

# The Brandt Report: An Uncertain Trumpet

BY SUDHIR SEN

A psychologist has observed that when a man gets lost in a dense forest, he tends to run faster and faster. It seems this is what all of mankind is doing in today's crisis-ridden world. In recent years we have witnessed a great many commissions and conferences along with a flood of reports and documents, all purporting to solve the grave problems of our times. Yet it would be no exaggeration to say, borrowing a phrase from Churchill, they have been "less luminous than voluminous."

Even the Brandt Commission, despite its independence and prestige, has succumbed to the same syndrome of confusion. The Commission sees great disorder under heaven and is apparently unnerved by it. "Current trends point to a somber future for the world economy," says the Report in its first chapter, which then lists an array of woes afflicting the economy today. These include unending poverty and hunger for the poorer countries; continuing world stagnation *cum* inflation; international monetary disorder; mounting debts and deficits; and protectionism.

After reciting a grim litany of problems, the Commission rings the alarm: The fact that current trends threaten to continue is "dangerous enough," but they can "easily worsen." At this point the Report, like the man in the forest, begins to run in all directions. To forestall the catastrophes that it believes are "not improbable" (though "not inevitable"), it offers the world "a plan and a vision of hope." But the plan consists of fervent appeals based on warm sentiments, not cold realities; and it is more likely to lead the world to new deadlocks than to resolve old ones.

Paradoxically, the Report suffers from its very comprehensiveness. Items are listed or counted but not weighed; they are juxtaposed but not organically integrated. As a result there is inadequate differentiation between fundamentals and secondaries, between causes and symptoms, at times between starters and accelerators. We are served a series of grandiose proposals that, under even the best of circumstances, would be highly problematical.

The world's foremost task, insists the Commission with perfect reason, is to abolish hunger and malnutri-

tion by the end of the century. Currently, 800 million people, about a fifth of mankind, are classified as absolute poor. The longer-range goal, as defined by the Commission, is for all countries to participate fully in the world economy to promote genuine development.

The goals are unexceptionable; indeed, to all right-thinking people they are almost axiomatic. Trouble arises when one turns from ends to means. The Commission has concentrated too much attention on mobilizing finances in a big way and too little on producing a practical strategy for development. It has thereby reinforced a fatal weakness that now bedevils all major programs, namely, a mindless tendency to equate funding with strategy and to talk glibly in terms of multibillion-dollar projects. It has blessed the highly controversial concept of "massive transfer" of resources from the North to the South, perhaps prompted by a subconscious desire to propitiate the most vocal Third World advocates without raising any question about the feasibility or necessity of such transfers.

Again, in line with the practice widely followed in the development field, the Commission has accorded coequal status to a long list of "priority issues." What it has ignored in the process is the fact that there are priorities among priorities, that the most urgent task is to identify these superpriorities with an unerring eye and to pursue them with unwavering resolution.

## A LEAP OF FAITH

To realize the goals it envisages the Commission has "concluded" that the current \$20 billion of annual official development assistance should be more than doubled, and there should also be a substantial increase in lending on market terms. The centerpiece of its fundraising proposals is a kind of universal tax based on a sliding scale related to national income. To ensure "automatic" inflow of revenues for development it recommends a number of international levies—on trade (with a higher tax on arms); travel; and the global commons, especially sea-bed minerals.

Lending through international financial institutions should be increased, in particular through fuller utilization of the World Bank's greatly increased borrowing capacity (the result of the recent decision to double its capital to \$80 billion); by raising the World Bank's "gearing ratio" (the ratio of money lent to total capitalization) from 1:1 to 2:1, and a similar action by the Regional Development Banks; and by further sales of

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the IMF's gold reserves, using the retained reserves as collateral to borrow for on-lending to developing countries. Other proposals include creation of a Commodity Fund to stabilize commodity prices and steps to enable developing countries to place bonds in international markets. The Commission caps its recommendations by suggesting the creation of a new financial institution, called a World Development Fund, with universal membership and with decision-making "more evenly shared" between lenders and borrowers.

All this adds up to an extraordinary leap of faith. There are several troublesome questions that the Commission has soft pedaled, if not evaded. It has pressed for a quantum jump in aid, but what about the *existing* programs—their contents and priorities, the quality of their performance? Would it be wise to expand them *before* they are placed securely on the right track?

The antipoverty program of the World Bank has been anything but a shining success. Indeed, the record stands McNamara's once vaunted cost-effectiveness on its head. Should not the Bank be asked to reorient its approach and redesign its programs to reverse—and optimize—the cost-benefit relations before one rushes to inflate its lending and borrowing capacity?

The idea of setting up a Commission headed by Willy Brandt was conceived and broached personally by World Bank President Robert McNamara. Was this sponsorship motivated entirely by altruism or, as some have surmised, by an unbridled urge to extend the Bank's financial empire? It is common knowledge that McNamara excels at building monolithic power-pyramids. As long as the Bank remains geared to this characteristic trend and shows no inclination toward the "genuine decentralization" advocated by the Commission, would it be advisable to loosen its "gearing ratio" for a near doubling of its financial power?

Other U.N. programs—albeit with some notable exceptions—have long suffered from a twofold affliction: proliferation and fragmentation. (They are badly in need of a "nonproliferation treaty" of their own!) As explained in my 1969 U.N. study, "they are not production-oriented; they are indifferent to, if not callous about, priorities; they show no understanding of the principle of complementarity." In the intervening years these trends have further accelerated and the bureaucracies have swelled. Still, overall results remain pitifully small, while poverty and hunger continue to grow relentlessly in gravity and dimension. To put it in the Report's own words, the U.N. needs "more coordination of budgets, programs and personnel policies, to avoid duplication of tasks and wasteful overlapping."

Finally, there are what the Commission calls "the tasks of the South"—social and economic reforms within developing countries such as redistribution of productive resources, expansion of social services to the poor, agrarian reform, increased development expenditures in rural areas, and stimulation of small-scale enterprises. Of these, by far the most crucial item is agrarian reform (see my *Reaping the Green Revolution* and "Agrarian Reform and Rural Development," *Worldview*, June, 1979), yet it has been almost lost in the Report's long list! Moreover, the Commission overlooks the fact that the tasks of the South are also very

much the tasks of the North. After all, the aid programs were conceived not only to shell out money but to enlighten the recipient governments about the right priorities and to persuade them to adopt these in order to serve their own best interests. To acquiesce passively in, not to speak of pandering to, whatever wishes might catch their fancy would be tantamount to surrendering their very *raison d'être*.

## **SYMPTOMS AND SIDE ISSUES**

Such, then, are the contradictions that stare through the Report. Though puzzling at first sight, they are not hard to explain. The tasks assigned to the Commission were not only economic but political and diplomatic. It had to break the North-South deadlock and reconcile the dictates of diplomacy with the imperatives of development. Accordingly, it had one eye fixed on the strident scenes of global forums, the other on the chaotic state of the world economy. This split vision inevitably landed it in a mix of precarious compromises.

But there is a more fundamental reason for the Commission's failure to produce a hardheaded, coherent blueprint. Though it set out to break what it called "the vicious circle of shrill protest and mute response by tackling the causes rather than the symptoms of global problems," its diagnosis did not go deep enough, and so it has unwittingly restricted itself to what must still be regarded as symptoms and side issues.

The trials and tribulations of our age stem chiefly from two deadly imbalances that have plunged the developing countries into deeper poverty and hunger. First, they have grabbed with both hands the amazing fruits of modern biology and chemistry in the medical field, which has in turn unleashed a population explosion. At the same time, they have been woefully laggard in applying the fruits of this science to produce enough food to sustain the fast-expanding human family. Second, most developing countries have entered the modern world with the industrial foot in the scientific age but the agricultural foot still in the medieval one. The result has been excruciatingly painful on both fronts. People in rural areas have been starved of jobs and incomes because agriculture has been starved of science. Industrial growth has been dwarfed because the domestic market has been severely circumscribed.

The imbalances are, of course, entirely man-made. By far the quickest and surest way to resolve them is to spread the genetical-chemical revolution in tropical agriculture to tap its spectacular productivity. Luckily, the so-called green revolution has reached a stage at which its dissemination can be vastly accelerated. Moreover, given a well-conceived strategy, this can be accomplished with limited external aid.\* This is the most heartening glimmer on today's darkening horizon. If the Brandt Commission's survival program can be refocused on this central fact and recast accordingly, it may well become a historic turning point, earning the abiding gratitude of mankind. 

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\*This idea will be discussed at length in a future *Worldview* article on the U.S. role in a hungry world, which will also review the recently published report of the President's Commission on World Hunger.