and political coverage. As regards their relationship to the prevailing social order they can be considered as forming a scale ranging from acceptance of the status quo (World Bank) to radical rejection.

1 The following proposals are considered:


B. Another development and basic needs. First, reference may be made to the approach to basic needs in the 1975 Dag Hammarskjöld Report entitled What Now: Another Development (Development Dialogue), Uppsala, Sweden, 1975, N.º 1/2, and the group of studies "Towards a theory of rural development" in Development Dialogue, Uppsala, Sweden, Dag Hammarskjöld Foundation, 1977: 2. The collective book by Marc Nerfin (comp.), Hacia otro desarrollo: Enfoques y estrategias, Siglo XXI, Mexico, 1978, may also be consulted. All these studies are considered as forming a relatively homogeneous group. Also along this line of thought is the study by the Fundación Bariloche, Catastrope o New Society? A Latin American World Model, Ottawa, International Development Research Centre, 1978.
of the major social systems in force and even of industrial civilization itself ("another development").

They can be classified in the same way by the elements they include: while the first proposal is not much more than a limited poverty policy composed of palliatives that would fit in with any political order and style of development, the "other development" proposals aim at the complete reorganization of the internal and international social order, as well as that of the individual and social personality.

The first proposal is intended to provide solutions only to the problem of mass poverty visualized as an anomalous situation which must be "eradicated" from the social body, with secondary concern for population growth and income distribution, whereas the "other development", in contrast, covers a broader spectrum of problems ranging from nutrition and non-renewable natural resources, via population and the ecological balance, to democracy, the international order, social justice and the overcoming of human alienation, all of which are envisaged as an interrelated and mutually dependent complex. The mere possibility of purchasing a "basket" of essential goods is by no means sufficient: what this proposal calls for is to find ways of achieving the full development of the human state.

Consequently, the substantive disparity between these proposals is so considerable that most of the comparisons made are perfectly arbitrary, since they are out of context. To define this significant frame of reference is thus the main purpose of these notes, which merely aim to contribute some elements that will help to avoid such widespread fallacious interpretations.

Within an immediatist perspective, it may be said that the conventional developmentalism approach to the poverty problem is that it should be eradicated or extirpated without postponing or reducing growth nor substantially altering the structural features of the economy and power or, more generally, the dynamics of the prevailing style of development. Poverty is thus seen as a self-contained and isolated problem, with no projections over other structural areas or broader social processes. Hence the majority of the proposals in this connexion are assistance-oriented and paternalistic (channelling of resources from above to enable the "poverty line" to be crossed) and normally stand outside general development policies and strategies.

In one way or another it is taken for granted that the benevolent action of the "invisible hand" and of market forces will stimulate the "trickle down", thus mitigating the main wants of the poor until the so-called poverty gaps can be bridged. It is maintained that this is already happening and that the poor and marginal population will eventually be integrated in the dynamics of capitalist development. The considerable growth of the Latin American economy in recent years has caused some to think that a high proportion of the poor are only just under the poverty line and that their relative importance is rapidly diminishing. Hence, it is held, it should be possible to assemble the necessary resources to alleviate their wants without excessive or intolerable sacrifices on the part of the high-income strata and there is nothing, therefore to prevent the eradication of poverty being put forward as a possibility compatible with the continuation of a concentrating development style and a minority consumer society.

The "other development" approach, with the accent on the satisfaction of basic needs, is based on a very different assumption, which

C. In other proposals, attempts have been made to combine the approach based on the poverty situation with the basic needs transformation approach. A significant effort in this respect is represented by the ILO report Employment, Growth and Basic Needs: A One-World Problem, Geneva, ILO, 1976, and the Declaration of Principles and Programme of Action adopted at the Tripartite World Conference on Employment, Income Distribution and Social Progress and the International Division of Labour, Geneva, June 1976. The World Bank study entitled Redistribution with Growth, IBRD, Washington, 1974, is also in keeping with this intermediate line, eclectic in one sense and reformist in another.

2"Style of development" is understood here both as a mode of growth and operation of the internal economy and a form of its insertion in the international setting, and as a structure of power relations. See in this respect, J. Graciarena, "Power and development styles", CEPAL Review, N.° 1, first half of 1976.
from the start involves the elimination of poverty through a drastic reorganization of society and of human co-existence. Unlike the poverty approach, which is highly flexible and imitative (qualities which explain much of its credibility and appeal for the technocratic and hegemonic sectors), the explicit goal of the basic needs approach is the achievement of an egalitarian model of society. In some cases this model already has a label: the Fundación Bariloche proposes a participatory and anti-bureaucratic type of socialism. Several “other development” proposals include an elaborate explanation of this utopian model which contains the main characteristics of the “new society” in which, it is claimed, there will be no poverty because basic needs will be satisfied with the introduction of the changes proposed as requirements of the new societal model.

As will be appreciated from the foregoing, it is not possible to establish a gradual scale between the poverty and basic needs approaches, because the differences cannot be considered in the aggregate and the initial assumptions and objectives differ radically. In the one case, the eradication of poverty lies at the end of the road, while in the other the satisfaction of basic needs is established from the beginning as the structural principle of a model of society in which the poverty situation of want is, in principle, excluded as a real possibility.

All the proposals considered are based on an implicit or explicit diagnosis containing an evaluation of the present and a hypothesis concerning the scenario which is expected to prevail in the future. As already stated, the poverty approach postulates the continuity of the existing capitalist social order, while the basic needs approach is based on the conviction of its forthcoming irreversible decline and the most radical thinkers do not even consider the possibility of a happy adjustment that could indefinitely prolong its present moribund state. For some there is no place in the long-term future for anything but either authoritarian régimes of a corporative type or for a participatory type of socialism: under no circumstances is there any place for market capitalism. Although not always explicitly, the “other development” studies by the Fundación Bariloche share this position. In the long run, consumer capitalism is seen as inevitably doomed, not only because it is unjust and inhuman, but also because it is predatory and destructive and at the same time incapable of confronting and resolving the challenges of the future. Moreover, it is held largely responsible for the existing threats to the future of mankind. This may be seen in the final balance of the World Bank’s “assault on world poverty”,4 in

3“...In summary it can be said that economic growth with the preservation of the present income distribution system would, at the very best, delay the goal of a liberated humanity, free from suffering and misery, by at least two generations. It also implies the need to devote between three and five times more material resources to the achievement of the desired objectives, thus multiplying the pressure on the environment, and all this to maintain the careless consumption of privileged minorities... Lastly, the model shows within the obvious limitations of this type of work, that the fate of man does not depend, in the last instance, on insurmountable physical barriers but on social and political factors that man must modify. Their solution is not at all easy, because to change the organization and values of society, as history has shown, is much more difficult than overcoming physical limitations. To attempt the task, however, is the only way open to an improved humanity...”

“...It could be said that this proposal is utopian, and that it would be more realistic to propose solutions that involve less radical modifications to the sociopolitical structure of the world. Those two hold this position should be reminded of the words of John Stuart Mill more than a century ago: ‘For a great evil, a small remedy does not produce a small result: it simply does not produce any result at all.’ Fundación Bariloche, Catastrophe or New Society? op. cit., pp. 106-108 (our underlining).

4McNamara warns us about the possibility of a social revolution in the following terms: “The real issue is whether indefinite procrastination is politically prudent. An increasingly inequitable situation will pose a growing threat to political stability”, and “if, in the end, governments fail in that effort (a search for feasible solutions to the massive problem of absolute poverty), then I fear it will matter a great deal less what their other successes
the initial approach of the Hammarskjöld Report, and in the very title of the Fundación Bariloche study.

While the World Bank's proposal considers the poverty situation as the main threat to the status quo, the other proposals admit from the start the importance of the problems dealt with at United Nations world meetings on food, population, employment, natural resources and the environment, linking them with the critical debate on the future of the industrial civilization and the forecasts of a possible change in the historical system.

The poverty approach considers the socio-political structure as a constant when historical change has reached unforeseen and unprecedented rates. Thus, the World Bank proposal boils down, in substance, to an increase in the productivity of the rural poor and the urban marginal population in order to improve their incomes. In McNamara's own words: "...the basic problem of poverty and growth in the developing world can be stated very simply. The growth is not equitably reaching the poor. And the poor are not significantly contributing to growth. Development strategies, therefore, need to be reshaped in order to help the poor to become more productive." (From the preface to The Assault on World Poverty, p. v.; (our underlining).

Clearly, therefore, this proposal centres on a specific problem whose solution is of very limited scope: to reduce the structural duality and social marginality mainly by raising the productivity of the poor in the hope that at the same time this will promote the reduction of demographic growth and indirectly solve the population problem.

This is a typically conservative and technocratic solution because everything depends on acceptance by the government (p. 4) and it is based on historical-structural parameters which do not change but which, on the contrary it is aimed to preserve as an important final objective. Hence the concern about the significance of the threat as a possibility of changes in the power system. Therefore, the basic premise of the poverty approach is the need to ensure the continuity of the social system, and this is represented not only as a feasible possibility but also as a historical necessity for the survival of the present industrial civilization and capitalism. In this case, the social revolution is the much feared threat which a struggle is being waged to avert, while in the "other development" proposal it constitutes the hope that holds out the possibility of a more promising future.

Thus, it is not possible for the basic needs option to offer such specific policy proposals and plans as the poverty approach, since its very origin implies a complete reorganization of society. However much the "other development" proposals may attempt it, they cannot go much farther than the formulation of general policies; hence their main strength lies in their social appeal. Since they have not as yet materialized historically—a very different case from the poverty approach, which already has an established and operative place in the social order—to bring this about it is essential to convince, attract and unite social forces, prepared an ideology and propose a strategy of a very different kind, involving social and political action within the framework of a new national and international social project rather than planning and programming within the status quo.

2. The basic needs proposal as a concrete utopia

In short, the basic needs proposal is a task for men of government, politicians and intellectuals and is therefore pre-eminently a "con-
crete utopia. It should be remembered that the Hammarskjöld Report, which was specially prepared for the Seventh Special session of the United Nations General Assembly (1975), was directed at the Third World countries which were then promoting the establishment of a new international economic order. It is therefore more like a political manifesto than a partial strategy suitable for planners. The historical feasibility of this proposal will basically depend on the extent to which it fits in with the crisis that is diagnosed and on its appeal for those who hear its call and see that they are in danger. The force it may generate and orient in a direction that is rationally compatible with a solution of the crisis will provide the only legitimate context for evaluating it and subjecting it to criticism.

The "other development" proposals are often dismissed as utopian, in a clearly derogatory sense, because they advocate profound and far-reaching structural and institutional changes, whereas the poverty approach is preferred as being more realistic and in keeping with the facts, since it deals specifically with a supposedly limited and clearly defined problem and is therefore alien to any utopian digression which is felt to be so out of place in pragmatic technocratic circles.

Strictly speaking, utopian aspects are by no means alien to the technocratic approach, although the utopia is not expressly manifest or may be vehemently rejected as alien to the "technical truth" of this approach. It is just as utopian to postulate a future golden age as a mere extrapolation of the present as to postulate a different future as the result of its radical transformation. To wager on the continuity of the existing social order in the medium and long term may be as utopian (in the sense of unrealistic) as to wager on its radical transformation. Both possibilities will always be conjectures, although they will always be possible too. It all depends, then, on the predictive quality of the conjecture, on the way in which it adjusts to existential conditions, vital experiences and personal motivations, and still more on its capacity to induce the proposed changes.

As so aptly recalled by the Fundación Bariloche (pp. 7 and 108), a proposal of this kind, i.e., a "catastrophist" and change-promoting proposal, is always to some extent in the nature of a self-fulfilling prophecy, that is, a prophecy which induces and creates the conditions for its own fulfilment, when, of course, historical circumstances are favourable. What counts first of all is the initial impulse, an idea which finds social acceptance because it responds to a vital, intense and deep-seated need. This idea could very well be the catalyst of the process. The introduction to the Hammarskjöld Report is entitled "To set in motion the process of change", and it is headed by the following Chinese proverb: "Even the longest journey begins with the first step".

This type of wishful thinking, which tends to be an inwardly cherished myth while on the way to becoming an idée force, involves greater intellectual risks for those who advocate it than the tacit defence of the continuity of the status quo. In normal times nothing seems firmer or more secure than the latter, but when many things which appeared to be stable and secure vanish into thin air or rapidly collapse and troubled times set in, not a few of the old convictions waver and confidence in the duration of the prevailing order weakens and tends to evaporate. This is the high road to crisis, which operates as a feed-back mechanism creating its own forces of inertia that project it beyond its initial impulse towards a historical horizon which may bring either its partial or complete solution or else chaos and disassociation.

Continuity, change: who can convincingly demonstrate the possibility of either? The intellectual dilemma of choice may be resolved in various ways, either by means of ideological and axiological convictions or through paralyzing indecision. If these possibilities are judged as criteria applicable to reality, however, because of their capacity to represent concrete situations and real processes, and historical trends begin to be visualized differently and are seen to change their course, both the old and the new palliatives cease to be operative and the opportunity of change seems to impose itself by its own weight. It might be adduced that continuity and change are com-
patible options. But this would be an ambi-
valent approach consistent with the poverty
proposal but wholly incompatible with the
"other development" approach, because the
latter claims to be nothing less than the seed of
a "new society".

Therefore, nothing could be more arbitrary
than to place all these options on the same
plane and consider them as relatively inter-
changeable. The basic needs proposals cannot
be judged on what they have not got and cannot
have, and still less should they be placed
outside the conceptual context from which they
originated and to which they refer, i.e., the
menacing controversy opened up by the
studies of the Club of Rome, the reports of
world conferences on nutrition, population,
environment and employment, and above all
the discussion of the viability of capitalism and
its capacity to solve the major present and
future problems of mankind.

The poverty approach has very little to do
with this plane since it points in a different
direction and covers a much shorter distance
and problems of considerably less scope. It is
not claimed to be anything but a political
strategy of palliatives, of an immediatist nature,
aimed only at forging ahead and preserving the
existing status quo.

3. On other eclectic proposals

A great many efforts have been made to bring
the poverty and "other development" propos-
als closer together. These attempts are in two
directions, and are frequently combined. The
first type of attempt consists of establishing a
sometimes indefinite time sequence between
the satisfaction of material and non-material
needs. The second takes the form of reducing
the latter to the large-scale provision of second-
class basic social services (health, education,
leisure facilities) with no major structural
changes (assistance-oriented approach). Both
types always involve transfers of resources of
different kinds and some degree of income
redistribution, but always from the top down-
wards, without contemplating increased social
and political participation as a requirement of
the "basic democratization" process, which is
essential for the "other development".

The outstanding feature of some of these
attempts to formulate proposals that will recon-
cile the approaches to poverty and go beyond
their limitations is the effort to adjust to the
historical situation and estimate objectively
and realistically the feasibility of bringing
about such changes —of the most radical
nature, extending even to their structural
causes— as are considered necessary and pos-
ible in order to solve the basic needs problem.
Here lies their chief merit. However, it is
difficult for them to avoid the essential ambigu-
ity of resolving the structural inequality of the
social classes without tackling the question of
the dominant forces of society, the support of
which is indispensable in order to attain the
goal of eradicating poverty in conditions of
social peace and within the status quo.

In some incrementalist lines of reasoning
in relation to possible trade-offs between basic
needs and growth of production, it seems to be
assumed that basic needs may mean a curb on
growth, and this argument occupies an es-
sential place in the poverty approach. Accord-
ingly, it is affirmed that if such were the case it
would have to be avoided by choosing the
growth rather than the basic needs option. It is
a much more complex matter than a zero-sum
game in which one person wins and the other
loses, however. The reconciliation of the basic
needs approach with growth would certainly
not be feasible with the present growth model,
which in essence excludes other approaches,
but only with another development style
having an affinity to basic needs, that is, having
different objectives not only in the economy
(employment, income distribution, organization
of production, supply and demand for
products) but also in society and politics
(a more open, pluralistic, democratic and
participatory society).

Accordingly, the assertion that the basic
needs approach constitutes a threat to growth
in general does not make sense, because what

This concept is used in the same sense as that given
to it by Karl Mannheim, Liberdad y planificación social,
translation by Rubén Landa, Mexico City, Fondo de Cul-
tura Económica, second edition, 1946.
is really in question is the prevailing style of growth and capitalist development. This inevitably would be affected by a broad strategy for the satisfaction of human basic needs. There can be no possible trade-off with it if the aim is to preserve its present character. Any compatibilization of basic needs with growth—which is perfectly possible—calls for a structural change, even if only gradual, in the prevailing style of Latin American peripheral capitalism.

4. Basic needs and Latin American political styles

In the light of the above reflections, the concept of the satisfaction of basic needs is not only considerably more inclusive than the poverty concept, but also requires, in order to put it into practice, more drastic and extensive economic and social changes. In some recent international documents it is affirmed that the basic needs approach not only entails the transfer of resources to the poor, whether at the national or international level, but also calls for the restructuring of institutions, including the credit system, trade patterns, market structures, development of technology, and political power. It is also argued that a drastic restructuring of political and economic power is often needed if the fruits of development are to be extended to the vast majority of the population. What is proposed, therefore, is nothing less than a radical social and political transformation such as would very probably exceed the limits of change desirable or even tolerable to the groups in power in most of the Latin American countries. To many of the élites of these countries all this will sound like an invitation to commit hara-kiri.

A “drastic restructuring of political and economic power” and of economic “institutions” (credit, trade, the market, technology) that would benefit the “vast majority of the population” could perhaps come about imperceptibly and without opposition over a very long period, but even then only when such changes were at the same time facilitated by trends which might be described as a “favourable historical chance”. In any case, the forces of change could not prevail without some conflicts, and even this would take too long for the expectant sectors to wait.

On the other hand, if an attempt were made to put the “other development” proposals into effect in a drastic manner, that is, rapidly, with determination and in their entirety, it seems certain that their would encounter formidable opposition from the privileged groups currently controlling the principal means and sources of economic, social and political power and benefiting from the prevailing style of development. Accordingly, the basic needs proposal involves the necessity of a veritable revolution and will therefore be rejected by the dominant classes as a threat against the established order.

I think this is the main reason why there has been a cooling-off of interest in the basic needs approach on the part of the governments of most of the Latin American countries. Thus, their increasing awareness of the concrete significance of the basic needs approach as a threat to the continuity of the established hegemonic order is causing them to depart from recent positions which, at least in principle, were closer to the spirit of this approach. I refer in particular to the approval of the appraisals of the International Development Strategy (IDS) undertaken in Latin America (Quito, 1973; Chaguaramas, Trinidad and Tobago, 1975; and Guatemala City, 1977), in which a critical evaluation was made of Latin America’s development from the point of view of social benefits for the people, and the governments proposed development measures and strategies designed to correct the acknowledged deviations (concentration of income, unemployment and underemployment, pauperization, consumerism, growth of urban slums, etc.) observed in processes of rapid economic growth without generalized social well-being, i.e., with considerable masses excluded from the benefits of economic modernization, and with widespread situations of poverty. It is also true that very few of the most

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important recommendations were implemented and that economic growth in the majority of the Latin American countries maintained without much change its exclusive, inequitable, concentrative and socially distorted characteristics.

For a better understanding of these reflections with respect to the feasibility of the basic needs approach as an alternative proposal it would seem necessary to give a clear idea of Latin America's present political styles. Very briefly, in our opinion, the political régimes currently in force in Latin America consist of one or a combination of the following:

Traditional autocracies. These régimes, which are generally personalistic, familistic and oligarchical, are usually found in some of the more backward countries especially in Central America and the Caribbean, and are dominated by a caudillo-type leader with the support of the military, national special-interest groups and transnational corporations. Their inevitable doom as a result of the march of history is becoming daily more evident.

Technocratic authoritarian régimes. These can be military governments, or civilian governments supported and controlled by the armed forces. Although allied to minority sectors, they operate in a state of great isolation from civilian society. There is a very considerable reduction in the participating political society, which is the result of the wide use of coercive measures deriving from the political hypertrophy of the State, all of which facilitates the design and implementation by the technocratic sectors of growth strategies which generate strong social opposition because they promote high income concentration in favour of both old and new groups forming part of the dominant coalition, but which are none the less imposed in the name of the most monopolitical of economic ideologies. As these régimes lack a majority popular consensus, they are in a continual state of crisis with respect to their legitimacy, which makes it all the more necessary to impose their rule through the use of repression. In these cases, the economic policies followed have considerably accentuated

the transnationalization of the economy, with systems in which there is heavy opening up to the exterior and insertion into the international market, with transnational corporations linked or associated with national élites in technocratic and modernizing régimes which dismantle and repress trade union and popular movements.

Elitist democracies. Although these régimes may promote populist policies, they are of an elitist type because in them popular participation is subject to relationships of clientism and patronage. The hegemonic system is based on limited alliances and unstable political and social commitments, owing mainly to serious and growing problems in connexion with the integration of new upward moving strata and sectors with increasing social power which oppose the prevailing sometimes benevolent but always authoritarian paternalism. In these régimes, democratization has meant that the distribution of income has mainly benefited the upper middle sectors, and has continued to be highly inequitable with respect to the lower half of the population living in conditions of extreme poverty and want. To sum up, a typical feature in these cases is the maladjustment between the considerable degree and extent of integration of the civilian society and the small capacity of the political society to provide a channel for the participation and aspirations of the organized popular sectors. The popular legitimation of the political régime thus becomes a crucial problem.

The following are the most probable future options of these régimes: an intensified process of democratization, that is, their evolution towards forms of greater political openness and popular participation in more truly democratic régimes within a pluralistic framework, with clearly defined objectives as regards the satisfaction of basic needs; or a regression to technocratic-authoritarian régimes of the type described earlier.

If these Latin American political scenarios are examined it is not difficult to conclude that any grounds for expecting a favourable reception for basic needs policies would at best be weak and contradictory. Inasmuch as the present governments and ruling circles are

9Excluding Cuba.
appealed to, their reactions will be — as they are now — acquiescent in form and negative in practice, and if, despite everything, their reactions are favourable, this will be thanks to international pressure and assistance.

5. The opening up and transnationalization of the Latin American economies

The new development strategies based on the opening up and internationalization of the domestic market, which began to be intensified as from the mid-1960s, and the prevailing trends of political change which crystallized with the generalized establishment of authoritarian régimes — many of them of a military character — led to a considerable reduction in the participation of the people and the political demobilization of civilian society. It is in the context of these new development styles — of quite a different stamp and orientation from the previous populist political régimes, which tried to harmonize economic growth with some degree of social development — that the basic needs proposals are judged. The new strategies and policies aimed at opening up to the exterior are attempts to create an expansionary dynamic force in economic production, concentrated on the one hand in the external sector (exports and imports, financing, technology, increased participation of transnational corporations), and on the other in the internal diversification of a modern, sophisticated and "miniaturized" market within the reach only of the high-income groups. In short, the prevailing trends in Latin America in the past decade have been socially and politically regressive, if compared with parameters of the satisfaction of basic needs and radical democratization, or with the goals established in the International Development Strategy.

The policies of opening up to the exterior and transnationalization have permitted a rapid growth of production in the modern sector, although with few external economies to step up the growth of the traditional sector which produces for the domestic market and accounts for the major part of employment.

Instead of growth "on two legs", which would enable the modern and traditional sectors to support and stimulate each other, the internal structural heterogeneity that already existed has been further accentuated, with a marked impact on the levels of technological development and of productivity and regressive effects on employment, income distribution and the living levels of the masses.

Although it may be argued that these undesirable effects of the prevailing economic growth models have been mainly due to a series of unavoidable interrelated causes and to the incapacity of important social sectors to adapt to the rules of a "free market economy", the fact remains that the maladjustment between social development and economic growth has been one of the latent objectives (low cost and passiveness of the labour force) of economic and political strategies imposed by the State in order to attract foreign capital while simultaneously facilitating access to the world market for labour-intensive low-priced products. With little historical or political imagination, imitations were uncritically being made of models from Hong Kong, Singapore, Taiwan, Malaysia and other capitalist mini-States whose export economies have grown at a dizzy pace under the protection of advantageous geo-political situations which were rarely taken properly into account or were even ignored altogether in appraising the international success of their economies.

There is really nothing casual about this state of affairs. The social sectors which lack organization and power, either because they never possessed them (the poor and marginal groups) or because their strength has been drastically reduced or destroyed by repression (unionized workers), have remained excluded from the technocratic strategies of economies which no longer depend on them in order to expand and benefit the privileged minorities. It is primarily a question of the enjoyment of power and the rationality of objectives, where the circles and groups controlling the State and other important social power mechanisms have every opportunity to impose their will, and do so as long as they can without hesitation. Their social ethics are diametrically opposed to those invoked in favour of a basic needs strategy.

In this political context it would seem ingenuous to try to convince those benefiting
from this policy to do the opposite of what they are planning and doing to satisfy their own interests and maintain a status quo which is to their advantage. It is difficult to hide from them the fact that the basic needs approach brings with it an imperative need for social reforms and structural changes that will inevitably undermine their power bases, against which they are trying to defend themselves at both the internal and the international level.

The great expansion of international economic relations favoured this growth model for more than a decade until the external expansionary impetus was considerably reduced by the 1973 oil crisis and the world recession in 1975 and the ensuing years, when the region’s growth rate dropped steadily. The protectionist measures adopted by the central countries helped to aggravate the crisis of the externally open model because it depends on a steady expansion of world demand, which did not grow at the expected rate and in some cases tended to remain stationary or even to contract.

Forecasts regarding the possible persistence of the recession in the centres still further accentuate the reigning confusion, which is complicated by the emergence of group expectations and social and political demands calling for a return to the expansion of the domestic market for the masses and therefore contrary to the style involving opening up to the exterior prevailing in the major part of the region.

6. Basic needs and the new international order

The basic needs proposals are not compatible with any new system of international division of labour (the New International Economic Order). One of the great merits of the Hamarskjöld Report was precisely that it showed that basic needs—in the broad material and non-material sense envisaged there—can only be satisfied in the context of a specific new international order that assings priority to relations among developing countries based on their own efforts, the full utilization of their human and natural resources, free and advantageous association among them, and respect for their sovereignty and national rights. This complementary proposal called “collective self-reliance” has been developed in many studies, particularly in the Third World Forum and other groups interested in the formulation of alternative styles of development.

In contrast, the new international division of labour which is being forged through the growing transnationalization of economic relations is obviously not a proper basis for a new international economic order intended simultaneously to reduce international inequalities and extreme internal economic and social disparities. The dominant élites of countries not wishing to make concessions to basic needs exert pressure to establish a new international economic order which is not compatible with them, and still less with collective self-reliance. This indeed is what appears to be happening in several large and medium-sized countries of Latin America, whose governments advocate an international economic order favouring their export pretensions without altering the position of internal domination of their ruling circles, nor transforming the social bases of the power bloc. Their rejection of the basic needs approaches is becoming daily more vehement and evident.

For a clearer understanding of some of the preceding assertions, it seems necessary to introduce a more general approach to the basic needs question and its relationship with the New International Economic Order. The present international scenario is criss-crossed by historical currents and forces which are contradictory as regards the types of organization they tend to impose at the world level. First, there is a contradiction between the affirmations of the cultural diversity and historical identity of the national State on the one hand, vis-à-vis the emergence of an increasingly interdependent and centripetal international order on the other. This means a progressive reduction of the principle of national sovereignty, curtailing the States’ operational autonomy and possibility of freely deciding the management of their economy and their participation in global and regional security stra-

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tegies. Philippe de Seynes has highlighted this contrast and the "deep-seated tensions between the requirements of nationhood and the compelling vision of 'One World'".11

A second contradiction, which is more or less complementary to the former, is the divergent nature and orientation of the two processes of global interdependence, which in many ways are interlinked. The processes in question are the aforementioned internationalization of States on the one hand, and the transnationalization of the international division of labour on the other. Here there is something more than a mere academic distinction between political and economic relations at the international level. Rather, the affirmation points to the structurally contradictory nature and the manifest and latent antagonisms of two spheres of relationships which although analytically distinguishable are actually closely interrelated.

The national States are the principal actors in the process of internationalization, while transnational corporations play the same role in the process of transnationalization. These corporations dominate and control a major part of the flow of money and international financing, the creation of innovations and the transfer of technology, international transport and communications, and also the cultural industry aimed at the masses which has an influence of fundamental importance, from the formation of consumption habits to that of political ideologies. Through various organs and associations, financial clubs, councils and, above all, the Trilateral Commission, transnational corporations co-ordinate their activities and interests, devise and disseminate a common ideology (monetarist neo-classicism) and endeavour to forge a political will at the world level which often decisively influences the international order of States.

The image of world unity and the type of interdependence established differ in the two processes, although they are by no means dissociated. Central capitalist States and transnational corporations live together in a relative symbiosis and maintain a peaceful co-existence which, however, is not free from tensions, nor are their actions and objectives completely convergent. In the case of transnational corporations the domination motive appears to be such that their aim is nothing less than to make the internationalization process serve the needs of transnationalization. Some already see the national State as a historically obsolete entity which for that very reason has become an obstacle to the progress of transnationalization.

7. The "impact" of transnationalization on the internal order

This whole complex web of international, strategic, political and economic relations is in many ways interlinked with the internal order of the countries of the region. Some Latin American authors talk of peripheral capitalism while others —accentuating the dependency relationship— call this form of insertion into international economy associate capitalism. Notable in both cases is the close relationship established in the various countries between the interests of important sectors of their dominant business and political élites and those of transnational corporations operating in those countries and on the world market.

The constraints deriving from this linking of the interests of the national dominant classes with those of the transnational corporations depend on a number of factors which it would be out of place to analyse here. It should be noted, however, that this linkage has become particularly close in Latin America in the recent phase of growth based on strategies involving opening up to the exterior, that is, in the expansionist dynamics of a modern export sector and in the internationalization of the domestic market, the two areas in which the interests of the most important foreign and national enterprises converge and are associated in joint ventures or other types of conglomerates.

The markedly technocratic systems of domination which have been expanding since the mid-1960s have become increasingly opposed to structural reforms, to social policies which assign priority to employment and income distribution, and to the provision of

better and more extensive public services to the poorest marginal strata.

In this new-style elitist technocracy, which is so contrary to the populist and redistributive experiences of the past, the directors and strategists of economic growth ignore the immediate social effects of this type of system, which invariably tends to concentrate income, thereby aggravating the structural problems of poverty and marginality of the masses, while creating islands of prosperity for the ruling sectors. To ensure the functioning and stability of these growth systems based on opening up to transnationalization was not an easy task because they encountered strong social and political opposition which was only overcome through coercion exerted by authoritarian and repressive political régimes.

Accordingly, peripheral transnationalization is a process in which two streams, one internal and the other external, converge in a development style which harmonizes and favours the various interests of the dominant élites, the favoured sectors of the national economy, and international capital, but which at the same time leads to profound social conflicts and structural contradictions.

These systems involving opening up to the exterior were based on economic and social principles which represent a rejection of CEPAL’s tradition of structuralist thinking. Although its validity as an interpretation of the real situation in the region has not been discredited —indeed, it seems rather to be confirmed with the passage of time—the dominant classes which promote strategies linked with transnationalization base their action on new economic, neo-classical and monetarist currents of thought which are more in harmony with their authoritarian, technocratic and elitist styles of development. This “new economy” has become something in the nature of an ideology produced by the transnational corporations for export.

8. Reception of the basic needs proposal in the Latin American setting

In those countries whose development styles involve opening up to the exterior the reception of the basic needs proposals has been frankly negative. This attitude of rejection, however, is due not so much to the fact that the idea has been conceived and promoted in the North—which in a way is true—but to their clear recognition that its implementation would be incompatible and even contradictory with their economic strategies and the continuity of the established political régimes.

Hence the recent tendency to “internationalize poverty” and present the privation and misery of the masses as the moral responsibility of all countries, but particularly the richest. In this respect it is argued that social justice at the internal level depends on whether it exists in the international sphere, i.e., on equity among nations. Until a satisfactory new international economic order involving considerable transfers of resources and economic opportunities (in particular low-cost financing and access to the rich countries’ markets) is established, it is claimed, it will be impossible to solve the problems of hunger and poverty in the world. Furthermore, it is considered that because of the very magnitude of the problem a special programme of international aid would be needed to solve it.¹²

This is a deliberate, conscious political position by no means devoid of logic if account is taken of the internal relations of domination prevailing in Latin America, which it will be no easy task to change merely through moral persuasion. As noted earlier, many vested interests and forces of all kinds are concentrated in support of growth strategies which virtually exclude any real internal action aimed at satisfying basic needs, especially if such action requires considerable transfers of resources from the high-income groups, a more equitable transformation of income distribution, and control of the State and the power apparatus by society.

The present effort to promote the satisfac-

¹²This position was upheld at the OAS Assembly held in Washington in June 1978, where some statements by Latin American Ministers of Foreign Affairs clearly coincided in this respect: hunger and poverty, rather than being a national responsibility, constitute a blemish on the world and regional communities, and their eradication is the primary responsibility of those who possess most, i.e., the richer countries.
tion of basic needs, sometimes presented as a requirement for international assistance and the establishment of a new international economic order, is felt in the North to be an imperative need in order to eliminate the dangers of an over-populated world with the majority of its inhabitants living in poverty. The population threat has become an obsession.

The attitude of the countries of the South, in contrast, is one of opposition to the basic needs approach, and this opposition becomes particularly intense when the solution of the basic needs problem entails putting into practice democratic political styles which are now anathema to most countries of the region. These countries are convinced that the basic needs approach is essentially a political proposal which questions the continuity of the status quo. Nor are they mistaken, because to convert the basic needs approach into real action that will not only enable the people to emerge from their state of poverty but will help them to attain their fulfilment as human beings requires internal structural reforms and development styles seeking as a priority objective the constant expansion of the basic democratization process.

9. A final outline of the problem

In summarizing the political aspects of the basic needs approach it seems necessary to highlight several points. First, the internal requirements of an integral basic needs strategy include a group of growth policies centred on domestic efforts and the expansion of the domestic market, on the redistribution of income, and on the restructuring of the mode of production (technology and employment) and the pattern of supply of the various products. None of this will constitute real social progress unless it is based on a democratic order and broader political participation by the whole nation.

Secondly, it also seems essential that growth strategies should aim at a process of modernization which would have as central objectives the harmonization and integration of the modern and traditional economic sectors in order to overcome the constraints of structural heterogeneity and productivity disparities, and which would facilitate the increased absorption of the labour force into productive employment at rising rates of productivity. As long as the dynamics of growth are projected towards the exterior and the benefits of growth are concentrated in little islands of privilege and social minorities, there will be no possibilities whatever for the basic needs approach.

Thirdly, some proposals emphasize the need to focus attention on the rural sector because it is more backward and there are more poor and illiterate persons among its population. It is suggested that this priority, which finds its strongest justification in the countries of Africa and Asia, is less and less realistic for Latin America in view of the region's higher level and rate of urbanization and literacy. Latin American urbanization, however, far from providing a solution to the social problems of the agrarian sectors, merely represents the transfer of most of those problems to the cities, resulting in increasing slum areas and impoverishment for the largely unemployed and underemployed urban masses. Some urbanized countries may be afflicted by worse conditions of poverty than other more rural countries; there is not necessarily a relationship between poverty and rural society, nor between the level of development (as measured by the per capita GNP) and the satisfaction of basic needs.

Fourthly, reference has already been made to the problems arising with respect to basic needs on account of the contradictions between the international political order of States (internationalization) and the international economic order (transnationalization through the transnational corporations). The need for a specific international order which will consider basic needs as a central objective is thus clear. If maximum benefits for transnational corporations were one of the essential objectives of the international economic order, however, or if international political relations were such that domination by the great Powers (through military pacts, areas of security and influence, ideological monolithism) constituted the chief raison d'être of such relations the basic needs approach would be neither promoted nor facilitated at the international level except, in the best of cases, as a residual
factor. The proposal for a new international order which considers the satisfaction of basic needs as a central objective is that which is known as "collective self-reliance". The reconciliation of basic needs with the present international order, or with that which a good many Latin American countries would actually wish to promote, is perhaps feasible, but would inevitably be difficult so long as it depends on their present ruling circles and unequal styles of development. A historical change towards an open, democratic society and a more equitable international order would have to come first in order to create favourable conditions for the political promotion of the basic needs approach.

Finally, a last word about the internal political viability of a basic needs strategy. For such a strategy to be possible, it would be necessary first to discard the paternalistic systems, i.e., those operating from the top downwards, where everything is decided by the government. In addition, the merely assistance-oriented transfer of resources to the poor and needy would have to be avoided as soon as possible. It should, on the other hand, be an imperative and urgent need to integrate these sectors in economic production, train them to produce more and in a more efficient manner, and educate them with a view to the full development of their personality as a requisite for the achievement of real large-scale participation by the people, which is essential if sustained and irreversible progress is to be made on all fronts: nutrition, employment, income, education, community participation and democratization. Furthermore, for a basic needs strategy to be successful, a broad political coalition controlling the state and government is required in order to orient and strengthen the strategy's implementation and, at the same time, overcome the inevitable and powerful opposition it will have to face before it is consolidated. The most serious problem is that of ensuring the control of the State apparatus by a fully participating and organized part of civil society.

In the dilemma between keeping only two systems of poverty eradication or advancing towards more comprehensive basic needs strategies, what are the possibilities for Latin America in the light of its particular features as a different region of the Third World, i.e., one with an intermediate level of development, where several large, semi-industrialized countries are heavily dependent on an increasingly absorbing process of transnationalization? What specific differences may emerge from their various political régimes and systems of domination as regards their receptivity to the basic needs proposals? What will be the effects of the international economic trends with respect to a prolongation of the present recession, with its sequel of defensive measures adopted by the North (devaluation of the dollar, protectionism, stagnation of North-South negotiations in the various forums) and the consequent reactions of the Third World? Will this help to consolidate the Third World's unity of action and economic and political interrelationships? And what repercussions may be expected from a further hardening of the relations between the United States and the Soviet Union, with a return to something like the cold war of the 1950s?

If these were the currents converging towards a possible scenario, what framework would be the objective factors tending to facilitate or act as constraints on the action taken fit into and what would be the most feasible basic needs options? What strategies would have the best historical chances of being realized in Latin America? In other words, what are the "limits of the possible" and what are the "possibilities of the desirable"? Under the present changing circumstances, what new correlations of internal social forces will emerge and what are their attitudes to the basic needs approach likely to be? Who will support them, and what chances of success will they have?

Answering these questions is much more a practical problem than an intellectual effort of reflection, although it may be difficult to avoid having to make some forecasts and predictions. It is our impression that Latin America's present options are fairly narrow; but there should be more hope in the near future, when more propitious trends and possibilities for making real and continuing efforts to overcome the most ominous forms of human poverty are likely to emerge.
Therefore, considering that whatever is discussed and prepared now will necessarily take some time to mature and be implemented, we consider that the initiative of attempting to achieve a genuine basic needs strategy is not unrealistic. Although the historical moment has not yet arrived, we are convinced that its advent is possible. Therefore, it does not seem idle to embark now on something which may quite soon become a real possibility, because its materialization may well depend to a large extent on what is done beforehand in the matter.
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