

Letter from Geneva

World Conference on Economic Development

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IT was the Laos Conference in the Palais des Nations that was stealing the headlines from the world press. Not far from the Palais, almost unnoticed, twenty five economists and scientists were also meeting at the 'Centre International'. They had come from fifteen countries to organize a conference on what is perhaps the key question in the twentieth century: economic development of the less advanced countries.

In this preparatory conference, three major regions of the world were represented. The private enterprise economies were represented by economists from the United States, the United Kingdom, France, West Germany, Sweden, Netherlands and Japan. From the centrally-planned economies, those who took part were from the Soviet Union, Poland, Czechoslovakia and Yugoslavia; while India, Indonesia, Ghana and Burma participated on behalf of the industrially less developed countries. The unique feature of this conference, apart from its world-wide representation, was the encounter of some of the most celebrated personalities in the held of economics — Gafourov, Ruhenstein, Szulki'n from the East; Kuznets, Kaldor, Tinbergen, Floyd Reynolds from the West. This meeting, the first of its kind, was arranged on the initiative of Professor Gunnar Myrdal and Professor Mahalanobis, both of whom have devoted considerable time to problems of economic development.

After five days of intensive discussion, it was unanimously decided to appoint an Organising Committee to convene in India a conference of about hundred economists and scientists at the end of 1962. Professor Mahalanobis has offered the facilities of the Indian Statistical Institute in Calcutta to the Committee for the intervening period.

The most significant achievement of this preparatory conference was the introduction of a new principle in International responsibility Whether or not tripartite representation or 'troika' is desirable in international conferences and in the U N

Secretariat may be a matter of controversy. But, in this non-governmental conference, a precedent for it has been already established. The Organising Committee is to consist of nine members: three each from the Western, Eastern and the uncommitted nations. It was indeed remarkable that despite considerable discussion and controversial debate, all decisions at the conference were taken unanimously without resort to voting.

There were two points around which the main discussion centered. The first related to the structure, composition and responsibility of the Organising Committee. The second was the list of subjects that the forthcoming conference should discuss. It was generally agreed that the conference on economic development in 1962 should be at a non-governmental and technical level. There is a basic reason behind this decision. The People's Republic of China which has been excluded from many international organisations would be able to participate in the discussions.

Sharp Reactions

What really provoked sharp reactions; was the question of Disarmament and Population. It is interesting to note the conflict of attitudes on these two important problems. To take Disarmament first, which is just now problem number one in the international field. Professor Ruhenstein, who has made a special study of the American economy, when asked whether he thought Disarmament would contribute to economic development, replied, "Considerably. Can you imagine the vast resources that would be let loose to assist the less-advanced countries?" I was still wondering how many billions of dollars that would make, when he said, "Even in a system like the Americans have, it is necessary to prepare for such an eventuality*.". He emphasised the point that it was possible to disarm. I asked the same question to Kaldor, the Cambridge economist. He said, "The Russians are making propaganda" and then, after a pause, re-

plied in greater detail. The essence of his argument was that disarmament is desirable, but this does not provide the answer to economic development. Professor Kuznets, who has been measuring national income and growth for over thirty years, thought that disarmament is only one of the problems in considering the ways of developing poor countries. There is a need, for a basic scientific theory, which would fill up the many gaps of knowledge on this subject His use of the word 'poor countries' reminded me of Myrdal, who in a lecture a few days earlier had criticised the complicated terminology that had evolved to describe these countries. He said, "The truth is that these countries are poor, so, why not say so? While both, the economists from the East and West, underlined the importance of a serious study of disarmament and population, the Western intellectuals appeared to give only limited attention to the economic effects of disarmament.

The Eastern intellectuals did not think that the study of population problems was of great significance. They argued that population does not merit a special working committee. However, in the interest of unanimity, both subjects were given the privileged position of having a special working committee attached to each of them.

The elucidation of many ideas on economic growth would be the most fundamental contribution of the 1962 conference. Two points were emphasised to those who would be preparing papers for this world conference. One, that the purpose of discussion is to seek ways in which the rate of economic growth in the poor countries can be raised. The second point which the participants would keep in mind was the study of the experience? of advanced countries. Those periods of the advanced countries would be specially examined in which the problems of attaining and maintaining a higher rate of economic growth were successfully solved.