Global Processes and the World in the 1980s:
Prolegomenon I for a Goals, Processes and Indicators of Development Project World Model

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by
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ABSTRACT

Professor Galtung analyzes the cultural, social, political, military, and economic effects on First, Second, and Third World countries of the transfer of technology from the industrialized nations to the developing world, and predicts the ensuing "conflict borders" of the 1980s.

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GLOBAL PROCESSES AND
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Introduction: A Bird’s Eye View of Our Predicament

Talking about the prospects of peace and development, given the major trends in the world today, is about as cheerful an enterprise as talking about the prospects for health and mature human growth when a cholera epidemic is raging. To be a researcher in the fields of peace studies and/or development studies, with the intention of exploring the future, is not too different from being a health specialist in a cholera hospital: one is surrounded by much more morbidity and mortality than health. Moreover, the trends do not look encouraging at all.

Of course, some trends are encouraging to some people. For example, the consumption of Coca-Cola has now attained 214 million bottles per day. Coca-Cola was declared the official drink for the Olympic Games in Moscow in 1980 and, as is well known, it is also penetrating the People’s Republic of China. Evidently, the major factor standing in the way of Coca-Cola’s expansion has not been an ideologically founded barrier against the US penetration of Soviet markets, but rather the favored position of Pepsi-Cola. As Pepsi-Cola and Coca-Cola are related to Republican/Democratic regimes, Coca-Cola expansion was a concomitant of a Democratic president in the White House in Washington. So things are happening in the world, to the despair of those who would give higher priority to basic needs for the impoverished, and who would like to see contacts among nations and countries built around more spiritual, more edifying axes.¹

The prospects for peace and development are gloomy, to say the least.² In the 32 years between 1945 and 1976, there were 120 armed conflicts or wars, as government forces were involved at least on one side in 84 countries, adding up to a total of 369 war years. The average number of wars for any given day in this period was 11.5. Only five of these 120 wars took place in Europe; the remaining 115 all took place in the Third World. About 80 percent of the war activity was directly against the prevailing system and carried on with foreign intervention. The classical “official” war across the borders of two or more countries was, practically speaking, absent from the picture. But that is not to say the wars were strictly
internal conflicts. There was intervention by developed capitalist countries in 64 of the 120 wars, by developed socialist countries in 6 of them, and by Third World countries (particularly Cuba, Algeria, and Vietnam) in 17 others. The major intervening powers were the United States, Great Britain, France, and Portugal in order of frequency. But it is also quite clear from the most recent trends that the days of classical Western colonial interventionism have run out, and that there is an increasing trend for the Third World countries to intervene. This is also reflected in US history: during the Truman and Eisenhower administrations the tendency to intervene was, relatively speaking, low. It increased during the Kennedy and Johnson administrations, and then decreased again during the Nixon and Ford administrations. In general, if one extrapolates from what has happened since the Second World War, one may say that the war formations have moved from the big power type in the West, proliferating in many directions, to the typical center-periphery war in Third World countries with Western powers trying to defend their privileges, and now to intranational wars where oppressed classes or ethnic groups, or both, revolt against the establishment, with or without the intervention of other periphery countries.

Unfortunately, given the prevalence of deep class cleavages all over the world, and given the ratio of national entities to states, roughly 1,500 to 150, plus the tremendous input of weaponry and the scientific talent devoted to perfecting this weaponry, which totals 60 percent of scientific manpower in the superpowers and 25 percent in other countries, the prospects are not promising. All this is intimately related to the development issue. The statistics are perplexing to many people. In spite of the increase in world food production and manufacturing, in services and in trade, with food production being in the lowest ranges, the others increasing between 5 and 10 percent per year for many years, there has been an absolute deterioration in living standard of the bottom one-third to one-half of the population in the poorest countries. The gap between rich and poor countries is widening, and the gap widens between rich and poor people in poor counties. However, the gap between rich and poor people in rich countries seems stable, and one gap has been bridged: the elite in the poor countries have more or less attained the same standard of living as the elite in the rich countries. This may be the meaning of the famous "bridging the gap" program. It is not a question of bridging a gap between countries or between peoples, but between elites: bureaucrats, including military, police, and party members; capitalists, private or state; and the intelligentsia, those working for the bureaucrats, those working for the capitalists, and those working for themselves. All of these have about the same standard of living in countries poor and rich. The reason for this is probably to be found in the tremendous increase in interaction. The poor countries are not only undergoing a "modernization" process which implies the creation of institutions with bureaucrats, capitalists, and intellectuals at the top; they are also participating in international exchanges of ideas and images, including ideas and images of standards of living. What takes place are not 150 parallel modernization processes, each colored by its own socioeconomic, historical, and cultural circumstances, but the implantation, from international sources beyond the 150 nation-states of
common standards of operation and living. It is membership in this *club international* that serves as the great leveling mechanism.4

This is of little comfort to people exposed to increasing deprivation in material and nonmaterial ways, most of it relative, much of it absolute.5 Just as efforts to maintain world peace have been an obvious failure in the light of the 120 wars that have taken place (with a toll of human lives numbering somewhere between those of the First and Second World Wars), efforts toward *development* after the Second World War have been a failure. The only vantage point from which the situation looks less dismal is from that of a European who lived through the First World War. This is because the First World is no longer a war theater, as mentioned above, and also because it is not the scene of famine, epidemics, and mass misery. But even these pictures are changing. With urban terrorism, political violence has also entered the First World. Additionally, the now identifiable “civilization diseases”—cardiovascular malfunctions, tumors, mental disorders, together with such signs of alienation and anomic as criminality, apathy, a general feeling of purposelessness and, on top of all this, environmental degradation—make the First World look less like a happy island in a sea of chaos.6

If this is the situation, where then are the major world processes leading us as we continue into the 1980s?

**The World System: A Likely Scenario**

If one could pick a single key to understanding the world right now, it might be *transfer of technology*. That it is important is obvious for cultural, social, political, military, and economic reasons.

*Culturally,* the transfer of technology, and this means in almost all cases the transfer of the technology that has taken place recently and primarily in Western countries, is at the same time a transfer of the hidden social code, the social cosmology behind that technology. This is not the place to argue the matter; it is only suggested that with this transfer, a more effective westernization of the world is probably taking place than under colonialism and neo-colonialism. These allowed or obliged the Third World to retain its cultural and cosmological orientations once the desired balance of trade was struck.

It is important *socially* because it will change the social formations in the countries receiving the technology so that those that can handle capital, research, and administration-intensive technology will strengthen their positions. This is a circular process: technology cannot be operated without bureaucrats, capitalists, and intellectuals (BCI). So as technology gains a foothold, it will generate more members of the BCI complex who will in turn demand more sophisticated technology.

It is important *politically* because this will serve to homogenize the world elite. By using the same technology, the members will become similar within and between countries, thereby increasing their dependence on each other as they interact, making effective self-reliance less probable. This both increases *military risks* and facilitates *military action.*
It is important economically for obvious reasons, which are those most discussed in this context. With the transfer of technology, the industrial, as opposed to artisanal, mode of production will increasingly spread in the Third World. The United Nations Industrial Development Organization (UNIDO) goals for the Third World to turn out 25 percent of the world industrial production by the year 2000 may in fact be attained long before that. According to the World Bank, the annual increase in manufacturing production in developing countries was 8.7 percent between 1961 and 1965; 9 percent between 1966 and 1973; and 4.5 percent for the year 1974-75. The corresponding figures for the industrialized countries were 6.2, 6.2, and -4.7 for the same time periods. The general trend seems to be that what were formerly termed less developed countries might now be termed industrializing countries, and those known as developed countries could be referred to as de-industrializing countries. At the same time, population growth between now and the year 2000 is projected at around 75 percent in the industrializing countries, with a great influx of young people into the work force, and only 20 percent in the de-industrializing countries, with a great exodus from the labor force because of the advanced age of the population. As the general level of skill increases in industrializing countries and capital is attracted by cheap labor and growing markets, it is reasonable to expect these trends to continue. Manufacturing production for the world market is being relocated to Third World countries. Almost all the indicators associated with the New International Economic Order, and more particularly those that are contemplated in connection with the United Nations Conference on Trade and Development (UNCTAD), point in the same direction.

Historically, the reasons for this are obvious. The major reason for the skewed distribution of manufacturing production is due to the power grip Western countries have had over the rest of the world through colonialism and neocolonialism. Under the former, the colonizing powers had direct political and military control; under the latter they had economic control. But this phase may now be coming to an end. A first obvious consequence of the change to free industrial production and free trade zones will sooner or later be nationalization. The control function exercised by foreign capital may end. In that connection, the tremendous transfer of arms to the Third World (its most rapidly growing stockpiles and a source of profit and jobs for the First World) may serve to safeguard nationalized property against efforts to recover it. Important to this panorama is a certain wariness in the Western powers when it comes to intervention. A "Great" Britain that has replaced "Rule Britannia" with "All You Need is Love" is not intervening any longer. Although it still holds onto some glory and occasionally sends the paras abroad, the same will happen to France, and to the United States. The costs of intervention will probably continue to outweigh its benefits as they have since Czechoslovakia and Vietnam.

Thus, we are probably moving into a new phase that might be dubbed neo-neo-colonialism. There is still some control from the classical center, North America, northwestern Europe, and Japan. The control is now built around the research component of technology—software control—but it is not less effective.
This is clearly seen by the industrializing countries, for which transfer of technology has long meant transfer of research capacity, and a tendency to hang on to those firms, lines, and brands that might eventually open their laboratories to the recipients. There has, moreover, been a tremendous increase in enrollment in Third World universities, particularly in engineering schools.\textsuperscript{15} In such countries in the Chinese cultural sphere as South Korea, Taiwan, Hong Kong, and Singapore, where diligence, the spirit of "postponement of gratification,"\textsuperscript{16} and ease when it comes to adapting the social structure accompanying Western technology transfer to their own societies\textsuperscript{17} are the rule, it seems obvious that even the neo-neo-colonial phase will not last very long. (These countries are sometimes referred to as "los cuatro Japones," a Spanish expression meaning the four mini-Japans.) In some areas, the West may have an edge that will last longer; in other areas, productive Third World countries will be stimulated by the markets and thereby receive an additional impulse that may be decreasingly available to the First World.

The second predictable consequence of all this would be a division of the world into trade blocs, more particularly a Third World area and a First World area. One may argue how this would happen. A possibility is that the First World will continue along a line of increasing reticence in practicing its own liberal trade policy relative to the new production centers in the Third World,\textsuperscript{18} possibly pushing them into producing for their own markets and not for world markets, and in doing so, making use of basic needs rhetoric.\textsuperscript{19} The Third World will retaliate, but it may also grow as a trade area from within, bringing together the many more or less successful, and more or less free, trade areas already in this half of the world. In both cases it would be a question of weighing losses from permitting imports against losses from being denied export, and the prediction would be that the former will outweigh the latter and that trade blocs would be the logical answer. The West will be forced into a posture of economic defense after centuries of economic aggression.\textsuperscript{20}

This is not an obvious conclusion, however. It may be argued that the population increases in the Third World are such that markets will expand more quickly and lead to more demand than can be met by the local Third World production supply.\textsuperscript{21} It may also be argued that although the Third World may produce for its own consumption, it is not always in a position to produce its own capital goods, as is the case with China. But against these arguments it could be pointed out that the population growth is declining and the transfer of capital goods has already taken place to a large extent. Moreover, many of the Third World countries are now in a better position than Japan was when it started making inroads into the Western economies in the 1930s.\textsuperscript{22} This, for example, may very quickly happen to China with an active population of 600 million.\textsuperscript{23} If China starts manufacturing for the world market at any scale, it is hard to see how the First World could avoid giving up free trade practices. Fröbel, Heinrichs, and Kreye\textsuperscript{24} give impressive figures in this respect: German industries in some branches had 1,000 factories in at least 39 Third World countries, using 37 free production zones in 25 countries, with 1,760 subsidiaries outside the European Community. Of course, this is tantamount to a considerable export of jobs. Of 80 million workers in
manufacturing in Organization for Economic Cooperation and Development (OECD) countries, 18 million are already unemployed. But this is low relative to the 300 million unemployed in the Third World countries. However artificial that figure is, it is clear that such export of jobs will still not amount to much in terms of reducing Third World unemployment. This may also be a reason why either party would feel better off with a guaranteed demand from "their own."

Some Consequences in First World Countries

The consequences of all this in First World countries reach deeper than what has been reported in press comments and typical OECD rhetoric. Of course since the "bourgeois" parties took power in Sweden some years ago, the GNP has gone down 3.5 percent, industrial production is down 6 percent, and private consumption is down 3.5 percent, while at the same time there are 99,000 unemployed factory workers, prices are up 20 percent (25 percent for food stuffs), and the country is "in difficulties." The same can be said about Norway where unemployment is still low, though not under 1 percent. However, in Norway 25 percent of all jobs in industry are supported by the government and an additional 30 percent of all industry is owned by the state. In 1977, when the government prophesied a surplus, the deficit on the trade balance was $5 billion. The debt to foreign countries is a staggering $20 billion or about $5,000 per Norwegian. The economic measures taken were explicit: an 8 percent devaluation in February 1978 and a wage and price freeze in September 1978. Nevertheless, 14 percent inflation was expected in 1980. Some 70,000 barrels of oil are taken out of the North Sea daily. This amounted to 30 million tons in 1977, and twice that figure was expected by 1981. The proceeds are committed to the debt already incurred, which must be paid in the most solid currencies, Swiss francs and German marks.

Similar accounts can be repeated from most of the OECD countries. Another event that has yet to make headlines but probably will soon is the story of the peculiar social formation that has emerged in some countries, sometimes referred to as "welfare states." These have as a common denominator that very few people are engaged in the production of material goods. Goods here means products intended for consumption, such as foodstuffs, clothing, housing, educational materials, medical supplies, transportation/communication components, leisure equipment, and capital goods necessary for production. Our whole material civilization is based on this. Nobody is unaffected—everyone consumes, although very, very few produce, at least in the formal sector of the economy.

This can be seen by looking at a society from various perspectives. If society is seen in terms of sectors, the general tendency is a decrease in the primary sector or the extraction of material goods; a decrease in the secondary sector or the processing of material goods; and an increase in the tertiary sector, which includes all other activities having to do with the distribution of material goods and the production of nonmaterial goods, or "services." The government and educational bureaucracy, the military, the police, and those engaged in research belong in this last sector.
This can also be seen in terms of class. The number of workers who handle concrete objects is decreasing both relatively and absolutely, and the number of functionaries, or "management," who handle symbols or nonmaterial objects is increasing both relatively and absolutely within the primary and secondary sectors.28

It can be seen, too, in terms of time allocated to work, which has decreased to four or five hours a day, four or five days a week, three weeks per month, and nine months per year. Additionally, there is a decreasing interval of time between the end of education, at which time a person's age might be 18, 20, or even 30, and the beginning of retirement, when it might be between 67 and 70, but could be as young as 60. Forty years of productivity during an ordinary lifetime is rapidly being reduced to thirty. Ultimately the working gap may be zero.29

There are at least two other factors that reduce the number of producers: health and employment. The threshold for defining oneself as "ill" has probably been lowered during recent years, and the fine line between illness and absenteeism has blurred. Additionally, there is high unemployment in the First World OECD countries that must be paid for.

In a "primitive" or "traditional" society almost all the population is engaged in some type of material production throughout most of their lives, except for the very first and last years. In comparison, not more than 5 percent of the total potentially productive working time is utilized in First World countries today.30 Exact figures representing productivity time are a major indicator of the level of development of the various societies. How is this at all possible, given that all people consume something all through their lives, including the first and the last years, and now consume more than ever before? There are four obvious answers, and all of them point to how vulnerable this particular social construction is, if we are to accept the international scenario developed above.

First, there is exploitation of the internal proletariat, the farmers and the workers in the primary and secondary sectors of economic activity inside the country. Wages are low relative to the value of what is produced, making it possible for the rest of the population to buy the goods demanded and supplied.

Second, there is the exploitation of the external proletariat, the peasants and the workers abroad, particularly in countries with still lower wages, who supply more material goods that can be paid for by consumers in First World countries. Some of the goods produced by the internal proletariat are used in exchange for the goods produced by the external proletariat. The inequality of this kind of exchange is a reflection of the inequality in wages for one hour of work.31

Third, there is the exploitation of nature, both internal and external.

Fourth, technology itself has permitted a tremendous increase in productivity. At this point it should be noted that productivity can be seen as a fraction with output in the numerator and a population figure in the denominator. The figure in the denominator makes the difference because it represents the potential working population or the actual working population as defined through the many social constraints discussed above.32 But even given artificially high productivity figures because the denominator has been made artificially low, productivity can be
staggering, and this explains the production/consumption gap: very few are producing for very many; some are overtaxed and others are undertaxed. One can talk about an exploitation of self in either case.

All of this leads to a precarious balance. It is not enough that sufficient quantities and qualities of goods are produced; they must also be economically accessible to all First World consumers, not only those who produce the goods! So, if the first factor, the exploitation of the internal proletariat, is no longer really a factor, then the supply of goods for this particular social construction is a result of the other three factors. As the wages of workers in the First World increase, their products become more expensive per unit. The simple logic would be to increase the number of units produced in the same period through technological improvement, to lower the costs of the raw materials by finding new ways of exploiting nature, or to lower the cost of labor by moving the means of production to other countries where a cheaper supply of labor is readily available. (In Third World countries, wages are typically 10 to 20 percent of what is paid in the First World.) All this is within the logic of the system. There are, of course, other possibilities: for example, one could decrease the portion of the surplus made available to nonproducers, such as management. But the system presumably works in such a way that this would only be done as a last resort. After all, these societies are capitalist.

The other three factors used to compensate for the gains made by organized labor in the First World all proved to be problematic throughout the 1970s. Thus, going backwards, the whole ecological problematique is nothing but a variation on one theme: there are constraints on the exploitation of nature; there are “outer limits” beyond which there will not only be decreasing utility, but increasing waste. As for the exploitation of the external proletariat, the Third World demands higher prices, which do not benefit the proletariat. On the other hand, the material goods produced may be for their own consumption rather than for the First World. The net result is the same: certain goods are no longer available at prices compatible with the particular social structure and its very low proportion of people engaged in material production.

Hence, what is left is more productivity. This will put the society into the hands of researchers and technicians, increasing the output, not only per unit of work, but also per unit of capital and unit of raw materials. Some of this would be for internal consumption, some of it for export. The increases in productivity compensate for the increases in prices demanded. An example is the exchange of oil and weaponry. Notwithstanding the problem of international validity, this kind of trade depends on the demand for research-intensive products in the Third World. Perhaps these countries will soon be able to produce goods of this kind at lower productivity but also at lower wages. The problem that has become increasingly clear is that there are limits to how much productivity can be increased without harmful effects.

The ultimate example of this line of “development” is predictable: the totally automated factory with nothing but a guard left at the gate. Why should there even be a guard when closed-circuit television, infrared detectors, or the industrial
equivalent of the electronic battlefield could do the job. Inside the factory will be robots. Robotization is already becoming an increasingly important phenomenon. We are only one step away from complete robotization. We still use human beings but only for robot-like functions, possibly because modern production technology, moving from electro-mechanical industries to electronics, is even more routinized, more fragmenting and segmenting than industrial production was in earlier generations, and calls on individual initiative and creativity and skills less than ever before. In short, human beings are on the brink of elimination from material production. Machines may break down, but they do not strike.

This means that the old *homo faber* is being split: *homo sapiens* design the nonhuman forms of material production, and a *homo ludens* enjoys the role of consumer. Much can be said about this and one formulation might be as follows: Maybe a human being consists of all three of these. Attempts to eliminate one or even two of them lead to serious cases of alienation. We are already suffering from the detrimental impact of this type of divorce between human beings and material production. A society that paints itself into this fourth corner, the other three being blocked, trying to run up the wall along an axis of increased productivity, will very soon bang its head against the ceiling.

In short, the scenario would be that this social construction very soon will show serious cracks. It will simply no longer be possible to have so few people engaged in the production of so much for so many. Other social constructions will have to be found, and one necessary aspect of those alternative constructions will be to increase considerably the size of the active working population, and decrease considerably productivity through more labor-intensive and more creativity-intensive technologies. It is interesting to note that there is one group in society that probably has gained more access into the formal economy: women. Given the tremendous constraints on the system as it is operating right now, this evidently leads to major difficulties and might serve as an indication that basic transformations are needed for new social constructions to emerge.

At this stage it might be pointed out that the kind of transformation we are talking about here is very different from what is usually discussed under the heading “from capitalism to socialism.” The socialist models known in Europe, whether in northern Europe or eastern Europe, presuppose a social construction with a decreasing portion of the total working population and the total working time dedicated to material production. It is this extremely expensive construction, expressed in the budgets of all these countries, which is at stake, and the socialist countries are moving toward this construction, not away from it.

**Some Consequences in Third World Countries**

What would be the scenario for a typical Third World country given this type of overarching global process? A point of departure could be the classical distinction between a “modern” and a “traditional” sector of society, even though the demarcation line is sometimes blurred. However, we would like to refer to the two sectors as “westernized” and “non-Western” rather than using the value-
loaded terms, "modern" and "traditional." We then define the westernized sector as very similar to what has been described above as the typical First World society: the percentage of potential working time and population really devoted to production of material goods is reduced; the number of people who have to be supported one way or another from this production is increasing. The non-Western sector is a subsistence economy which of course also has a "tertiary" sector with trade and administration but certainly not of the proportions of the westernized sector. What is going to happen to these two parts of society? The non-Western part serves as a reserve army for the Western part in the classical Marxist sense. This has become particularly important recently because of the production of landless farmers due to expanding agribusiness buying up land and forcing the farmers to become rural laborers, and because of the production of jobless rural laborers also due to expanding agribusiness and the high productivity that follows in the wake of "modern" technology.

The assumption would be that the westernized part of society will develop along the same lines as First World societies. Internally they will exhibit the same social pathologies. There will be increasing rates of mental disorder. People will die from cardiovascular diseases and tumors rather than from the diseases of antiquity. Crime rates will soar. There will be a general feeling of alienation. Much of the latter will be due to the subtle working of culturecide: the gradual erosion of non-Western cultures and civilization not due so much to overt cultural imperialism like missionary Christianity, as to covert cultural penetration. Technology works on the same principle as the Trojan horse. The ultimate result is Iran 1978-79.

The economies of the westernized sector soon will start running up against the same difficulties as the economies of the First World. Workers' trade unions will eventually succeed in getting higher wages. In counterbalance, productivity will have to be increased. Nature will have to be exploited, even exhausted. An external proletariat will have to be found. In many Third World countries this external proletariat will in fact be internal to the country but external to the westernized sector. It will be found in the non-Western part. For other Third World countries it will be found outside the country's own borders just as the First World exploits impoverished workers from the Mediterranean countries. The cost of maintaining materially nonproductive segments of the population will increase. The system will produce its own sicknesses and hence needs and demands for health insurance that covers mental disorders. It will produce unemployment in the westernized sector and the corresponding need for unemployment insurance. These will be resisted at first and will be at a lower level than those known in First World countries. The tendency will also be toward growing bureaucracies, growing management sectors, growing centers for production and utilization of intellectuals and researchers in general, a growing military, and a growing police force. All of these are materially unproductive and have similar needs for food, clothing, housing, schooling, medical services, transportation, and communication. In short, this is modernization.

At the same time, the living conditions in the non-Western sector will deteriorate. This will be due mainly to further encroachment by the westernized sector,
which buy its land, evict tenants, exhaust its raw materials, siphon off capital accumulated through banking systems, deprive it of talent through the “universalistic” channels provided by schooling so that it loses potential leaders to the vast BCI complex. Some of the Third World countries will be able to do what the First World has done: push the non-Western periphery beyond its own borders and establish trends of interaction with other countries so as to permit the whole population to constitute one big westernized society. Examples are Singapore, Hong Kong, and potentially, Taiwan and South Korea. The most successful has been Japan. For other non-Western countries to adopt the Western social construction in this regard, which Japan has not done completely because of the symbiosis of its two component sectors,48 a vast hinterland is needed. Potentially, of course, this could be China. The question is for whom China will play this role, and the Chinese choice seems definitely to be in the direction of the OECD countries and not in the direction of the socialist countries. This could be partly because the “socialist countries” are not westernized enough to satisfy the demands of Chinese carving out a Western sector. Presumably, China will not be playing this role for more than a short period, since the Chinese leaders are well aware of how the script ends. After that, some kind of liberation process will set in again, creating considerable difficulties for the West and possibly for Japan and the four japoncitos who have been trying to play the same game.49

Thus, three parallel processes, all highly problematic, are seen as taking place in the Third World: (1) the emerging and rapidly increasing social pathologies in the westernized parts of the societies, (2) the deterioration of the standard of living of the non-Western subsistence societies, and (3) the deterioration of the standard of living of those Third World countries that will play peripheral roles relative to the rest of the Third World.

It should be noted in passing how all of this is compatible with, and engendered by, the New International Economic Order (NIEO). NIEO, then, can be seen as a great transformation process50 whereby the contradictions of capitalism are placed, not so much between the First and Third World countries, as within the First World countries, within the westernized part of Third World countries, within the Third World as a whole, and among Third World countries. This means that the battle lines for the future will change. The struggle will be not so much against First World penetration. It will take the form of articulation of the uneasiness that follows in the wake of alienation and anomie created by westernization, of struggles in the westernized sectors, where alienation and anomie will hit the working classes hardest, of struggles between the westernized and the non-Western parts of society, and struggles between center and periphery Third World countries. Relatively soon the myth that “socialist” countries are able to overcome all of these contradictions will wane and vanish, and yield to a more realistic perception of social processes.

Once dominant social processes are geared to build a social construction so that not only a small minority but a vast majority is no longer materially productive, then many conditions have to be satisfied, and that can only be at the expense of somebody and something else. Sooner or later the precarious balance will be upset,
and the result will be a general crisis. It is the export of that crisis that is currently a predominant global process. The best example of the implications of that process so far seems to be the case of Iran, where almost all of these contradictions formed a time bomb, which exploded against First World countries in general, the United States in particular, and in the face of the man who personified the repressive westernized sector of Iranian society more than anyone else: the shah. Those Iranians who believed that it was only a question of getting Westerners and their capital out of the country might have been bitterly disappointed to learn how deeply rooted westernization had become because of the capacity of technology to serve as a carrier of social cosmology. No foreigners were needed for the rapidly growing westernized sector to coexist with the increasingly impoverished non-Western sector. Ultrarapid "modernization" created misery that seemed that much more abject in contrast. In this general picture, technical assistance probably played a very minor role as carrier of technology. It will be phased out as a donor-receiver link from the First World to the Third World countries, but in the logic of these things will increase among Third World countries to pave the way for the relocation of industry to cut down on wages when local labor starts becoming too expensive. Or perhaps they will choose the Japanese solution of mobile factories on platforms that can be anchored outside a country with workers who are not too well unionized and not too expensive, and then towed away the moment there is "trouble."

Some Consequences in Second World Countries

Usually development issues are discussed in connection with the Third World, and as a function of relations between the First and Third Worlds. Only rarely does the Second World enter the picture. One reason of course, is its relatively weak link to the Third World, at least in economic terms. There is "raw material imperialism," whereby the Soviet Union seems to import large quantities of raw materials at relatively favorable prices, while selling its own version of the same thing to the First World at far better prices than it paid, as it did with natural gas from Iran. There is also the strategy of storing the imported raw materials, waiting for prices to go up, and then exporting at a profit. By this means economic ties are created to the Third World, and some of the same mechanisms present in the First World are generated. Far too little research has been carried out on the level of interdependence between the Soviet Union and other Second World countries and the Third World.

This is as far as relations to the Third World are concerned. Also, Second World relations to the First World are increasing, and one would therefore expect increased contagion from the crises besetting First World countries. Some of this increased contact is due to the search by First World countries for new partners who can play the role of producers of material goods at prices the First World can afford and liberate larger sections of the First World for material nonpursuits. This should be particularly true for the smaller socialist countries because a high proportion of their total economic activity is related through trade and transfers of various kinds to the First World. The end result is penetration.
However, the major reason the socialist countries do not enter so easily into
development discussions is the lack of a theory as to their future. The familiar the-
ory of stages, primitive communism or the Asiatic mode of production—slavery,
feudalism, capitalism, socialism, communism—informs the believer of two things:
first, this is a unilinear development axis; second, there will be no relapse into capi-
talism, only consolidation and the eventual transition to communism.

Instead of this paradigm, one may put forward an alternative that is very
simple in light of what has been mentioned above. What is happening in "socialist"
countries right now is that they are undergoing the OECD country process. The
westernized sector is expanding and the part devoted to material production is
smaller. Again, that means the rest of society has to be supported. Given the four
pillars on which this social construction can rest, the social logic of the processes
will be about the same. There will be an effort to keep workers' wages down by, for
example, denying them effective trade unions and the possibility of striking; there
will be exhaustion of nature; there will be efforts to import and invent technology
to step up productivity; and there will be reliance on external proletariats. In the
Soviet Union this external proletariat is probably, above all, the peasants who have
to deliver foodstuffs at low prices so the workers' wages can be kept down. To
what extent an industrial sector among the "minorities" is operating with lower
wages than in the core of the Russian part of the Soviet Union is not known. What
seems to be the case, however, is that the Soviet Union is much more clearly split
into sectors with internal and external proletariats than the European "socialist"
countries. No doubt this is partly due to the difference in size. Smallness makes such
cleavages less possible socially and politically. More importantly, these European
nations are part of the general Western social formation, which unlike the Soviet
Union, is large enough to have the external proletariat inside.

But the same problems can be predicted: social pathology and an increase in
the standard of living of workers at the expense of external proletariats and the
environment. The only difference, an important one, is that this will not have as
many repercussions in the Third World as it will in the First World. There will tend
to be more internal processes in the "socialist" countries. There are signs that these
processes have already gone quite far. In this connection it should also be
mentioned that the Soviet/CChina conflict in the late 1950s probably falls within
this framework: the Soviet Union probably wanted Chinese workers as an external
proletariat; the Chinese leaders and the workers themselves saw this and reacted.

There are some differences, however. Due to the theocratic nature of socialist
states with one official doctrine in which, for instance, the thoughts expressed in
this paper would not easily find a place, a very important filter formed by ideology
will tend to cloud the perception of these phenomena. This should then be related
to the structural counterpart of the ideology: the party and the vested interest of
those in the party in the survival of ideology for their own existence. One implica-
tion of this, then, would be a tendency to look in the wrong corners for factors that
might resolve some of the contradictions. A typical example would be the tendency
to believe in nationalization, bureaucratization, and planning. Another is the belief
in STR: the "scientific and technological revolution." What these two points would
amount to in our terms would simply be the growth of the materially nonproductive part of the population composed of bureaucrats, state capitalists, and researchers/planners, along with increased productivity. The first simply adds to the problem by being part of it; the second adds indirectly by increasing alienation through the effort to eliminate *homo faber*, and through the general increase of stress and pollution.

It should be pointed out that if the dominant world processes are anything like what we have postulated above, then what happens in the Third World is that old problems are compounded by the importation of the problems of the First World mature center capitalism, and of the problems of the Second World's socialism in the sense of "state-ism" or even state capitalism. What mix of the problems emerges depends on some very basic choices being made in the Third World right now, partly deliberately, partly as a result of the way the contradictions steer the processes. Thus, if nationalization of relocated industries is a major item in the scenario, then expansion of the military machine and the state bureaucracies would be conditions and consequences, respectively. Legitimization would probably be in Marxist terms, easily leading to a reproduction of the ideological climate in "socialist" countries. In other words, what happens in "socialist" countries today may happen in many Third World countries tomorrow.

A particular case in point is China. Evidently, the Chinese elite at present is opting for a social construction that moves away from involving everyone in material production one way or the other, toward a society that permits a sizeable elite of bureaucrats, state capitalists, and intelligentsia to devote themselves to inventing and importing new technologies that will permit increased productivity. How far this can go before external proletariats are required is hard to say. The Chinese are obviously trying to solve the equation by relying on productivity. In practice, however, the peasants will probably have to pay through "sacrifices," meaning exploitation.

**Conclusion: The Conflict Borders of the 1980s**

Of course, these processes will not take place unopposed. Nothing in human affairs does; the dialectical paradigm is more valid than the mechanical one. There will be reactions, and these will differ in First World and Third World countries, among the elite and among the people. Let us try to make some predictions.

The First World elite will be divided. There are many who cling to the pattern of the past and continue ritualistically, partly hoping that the "recession" is a cyclical phenomenon and not part of a secular trend, and pressing for more of the same. Not being able to backtrack on wages for workers in their own countries, they will step up productivity, relying on researchers and technicians to produce the tools, disguising unemployment as leisure, and cutting down on working hours per day, number of days per week, number of weeks per month, number of months per year, and number of working years per life. Ultimately, work will be a brief interval between completed tertiary or quaternary education and retirement. Much of the production will be for export to the Third World, and that will only be possible on
the condition that the First World retain an edge over the Third World in productivity, i.e., in research and technology. The First World will have to import goods that are less research-intensive from the Third World, otherwise they will be surpassed by the Third World.

Then there will be a second part of the First World elite who will feel that all these efforts are futile, that the social construction cannot be saved but will have to undergo a basic transformation. These, the "leftists" or "radicals," will generally be working for "alternative life-styles," and one of their formulae, as we already know, is a higher level of access for everyone to the production of material goods for their own consumption, for its use value rather than its exchange value. This is not the place to elaborate, but it is quite clear that most such trends in the First World counterelite, usually the sons and daughters of elites, themselves predestined for such positions if not through wealth and status, at least through education, have built into them less reliance on the four factors mentioned. They believe in lower productivity through the use of more artisanal modes of production; in more equality and equity, particularly when it comes to sharing material production; in self-reliance in the sense of reliance on local and national factors rather than economic factors far away; and in general, soft relations to nature and respect for ecological balance. The program is well known; the experiments are there; the process is already there. It should only be pointed out that the Second World has organized itself in such an unfortunate way from this point of view that it does not have within its borders the vast experience accumulated by youth engaged in experiments in communal living, for example. It has only its own limited range of visions compatible with its own ideology for its inspiration, and hence, it has to rely on the First World when it comes to alternatives. This, it should be added, will probably lead to a dramatic break with orthodox Marxism in these countries.

The people of the First World will probably continue for a long time to see the crisis as a question of who has the control, and believe that a state machinery more in the hands of the workers and less in the hands of the bourgeoisie will be able to do better. Much of this is a rationalization for the obvious desire to get into the materially nonproductive positions of privilege and power in our present social construction, and not work against that social formation before enjoying the fruits of it. Another reason is the socialist mystique and belief that workers, or those emanating from the working class, will possess some greater type of wisdom in handling the precarious balance than the present elites possess. Experiences from the northern European social democracies do not seem to warrant this type of optimism. Working class parties will tend to rely more on the bureaucracy than on corporations, and shift the balance of power more in favor of the former than the latter. However, the result is the same in the end. The difference between a capitalist, with an income that varies with profit, and a bureaucrat on a fixed salary is a minor one as long as the basic decision, to go on increasing the materially nonproductive segment of the population, remains the same. Usually the bureaucrats are slower, though.

Concretely, this means that there will be an open but tacit alliance between conventional elites and working class parties. In this alliance, the working class
parties will have as their major task disciplining the workers, and the capitalists will have the task, together with the bureaucrats, of ensuring contracts abroad. This is actually what has been going on for some time already. Since it is not expected to succeed as a policy, dramatic political events will result. At this point forecasting becomes impossible: the reactions can be fascist internally and imperialist externally in an effort to turn the clock of history backwards and reconstitute the conditions for what seemed to work so well in the 1960s and early 1970s. They could also turn in a much softer direction, toward the values expounded by the alternative life-style movements. Both could occur at the same time, with alternative life-style pockets inside fascist/imperialist nations. We have already seen examples of this, such as in the United States.

What will the Third World elite do? Like the First World elite it will be hoping for expanding markets at home. It will be hoping that increases in population will lead to an increase in the number of people in the country who can articulate their needs, basic or nonbasic, as effective demands in the market. It will hope that from the people who are able to do so there will be a process of economic mobility upwards into markets for more sophisticated goods, including luxury items. No doubt such processes will take place to some extent, but it is much easier to step up industrial production given contemporary technology and the rapidity with which it has been and will continue to be transferred than to have these processes attain really important proportions. Hence, the Third World elite will probably have to face an overproduction crisis, and this will drive them toward markets in other countries, less advanced in the adoption and adaptation of westernized technology. Their success will probably be limited to small pockets of the world.

What will people of the Third World do? Let it first be mentioned that the fifth column people interested in alternative life-styles within the Third World elite will probably remain insignificant in size for some time to come. The reason simply is that there are too many fruits to be harvested in the materially nonproductive elite group. In the First World these fruits have been harvested for a long time. Many of those who have tasted them have found them increasingly unpalatable and look around for something more appetizing. Hence, the Third World masses will find most of their potential leaders arguing in favor of gaining control over the westernized part of society and only relatively few of them, such as M.K. Gandhi, arguing in favor of improved versions of the non-Western parts of society and pushing back the westernized cancer growing in their midst. Whereas in the First World it may be a problem trying to recreate patterns of the past, or creating some new patterns different than the dominant sector, in the Third World it may be a problem trying to preserve the best of what already exists and improve it. Thus, there will be a triangular struggle in the Third World as in the First World. One side of the triangle will be those who want continued expansion of the westernized sector and at the extreme points will be those wanting elite control and those wanting mass control. At the triangular point opposed to this axis would be those who favor strengthening the non-Western sector and improving it. The structure of the triangular conflict is the same. The numerical proportions differ considerably in the countries concerned, and they also differ in social origin: those favoring a non-
Western sector might potentially be the vast masses in Third World countries as opposed to the relatively small elite in the First World countries. A strange world, indeed!

What are the bases for alliances across countries and regions in all of this? They are considerable and some are known. There is a built-in alliance along intergovernmental and transnational corporate lines between First World and Third World countries where the elite continues to dominate the expanding westernized sector. There is an international socialist alliance, at least verbally in favor of mass control of a westernized sector, although in practice, this "mass control" is steered by the party and the technocrats. As yet there is not a very well constituted alliance between the people and some of their leaders in the Third World and the alternative life-styles people in the First World.

These are the blue, red, and green poles in national as well as global politics, respectively, and so far the implicit alliance between the blue and red poles in fostering the westernized sector has dominated the scene. The question is whether the green pole will grow strong enough to counteract this and whether it will find better allies among the blue or the red—or possibly be co-opted by them!

But here we choose to stop, and we invite the reader to add any comment beyond qué será, será. For the rest is the history of the future.
NOTES

Earlier versions of this paper have been presented at meetings in Spain, Austria, Denmark, Sweden, Norway, Switzerland, the US (University of Denver), Malaysia, Thailand, and were also circulated to my colleagues in the Goals, Processes, and Indicators of Development (Gpid) Project, Institute for Development Studies, United Nations University. I am grateful to all discussants.

1. See Klaus Liedtke, “Coca-Cola Uber Alles,” Atlas World Press Review (October 1978), pp. 37-38. The article was originally printed in ElPais, Madrid. The article also reports a survey of new recruits in Fort Knox, Kentucky that found that, “299 of 650 had never heard of Louisville, the state capital, twenty-one miles to the north. Eighty-five had never been to a dentist, and twenty-one had never drunk cow’s milk. Only one had never heard of Coke.” The author adds, ominously, “It is ironic that an empty Coca bottle filled with gasoline makes a splendid Molotov cocktail.” And then there is the famous Indian case that places Coca-Cola so squarely within the context of contemporary capitalism: “In the latest incident, Coca-Cola opted to leave India rather than reveal the mystery formula.” Or: “From Pearl Harbor to VJ-day, GIs drank 10 billion Cokes. When peace came, Coca-Cola had sixty-four new branches.”

2. See the excellent article by István Kende, “Wars of Ten Years (1967-1976)” Journal of Peace Research (1978), pp. 227-42. This is a continuation of the author’s equally important article, “Twenty-five Years of Local Wars,” published in the same journal in 1971. Kende’s research spans a period of 32 years, from 1945 to 1976. The data quoted refer to the total period.

3. India and Brazil are the most frequently cited examples. The Green Revolution seems, for instance, to have led both to increased production, increased productivity, and increased poverty all at the same time, for obvious reasons. Small peasants lose their land when land becomes more profitable; as landless laborers they also lose their jobs as machines take over.


5. People are suffering from malnutrition, diseases, illiteracy—and people are dying. Many of these deaths are avoidable in the sense that they are due to the structure of human society. An effort to develop a measure of “structural violence” was made in 1971 by Johan Galtung and Tord Høvik, “Structural and Direct Violence: A Note on Operationalization,” Journal of Peace Research 1 (1971) and also in Johan Galtung, Essays in Peace Research, vol. 1 (Copenhagen: Ejlers, 1975), Chapter 5. A similar approach has been used by Charles Zimmerman and Milton Leitenberg in Hiroshima Lives On, Mazingira 9 (1979), pp. 60-65. They look at the estimates of how many were killed on the average in Hiroshima and Nagasaki in 1945. The US official estimate is 53,000 (an average of 68,000 for Hiroshima, 38,000 for Nagasaki). The more recent Japanese estimates yield an average of 101,000. This establishes a unit, corresponding to the 20 kiloton’s yield “that had come to be attributed for simplicity’s sake to these two weapons” (p. 61). Then the authors go on to establish the number of excess deaths in a less developed country relative to a standard developed country, using the US as the latter. Age and sex-specific death rates are found for both countries, and the number of deaths that would have occurred had the death rates been the same as
in the US was calculated. "The difference between the actual number of deaths and the hypothetical number can be called "excess deaths." We find that the youngest age bracket, 0 to 4 years, accounts for 84 percent of the "excess deaths."" (p. 63). This gives numbers of excess deaths corresponding to 2.8 "Hiroshima equivalents" per year for Tanzania, 2.2 for Uganda, 99 for India, 10.5 for Brazil, 19.3 for Indonesia, and 77 for Africa. It should be noted that high equivalents do not only reflect a very bad health situation, but also a big population. Excess mortality of children aged 1 to 5 alone in 1978, for the world, accounts to 236 Hiroshima equivalents. In this article, age and sex are used as the ordering variables. In the original introduction of the concept of structural violence, class or in general, social position, is used (see Galtung, op. cit., Chapter 4). It would be important to get estimates by class. The conclusion of these authors makes it sound a little too easy to solve the problem by reducing child mortality.

6. More important than the absolute numbers of deaths from "civilization diseases" would be, perhaps, the rate of growth in these numbers.


8. This term is used for a combination of deep structure and deep ideology of a society, similar to a "personality" in a human being.

9. I am indebted to Thorkil Kristensen, the former OECD Secretary General for drawing my attention to these figures and their many interpretations. Of course, there are long-term trends at work here. Surely Patel, head of the UNCTAD Division for transfer of technology, presented the following figures at a WHO meeting February 1979 in Geneva:

<table>
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<tr>
<th>Share of World Industrial Output, Percent</th>
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<tbody>
<tr>
<td>1900</td>
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<td>------</td>
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<tr>
<td>World countries</td>
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<tr>
<td>Eastern Europe</td>
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<td>Third World</td>
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The UK actually fell from 18.2 percent in 1957 to 11.9 in 1967; the US, from 25.4 to 20.5 in the same period. Japan went up from 5.9 to 9.8, and the Federal Republic of Germany from 17.5 to 19.7. According to this table the UNIDO goal is probably far too modest, only 25 percent by the year 2000.

10. This is the general theme of the path-breaking work by the group at the Max Planck Institut in Starnberg, Germany, in Folker Fröbel, Jürgen Heinrichs, and Otto Kreye, Die Neue Internationale Arbeitsteilung (Hamburg:rororo aktuell, 4185, 1977). (An English translation was published by Cambridge University Press in 1979.) A short article by Fröbel, Heinrichs, and Kreye, "The New International Division of Labor," Social Science Information (1978), pp. 123-42, summarizes many of the ideas and is used here. The authors mention the relocation of industrial production, referring, inter alia, to the free production zones, which were virtually nonexistent in the mid-sixties, in operation in 1975-79 in 25 developing countries in Africa, Asia, and Latin America, with 11 more countries contemplating them. In 14 other underdeveloped countries world market factories have been operating outside the free production zones. The wages paid are roughly 10 to 20 percent of those in the traditional industrial countries, the working day is long and so is the week. "Productivity is generally equivalent to the productivity of a comparable industry in the
traditional industrial countries. "The labour force can be attracted and repelled virtually without limit," and there is a preference for selecting young women. This is then related to a production compatible with modern transport technology, e.g., of transistors and integrated circuits. Labor-intensity is only one factor, the use of air-cargo another, and the segmentation of production into jobs that can easily be learned even by quite unskilled workers, a third. All of this plays together in the decision to relocate. As a result, structural unemployment is created in the developed countries where workers will have to compete with these workers in a world labor market, within their "own" company. (Ibid.)

In another study, Pang Eng Fong and Linda Lim examine one host country. (The Electronic Industry in Singapore: Structure, Technology and Linkages, Economic Research Centre Monograph no. 7 [Singapore: Chopmen Enterprises, 1977].) Their findings are in the same vein, but with interesting differences between the home countries. US firms paid the highest of any. The average starting wage of $7.20 per day was 27 percent higher than those paid by Singapore firms. European firms were next with wages 17 percent higher than those of Singapore firms and averaging $6.60 a day. Japanese firms paid the same level of wage as Singapore firms, around $5.70, while Hong Kong firms paid 7 percent lower, or an average of $5.25 (p. 29). (In a minor study made by the author of this paper in the free trade zone in Penang, Malaysia, it became clear that the employers had settled a standard wage among themselves to avoid competing for workers.)

The wage differential was greatest with the US: 10:1, decreasing to 9:1 and 8:1, all within the range reported by Fröbel, Heinrichs, and Kreye. One difference, however, had to do with productivity: Pang and Lim report lower productivity relative to the home country, but firms reported that productivity in Hong Kong and Taiwan was considered to be 25 to 30 percent higher than in Singapore (p. 32). Another reported the same productivity as in the home European country, but the home country was frequently plagued with strikes while Singapore had none, so there was a decided advantage to locating in Singapore. In Singapore there is a poor work attitude because of less insecurity and more social benefits, and a lesser sense of work responsibility among operatives because being young and single they did not have to support their families (p. 33). Evidently, there are variations in the picture, but the general idea is clear.

11. It seems fruitful to distinguish between three features of NIEO which, incidentally, is exactly what it says it is: an international order, very trade-oriented, and based on the common assumption of a simple relationship between trade and development. First, there is the effort to improve the terms of exchange between North and South, with a number of instruments. Second, there is the effort to gain more control, including through nationalization, of the parts of the economic cycles passing through the South. Third, there is the effort to increase South-South interaction. Of these, the first approach may have received something close to a death blow at UNCTAD V in Manila, May 1979, tipping the balance of NIEO more in the direction of national and Third World self-reliance and away from the first approach, which will tend to freeze the old division of labor regardless of apparent victories that won improved terms of trade.

12. It should also be noted, from the Iranian experience, how difficult it may be to use internal puppet regimes to put down revolts ultimately aimed at transfer of ownership to national forces, private or public, and in the latter case, at the state level or lower levels.


14. What it means is more than the more classical formulae, in which the First World will retain technological secrets to guard against nationalization, and hope that the locals will not discover them, and that they will introduce new product generations. It may also mean that they will change the whole mode of production, more or less eliminating labor and rapidly increasing highly complex forms of automation and robotization. And it may mean a switch to new fields: biotechnical engineering, ocean farming, seabed mining, outer space mining and exploration, nuclear power, and "new energies," but in old, highly research-intensive ways.
15. This seems to be less true for Latin America and for India where at least until recently there has been both a tendency to study the humanities, social sciences, and law, and for the local industry to be unable to absorb so many engineers and technicians, which resulted in unemployment and brain drain.

16. This would be linked both to Buddhist restraint, middle-path ideology, and to the Confucian respect for order and for the accumulation of wealth. Thus, in some Chinese circles in East and Southeast Asia, the transfer of material goods to the next world is ensured by burning money, TV sets, and drawings of cars. Shintoism works in a more nationalistic way: "postponement of gratification" for the sake of the nation, Japan. See Reginald Little, Economics, Civilization and World Order (Diploma thesis, Institut universitaire des hautes etudes internationales, Geneva, 1978).

17. Japan is the frequently quoted example as is China during the Cultural Revolution. Both cases seem to be showing considerable cracks recently; Western technology with its built-in structures probably has been too strong and the efforts to transform the techniques themselves, too unimaginative. See Galtung, Development, Environment and Technology, Chapter 2.

18. Japanese products have put liberalism to a hard test in both the US and the European Community countries. And Japan, of course, never even dreamed of practicing liberalism in trade. Before imposing trade barriers, the West might also start competing, beating the comparative advantage of cheap labor in labor-intensive industries by means of more automation/robotization, sacrificing its own workers. Or, it may switch to other lines of production. However, the capacity of several, by no means most, Third World countries to follow and anticipate should not be underestimated.

19. For an effort to explore how this is done in practice, see Johan Galtung, "The New International Economic Order and the Basic Needs Approaches: Compatibility Contradiction and/or Conflict?" Alternatives 2 (1979). The revised version appears in The Politics of Needs, ed. Patrick Healey, a publication of the GPID Project of the UN University.

20. This process has, of course, already come a long way. This is not a prediction about the distant future but more of a description of what happens. However, it is obviously more true for some industries and some countries than for others.

21. Strictly speaking, this is not a question of population increase but of market participation increase or an increase in the numbers of those who can articulate wants, which may or may not correspond to needs, in the language of the market, which is money. The basic needs approach may enter here in two ways: as a new type of low-level marketable package of goods for the very poor, possibly subsidized to start with, and as a way of preparing people, with nonmarket means, for market participation once their basic needs have been met at a minimum level. This is explored in some detail in the article referred to in note 20 above. The demand-supply growth rates within Third World countries are not well known, however.

22. Among other things, Japan was very isolated and could only link up with the pariah powers of the West, Nazi Germany and Fascist Italy. In the Third World there is still some solidarity, and even if it breaks down along obvious lines, rich vs. poor, industrializing vs. stagnant, dominant vs. dominated, or by continent, race, religion, or ideology, each group will still be of some size and will constitute a bloc to be reckoned with.

23. This is not merely a question of size. Because the country is socialist, and currently in a stateist more than communist phase, trade unions are likely to be weak, meaning that both wages and discipline will be monitored by the state. In addition there is the cultural factor referred to in note 16 above; Buddhism, especially Mahayana Buddhism, may encourage a collectivist work ethic, and Confucianism, a respect for authority.


27. Thus, roughly speaking, the percentage in the tertiary sector in the US economy was about 25 percent in 1925 and about 65 percent in 1965.

28. This is reflected architecturally in the design of factories. Space given to offices for functionaries and managers is becoming a larger and larger part of the total complex. In judging the productivity of an industry, the total number of personnel should enter in the denominator, not only those who happen to be on the factory floor.

29. This is the famous "Danish solution": keep the youth in education till they are 45 by means of all kinds of tertiary education, including courses and seminars on unemployment and "society in crisis," and then make them retire and they will be no threat to the labor market!

30. Thus, if we assume the new style to be something like 35 hours per week for 44 weeks per year during a period of 40 years out of a life expectancy of 75 to 80 years, and the old style to be a 16 hour day all year around for 75 years, then the new style is about 15 percent of the number of working hours of the old style, an incredible change over a few generations. From this, too, should be subtracted illness and unemployment. If, in addition, we introduce the problematic distinction between direct material and other types of production, it becomes quite clear that 5 percent is unrealistic because it is far too high. The number of hours per week may soon drop to around 30, as will active working years.

31. This, then, relates to the whole school of Marxist thought about exploitation as work time exploitation. The number of hours required to produce the two things that are exchanged is (highly) unequal in the internal and external sectors.

32. Of course, in that denominator there is also a time factor, and the same would apply here: productivity may be made to look artificially high if one includes only the tip of the iceberg, i.e., the time actively spent producing, not the time spent travelling back and forth, reproducing oneself and others, educating oneself for the job, and mentally working before and after scheduled working hours. Incidentally, in this discussion we have not included the argument of the capitalistic attitude to workers implicit in the entire idea of calculating "productivity," just like a capital output/input ratio, and have treated labor like any other "factor."

33. See the discussions in note 10.

34. Thus, if the price of oil quadruples and then doubles something will happen to the price of weapons. But what if the price becomes so high that there are efforts to produce more weapons in the Third World? The price may have to come down, which will happen when labor costs are cut and productivity increased as in other fields.

35. Unless more of the production can be sold, e.g., by lowering prices, increased productivity means unemployment, or more leisure time, which in itself may be as alienating as higher productivity.

36. See The New Technology (London: Counter Information Services, 1979). In principle, the microprocessors could give us less boring work, more production, and more leisure; in practice, it will lead to unemployment both in industry and office work. New work places and new jobs will.
not follow in their wake. They will be produced, as mentioned in note 10, by underpaid, well-disciplined workers in certain developing countries who produce the parts only, for assembly lines in the US and Japan. Siemens, the large West German electronics manufacturer, has calculated that before 1990, 40 percent of the office work in the Federal Republic of Germany will be taken over by data machines. This means that two out of the five million office workers in that country will be out of work. In France it has been calculated that 30 percent of those who work in banks will be made superfluous. This is all related to the growth in the electronics industry, estimated in sales at 20 percent annually. The major companies are Nippon, Sanyo, and Hitachi in Japan, and IBM, Texas Instruments, National Semiconductor, Motorola, Intel, Fairchild, and ITT in the US. This report also gives more details about the exploitation of the external proletariat, the same that is predicted in this paper to be of relatively short duration. Thus, in Singapore there is a total of 120,000 foreign workers in a population of 2.3 million, on time-limited contracts, who cannot reside there permanently and cannot enjoy the same benefits as Singapore workers. They can be deported if they go on strike or participate in demonstrations, whereas the companies they work for have a five-year tax exemption and can repatriate their profits freely. Many of the workers are Malaysian and Thai women who after five years may apply for permission to marry if they sign a pledge to be sterilized after the second child. Indonesia is another such country that offers good opportunities to foreign companies: 40 percent unemployment, salaries sometimes payable in kind, not in money. The Philippines and Thailand offer similar advantages; the minimum salary in Thailand being only 35 baht, or less than two dollars. All of this follows the pattern established by Third World countries that want to attract foreign investors: exemption from corporate taxes for an initial period up to 10 years, easy repatriation of capital and profits, duty exemption, tariff protection, and speedy approvals, to name a few that appeared on a poster seen at Kuala Lumpur airport in July 1978. A full-page ad from Sri Lanka that appeared in the New Straits Times, September 17, 1979, mentions 100 percent tax exemption as “just the icing on the cake.”

37. This is a major point in the theory based on the data by Fröbel, Heinrichs, and Kreye. See note 10.

38. And yet this has been the dream of Western liberal society, best expressed in the famous essay by John Maynard Keynes, “Economic Possibilities for Our Grandchildren,” Essays in Persuasion (London: MacMillan, 1931), pp. 358-59. Keynes is himself persuaded that mankind is solving its economic problems. The standard of life in progressive countries one hundred years hence will be between four and eight times as high as it is today (Ibid. p. 365). One might ask what a progressive country is. The answer is a country that organizes itself with no important wars, no important increase of population, and above all a “willingness to entrust to science the direction of those matters which are properly the concern of science” (p. 373). The result would be a working day of 15 to 20 hours “one hundred years hence,” or in 2030. Keynes had not read “Mass Illness on Job Tied to Stress of Boring Work,” which appeared in the International Herald Tribune, May 21, 1979. The article describes “assembly-line hysteria” as one form or one expression of this ailment. Little did he know that only half way through his one hundred years, the interest in this productivity game would taper off. The most progressive country when he wrote, the US, is now at the bottom of the eleven industrialized countries in terms of annual rate of increase in productivity (only 3.4 percent in the 1960s and 2.3 percent in the period 1970-77). Even at the top there are problems: the corresponding figures for Japan, the second country on the list during the 1960s, are 13.1 and 4.2 percent, and for Sweden, 7.3 and 3.3 percent. Only Belgium showed an increase, from 6.1 to 7.7 percent. These figures are from the US Bureau of Labor Statistics, and were reported in The Economist, January 20, 1979, and in Newsweek, June 4, 1979, p. 61. Such figures do not give rise to any easy conclusion, but they might indicate that people want to take it easy, enjoy two coffee breaks instead of one, take trips to the restroom when they want, and perhaps, strike as a way of restering away from the stress of boring work.

39. The system might have been better able to absorb women when the economies were rapidly expanding. As it stands now some women have to be accepted at the same time as men are laid off.
One guess would be that it is the middle-aged women with university education who will be accepted by their male counterparts with the tacit agreement that men who do not meet these age and educational qualifications will be laid off and less eligible women will not be admitted. After all, it is well-educated women over 30 who are most articulate, so they will be the most likely to gain politically.

40. Johan Galtung, "On the Eastern European Social Formation" (GPI D Working Papers, Geneva, 1979). What is needed in terms of research, but is not easy to do, is an analysis of the total macro-economics of all of this: wealth that must be generated to maintain a social construction where so few work for so many, and do so unwillingly.

41. Thus, in a country like Malaysia the rise of violent crime, the rapidly increasing differences between social classes, the increase in pollution, and environmental degradation all point in that direction. See Johan Galtung, "Portraits of a 'Developing Country" " (1981).

42. For a study of Singapore and other countries, see Riaz Hassan, "The Urban Environment and Mental Health," in Nancy Ching, ed., Questioning Development in Southeast Asia (Singapore: Select Books, 1977), pp. 31-50. The important seminar on the health situation in Malaysia organized by the Consumers' Association of Penang, in Penang, September 1979 also revealed very clearly how this pathology is a mixture of the diseases of underdeveloped and overdeveloped societies. The prime minister of Singapore, Lee Kwan Yew, is reported to have given as an indicator of development that more people are dying from heart attacks than from malaria!

43. This felicitous expression was coined by Amulya Reddy.

44. Colonizarton interna is the very apt formulation used in Latin America for this phenomenon.

45. Thus, Brazil might invest in southern Portugal, Mexico, or in eastern Spain.

46. This is a well-known problem in Singapore. In general, the fight for access to scarce health resources will be along class lines, with the whole "modern" sector, but mainly the BCI complex, having a near monopoly on access to heart banks, kidney banks, and expensive kidney treatment. The traditional sector will be treated with traditional and considerably less expensive means. Until recently, the method has been to travel to the mother country, the colonizer, for treatment. The development of local health resources will make the class and sector inequality more visible since the treatment will take place locally.

47. Needless to say, this will take time and effort. At present the "unemployment insurance" will be to fall back on the informal or traditional sector, as pointed out by Frübel, Heinrichs, and Kreye.

48. Actually, the two sectors have blended in a peculiar way in Japan. The Japanese factory is run both along Western lines and as a family enterprise with many mutual rights and duties that in the West only appear informally.


50. There has been too much focus on NIEO and the resolutions of the Sixth and Seventh special sessions of the UN General Assembly, and the Charter of Economic Rights and Duties of States. NIEO is just a convenient label for a process that has been going on since the end of the Second World War. Thus, most of the concrete content of NIEO was already discussed ten years earlier, at UNCTAD I in Geneva, 1964.
51. Far more important is the transfer that takes place through buying and selling commercially, and through relocation of industries. Even if the techniques are not fully transferred, the accompanying structures are, and they will eventually tend to drag the techniques in through purchase, espionage, copying, or local innovation.

52. Thus, this should be the right period for "South-South" cooperation to start. The richer and "more developed" will start building beachheads in the name of cooperation in the poorer countries. Mexico, Brazil, India, and los cuatro japoncitos are obvious candidates for "donors."

53. In Iran this was not present at the time of the revolution, so the refinery complex was put in mothballs. Later on it was taken out when the fighting was transformed into theology and the economy started moving toward status quo ante. See Asahi Evening News, January 26, 1979. For information on the floating factories, see New Straits Times, August 3, 1979. Floating airports are also included, "which has the additional attraction of avoiding clashes with local people like those which delayed the opening of Tokyo's new airport for years." This also provides new opportunities for a ship-building industry in difficulties. Several such factories have been made for Amazonas, Brazil.

54. The transfer of inflation and of unemployment, partly due to fluctuations in demand, partly to too high productivity to become competitive, would be among the indicators here, particularly in Yugoslavia.

55. This is analyzed to some extent in Johan Galtung, "On the Eastern European Social Formation."

56. The expressions "primitive accumulation" and "primary accumulation" conceal as much abject exploitation, misery, and suffering as elsewhere, but in Eastern Europe in the 1930s, more in the Soviet Union, than elsewhere.

57. Thus, the International Pilot Project on Schizophrenia of the World Health Organization, Office for Mental Health, revealed the same incidence of schizophrenia for the Soviet Union as for the United States.

58. They wanted to be their own internal sector as does the Third World today, China to some extent being the Third World of the Soviet Union.

59. Since they are socialist by definition, they will be even less likely than capitalists to see their own exploitive practices. The capitalist may see them but not give a damn; the socialist will not even see them before it is too late.

60. This is the point where things may go wrong for the Chinese in their tortuous course through the 30 years of post-revolution history. The peasant may one day say, "Have we not been through this before?"

61. See Johan Galtung and Monica Wemegah, "Overdevelopment and Alternative Ways of Life" (Paper delivered at a seminar held by the Economic Commission for Europe [of the UN], Ljubljana, Yugoslavia, December 1979).

62. It should be added that it is not so certain that Marx entertained this type of optimism either: "It is easy to cite dozens of passages from the works of Marx and Engels affirming the revolutionary role of the proletariat in the overthrow of capitalism. I have not, however, found any which are specifically addressed to the question of the proletariat's ability or readiness to build a socialist society; and at least some of their formulations, especially those which analyse the effects of the division of labor on the worker, clearly imply a negative evaluation of the proletariat's qualifications." P. M. Sweezy, On the Transition to Socialism (New York: Monthly Review Press,
1971), p. 113. However, the idea has played a very important role in socialism and will continue to do so.

63. When the chips are down, the state has more power to squeeze money out of capital than vice versa. In general, people see jobs with the state as more secure than self-employment or employment by the private sector.
The East-West Center—officially known as the Center for Cultural and Technical Interchange Between East and West—is a national educational institution established in Hawaii by the U.S. Congress in 1960 to promote better relations and understanding between the United States and the nations of Asia and the Pacific through cooperative study, training, and research. The Center is administered by a public, nonprofit corporation whose international Board of Governors consists of distinguished scholars, business leaders, and public servants.

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