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GLOBAL PROCESSES AND THE WORLD IN THE 1980s: PROLEGOMENON I FOR A GPID WORLD MODEL

Johan Galtung

Project Co-ordinator
UN University Project on Goals, Processes, and Indicators of Development

Institut universitaire d'études du développement
Geneva, Switzerland

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Geneva, February 1981

Johan Galtung

It is being circulated in a pre-publication form to elicit comments from readers and generate dialogue on the subject at this stage of the research.

1. INTRODUCTION: A BIRD'S-EYE VIEW OF OUR PREDICAMENTS

To talk about the prospects for peace and development given the major trends in the world today is about as cheerful an enterprise as to talk 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 and programme also to explore the future, is not too different from being a health specialist in a cholera hospital: one is surrounded by so 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. Thus, the consumption of Coca Cola has now attained 214 million bottles per day; Coca Cola became accepted as the official drink for the Olympic Games in Moscow in 1980 and, as is well known, is also penetrating into the People's Republic of China. Evidently the major factor that has been standing in the way of Coca Cola's expansion has been not an ideologically founded barrier against US penetration into Soviet markets but rather the favoured position given to Pepsi Cola. As Pepsi Cola/Coca Cola is related to Republican/Democratic regimes, Coca Cola expansion is a concomitant of a Democrat 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 those most in need, and who would like to see contacts among nations and countries built around more spiritual, more edifying axes.[1]

And when one then looks at the prospects for peace and development the situation is a gloomy one, to say the least.[2] In the 32 years 1945 to 1976 there were 120 armed conflicts (wars, because governmental forces

were involved at least on one side) in 84 countries — 369 war years when they are all added up. The average number of wars for any given day in this period was 11.5, and the most outstanding characteristic was that only 5 of 120 wars took place in Europe; the remaining 115 all took place in the third world. About 80 per cent of the war activity was clearly anti-regime with foreign participation. The classical war across borders involving two countries or more, "officially," was — practically speaking — absent from the picture. But that does not mean that the wars were, strictly speaking, intra-national, "internal" wars, "civil wars": there was intervention on the side of 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 Viet Nam) in 17 of them. The major intervening powers were the United States, Great Britain, France, and Portugal, in that order. But it is also quite clear from the most recent trends that the days of classical western colonial interventionism are now running out, and that there is an increasing trend for third-world countries to intervene in other third-world countries. This is also reflected in US history: during the Truman and Eisenhower administrations the tendency to intervene was, relatively speaking, low. It shot up to very high levels during the Kennedy and Johnson administrations, and then moved down again during the Nixon and Ford administrations. (The Carter administration is still too young to be judged; thus, we do not yet know how it will ultimately react in, for instance, Iran.) In general, if one extrapolates from the Second World War, one may say that the war formations have moved from big-power wars in the western world proliferating in many directions, via the typical centre-periphery war in third-world countries with western powers trying to defend their privileges, to intranational wars where dominated classes and ethnic groups (or both at the same time) revolt against the establishment, with or without the intervention of other "periphery" countries on either or both sides.

Unfortunately, given the prevalence of deep class cleavages almost all over the world, one way or the other, and given the number of national entities as compared to states (roughly 1,500 to 150), and adding to

this the tremendous input of weaponry of all kinds and the scientific talent that goes into devising more and more weaponry (60 per cent of scientific manpower in the superpowers, 25 per cent in other countries), the prospects are certainly not too good.

And 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 world manufacturing production, in services and in trade (with food production being in the lowest ranges, the others increasing between 5 and 10 per cent per year for many years), the result is nevertheless an absolute deterioration in the living standards of the bottom one third to 50 per cent in the poorest countries.[3] The gaps between rich and poor countries continue increasing, as do the gaps between rich and poor people in poor countries. On the other hand, the distance between rich and poor people in rich countries seems to be more constant. But then there is one gap being bridged, one catching-up process that is successful: the élites in the poor countries have probably more or less attained the same standard of living as the élites in the rich countries. This may be the meaning of the famous "bridging the gap" programme: it is a question of bridging a gap not between countries or between peoples but between élites — seeing to it that bureaucrats (including military, police, and party members), capitalists (private or state), and intelligentsia (those working for the bureaucrats, those working for the capitalists, and those working for themselves) should have about the same standard of living in countries poor and rich. The reason this not only is important but also has been attained is probably to be found in the tremendous increase in interaction: not only are the poor countries undergoing a "modernization" process which implies the creation of institutions that have on top bureaucrats, capitalists, and intelligentsia; they are also within intergovernmental and non-governmental frameworks participating in what amounts to markets of international comparison, exchanging ideas and images, including ideas and images of levels of living. What takes place is not 150 parallel modernization processes, each coloured by its own socio-economic, historical, and cultural circumstances, but the implantation from an

international level above the 150 nation-states of common standards of operation and living. It is membership of this capa internacional which serves as the great levelling mechanism,[4] with its proliferation of centres and a vast periphery.

But this is of little comfort to the people, exposed to increasing deprivation of both material and non-material kinds — most of it relative, much of it absolute.[5] Just as the efforts to maintain "world peace" have been a flagrant failure in the light of the 120 wars that have taken place (with a toll in terms of human lives somewhere between the tolls of the First and Second World Wars) the efforts toward "development" after the Second World War are equally so. The only vantage point from which things might look less dismal would be some positions in the first world: first because the first world rarely serves as a war theatre, as mentioned above; and second because it is not a stage for the tragedies of famine, epidemics, and mass misery in general. But even these pictures are changing. With increasing "terrorism," political violence has also made its entry into the first world, and with the increasing ability to identify the "civilization diseases" (cardio-vascular diseases, tumours, mental disorders), together with such signs of alienation and anomy as criminality, disinclination to participate actively in social affairs, a general feeling of purposelessness, and — on top of all this — environmental degradation, as symptoms of fundamental maldevelopment, the first world looks less like a happy island in a sea of chaos.[6]

If this is the situation, where, then, are the major processes in the world today leading us into the 1980s?

II. THE WORLD SYSTEM: A LIKELY SCENARIO

If one should pick one key factor for understanding of what is going on in 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;[7] 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, under which the third world by and large could retain its cultural and cosmological[8] orientations as long as economic factors could be provided for the first world one way or the other.

It is important socially because it will change the social formations in the countries recipient of the technology so that those who can handle capital-, research-, and administration-intensive technology — i.e., bureaucrats, capitalists, intelligentsia (BCI) — will strengthen their position. This is a circular process: the technology cannot operate without them, so as the technology gains foothold it will generate more members of the BCI complex and they will demand ever more sophisticated technology.

It is important politically because this will serve to homogenize the world élites. By using the same technology they become similar within and between countries, thereby increasing the grip they have on each

other through channels of interaction — making effective self-reliance less probable. This both increases military risks and facilitates military action.

It is important economically for obvious reasons — and these are the reasons 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, and the UNIDO goal of 25 per cent of world industrial production in the third world 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 per cent in 1961-65, 9.0 per cent in 1966-73, and 4.5 per cent in 1974-75; the corresponding figures for the industrialized countries being 6.2, 6.2, and -4.7.[9] The general trend seems simply to be that what used to be called "less developed countries" might now be called "industrializing countries," and what used to be called "more developed countries" or industrial countries could be referred to as "de-industrializing countries." At the same time, the population growth between now and the year 2000 is projected at around 75 per cent in the industrializing countries, with a great influx of young people into the working force, and only 20 per cent in the de-industrializing countries, with a great outflux from the labour force because of the high age of the population. As the general skill level is increasing in industrializing countries and capital is attracted by cheap labour and growing markets, it seems inevitable that these trends will continue: manufacturing production for the world market is to a large extent being relocated to the third-world countries.[10] Almost all the concrete instruments associated with the New International Economic Order, and more particularly those that are contemplated in connection with UNCTAD, point in that same direction.[11]

Historically it is rather obvious why this has taken place. The major reason for the extremely skewed distribution of manufacturing production is the power grip western countries have had over the rest of the world since the "great" discoveries, through colonialism and neo-colonialism. Under the former the colonizing powers had direct

political and military control; under the latter they had economic control by controlling the bridgeheads of their own penetration. But this phase may now be coming to an end. A first obvious consequence of the transfer of so much capacity into free industrial production and free-trade zones will be that sooner or later they will be nationalized. In other words, the control function exercised by foreign, centre-country capital may come to an end. In that connection it should be pointed out that the tremendous transfers of arms to the third world, the most rapidly growing sector in the third world as a whole,[12] often in order to secure profit and employment alike in the first world, may serve to defend nationalized property against metropolitan and other efforts to recover control — thereby closing the circle. And to this picture belongs a certain fatigue in the old western powers when it comes to intervention. A "great" Britain, changing its de facto national anthem from "Rule, Britannia; Britannia rule the waves" to "All you need is love," is not intervening any longer. The same will happen to France, still holding on to some glories and addicted to some tendencies to send the paras abroad, and eventually also the United States. All kinds of costs in connection with intervention will probably outweigh possible gains, and have in fact done so since Czechoslovakia and Viet Nam.

Thus we are probably moving into a new phase that might be dubbed neo-neo-colonialism.[13] There is still control from the classical centre, in North America and northwestern Europe and Japan. Although the control is now built more around the research component of technology — software control — it is not for that reason less effective.[14] This is clearly seen by the industrializing countries, for which reason transfer of technology has for a long time meant transfer of research capacity and a tendency to hand on to those firms and lines and brands that in the longer run are most likely to open their laboratories to the recipients. In the light of this and of the tremendous increase in enrolment in third-world universities in general and engineering schools in particular[15] — and most particularly in such countries in the Chinese cultural sphere as South Korea, Taiwan, Hong Kong, and Singapore,[16] with their diligence, spirit of "postponement of

gratification,"[17] and ease when it comes to adapting the social structure accompanying western technology transfer to their own societies[18] — it seems obvious that even the neo-neo-colonial phase will not last very long. In some fields the West may have an edge which will last longer; in other fields third-world producing countries will be stimulated by the markets and thereby receive an additional impulse which 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. One possibility is the first world continuing along a line of increasing reticence in practising its own liberal trade policy relative to the new production centres in the third world,[19] possibily trying to push them into producing for their own markets and not for world markets, and in doing so making use of basic needs rhetoric.[20] 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 import against losses by being denied export, and the prediction would be that the former will outweigh the latter and that trade blocs would be the logical answer. In other words, the West will be forced into a posture of economic defence from centuries of economic aggression.[21]

This is not an obvious conclusion, however. It may also be argued that the population increases in the third world are of such a kind that markets will expand more quickly and lead to more demand than can be met by local third-world production supply.[22] And it may 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 seen in the case of China. But against these arguments it could be pointed out that the rate of 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 she started making inroads into the

western economies in the 1930s.[23] This, for instance, may very quickly be the case for China with an active population of 600 million or so:[24] if China starts manufacturing for the world market on any scale it is hard to see how the first world could avoid giving up free-trade practices. Kreye et al.[25] give impressive figures in this respect: they discovered that 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: along with 80 million workers in manufacturing in OECD countries, 18 million are already unemployed. But this figure 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. And this may also be a reason why either party would feel better off with a guaranteed demand from "their own"; in other words, an argument in favour of trade blocs rather than the contradictions of world trade.

III. SOME CONSEQUENCES IN FIRST-WORLD COUNTRIES

The consequences of all this in first-world countries are far more deep-reaching than has so far surfaced in press comments and typical OECD rhetoric. When, in somewhere like Sweden since the "bourgeois" parties took power some years ago, the GNP has gone down 3.5 per cent, industrial production 6 per cent, and private consumption 3.5 per cent, while at the same time there are 99,000 unemployed in industry, prices are up 20 per cent (25 per cent for foodstuffs), and unemployment is twice as high as before, with 54,000 young people without jobs, of course the country is "in difficulties."[26] The same can be said about Norway, where unemployment is still low, although still not under 1 per cent. But 25 per cent of all jobs in Norwegian industry are supported by the government (and about 30 per cent of all industry in addition is owned by the state), and the deficit on the trade balance in 1977 was $5,000 million. (The government had prophesied a surplus.) The debt to foreign countries is a staggering $20,000 million, or about $5,000 per Norwegian. So the economic measures are clear-cut: an 8 per cent devaluation in February 1978 and a wage and price freeze in September 1978; nevertheless, the prediction is for 14 per cent inflation in 1980. 700,000 barrels of oil are taken out of the North Sea per day (30 million tons in 1977), and double that is expected by 1981, but it is committed to the debt already incurred, much of it having to be paid in the strongest currencies, Swiss Francs and German Marks.[27]

Similar stories can be repeated from most of the OECD countries, but there is another story underneath which has not yet hit the headlines, though it probably quite soon will start doing so. It is the story of the peculiar social formation that has emerged in some countries, sometimes referred to as "welfare states," whose common denominator

is that very few people, in fact, are engaged in the production of material goods. By this we mean goods for material consumption: foodstuffs, clothes, housing, educational material, the material components of medical services, transportation/communication goods, leisure equipment, and so on. We also mean the goods for the production of such goods, in other words capital goods. Our whole material civilization is based on this, nobody is untouched by it, everybody consumes, more or less — in the yardsticks used by the world as a whole, more rather than less — but 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. Thus, if society is seen in terms of sectors, the general tendency is a decrease in the primary sector (extraction of material goods), decrease in the secondary sector (processing of material goods), and increase in the tertiary sector (all other activities, including distribution of material goods, production of non-material goods or "services," and other activities and non-activities).[28] Bureaucracy, military, police, education, and research belong here.

This can be seen in terms of class: the number of workers (handling concrete objects) decreasing both relatively and absolutely, the number of functionaries and "management" (handling symbols, non-material objects) increasing both relatively and absolutely, within primary and secondary sectors.[29]

It can be seen in terms of time budgets: the time dedicated to productive work decreasing per day (down to 4-5 hours?), per week (down to 4-5 days?), per month (down to 3 weeks?), per year (down to 9 months?), and per life, down to a decreasing interval between the age of completing education (shooting up to 18-20 years, approaching 30 years and above for many) and that of retirement (shooting down below 67-70, approaching 60 and below for some people). Ultimately, the working gap may become zero![30]

But even given these almost incredible reductions in the proportion of

the population and the total working time used for material production there are still at least two other factors cutting down the number of producers: health and employment. The thresholds for defining oneself as "ill" have probably become progressively lower during recent years, obliterating the border line between illness and absenteeism. And then there is the high level of unemployment in the first-world OECD countries, also to be paid for.

If we compare a "primitive" or "traditional" society where almost all the population is engaged in some type of material production throughout most of their lives, discounting the very first and the very last years, it cannot possibly be more than 5 per cent of the total potentially productive working time that is made use of in first-world countries today.[31] (As a matter of fact, exact figures here would be major indicators of how societies have been evolving.) How is this at all possible, given that all people consume something all through their lives, including the first and the last years, and consume even 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. We are then thinking mainly of the low wages relative to the value of what is produced, thereby 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 working abroad, particularly in countries with still lower wages, thereby supplying more material goods that can be paid for by the 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 exchange of this kind being a reflection of the inequality in wages for one hour of work.[32]

Third, there is the exploitation of nature, both internally and externally to the country concerned.

Fourth, there is the factor of technology itself, which has permitted a tremendous increase in productivity. At this point it should be noted that productivity is a fraction with output in the numerator and some population figure in the denominator. It makes a lot of difference what figure is put in the denominator — the potential working population or the actual working population as defined through the many social constraints discussed above.[33] But even given artificially high productivity figures because the denominator has been made artificially low the productivity is nevertheless staggering, contributing a major distance of the way towards explaining the production/consumption gap. It means that 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 first-world consumers. And that means to all of them, not only those who produce the goods! So, if factor 1 above — the first one that has led to difficulties, the exploitation of the internal proletariat — is decreasingly available, then the other three have to shoulder the burden of supplying the goods for this particular social construction. As the wages of workers in first-world countries go up, what they produce becomes increasingly expensive per unit, and the simple logic would be to increase the number of units (the productivity, in other words) for the same salary per hour through technological improvement, lowering the costs of the raw materials by finding new ways of exploiting nature, or lowering the costs of labour by moving the producing to other countries where the wages paid are a fraction of what they are in the first-world countries. (In third-world countries the wages are typically 10 to 20 per cent[34] of what is paid in first-world countries.) It should be pointed out that all this is within the logic of the system. There are of course also other possibilities: one could decrease the portion of the surplus

made available to non-producers (management, and all the other categories mentioned above), but it is assumed that the system works in such a way that this would only come as a last resort. In other words, it is assumed that these societies are capitalist.

The interesting thing is now that the other three factors used to compensate for the gains made by organized labour in the first world have proved to be problematic, and about at the same time: during the 1970s, and even increasingly so. Thus, to start from the end: the whole ecological problématique is nothing but a variation on one theme — there are constraints on the exploitation of nature, there are "outer limits" beyond which there will be not only decreasing utility but increasing disutility. And as to the exploitation of the external proletariat: on the one hand the third-world countries demand higher prices, but not benefiting their proletariat; on the other, the material goods produced may be for their own consumption rather than for first-world consumption. The net result in one sense is the same: certain material goods are not longer available at acceptable prices, meaning prices compatible with the particular social construction and its very low proportion of people engaged in material production mentioned. The external sector is less available.

Hence, what is left is increasing productivity. This will place the society increasingly 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 nature. Some of this would be for internal consumption, some of it for export in exchange for goods produced abroad; the increases in productivity compensating, it is assumed, for the increases in prices demanded — an example being the terms of exchange between oil and weaponry.[35] Leaving aside the problem of to what extent this equation is internationally valid — among other factors it depends on the demand for research-intensive products in the third world, where they may soon also be able to produce goods of that kind themselves, at lower productivity but also at lower wages — the problem that has become increasingly clear is that there are limits to how much even productivity can be increased without having harmful effects.[36]

It is easily seen through extrapolation what the extreme along this line of "development" would be: the totally automated factory with nothing but a janitor left at the gate (and why should there be a janitor? There could be a closed-circuit TV, infrared detectors, the industrial equivalent of the electronic battlefield, and so on). Inside the factory will be robots, robotization already being an increasingly important phenomenon.[37] We are only one step away from robotization, still using 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 initiative and creativity and skills.[38] In short, human beings are on the brink of being eliminated from material production as unnecessary. And then! Machines may break down, but they do not strike.

This means that the old homo faber is being split into two: a homo sapiens designing the non-human forms of material production, and a homo ludens engaged in, hopefully, playful enjoyment of the role as consumer. Much can be said about this, and one formulation might be as follows: maybe a human being consists of all three, and attempts to eliminate one or even two of them lead to serious cases of alienation. The thesis would be that we are already suffering from the detrimental impact of this type of divorce between human beings and material production, and that 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, very soon bang its head against the ceiling.[39]

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 such high productivity in material 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 its productivity — by having more labour-intensive and more creativity-intensive technologies. It is interesting

in this connection to note that there is one group in society that by and large has probably gained more access to the formal economy, namely, women, and, given the tremendous constraints on the system as it is operating right now, this evidently leads to major difficulties.[40] That might serve as an indication that basic transformations are needed in order for new social constructions to emerge.

At this stage it might perhaps 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." On the contrary, the socialist models in Europe (and here the social-democratic welfare states in Northern Europe may be seen as not that different from the presumably socialist constructions in Eastern Europe) all presuppose a social construction with a decreasing part of the total working population and 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 in the direction of this construction, not away from it.[41]

IV. SOME CONSEQUENCES IN THIRD-WORLD COUNTRIES

What would be the scenario for a typical third-world country given this type of overarching global process? The point of departure for thinking about this would probably have to be the classical distinction between a "modern" and a "traditional" sector of the society, a split into two parts, given that the demarcation line is sometimes blurred. However, we would like to refer to the parts as "westernized" and "non-western" rather than using the value-loaded terms "modern" and "traditional." We then assume that the westernized part is 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 getting lower and lower; the number of people who have to be supported one way or another from this production is increasing. Then, on the other hand, there is the non-western, subsistence economy which of course also has a "tertiary" sector with trade, administration, etc., but certainly not of that size. What is going to happen to these two parts of society? They well know that they are interacting with each other, that the non-western part serves as a reserve army for the western part in the classical Marxist sense, and that this has become particularly important recently because of the production of landless peasants due to expanding agribusiness buying up land and forcing the former peasants to become rural labourers, followed by the production of labourless rural labourers, also due to expanding agribusiness because of the high productivity that follows in the wake of "modern" technology.

The assumption would be that the western part of society will develop along the same lines as first-world societies have done. Internally they will exhibit the same social pathologies,[42] there will be

increasing rates of mental disorder,[43] people will die from cardio-vascular diseases and tumours rather than from the diseases of yesteryear; crime rates will soar; and the general feeling of alienation will be considerable. Much of the latter will be due to the subtle workings of culturocide: the gradual erosion of non-western cultures and civilization, due not so much to overt cultural imperialism like missionary Christianity as to covert cultural penetration using technology as Trojan horses.[44] The ultimate result is Iran 1978/79.

Then it is assumed that the economies of these western parts of societies will soon start running up against the same difficulties as the economies of the first world. Workers' trade unions will eventually succeed in getting higher wages; to balance the national accounts productivity will have to be increased, nature will have to be exploited and exhausted even further, and an external proletariat will have to be made use of. In many third-world countries this external proletariat will in fact be internal to the country but external to the western part of it: it will be found in the non-western part.[45] For other third-world countries it will be found outside the country's own borders — one day possibly even in impoverished sectors in the poorer first-world (e.g., Mediterranean) countries.[46] At the same time, the costs of maintaining materially non-productive segments of the population will increase, because of the homogenization of the world system due to processes of interaction and interdependence mentioned above, and because of the tremendous social forces put into action once western technologies have been accepted to any major extent. In this connection, it should also be pointed out that the system will produce its own sicknesses and hence increased needs and demands, effective ones, for sickness insurance, also extending into mental diseases.[47] And it will produce its own unemployment in the western part and the corresponding need for unemployment insurance.[48] These will have to be fought through. They will be at a lower level than what is known from first-world countries, but the tendency will be in that direction. The tendency will also be towards growing bureaucracies, growing management sectors, growing centres for production and

utilization of intellectuals and researchers in general, growing military and police — all of them materially non-productive in one way or another, all of them with the same needs for food, clothes, housing, schooling, medical services, and transportation/communication as others. In short: "modernization."

In the meantime the living conditions in the non-western part will deteriorate further. This will mainly be due to further encroachment by the western part, depriving it systematically of production factors — buying its land or evicting the tenants, exhausting its raw materials, siphoning off capital accumulated through banking systems, postal accounts, and so on into the western part of the country, depriving it of talent through the "universalistic" channels provided by schooling so that it loses potential leaders into the vast BCI-complex of the westernized part. Some of the third-world countries will be able to do what the first world has done: push the non-western periphery outside its own borders, establish trends of interaction with other countries so as to permit (almost) the whole population to constitute one big westernized society. The examples that first of all would come to mind here are Singapore, perhaps Hong Kong, potentially Taiwan and South Korea. It should be noted that this is what a big non-western country once did, and successfully: Japan. For other non-western countries to adopt the western social construction in this regard (and Japan has not done it completely, yet — because of the co-existence within Japan of two parts with characteristics not too dissimilar from what has been described above as westernized and non-western)[49] a vast <u>hinterland</u> is needed: the potential candidate of course, as usual, being China. The question is, for whom shall China 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 — maybe partly because the "socialist countries" are not westernized enough to satisfy the demands of Chinese carving out a western sector? In saying so it is then assumed that China will not be playing this role for more than a short period, being more than knowledgeable enough to know what is going on. 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 game with them.[50]

Thus, three parallel processes, all of them highly problematic, are seen as taking place in the third world:

1. The quickly increasing emergence of social pathologies in the westernized parts of the societies;
2. the deterioration of the level of living of the non-western subsistence parts of the societies; and
3. the deterioration of the level of living of those third-world countries that will essentially play periphery roles relative to other third-world countries.

It should be noted in passing how all of this is compatible with and indeed engendered by the New International Economic Order. NIEO, then, can be seen as a great transformation process[51] 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 third-world countries as a whole, and among third-world countries. And this means that the battle lines for the future will change: the struggle will be not so much against first-world penetration; that will dwindle away. It will take the forms of articulation of the unease that follows in the wake of alienation and anomy created by westernization, of struggles in the westernized sectors since alienation and anomy will hit the working classes most, of struggles between the westernized and the non-western parts of society, and struggles between centre and periphery third-world countries. It is then further assumed that relatively soon the mystique that has been attached to "socialist" countries as formations able to overcome all of these contradictions will wane and vanish, and yield to a more realistic perception of social processes.

In one sentence: 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 a high number of conditions have to be satisfied, and that can only be at the expense of

somebody and something. Sooner or later the precarious balance will topple, and the result will be a general crisis in that formation. It is the export of that crisis which is currently a predominant global process. And the best example of the implications of that process so far seems to be the case of Iran where almost all of these contradictions one way or the other have exploded simultaneously: certainly against first-world countries in general and the United States in particular, but also in the face of the person who represented the repressive westernized part of Iranian society more than anybody else: the shah. And those Iranians — for there are some — who believe that it is only a question of getting westerners and their capital out of the country will be bitterly disappointed when they see how deeply rooted westernization has become because of the capacity of technology to serve as a carrier of social cosmology. No foreigners are needed for rapid growth of the westernized part to co-exist with the increasing impoverishment of the non-western part, thereby creating misery amidst ultra-rapid "modernization." Maybe it should also be added to this general picture that technical assistance probably plays a very minor role as a carrier of technology.[52] It will fade out as a donor-receiver link from first-world to third-world countries, but in the logic of these things it will increase at least as much among third-world countries in order to pave the way for the same process: relocation of industry in order to cut down on wages when local labour starts becoming too expensive.[53] Or maybe they will choose the Japanese solution and have mobile factories on platforms that can be anchored outside a country whose workers are not too well unionized and not too expensive which are then to be towed away the moment there is "trouble"?[54]

V. SOME CONSEQUENCES IN SECOND-WORLD COUNTRIES

Usually development issues are discussed for 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 is, of course, the relatively weak coupling to the third world, at least in economic terms. There are cases of "raw material imperialism" whereby the Soviet Union seems to import large quantities of raw materials at relatively favourable prices, selling its own version of the same thing to the first world at far better prices than they paid for the import (example: the case of natural gas from Iran). There is also the possibility of storing the imported raw materials, waiting for prices to go up, and then exporting at a profit. Thereby economic interests are created with regard to the third world, and some of the same mechanisms as for the first world are generated. To our knowledge, however, much 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 with the third world are concerned: relations with the first world are ever-increasing, and one would therefore expect increased contagion from the crises besetting first-world countries.[55] Some of it would be due to the search in first-world countries for new partners who can play the role of producers of material goods at prices the first world can afford, thereby liberating larger sections of the first world for material non-pursuits (which are not necessarily the same as non-material pursuits!). 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. Result: penetration.

However, the major reason why the socialist countries do not enter so easily in development discussion is the lack of a theory as to their future. The familiar theory of stages, primitive communism (Asiatic mode of production) — slavery — feudalism — capitalism — socialism — communism, informs the believer of two things: first, that this is a unilinear development axis and, second, that there will be no relapse into capitalism, only consolidation and eventual transition to communism.

Instead of this paradigm, and rather than criticizing it, one may put forward an alternative paradigm which 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, with an expanding westernized part within which there is a quickly expanding proportion no longer dedicated to material production.[56] Again, that means that the rest of society has to be supported, and, 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 (for instance by denying them effective trade unions and the possibility of using the strike weapon except at extremely serious risks to themselves); there will be exhaustion of nature; there will be efforts to import and invent technology in order 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 as to feed the workers and so that their wages can be kept down, in turn to feed the others.[57] 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, thereby constituting a contribution to the balance of the social construction, is not known. What seems to be the case, however, is that the Soviet Union is much more clearly split in parts with internal and external proletariats respectively than the European "socialist" countries. No doubt this is partly due to their smallness, which makes such cleavages less possible socially and politically, but to a large extent to the fact that they are part of the general western social formation, and, more so than the Soviet Union, large enough to have the external proletariat inside.

But this means that the prediction would be in terms of the same problems: social pathology,[58] an increase of the level of living of workers at the expense of external proletariats and nature. The only difference — but an important one — is that this will not have so many repercussions in the third world as for the first world. They will tend more to be internal processes in the "socialist" countries, and there are signs that these processes have already gone quite far. In this connection it should also be mentioned that the Soviet/China conflict in the late 1950s probably can be located within this framework of thinking: the Soviet Union probably wanted at least a portion of Chinese workers as an external proletariat; the Chinese leaders and the workers themselves saw this and reacted.[59]

There are some differences, however. Thus, due to the theocratic nature of socialist states with one official doctrine in which, for instance, the thinking of the present paper would not easily find a place, a very important filter formed by ideology will tend to cloud the perception of these phenomena.[60] 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 survival. One implication 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 increasing nationalization, bureaucratization, and planning; another to believe in STR — the "scientific and technological revolution." What these two points would amount to in our terms would simply be, on the one hand, growth of the materially non-productive part of the population constituted by bureaucrats, state capitalists, and researchers/planners, and, on the other hand, increased productivity; the first simply adds to the problems by being the problem itself, the second adding indirectly by increased 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 they are compounding their old problems by importing the problems of the first world — mature centre capitalism — and the problems of the second world — socialism in the sense of "statism" (or even state capitalism). What mix of the problems of the North 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. Legitimation 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 here is China. Evidently, the Chinese élites at present are opting for a social construction that moves away from having everybody involved in material production in one way or another, towards a society that permits a sizeable élite of bureaucrats, (state) capitalists, and intelligentsia to devote themselves full-time to inventing and importing new technologies that will permit increased productivity. How far that can go before external proletariats have to be relied upon 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.[61]

VI. 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 reactions will differ in first-world and third-world countries, among élites and among the people. Let us try to make some predictions.

The first-world élites 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 — pressing for more of the same. Not being able to retract on wages for workers in their own countries they will step up productivity relying on researchers and technicians to produce the tools (which will lead to a swelling of that group in society, not to mention of their salaries!), disguising unemployment as leisure, 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 ending up with work as a brief interval between completed tertiary, quaternary, etc. education and retirement. Much of the production is for export to the third world, and that will only be possible on the condition that the first world retains an edge over the third world in productivity, i.e., in research and technology. For the first world will have to import from the third world less research-intensive goods, otherwise they will be out-competed by the third world.

Then there will be a second part of the first-world élites 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," the "radicals," will generally be working for "alternative ways of life," and one of their formulae, as we already know, is a higher level of access for everybody to the production of material goods for personal consumption, for its use value rather than its exchange value. This is not the place to elaborate,[62] but it is quite clear that the trend is for most such counter-élites in the first world today (and these are usually the sons and daughters of élites themselves, predestined for such positions if not through wealth and status then at least through education) to have built into them less reliance on the four factors mentioned: they believe in lower productivity by the use of more artisanal modes of production, more equality and equity, particularly when it comes to sharing material production, self-reliance in the sense of reliance on local and national factors rather than economic ones far away; and generally benign relations with nature and respect for ecological balance. The programme is well known, the experiments are there, the process is already there.[63] It should only be pointed out that the countries of the second, socialist world have organized themselves in such an unfortunate way from this point of view that they do not have within their borders the vast experience accumulated by youth engaged in experiments in communal living and so on; they have only their own limited range of visions compatible with their own ideology to be inspired by, and hence have to resort to reliance on the first world when it comes to alternatives. That, it should be added, will probably lead to a dramatic break with orthodox Marxism in these countries.

Then, there are the people in the first world: some 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 non-productive positions of privilege and power in our present social construction, and not work against that social formation before one has oneself enjoyed the savour of the fruits produced at the top. Another reason is found in a type of socialist

mystique that seems to believe that workers or those emanating from the working class will possess some greater type of wisdom in handling the precarious balance referred to so often above than the present élites are in possession of. Experiences from northern European social democracies do not seem to warrant this type of optimism:[64] working-class parties will tend to rely more on bureaucracy than on corporation, and shift the balance of power more in favour of the former than the latter, but the result they end up with will be pretty much the same. 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 non-productive segment of the population, remains the same. Usually the bureaucrats are slower, though.[65]

Concretely this means that there will be an alliance between conventional élites and working-class parties, more or less open, more or less tacit. In this alliance the working-class parties will have as their major task to discipline the workers better than the capitalists can do,[66] 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, and, since it is not expected to succeed as a policy, dramatical political events will be the result. And 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. Or — it can be a turn in a much softer direction, towards the values expounded by the alternative-ways-of-life movements. For that matter it may also be both at the same time, having AWL pockets inside fascist/imperialist nations — we have already seen examples of this, such as the United States.

What will the third-world élites do? Like the first-world élites they will be hoping for expanding markets in their own countries. They 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 non-basic, as effective demands in the market; and they will hope

that from the people who are able to do so there will be a process of economic mobility upwards into higher-level markets for more sophisticated goods, including luxury goods. 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 élites will probably have to face an overproduction crisis, and this will drive them towards markets in other countries, less advanced in the adoption and adaptation of westernized technology. The prediction would be that their success will be limited to some pockets of the world's geography only.

What will the third-world people do? Let it first be mentioned that the fifth column of alternative-ways-of-life-oriented people within the third-world élites probably will remain insignificant in size for some time to come — the reason simply being that there are too many fruits to be harvested in the materially non-productive élite group. In the first world these fruits have been harvested for a long time, and many of those who have done so have found them increasingly unpalatable and look around for more meaningful types of existence. Hence, the third-world masses will find most of their potential leaders arguing in favour of gaining control over the westernized part of society and only relatively few of them — some of them extremely well known like M.K. Gandhi — arguing in favour of improved versions of the non-western parts of society, pushing back the westernized cancer growing in their midst. Whereas in the first world it may be a problem of trying to recreate patterns of the past, or creating some new patterns different from the dominant sector, in the third world it may be a problem of preserving the best of what already exists, improving it further; in some countries adding more to the westernized sector, in other countries pushing it back to some extent. Thus, there will be a triangular struggle in the third world as also in the first world. One side of the triangle will be those who want continued expansion of the westernized sector with the extreme points being élite control versus mass control; the triangular point opposed to this axis would be those

who favour strengthening of the non-western sector and its improvement. The structure of the triangular conflict is the same, but the numerical proportions differ considerably in the countries concerned, and they also differ in social origin: those favouring a non-western sector might potentially be the vast masses in third-world countries as against relatively small élites in first-world countries. A strange world, indeed!

What is the basis for alliances across countries and regions in all of this? They are considerable, and some of the alliances are known: there is a built-in alliance along intergovernmental and transnational corporate lines between first-world and third-world countries with continued élite domination of the expanding westernized sector; there is an international socialist alliance, at least verbally in favour of mass control of a westernized sector (in practice this "mass control" very easily trickles into the hands of the party and the technocrats), and there is an as yet not very well constituted alliance between people and some of their leaders in the third world and the AWL people in the first world.

These are the blue, red, and green poles in national and 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 — inviting the reader to add any comment beyond que será, será. For the rest is 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, and Thailand, and have also been circulated to my colleagues in the Goals, Processes, and Indicators of Development Project, United Nations University. I am grateful to discussants in all places.

1. See Liedtke, Klaus, "Coca-Cola Über Alles," Atlas World Press Review, October 1978, pp. 37-38. The original article was printed in El Pais, Madrid. The article also reports a survey of new recruits in Fort Knox, Ky.: "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." But the author adds, ominously, "It is ironic that an empty Coke 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 Kanda, "Wars of Ten Years (1967-1976)," Journal of Peace Research, 1978, pp. 277-242; a continuation of his equally important article "Twenty-Five Years of Local Wars," Journal of Peace Research, 1971, no. 1. Thus, Kende's research spans a period of 32 years, 1945-1976. The data quoted refer to the total period.

3. India and Brazil are the most frequently quoted examples. The green revolution seems, for instance, to have led both to increased production, increased productivity, and increased poverty at the same time, for obvious reasons (small peasants losing their livelihoods when land becomes more profitable; as landless labourers they also lose their labour as machines take over).

4. See Johan Galtung, The True Worlds: A Transnational Perspective (New York: MacMillan/The Free Press, 1980), chapter 7, for some analysis of this, with special reference to the best known: the transnational corporations.

5. People are suffering, from malnutrition, diseases, illiteracy — and people are dying. Very 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 the present author and Tord Höivik, Journal of Peace Research ("Structural and Direct Violence: A Note on Operationalization," also in Johan Galtung, Essays in Peace Research, vol. 1, chapter 5, Copenhagen: Ejlers, 1975). A similar approach has been used by Charles Zimmermann and Milton Leitenberg, in "Hiroshima Lives On," Mazingira no. 9, 1979, pp. 60-65. What they do is first to look at the estimates of how many were killed on the average in Hiroshima and Nagasaki in 1945 — 53,000 being the official US estimate (68,000 for Hiroshima, 38,000 for Nagasaki); the more recent Japanese estimates being an average of 101,000. This establishes a unit corresponding to the 20 kiloton 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 which would have occurred had the death rates been like those 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, 77 for Africa. (It should be noted that high equivalents reflect not only a very bad health situation but also a big population.) Excess mortality of 1-5-year-old children alone in 1978, for the world, corresponds 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 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.

7. For details, see Johan Galtung, Development, Environment and Technology, UNCTAD, Geneva, 1979, especially chapter 2. Also see "Towards a New International Technological Order?" Alternatives, 1979, number 1.

8. This term is used for a combination of deep structure and deep ideology of a society; somewhat like "personality" for a person.

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. Surendra Patel, the head of the UNCTAD division for transfer of technology, presented the following figures at a WHO meeting in February 1979 in Geneva:

Share of World Industrial Output, Per Cent

	1900	1950	1975	2000
Western countries	99	73	52	one third (?)
Eastern Europe	0	20	30	one third (?)
Third world	0	7	18	one third (?)

The UK actually fell from 18.2 per cent in 1957 to 11.9 per cent in 1967, the US from 25.4 per cent to 20.5 per cent in the same period — whereas Japan went up from 5.9 per cent to 9.8 per cent and the Federal Republic of Germany from 17.5 per cent to 19.7 per cent — just to give some other examples differentiating within the western world. According to this table the UNIDO goal — only 25 per cent by the year 2000 — is probably far too modest.

10. This is the general theme of the path-breaking work by the group at the Max Planck Institut in Starnberg in Germany, in Folker Fröbel, Jürgen Heinrichs, Otto Kreye, Die Neue Internationale Arbeitsteilung, Hamburg: rororo aktuell, 4185, 1977 (English translation available from Cambridge University Press, 1979). A short article by the authors, "The New International Division of Labour," Social Science Information, 1978, pp. 123-142, 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 (virtually non-existent in the mid-sixties, but in 1975-79 in operation in 25 developing countries in Africa, Asia, and Latin America, with 11 more countries contemplating establishing them). "In 14 other underdeveloped countries world market factories have been operating on sites outside the free production zones" (p. 139). The wages paid "are roughly 10-20 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, integrated circuits — labour-intensiveness is only one factor, the use of air-cargo another, the segmentation of production into jobs that can easily be learnt even by quite unskilled workers a third. All of this plays together in the decision to relocate — and as a result structural unemployment is created in the developed countries where workers will have to compete with these workers on a world labour market, often hired by their "own" company (op. cit.). In another study — The Electronics Industry in Singapore: Structure, Technology and Linkages, Singapore: Chopmen Enterprises, Economic Research Centre Monograph Series No. 7, 1977 — Pang Eng Fong and Linda Lim study this from the point of view of one host country. Their findings are in the same direction, but with interesting differences between the home countries: "US firms paid the highest of any nationality — an average starting wage of $7.20 per day, 27% higher than that paid by Singapore firms. European firms were next with wages 17% higher than that of Singapore firms, 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% lower, at an average of $5.25" (p. 29). (In a minor study made by the present author in the free trade zone in Penang, Malaysia, it became clear that the employers had settled a standard wage among themselves so as to avoid any shopping around among workers.) The wage differential was greatest with the US, 10:1, decreasing to 9:1 and 8:1 — but by and large wage differentials were within the range reported by Fröbel et al. One difference, however, had to do with productivity: Pang and Lim report lower productivity relative to the home country, but then firms reported that "productivity in Hong Kong and Taiwan was considered to be 25% to 20% higher than in Singapore" (p. 32). Another reported the same productivity as in his European country, "but the home country was frequently plagued by strikes whereas Singapore had none, so there was a decided advantage to locating in Singapore." And still another: "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 in most cases 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: an international order, very trade-oriented, based on the usual 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 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, Manila, May 1979, tipping the balance of NIEO more in the direction of national and third-world self-reliance (the second and the third aspects) and away from the first approach, which will tend to freeze the old division of labour regardless of apparent victories in terms of 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 aiming at transfer of ownership to national forces, private or public, and, in the latter case, at the state level or lower levels.

13. Johan Galtung, "A Structural Theory of Imperialism," Journal of Peace Research, 1971; in Essays in Peace Research, vol. IV, Copenhagen: Ejlers, 1979, chapter 13.

14. What it means is not only the more classical formulae: that the first world will retain technological secrets to guard against nationalization, assuming that the locals will not find out themselves; 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 labour, and rapidly increasing highly complex forms of automation and robotization. And it may mean a switch to new fields, so as to build up a competitive edge:

— biogenetical engineering;
— ocean farming;
— seabed mining;
— outer-space mining, exploration;
— nuclear power;
— "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 a tendency both to go in for humanities, social sciences, and law and for the local industry to be unable to absorb many engineers and technicians, thereby creating a basis for unemployment and a brain drain.

16. Referred to in Spanish as los cuatro Japoncitos, the four mini-Japans.

17. This would be linked to Buddhist restraint, middle-path ideology, and the Confucian respect for order and also 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 cars — as drawings, though. Shintoism works in a more nationalistic way: "postponement of gratification" for the sake of the nation, Japan. For one exploration of this see Reginald Little, Economics, Civilization and World Order, Diploma Thesis, Institut universitaire des hautes études internationales, Geneva, 1978.

18. Japan is a frequently quoted case, and so is China, particularly during the cultural revolution. Both cases seem to be showing considerable cracks recently: western technology, with its built-in structures, probably being too strong, and the effort to transform the techniques itself, and not only to try to build them into a cocoon of different structures where they work like a Trojan horse, too unimaginative. See the book referred to in note 7 above, chapter 2.

19. That liberalism has been put to a hard test by Japanese products in both the US and the European Community countries — and Japan, of course, never even dreamt of practising liberalism in trade. Short of trade barriers, the West might also start competing, beating the comparative advantage of cheap labour in labour-intensive industries by means of more automation/robotization, thus sacrificing its own workers and their employment for the sake of competition. Or they may switch to other lines of production. But the capacity of several (by no means most) third-world countries to follow and anticipate should not be underestimated.

20. 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?" in Alternatives, no. 2, 1979, and in revised version in The Politics of Needs, Patrick Healey ed., for the GPID project of the UN University (forthcoming).

21. This process has, of course, already come a fair 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 than for others, and more true for some countries than for others.

22. Strictly speaking this is not a question of population increase but of market participation increase; an increase in the numbers of those who can articulate wants (that may or may not correspond to needs) in the language of the market, 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 non-market 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.

23. Among other things, Japan was very much alone 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 the obvious lines of fission (rich vs. poor, industrializing vs. stagnant, dominant vs. dominated, and the divisions in terms of continent, race, religion, and ideology) each group will still be of some size and be a bloc to be reckoned with.

24. And this is not merely a question of size. The country being socialist, and currently in a state-ist more than commune-ist 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 17 above, Buddhism (especially Mahayana Buddhism) possibly making for a collectivist work ethic, Confucianism for a respect for authority.

25. See the reference given in note 10 above. The figures here are taken from an oral presentation in August 1978 at Starnberg.

26. The data about Sweden are taken from an article in the Norwegian newspaper Dagbladet, December 1978.

27. The data about Norway are taken from an article in the International Herald Tribune, October 1978. Such data are actually not very well known in Norway itself.

28. Thus, roughly speaking, the percentage in the tertiary sector in the US economy was about 25 per cent in 1925 and about 65 per cent in 1965.

29. This is reflected architecturally in the shape of factories: the office part for the functionaries and the managers becoming a larger and larger part of the total complex over time. In judging the productivity of an industry, more of the total should enter in the denominator, not only those who happen to be on the factory floor.

30. 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" — then pre-pension them and they will be no threat to the labour market!

31. Thus, if we assume the "new style" to be something like 35 hours' work per week for 44 weeks per year during a period of 40 years out of a life expectancy of something between 75 and 80 years, and the old style to be a 16-hour day all year round, for 75 years (to compare we assume the same life duration, but subtract some years at the beginning and end of life), then the new style implies about 15 per cent of the number of working hours of the old style — an incredible change during a couple of generations. From this, should then be subtracted illness and unemployment. If in addition we introduce the distinction — problematic — between direct material and other types of production it becomes quite clear that 5 per cent is unrealistic in the sense of being far too high. It should also be taken into account that the number of hours per week may soon drop to closer to 30, and the same for the number of active working years.

32. This, then, relates to the whole school of Marxist thought about exploitation being working-time exploitation: the number of hours required to produce the two things that are exchanged being (highly) unequal in the internal and external sectors.

33. 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, the part actively spent producing, and not the part spent travelling back and forth, the time spent reproducing oneself and others, the time spent educating oneself for the job, the time spent mentally working before and after "working hours." Incidentally, in this discussion we have been leaving along the argument of the capitalistic attitude to workers implicit in the entire idea of calculating "productivity" just like a capital output/input ratio, treating labour like any other "factor."

34. See discussions in note above.

35. Thus, if the prices of oil quadruple (and then double), something will happen to the prices of weapons. But what if the prices become so high that there are efforts to produce more in the third world? The prices may have to come down, cutting down on labour costs and increasing the productivity, as in other fields.

36. 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 the alienation brought about by higher productivity.

37. See The New Technology, London: Counter-information Services, 1979. In principle the micro-processors could give us less boring work, more production, and more leisure; in practice they will lead to unemployment in both industry and office work. New work places and jobs will not follow in their wake, and their production will take place, as mentioned in note 10, by underpaid, well disciplined workers in certain developing countries who produce the parts only, for assembly in the US and Japan (mainly). Siemens has

calculated that before 1990 40 per cent of the office work in the Federal Republic of Germany will be taken over by the data machines: which means that 2 million of the 5 million office workers in that country will be out of work. In France it has been calculated that 30 per cent 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 per cent annually. The major companies are Nippon, Sanyo, and Hitachi in Japan, and IBM, Texas Instruments, National Semi-conductor, Motorola, Intel, Fairchild, and ITT in the US. This report actually also gives some more details about the exploitation of the external proletariat — the exploitation predicted in the present paper to be of relatively short duration (but then there are other developing countries that might lend themselves to it). Thus, in Singapore, there is a total of 120,000 foreign workers, in a population of 2.3 million, on a limited-time contract, not living there permanently and not getting the same benefits as Singapore workers. They can be deported if they go on strike or participate in demonstrations (whereas the companies have five years' 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: 40 per cent unemployment and "salaries" sometimes payable in kind, not in money. The Philippines and Thailand likewise; the minimum salary in Thailand being only 35 baht, or less than US$2. All of this ties in well with the propaganda made by certain third-world countries to attract this type of business: "exemption from corporate taxes for up to a maximum of ten years," "free repatriation of capital and profits," "duty exemption," "tariff protection," "speedy approvals" — all these merely constitute the "tip of the iceberg" (poster at Kuala Lumpur airport, July 1978). A full-page ad from Sri Lanka (New Straits Times, 17 September 1979) mentions that "100% tax exemption is just the icing on the cake."

38. This is a major point in the theory based on the data by Fröbel et al., as mentioned in note 10.

39. And yet this has been the dream of western liberal society, nowhere better expressed than 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 problem — 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). And what is a progressive country? One that organizes itself with "no important wars" and "no important increase of population," and, above all, with a "willingness to entrust to science the direction of those matters which are properly the concern of science" (p. 373). As a result we would only have to work 15-20 hours a week, "one hundred years hence," meaning in 2030. Little did Keynes know about "Mass Illness on Job Tied to Stress of Boring Work" (International Herald Tribune,

21 May 1979), "assembly-line hysteria" being one form, one expression. And little did he know that only half-way through his one hundred years the interest in this productivity game seems somehow to taper off: the most progressive country when he wrote, the US, being at the bottom of 11 industrialized countries in terms of annual rate of increase in productivity (only 3.4 per cent in the 1960s, 2.3 per cent in the period 1970-77). Even at the top there are problems: the corresponding figures for Japan are 13.1 and 4.2, and for the number two from the 1960s, Sweden, 7.3 and 3.3. Only Belgium showed an increase, from 6.1 to 7.7 (Bureau of Labor Statistics, reported in The Economist, 20 January 1979, and Newsweek, 4 June 1979). Such figures do not render themselves to any easy conclusion, but they might indicate that people want to take it more easy — two coffee breaks instead of one, trips to the rest room when one wants, and, perhaps, strikes as a way of gaining more rest away from the "stress of boring work."

40. The system might have been more able to absorb women when 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 that will be accepted by their male opposite numbers, on the tacit agreement that men who do not meet these age and education qualifications will be laid off and less eligible women will not be admitted. After all, it is women in their middle age, above 30, and well educated who are most articulate, and that is where political gains are most likely to be made.

41. See Johan Galtung, "On the Eastern European Social Formation," GPID Working Papers, Geneva, 1979. What is needed in terms of research, but not easy to do, would be an analysis of the total macro-economics of all of this: how much wealth in one form or another has to be generated to maintain a social construction where so few work for so many and — in fact, or so it seems — do not like it?

42. Thus, in a country like Malaysia, the rise in violent crime, the rapid increase in inequality, the increase in pollution and environmental degradation in general, all point in that direction. See Johan Galtung, "Portraits of a 'Developing Country,'" Geneva, 1981.

43. For a study of Singapore, also reporting from other countries, see Riaz Hassan, "The Urban Environment and Mental Health," pp. 31-50, in Nancy Ching ed., Questioning Development in Southeast Asia (Singapore: Select Books, 1977). The important seminar on the health situation in Malaysia organized by the Consumers' Association of Penang, Penang, September 1979, also revealed very clearly how the picture of pathology is a mixture of the diseases of the underdeveloped and the 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!

44. This felicitous expression stems from Amulya Reddy.

45. Colonización interna is the very apt formulation used in Latin America for this phenomenon.

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

47. 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, expensive kidney treatment, etc.; trying to treat the traditional sector with traditional and considerably less expensive means. Until recently the method has been to travel to the traditional mother country, the colonizer, and get the cure there, out of sight. The development of local health resources will make the class and sector contradictions more visible, as the treatment will take place locally.

48. Needless to say, this will take time and a fight — at present the "unemployment insurance" will be to fall back on the informal or traditional sector, as pointed out by Fröbel et al.

49. Actually, the two sectors have been blended in a peculiar way in Japan, the Japanese factory being run both according to western lines and as a family enterprise with many rights and duties on either side that in the West would have been allocated to the informal sector.

50. For an analysis of this, see Johan Galtung, "Is there a Chinese Strategy of Development?," paper for the "Alternative Strategies and Scenarios" sub-project of the GPID project, Geneva, May 1979; also presented at the Sixteenth World Conference of the Society for International Development, Colombo, Sri Lanka, August 1979.

51. 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 all the time 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.

52. More important by far 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, by buying them or through espionage, through copying, or through local innovation.

53. Thus, this should be the right period for "South-South" co-operation to start, meaning that the richer and "more developed" will start building bridgeheads in the name of co-operation in the poorer countries — Mexico, Brazil, India, and los cuatro japoncitos being obvious candidates as "donors."

54. In Iran they did not have that when the revolution came, so the refinery complex was put in mothballs — later on to be taken out when the revolution faded into theology and the economy started

moving towards status quo ante. See Asahi Evening News, 26 January 1979. For the floating factories see New Straits Times, 3 August 1979. Floating airports are also included, and this "has the additional attraction of avoiding clashes with local people like those which delayed the opening of Tokyo's new airport for years." In addition, this provides new opportunities for a ship-building industry in difficulties. Several factories are made for the Amazonas.

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

56. This is analysed to some extent in Johan Galtung, "On the Eastern European Social Formation," see above footnote 41.

57. Primitive accumulation, primary accumulation — words that conceal as much abject exploitation, misery, and suffering as elsewhere, but in Eastern Europe more in the 1930s, in the Soviet Union, than elsewhere.

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

59. 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.

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

61. This is the point where it may go wrong for the Chinese at the present stage 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?"

62. See the paper by Johan Galtung and Monica Wemegah, "Overdevelopment and Alternative Ways of Life," for the seminar held by the Economic Commission for Europe (of the UN), Ljubljana, December 1979.

64. 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" — from 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.

65. The state has more power to squeeze money out of capital than vice versa when all the chips are down: in general, people see jobs in the state as more secure than the risks of self-employment, or of being dismissed, in the private sector.