

interdependence which was highly politicized and from which it would not--or could not--budge. It refused to accept any reference to the role of energy in the economic situation of all countries. Even so, the conference did reach agreement on a number of issues, such as a programme of assistance for the least developed countries, and on the principles of strengthening the technological capacity of developing countries because the 77 were still prepared to show some flexibility on these items.

The UNIDO III Conference, held early this year in New Delhi, is the starkest example of the dangers which can arise from the 77's adopting the wrong sort of negotiating position. In this case, they had followed an approach agreed at the Havana meeting of the Non-aligned. It was confrontational, and it was highly politicized in introducing extraneous political issues and in couching technical issues in political terms. As a consequence, the conference failed to reach agreements which might have been possible on the key issues of substance. While many Third World countries showed a good deal of moderation in debate, the Group of 77 nevertheless maintained such a firm line in the negotiations that the OECD countries reacted by voting as a bloc, something which rarely happens.

It may be that the disappointments of the UNCTAD V and in particular the UNIDO III Conferences will lead the Group of 77 to modify its tactics during the forthcoming Global Negotiations. The recent UNCTAD agreements on the Common Fund, multimodel transport, and restrictive business practices are hopeful signs. I hope that these countries will be able to define a relatively finite set of priorities in relation to concrete issues and to display genuine flexibility in the negotiations. While the developed countries must be prepared to respond concretely to positive proposals and to make proposals of their own, the responsibility to make proposals falls particularly heavily on the 77. It is they who tend to take the lead in these conferences. They introduce most resolutions and largely set the tone. It is with this in mind that I want to assess the likely impact of three major developments of the last year or so: the approximately 150 per cent increase in oil prices; the Soviet invasion of Afghanistan; and the publication of the Brandt Report.

The Oil Shock

It is important that we grasp the scale of the most recent oil shock. It is estimated that it will mean