Ireland's Official Development Assistance 1986

Department of Foreign Affairs, Dublin, June 1987

This latest Annual Report on Ireland's Official Development Assistance (ODA) is published at a time of stringent public expenditure cutbacks and uncertainty as to where precisely further reductions will be made. As far as ODA is concerned the decline has already begun. The allocation for 1986 was £44m but in the event expenditure was only £40.4m, a rise of 3.6% on the 1985 figure of £39m. Given the 1986 inflation rate of 3.9% this represents a fall in real terms of about 0.3%.

The Report sets out how ODA was spent in 1986 with descriptions of the various projects and programmes supported but there is no explanation as to why expenditure was £3.6m less than the allocation. Just over half (53%) went on multilateral assistance via the EEC, UN and World Bank. The remainder was spent on bilateral assistance, mainly to the four priority countries – Lesotho, Sudan, Tanzania and Zambia. Descriptions are given of activities in those countries as well as projects in other countries, support for education and training, agricultural research, trade promotion, disaster relief, personal service, refugee resettlement, development education etc.

The adoption of Women in Development guidelines into Ireland's ODA programme in response to 'the mounting body of evidence demonstrating the need for some specific action in relation to the women of developing countries is to be warmly welcomed.

1986 was Ireland's first full year as a member of the Development Assistance Committee (DAC) of the OECD. The Report quotes the Committee's welcome for 'the determination of the Irish authorities to further increase their ODA to 0.28% of GNP by the end of the current 1984/87 plan.' These words have a hollow ring given that the proportion actually fell from 0.249% in 1985 to 0.246% last year, a long way from the UN target of 0.7% (to be achieved at latest by 1980) and some distance, too, from the DAC average of 0.36%.

Such targets can be misleading, however, as Fr Richard Quinn points out in a theme article on the Irish NGO sector. He is critical of the thinking behind what he calls 'this obsession with a government fulfilling the 0.7% target.' It is based, he maintains, on the now out-dated notion that all government projects were worthwhile and all voluntary projects were ineffectual. This is no longer the conventional wisdom. In the 1980s NGOs 'are witnessing a new-found respectability and even affection' largely because their policies come from the ground up and they are more flexible and humane than more remote institutions.

Assistance from the Irish voluntary sector remains high by international standards: 'estimated flows from voluntary agencies continue to be respectable at around 30-40% of official flows – in some years being equivalent to half of ODA.' This contrasts with other DAC countries where the equivalent figure averages less than 10%. Thus, Fr Quinn points out, if voluntary aid is included Ireland's total contribution to development assistance reaches the DAC average. But that average itself is levelling off: at 0.36% for two years running it has fallen from a high of 0.39% in 1977 – a discouraging trend.

Does Ireland's reduced aid perhaps make up in quality for what it lacks in quantity? There are some clues in the Report: the DAC, for example, in its first detailed review of Ireland's aid programme expressed satisfaction with the quality of Irish aid. As we have seen there is increasing recognition of the high quality of NGO efforts and Fr Quinn argues the case for increased bilateral aid

in the area of co-funding with NGOs. Under the scheme grants for capital costs of up to 75% of total costs are made to NGOs mainly for village level projects in health, education and agriculture. The Report lists over 800 such projects in 32 countries. The scheme has now been in operation for ten years with expenditure rising to over £2.5m in 1986.

Hard evidence on the quality of Ireland's ODA is lacking in the Report, however. Its section on the Bilateral Aid Programme's Planning and Evaluation Unit notes that eleven project reviews were completed in 1986 – six in Lesotho, two in Zambia, one each in Sudan and Tanzania and one of an Irish based course. But no evaluation results are given on the grounds that 'the results were mainly of relevance to operations, rather than final assessments of effectiveness or impact.' This is frustrating to say the least since research loses much of its value if results are not published.

It would be helpful, too, if the statistics on ODA, now relegated into cramped appendices, were brought into the heart of the Report with a more generous layout to facilitate analysis and comparisons. Figures, after all, are the meat of annual reports and often present a clearer picture than words. For that matter, are all the photographs necessary? The Report surely is intended to fulfill a different function from, for example, the fully illustrated Partnership in Progress series covering the Bilateral Aid Programme, recently published by the Department.

Dr Helen O'Neill contributes the second theme article in the Report on 'The Challenges facing Africa and its Partners in Development'. A summary of the evolution of development strategies and theories since the 1960s is followed by a discussion of the UN Special Session on Africa in May 1986. The African Priority Programme for Economic Recovery 1986-90 (APPER) was used as a reference point throughout the session. It represents, according to Dr O'Neill, a most important step in the evolution of African thinking on development strategy with its recognition of past mistakes and emphasis, inter alia, on agriculture and food production and tackling drought and desertification.

The international community expressed support for APPER's reform policy at the UN session but no specific financial commitments were made. It was agreed that external forces hostile to Africa's recovery include the heavy burden of debt repayment and servicing, deteriorating terms of trade, high interest rates, the growth of protectionism, currency fluctuations and the fall in the real value of ODA. But recognition of need and expressions of determination 'to assist African countries in their efforts to deal with financial constraints' are not enough. As Dr O'Neill writes: 'Financial support from the international community, in sufficient and assured amounts is absolutely essential if Africa's reform programme is to succeed.' There are few grounds for optimism: Dr O'Neill's view that 'the international community responded well and quickly to the African famine disaster' is not widely shared. The response was inadequate then and there is little sign now of increased willingness on the part of the richer countries, including Ireland, to increase financial support. It is unfortunately only too likely that our ODA will continue to decline if only by the erosion of inflation. The failure to appoint a new Oireachtas Joint Committee on Development Cooperation is yet another ominous straw in the wind.

Anna Farmar

Development Co-operation:

Development Assistance Committee 1986 Report, OECD, Paris, 1987.

This latest annual report from the OECD Development Assistance Committee (DAC), which brings together all the Western aid donors including Ireland, strikes a rather upbeat note. The emphasis is on the improved outlook in two critical areas in the developing world: Sub-Saharan Africa and the less developed country (LDC) debt crisis.

The good news it sees for Africa results from both human and natural intervention. Many African governments have put in place a series of policy reforms which have reduced some of the worst distortions of incentives and inefficiencies hindering growth. And the 1985 rains made posssible a one-third increase in Sub-Saharan Africa's cereal production. Although this improvement was not equally shared and some famine relief assistance is still required, most African countries are no longer faced with the need for fire-fighting emergency exercises and can turn to the longer-term problems of development.

On the debt front the Report sees the Baker Plan providing some hope for a resolution of this problem. One indicator of its ramifications mentioned in the Report is that from Latin and Central America alone there was a net outflow of financial resources during the period 1982-85 of $100 billion – $30 billion in 1985. The Baker plan was put forward by the U.S. Treasury Secretary at the 1985 International Monetary Fund and World Bank meetings. Billed as a plan for structural adjustment with growth, its critical element was that debt restructuring would be accompanied by an infusion of new finance on concessional terms. Subsequent developments suggest that the Baker Plan did not live up to expectations, although lower interest rates and lower energy prices have given an important respite to the most heavily-indebted LDCs.

The Report contains a special chapter on the long-run development challenge in Sub-Saharan Africa. The chapter looks 30 years ahead to 2015 and some of the main trends it draws attention to are:

– The population of Sub-Saharan Africa is expected to increase from 460 million in 1985 to 1.1 billion in 2015. There is evidence that the demographic transition to lower fertility rates has begun, but because of the larger number of child-bearing families the population growth rate will remain high. The Report contains no mention of the impact of AIDS and its potentially enormous implications for projections of this kind.

– Even with a fall in fertility rates from 50 to 30 per 1,000 between 1985 and 2015 the number of children old enough to enter school in the later year will be 30 million. The enormity of the educational challenge is highlighted by the fact that the number of children entering school in all the members of the DAC is around 10 million annually and is relatively stable.

– Africa's production of grains is currently around 55 million tonnes which makes it virtually self-sufficient apart from the import of 8.5 million tonnes of non-traditional cereals. This represents slightly more than one-third of India's normal year production of 150 million tonnes. A generation ago, in 1951, India's grain production was also 55 million tonnes, and production has nearly tripled since then. Africa needs to achieve growth of a similar order of magnitude. Otherwise its deficit could increase from 8 to 50 million tonnes, and an FAO projection goes as high as 100 million tonnes.

– The working age population will increase from 235 million in 1985 to 600 million in 2015. This implies the need to create 300-350 million jobs over the next 30 years, a number equivalent to the total number of people employed in all DAC countries.

In addition, the Report contains its usual comprehensive statistical coverage on aid and financial flows between North and South, as well as a section which looks at improved aid effectiveness through better coordination. From the statistical section we can see that only Austria, of all the DAC members, has a worse aid volume contribution in relation to GNP than Ireland. (Ireland's figure in 1985 was 0.24%). The report includes Ireland (p.53) as one of the countries planning to increase its aid contribution (on the basis of the *Building on Reality* targets). Given the reneging on this commitment, next year's Report could see Ireland at the bottom of the table.

There are two bright spots in the mass of statistical tables from an Irish point of view. One is the high proportion of aid given as grants – 100%, a record incidentally also shared by Austria. The other is the contribution of the Irish public through the non-governmental organisations which at 0.13% of GNP was way above any other DAC member.

Alan Matthews

World Development Report 1987

World Bank, Oxford University Press

The *World Development Report 1987* is the tenth in the annual series of reports of the World Bank which assess development issues, Part I reviews trends in the world economy, especially from the point of view of their implications for developing countries. Each year Part II, which is the heart of the report, has a different focus. This year it is concerned with the role of foreign trade in the industrialisation of developing countries.

As in other years, this report is a key source of information and debate about the prospects for the developing countries. It is the best single source of up-to-date information about current trends in income and output in developing countries by contrast with the rest of the world, and contains an authoritative appraisal of policy issues. This year's report comes at a crucial time both for the developing countries and – ironically – for the World Bank itself. Up to recent years the Bank was concerned with investment projects in developing countries, and most of its work was devoted to the efficient appraisal and management of projects in particular sectors. There has recently been a distinct shift in emphasis at the Bank, away from project and investment activities and towards a focus on policies of structural reform in the developing countries. This has brought the Bank into the areas of macroeconomic policy and institutional change at the level of the country. There has, thus, been a blurring of the distinctions between the activities of the World Bank and those of the International Monetary Fund which is concerned with macro-economic problems, in particular those which are linked to balance of payments difficulties. The Report is issued at a time when the World Bank itself has just come through what has been called a searing experience, involving staff reorganisation, job losses in the Bank and the loss of some four to six months of project planning.

The message from Part I is rather a familiar one by now. There continues to be a modest expansion in the world economy but it is well below that which would be required to make a noticeable dent on the unemployment total. Moreover, it is unevenly spread across the different countries. Many developing countries are handicapped by a mountain of debt and thus, by the interest rate burden on this which remains, despite the declines which have occurred in world interest rates. Many of these countries are achieving a slow growth in output per head, and some have living standards which are lower if anything than they were a decade ago. The large imbalances in balance of payments among the industrial countries are a source of instability and mean that further reductions in interest rates may not occur.

The economic outlook which the Report presents is a sobering one. Two growth paths are presented for the period up to 1995. The high case makes assumptions of favourable macroeconomic and other policies, growth in the workforce in industrial countries and improved productivity. Together with adjustment programmes in developing countries, this would lead to faster growth in the world economy and a reduction in the debt burden of developing countries. It would also lead to a significant increase in exports by industrial countries to developing countries. In the low case, with no major policy changes, the developing countries would grow at a lower rate than in 1973-80 and their debt problems would worsen.

The policy prescriptions of the Bank sound familiar. The Report argues for increasing cooperation among industrial countries in their macroeconomic policies in order to reduce the balance of payments imblances. In addition, these developing countries need to reduce the rigidities in their labour markets and increase the forces of competition in their domestic markets. It is of interest to note some echoes of OECD prescriptions: the leading article in OECD *Economic Outlook* of June 1987 was titled "Cooperative policy action to restore satisfactory growth".

Both in the case of the World Bank prescriptions for developing countries, and for developing countries, the model which lies behind the policy recommendations is deeply wedded to the benign operation of market forces. This is a world where it is in everybody's interest to reduce or abolish protection, to reduce or eliminate much of Government intervention in economies and to let "price signals" determine the outcome with regard both to output and to wages and earnings. The assumptions which lie behind this benign market model need to be queried. It is a pity that the World Bank does not give more credit to the diverging views which exist on the efficacy of mainly relying on unfettered prices to "get things right". Constantly in the report, Government intervention is associated with inefficiency. In one case (p.32) it refers to "fiscal deficits (in developing countries which) have been allowed to explode in order to finance poorly functioning public enterprises". Here, there is no advertance to the fact that increasing unemployment is one reason for rising fiscal deficits. And, significantly, the finger is not pointed at deficits which finance "poorly functioning" *private* enterprises.

Some other queries can be raised about the basis for the recommendations of the Report. First, it does not pay sufficient attention to the divergences in interests between different industrial countries. These countries have been exhorted for some time on the above lines – why has there been little action? Second, the Report is even more hesitant than the cautionary OECD in recommending that there is room for fiscal expansion in certain industrial countries. Third, there is an extraordinary lack of comment about the havoc which violently fluctuating exchange rates have caused to economic decisions, notably to investment. Yet it is precisely the economists' school of the Report, wedded to market forces, who more than a decade ago saw floating exchange rates as a means to growth without the need for international collaboration and coordination! Fourth, the Report does not give a convincing explanation of why real interest rates are so stubbornly high.

The report says that three kinds of policies are required if faster growth is to be achieved in developing countries – outward looking trade policies, policies which aim at macroeconomic stability through lower fiscal deficits and market interest rates, and policies which aim to improve the efficiency with which economic resources are used. With regard to trade policies, the Report does give some useful evidence that those developing countries with the most outward-looking policies have indeed achieved faster rates of economic growth than the inward-looking countries. However, it does not pay sufficient attention to the dilemma which faces developing countries: if they liberalise trade, this may achieve a longer-run improvement in output but there will at least be short-run costs. In the current climate of mounting debt and a reduction in credit flows from the private sector, many countries would see little incentive for them to

liberalise trade. While the Report does admit the need for additional funds for the highly indebted countries and for Sub-Saharan Africa, it says little about the need for finance of countries which are struggling to adjust their economies and says nothing about the role or responsibility of commercial banks.

When the Report focuses on the policy dilemmas of the developing countries, there is again a set of hidden assumptions about the efficacy of market forces. Not all developing countries which have achieved satisfactory growth have done so by a market-orientated approach, and some which have emphasised market forces have not been notably successful in their economic performance. Certainly, it is useful to be reminded that government intervention can have adverse effects on economic performance, and the report documents many such instances in developing economies, in relation to trade policy, exchange rate policy and industrial policy. However, it is also possible to learn lessons from successful cases of government intervention. Moreover, the report, through its concentration on the market, downplays the role which government can have in correcting the inequalities which typically result from unfettered market forces. There can be no presumption that economic growth leads to the elimination of poverty. The Philippines is an example of a country which has experienced rapid growth and worsening poverty in absolute terms. There are great differences across the developing countries in the degree of income inequality which is observed. Some of this must be linked to the differences in degrees of government intervention across these countries. Indeed that very intervention has in part resulted from the unacceptable outcomes of relying on market forces. Admittedly, this raises a potential trade-off which may exist between efficiency and equity – something about which the Report is peculiarly silent.

The Report says that there is need to liberalise labour markets in developed countries. No mention is made of the fact that there is little or no hard evidence that the rise in European unemployment is to any significant degree a result of elements such as rising unemployment benefits, employment protection legislation and minimum wage legislation – indeed, the rise in long-duration unemployment in many European countries is in flat contradiction to such a case. Moreover, the Report fails to acknowledge that many European countries *have* acted to liberalise their labor markets in recent years without any marked improvement in unemployment having resulted. Having satisfied itself about the links between "flexibility" in labour markets and employment in developing countries, the Report confidently states that "repealing minimum wage laws would not condemn the urban labor force to stagnant incomes" (p.124).

In conclusion, there are many good things in the Report. For instance, it documents the way in which, since 1974, international trade has become increasingly discriminatory and managed, and the way in which the principles of multilateral reductions of trade barriers are under threat. The growing use of non-tariff barriers is one instance of this. The importance of the current Uruguay Round of trade negotiations under the GATT is underlined. Yet, while there are many home truths in the Report, it is not the whole truth. Keynes once said a model for the economist should be the humble dentist. In a number of places in the Report, a dose of humility about our knowledge of economic forces, and an acknowledgement of the political constraints and social objectives which face governments, would have been in order.

John Blackwell

UNICEF: Adjustment with a Human Face

Giovanni Andrea Cornia, Richard Jolly, and Frances Stewart, (eds.), Vol. 1, Protecting the Vulnerable and Promoting Growth, Clarendon Press, Oxford, 1987

There is a tendency among economists to quantify human capital in terms of the pricing of the factors of production by supply and demand, as in the textbook theory of distribution. Economics is an evolutionary science, however, and must accomodate the idea of "a human face". There is more than sufficient evidence that economic decline threatens human health and welfare in vulnerable groups and this fact contributes a moral dimension to economics. Reducing poverty is an ethical and pragmatic good, which properly negotiated, can be cost-effective. This idea is at the root of the thinking of Giovanni Cornia, Richard Jolly, Frances Stewart, et al, the authors of *Adjustment with a Human Face.* The foci of their research are the indicators of the deterioration of human welfare in the 1980-1985 period caused by world recession, and the crucial need to factor these indicators into an alternative adjustment policy. The 1983 UNICEF report 'The Impact of World Recession on Children' defined these indicators in terms of infant mortality rates, low birth rates and measurable declines in nutrition levels. The authors of *Adjustment with a Human Face* have collaborated in writing a series of monographs which study the existing national and international order within an economic frame of analysis, and their conclusions and recommendations on the decline of social welfare in developing countries are specifically addressed to policymakers, practitioners and analysts of the process.

The effect of deceleration of growth in industrial market economies during the 80s has been particularly painful in its transmission to the developing countries of Latin America and Sub-Saharan Africa. The contraction of trade and capital flows and the cut-backs in commercial bank lending from $38 billion in 1980 to $15 billion in 1985 (World Bank, 1986), together with the stagnation of official development assistance have caused capital importing developing countries to suffer negative transfers and become exporters of resources to the industrialised world. This depletion is compounded by depressed commodity prices. U.S. monetarist policies produced an increase in the real rate of interest which aggravated the debtor nations' crises. These changes in macro-economic performance relate directly to changes in social welfare of developing countries due to the contraction of their government expenditure per capita. A look at the input indicators: decline in gross domestic product, employment and real salaries, and at the process indicators: non-availability of food and social services, and it is not hard to predict the outcome: a drop in the real resources of the poor.

The term "adjustment" is a policy response designed for developing countries to cope with deficits in their current and capital accounts in the balance of payments, and consequent fluctuations in government budget, and is a policy antidote to rapid inflation and negative economic growth. Prevailing economic adjustment to the effects of recession generally take the form of stabilization policies deflationary in nature, which reduce the real incomes of the poorer sector. This form of adjustment relegates vulnerable groups to a marginal welfare component. *Adjustment with a Human Face* is a proposal for a radical change of emphasis: "alternative adjustment", a strategy which decides that poverty alleviation must be an integral part of adjustment policy. The former Director of

the International Monetary Fund (IMF), M. de Larosiere, is quoted on this controversial topic: "The forms of adjustment that are most conducive to growth and protection will not emerge by accident. They have to be encouraged by an appropriate set of incentives and policies. They will also require political courage." (July, 1986). Such incentives for poverty reduction are described in detail, with particular attention to health maintenance. Health, nutrition and education are, in their view, the most important determinants of a nation's potential. Health care is not a consumption good, but a positive economic product which contributes to national development. A mother is the producer at the household level of health as output. Health care projects are vitally useful social capital. Immunization and hygiene programmes have high survival impact. Vaccines against measles and polio, and oral rehydration therapy saved the lives of one million children in 1985. Nutrition intervention is as economically productive as financial structural adjustment. "Investment in human resources is at least as vital for economic growth, and exhibits as high returns, as physical investment." The authors argue a convincing case for a humanitarian programme, using the language of benefit-to-cost ratios and economic efficiency. Economic erosion need not mean erosion of health and welfare.

Giovanni Cornia, Richard Jolly and Frances Stewart insist that adjustment packages can be designed which simultaneously protect vulnerable groups while restoring economic growth and point to a policy turnaround made by U.S. Secretary of the Treasury, James Baker, at the Annual Meeting of the Fund and World Bank in Seoul, in October, 1985, in which he promoted "growth-oriented adjustment policy". Essentially, multilateral development banks as well as commercial banks were invited to increase lending; the resulting growth would buoy welfare services. Halting the decline in per capita income is the crucial element in adjustment with a human dimension. In this context, the authors have some criticism to direct to IMF stabilization programmes which they judge give minor consideration traditionally to the effect of income distribution on particular social groups. IMF monitoring is solely on the basis of the performance criteria (the rate of increase of the money supply, the budget deficit as a proportion of gross national product) of the adjustment process, and neglects welfare variables such as the incomes of the poor, or the rate of malnutrition (infant mortality rate, food availability). They feel that emphasis on economic growth is minimal, and little attention given to the distribution of wealth.

Between 1980 and 1985, forty-seven countries utilized IMF adjustment programmes. In looking at the effect of IMF policies on growth, distributive equity, poverty and child welfare, the authors feel that methodologically, it is not possible to attribute causal responsibility to the IMF for the direct negative effect of macro-economic policies on the poor. However, they do ask for a change of objective. They suggest "meso policies" in taxation, aid, credit and asset distribution, specifically tailored to promote economic growth while meeting the needs of vulnerable groups. This means to prioritize, select, redistribute, and restructure resources and expenditures to maintain the incomes of the poor. They propose sectoral policies which promote small-scale agriculture and industry. They specify targeting of interventions so that resources are redistributed to basic services: housing, sanitation, social security, together with compensatory programmes to subsidize food prices and underwrite public

works schemes. Botswana, South Korea, Zimbabwe and Chile are useful examples of countries where "alternative adjustment" projects protect vulnerable sectors.

Because the absence of adequate data is both a symptom and a cause of the low priority of the human factor, statistics are urgently needed for a comprehensive dossier of information on infant mortality rates and nutrition levels. Malnutrition must be monitored as closely as monetary variables. This stock-taking would be coordinated by a central technical unit which would establish a line of reporting to bureaucrats and political decision-makers, involving them directly in matters of social responsibility. Publication of forward indicators of social stress should be included in government statistical publications or in Central Bank Reports.

In summary, the authors state that it is a matter of national conscience that the human dimension of adjustment be incorporated into political thinking. It should be an intrinsic part of IMF policy requirements and dialogue. The identification of social stress statistics should be a sine qua non in the design of international and government strategy for economic relief.

Rosemary Kevany

Our Common Future: The Brundtland Report

World Commission on Environment and Development, Oxford University Press (Oxford Paperbacks) 1987, XV + 383 pp., £5.95

One of the puzzling and disturbing features about the modern concern for the environment is the time lag between the identification of problems and the taking of corrective action. It is at least 30 years since reputable scientists sounded serious warnings that man might not survive the environment he was creating. Twenty years ago Professor Barry Commoner's *Science and Survival* asserted that continued pollution of the earth, if unchecked, would eventually destroy the fitness of the planet as a human habitat. Believing that scientists stated the problems too abstractly Gordon Rattray Taylor's *The Doomsday Book* (in 1970) put the message bluntly: man has fouled his own nest; he risks causing a disaster so great that there will be no one around to say: 'I told you so'.

Our Common Future reiterates and updates the many threats to mankind's future, including toxic wastes, desertification, deforestation, degradation of soil, water and atmosphere, and the possibility of nuclear war. It argues that while scientists bring these urgent and complex problems to our attention we respond by asking for more details though enough is generally known to warrant taking action. Even then problems are assigned to institutions ill-equipped to cope with them. Society has failed to give responsibility for preventing environmental damage to the sectoral ministries and agencies whose policies cause it. Environmental policies are based on after-the-fact repair of damage rather than prevention. The rate of technological change outstrips the speed of adaptation in political and economic institutions. Most significantly, the challenges cut across the frontiers of national sovereignty at a time when global co-operation has deteriorated and international institutions and rules have been devalued. "Perhaps our most urgent task today is to persuade nations of the need to return to multilateralism". *Our Common Future* itself represents a step in this direction, being a report of an independent and widely representative international commission established by the United Nations under the chairmanship of Gro Harlem Brundtland of Norway.

But what really distinguishes Brundtland's report from earlier publications is its central thesis that it is futile to attempt to deal with environmental problems without considering them in the broader perspective of world economic development, poverty and international inequality (p 3). Environmental stress is not confined to affluent societies. Poverty also pollutes. There are more hungry people in the world today than ever before and in their sheer struggle for survival they cut down forests, overgraze grasslands, or crowd into congested shanty towns. These pressures make the pursuit of environmentally sound policies enormously difficult even in the best of circumstances. The problems become unmanageable when population growth outpaces economic growth – as happened in most developing countries in 1981-85. Within countries poverty is exacerbated by the unequal distribution of land and other assets. Internationally, the alleviation of poverty is hampered by deteriorating terms of trade, disadvantageous terms of technology transfer, declining flows of financial aid, rising debt-service obligations and growing protectionism.

To achieve a fruitful marriage of economics and ecology the report calls for 'sustainable development'. It repeatedly hammers out the Commission's meaning of this concept in dealing with different themes. In agriculture sustainable

development requires a move away from a narrow view of agricultural planning and towards a holistic approach to ecosystems at national, regional and global levels, with co-ordinated land use and careful planning of water usage and forest exploitation. Species conservation is justified not only on aesthetic, ethical or scientific grounds but on the economic value obtainable in using wild varieties for genetically improving commercial crops, or for industrial and medical purposes. In the case of energy sustainable development means efficiency in usage and the development of renewables, as well as treating fuelwood like food and growing it as a subsistence crop. Industrial planning must take account of environmental impact assessment. While the more advanced countries have the resources to tackle urban decay the developing countries face an urban crisis. Their rural and urban development strategies should be complementary rather than contradictory. The development of secondary centres would counter the pull of dominating cities and benefit rural areas. Sustainable development also means managing the living resources of the sea so that today's exploitative actions are not allowed to impoverish future generations.

The Brundtland report is rightly critical of naive technological utopianism and of simple faith in blind science. But far from shunning technology it argues that enhancing the capacity for technological development, together with its re-orientation, would help to meet the challenges of sustainable development. Rather than calling for a cessation of economic growth it urges a new era of growth in which developing countries can play a large role and reap the benefits. Above all it recognises that greater compatibility between economic and environmental objectives will not be achieved without attitudinal, legal and institutional change incorporated within new dimensions of multilateralism. While offering some specific proposals in this regard the Commission looks primarily to the United Nations to transform its report into a UN Programme of Action on Sustainable Development.

Given the logic of the analysis in *Our Common Future* the crux of the challenge must surely be in changing the present distribution of power and influence, within countries and internationally. Suggesting ways of doing this might have tested the consensus among members of the Commission. In any event, their main task was not to bring forward detailed prescriptions but to attempt, once more, to raise the global consciousness about the problems we all face, to convey hope that these can still be tackled, and to offer broad directions for future action. Their report is well written and presented with a judicious minimum of technical and statistical data.

It is a most important document deserving a wide readership and an earnest political response.

Patrick Commins