

# AID or Recolonization?

## THE LESSONS LEARNED FROM A FAILURE

**D**URING the early fifties, Tibor Mende was one of very few to become a spokesman for the Third World. Through his work, writings and lectures he tried to arouse the attention of the West to the ever more pressing problems confronting the countries of the "southern hemisphere": deterioration in exchange terms, instability in the price of raw materials and agricultural products, and the cost of the arms race. He made an appeal to the idealism of the postwar period.

Twenty years later he tells us that the experiment, unprecedented in the history of mankind, in which some of the richest industrialized countries strove to start up and stimulate the economic development of underdeveloped countries, has failed. "It will drag on in its death throes, kept alive through habit, inertia and state interests, but it is an irrevocably closed chapter."

This hard-hitting introduction is followed by a relentless analysis and dramatic enumeration of the reasons that have brought about the failure of the experiment. The author's experience and level-headedness make this book "must" reading. He says that underdevelopment—the way of life of non-westerners—was studied by westerners who developed models by extrapolating the experience of the industrial revolution without realizing that the differences made comparison virtually impossible. Exploitation by colon-

izers forced economic specialization and as a result exports of consumer goods from the mother country to the colonies contributed to the elimination of local craftsmen, an indispensable link in future development. Profits were exported, creating greater dependence on the mother country and hindering the development of secondary industries. Obviously the influence of the foreign presence made itself felt at all political levels.

In view of this historical context, it is all the more ironic to note that

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**Jean-Marc Metivier, Program Officer of the Canadian International Development Agency, reviews an explosive book by the French economist, Tibor Mende.**

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the level of aid as a percentage of the gross national product began to decrease in 1961, at the start of the first development decade; it dropped from 0.5 per cent in 1961 to 0.36 per cent in 1969. As to the Pearson Commission's recommendation that an aid target of one per cent be reached before 1975, very few donor countries, particularly the richer ones, have indicated when they expect to reach it. But these statistics do not tell the whole story since an examination of the foreign debt service of the Third World countries shows that before 1977, if the present rate of loans continues, repayments on past loans

will be greater than the aid they receive.

Even more alarming is the way in which countries are kept off or excluded from the list of recipients. Sudden changes in the political system of a country or in the orientation of its politics tend to cut off the aid channels (Guinea, Cuba), but economic insubordination is viewed perhaps even more severely than political misconduct; an unfriendly attitude towards investors, nationalization or expropriation may provoke severe sanctions. Not to integrate into the commercial and financial system, not to observe the rules defined by the western powers, using their predominant economic power in their own interest, is to challenge the worldwide division of labour inherited from the colonial era—the fundamental *status quo*. But by agreeing to re-examine the *status quo*, the rich countries could create the necessary conditions for an original and real upsurge in the poor countries.

Hence, the rich countries might hinder rather than facilitate the outflow of capital from such countries, contain the brain drain through different immigration regulations, aid rather than obstruct agreements aimed at stabilizing the prices of basic commodities and raw materials, lower their customs barriers and other obstacles which discourage low-income countries from processing their own raw materials for export.

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