

ROOTS OF HUNGER

by Dr. Cheddi Jagan.

The gap in living standards between the developed and underdeveloped countries is over widening. Not only is there an inequitable distribution of world incomes; there is also a steady deterioration of the share of the poor countries in Asia, Africa, Latin America and the Caribbean -- the third world from 54 per cent around 1800 to 42 per cent around 1900 and to 18 per cent in 1962.¹

To narrow the widening gap, the United Nations established the First Development Decade in 1960. But by the end of the decade, the situation worsened.

The problem was further compounded by a widening gap between the rich and poor in many third world countries and an uneven distribution of income within the third world itself. Between 1960 and 1970, in 40 developing countries, the richest 20 per cent earned 56 per cent of the national income as compared with the poorest 60 per cent with only 26 per cent of income.

During the UN second Development Decade (1970-80), the relative position of the underdeveloped countries worsened. In the early 1970's, 34 per cent of the world's population in the rich countries earned 87.5 per cent of the world's gross national product. The poor countries, with 66 per cent of the world's population, earned only 12.5 per cent of world income.

Towards the end of the decade, the world was faced with these stark realities:

- ... About 700 million people in the world were hardly able to eke out a minimum subsistence with an average income of less than US \$75 per year.
- ... An estimated 12,000 people died of starvation every day, and more than 4 million every year.
- ... 200 million babies and children in the "third world" countries suffered from malnutrition.
- ... Of the world's children under 6 years of age, 70 per cent suffered from malnutrition.
- ... 80,000 children suffering from malnutrition died every day.
- ... World population was estimated to increase about 2% per year, but food

supply rose by only about 1.5% in 1977.

- ... For millions, home was the streets and the pavement.
 - ... Illiteracy was growing, it had increased from 700 million in 1960 to 760 million in 1970 and 800 million in 1976, of which 60 per cent were women.
 - ... Third world children who had not been to school between the ages of 6 and 11 would increase at the then present rate to 134 million in 1985 (35 million in Africa, 90 million in Asia, and 9 million in Latin America).
 - ... According to ILO, over 300 million people, mostly in rural areas were unemployed or under-employed -- about 35 per cent of the labour force.
- For the Caribbean Community area, President of the Caribbean Development Bank William Demas estimated that the unemployment rate was between 10 and 20 per cent. For the 15-19 age group, it was as high as 50 per cent. And the rate of labour under-utilisation was between 30 to 50 per cent throughout the region.²

In the 1980's, under the Third Development Decade, the situation worsened both in the developed capitalist states and in the "third world".

"Welfarism", very much touted at one time in the advanced capitalist countries, is being scuttled. Unemployment is becoming a social time bomb. The "war against poverty" in the USA has been abandoned.

At the third world level, the situation has become intolerable and explosive. More than a billion people in the developing world suffer from hunger, malnutrition, or inferior nourishment; in that some, the per caput calorie intake is about one-third and the protein intake is half or one-third of the level in industrialised capitalist countries, and this gap tends to widen.

As regards the category of hunger of the extreme type based on the individual's energy requirements sufficient only for life on the verge of death, the UN Food and Agriculture Organisation noted: in the early 1970's the total number of people hit by hunger was 400 million while in 1980 their number climbed to half a billion. In the middle of the current decade their number fluctuates between 600 million and 700 million.³

The situation has become critical in Africa to which the epicentre of the food

crisis has shifted from South Asia, leading to the death of millions from famine, especially in the Sahel region. In 1980, 60% of Africa's population lived below the poverty line of US \$135 per year, and this will increase to 80% by 1995 if Africa's decline continues.⁴

For the Latin American peoples, life means on the one hand, extreme wealth for a small minority, and on the other - grinding malnutrition, severe unemployment, low living standards, high levels of illiteracy, a disastrously high mortality rate, poor hygienic conditions and acute housing problems for the vast majority. In the early 1980's, half of the population received only about 14 per cent of the national income; 155 million could not meet their basic needs, thirty-five per cent or about 100 million Latin Americans were under-fed; 36 million including 15 million children suffered from malnutrition; one child under 5 died every 30 seconds without receiving any medical attention whatsoever; over 3 million children between the ages of 6 and 15 were forced by poverty to work in inhuman conditions of exploitation; several millions are expected to die of hunger; the unemployment rate is about 35% to 40%.⁵ And the prospects are bleak: the 130 million living in conditions of total poverty or critical poverty in 1980 will rise to 170 million by the year 2000; the 80 million unemployed and under-employed in 1980 will reach 112 million in 1995.⁶

THE DEEPENING CRISIS

Hunger, whether stark and overt resulting from natural disasters, wars and harvest failures, or chronic -- social -- and overt, has its roots in external and internal factors, in the relationship between the developed capitalist North and the under-developed South, and in the general crisis of world capitalism. The aggravated situation in the third world is largely due to its dependent status with the capitalist states, which suffered from a prolonged downturn and cyclical declines in production in 1974-75 and 1980-81. The shattering grave upheaval in the capitalist world over the past 5 years was not seen since the Great Depression of the 1930's. The structural crisis has worsened as a result of the cyclical crisis of over-production and the debt crisis, leading to a further deepening of the general crisis of capitalism.

The Asian, African, Latin American and Caribbean countries are poor not because

of a lack of human and natural resources, but because of domination, subjugation and exploitation by foreign capital. The poverty and hunger are due to the fact that the vast majority, about seven-eighths of the third world countries, are capitalist-oriented with a deformed capitalism, and are linked to the crisis-ridden world capitalist system in a status of dependency. The dependence leads to underdevelopment, backwardness, poverty and instability which in turn in a vicious circle strengthen the dependence. "With economic underdevelopment, large-scale capitalist reproduction turns into large-scale reproduction of relative backwardness and dependence".⁷

The dependence was reinforced by the mechanisms of the imperialist states and the transnational corporations (TNC's) and the acquiescence of many of the dominant ruling groups in the third world. From the immediate post-World War II period, various strategies and stratagems were implemented. The Truman Doctrine of "containment" of communism, socialism and national liberation was formulated on the ideological basis that controlled economies were "not the America way" and "not the way of peace". That "the whole world should adopt the American system", and that "the American system could survive in America only if it become a world system."⁸

To maintain the colonial type of dependency in the South, the pro-imperialist Puerto Rican model of economic development, popularly known as "Operation Bootstrap", was exported. The basic ideas underlying this strategy were that foreign capital was indispensable for progress; that there must be created an investment climate with incentives to capital; that the state must concentrate on infrastructural development, which would provide indirect help to foreign capital.

Viewing the Cuban revolution as a threat, President John F. Kennedy, after the failure of the Bay of Pigs invasion in 1961, countered with the reformist Alliance for Progress later that year.

The nation-state, sovereignty, territorial integrity and tariff walls were seen as major "obstacles to the multi-national corporations ... in Western Europe, Canada and a good part of the developing world".⁹ Deeming them obsolete, President Lyndon Johnson called for regional integration based on "ideological frontiers" instead of "geographical frontiers" --- a call which served the interest of the foreign

transnational monopolies.

To counter the growing demand in the 1970's for radical change and nationalisation, President Nixon in 1971 proposed the formula of "equal partnership". "Thus the core of our new foreign policy", said the President, "is a partnership; its necessary adjuncts are strength to secure our interests". This meant a strategy of penetration as distinct from domination by the incorporation at the special level of the national oligarchies and even governments as share-holding partners with the transnational corporations (TNC's).

In the mid and late 1970's, with the call for a New International Economic Order and a decisive shift in the balance of world forces against imperialism, one of the new features of its tactics was the extensive use of funding through the IMF and the consortium of imperialist states and their controlled financial institutions. Like the Kennedy administration, the Carter administration emphasised social needs and the necessity for the United States "to get on the side of change"; namely, to guide and manage the great changes sweeping the world with different methods but with the same capitalist-imperialist goals of the past. It favoured a multilateral approach through the IMF, the World Bank and the three centres of world capitalism.

The Reagan administration shifted the emphasis of aid from reform and social needs to "pacification through development". Development will come about, it claimed, not by massive aid, but aid linked to trade and investment. In September 1981, President Reagan declared at a joint World Bank/IMF meeting: "Investment is the life-blood of development" and improving the climate for private investment would be one of his administration's major priorities. Emphasis on aid was also shifted from a multilateral to a bilateral basis, and in favour of the transnational monopolies. IMF/World Bank "conditionality" was linked to Reaganomics, the "freedom of the market place" and the creation of a favourable investment climate. Before granting aid and the right of duty-free entry of Caribbean Basin goods into the United States under President Reagan's Caribbean Basin Initiative (CBI), the United States "will discuss with each of these countries their own measures of self-help". This means the imposition of political

strings -- "create conditions under which...private entrepreneurship and self help can flourish"; create an investment climate for foreign capital with income tax holidays, subsidised services, etc.; guarantees against expropriation; if properties are nationalised, the payment of "prompt, adequate and effective compensation"; unrestrained repatriation of profits and other assets; no limitation on the "freedom of trade".¹⁰

The global aims and strategy underlying the Reagan Doctrine in the 1980's is similar to the Truman Doctrine of "containment" in the late 1940's and the Eisenhower Doctrine of "liberation" of the 1950's. Under "neo-globalism" to protect "vital interests", carrot and club policy, aimed at rewarding those who conform and clubbing those who do not, is irrationally but relentlessly pursued. Counter-revolutionaries are deemed "freedom fighters" and liberation fighters are deemed "terrorists".

The development strategies -- Puerto Rican model, "open-door" regional integration, "joint ventures" partnership -- strengthened the position of foreign capital. Even the ECLA model, based on import substitution and import-substituting industrialisation and designed to counter the adverse effects of unequal international trade and to break out of dependency, placed reliance on foreign capital for development.

Industrialisation in the third world, therefore greatly expanded, especially in Latin America and the Caribbean. But it came more under foreign, mainly US, domination. Instead of becoming a liberating force for the Latin American countries, however, it further subjugated their economies and integrated them into the foreign economies. The traditional colonial form of dependency, whereby the third world countries were placed in the position of producers and exporters of food, raw materials and minerals and the importers of manufactured goods, gave way to a neo-dependency with a deformed type of industrialisation. At first, there was production for the domestic market by "branch plants" and factories which had become technologically obsolete. Later the monopolies of the "new type" expanded production based on high technology under a new international division of labour whereby the most technologically modern and capital-consuming industrial branches requiring highly skilled workforces were reserved for the "centre" while the "periphery" third world countries became the "intermediate products shops" of world capitalist production.

Consequently, as ECLAC pointed out: "From 1974 to 1980, external dependence grew and became more complex".¹¹ The foreign transnational corporations (TNC's) became entrenched into the most dynamic and strategic sectors of the Latin American economy.

The domination by the transnational monopolies and banks led to a vast financial tribute from the third world to the developed capitalist countries. Through high profits from investments and services, excessive interest, an overvalued US dollar, unequal international trade, royalty from technology, high transport charges, brain drain, etc., the net outflow increased from about \$120 billion to \$200 billion annually during the next five years, about the amount spent by the United States in its huge armaments programme.

In South East Asia, the TNC's, during the 1970-1980 decade, repatriated \$27,260 million from a direct investment of \$18,048 million.¹²

In the period from 1971 to 1979 alone, profits transferred by private foreign investors from Latin America increased from \$3,200 million to \$19,900 million; for the 1970's, the amount pumped out was some \$70,000 million.¹³ "The sum total of profits obtained in the region by American monopolies alone from 1945 to 1980 was more than 120,000 million dollars. Through this period the entire flow of American capital (both private and state) to Latin America amounted to only a quarter of this sum".¹⁴ In the 1930's, Latin America became a net exporter of capital. In the 1982-1985 period, the net transfer of profits, principal and interest was US\$106 billion,¹⁵ the annual average for the 1981-1985 period being \$35 billion.¹⁶

The transnational monopolies also dominate world trade and manipulate commodity prices. Unequal international trade, the "price scissors" of constantly buying dear and selling cheap, is adding to the financial drain from the third world countries. In 1981 and 1982, according to UNCTAD "the prices of basic products - that constitute 40 per cent of Latin American exports and 80 per cent if energy sources are included - dropped almost 31 per cent, the largest decline in the last twenty years".¹⁷ In 1985 alone, they lost \$65 billion from a fall in prices: food - 10%; metals - 15%; oil - 5%.¹⁸ The steep fall in the price of oil in 1986 also caused the loss of billions of dollars.

Imperialism constantly manoeuvres to solve its own crisis by exporting it to the third world by such measures as high interest rates and protectionism. Especially since 1980, the United States bowed to pressures from its steel, copper, sugar and footwear interests on grounds of "domestic injury". The industrialised nations, said the ILO recently, are blocking world trade and severely limiting growth in developing nations by their increasing protectionism.¹⁹ due to the high interest rates in the United States, coupled with recession, IMF-imposed devaluation of developing countries' currencies and declining incomes from exports, there was also a flight of capital. Latin American deposits in US banks total between \$110 and \$170 billion.²⁰

All these factors contributed to; huge budget and balance of payment deficits. The deficit in the current account balance of payments for the non-oil-underdeveloped countries increased from \$30.2 billion in 1978 to \$77.5 billion in 1981.²¹ The deterioration in the terms of trade caused an increase in the trade balance deficit of the Latin American countries from about \$2,000 million in the 1966-70 period to \$13,500 million in 1978. Economic difficulties became particularly acute in Brazil and Mexico, where it was even a question of the bankruptcy of the "Brazilian" and the "Mexican" models of development. In these circumstances, the Western powers granted the Latin American countries considerable loans and credits; in the period from 1973 to 1982, the latter received over 200,000 million dollars. Over half of this sum was granted to Brazil and Mexico.²²

Thus, in Latin America, the injection of large amounts of foreign capital and modernisation under its control led to growth and finally to crisis: "a) acceleration of growth during the early 1970's (7.5%); b) decline of the growth rate in the middle of that decade (3.7%); c) a period of moderate recovery in the second half (5.5%); and a phase of crisis from 1981".²³

"Monetarist" policies (the increase or decrease of bank interest rates and therefore the availability of credit generally) have led to the destruction of industries on a devastating scale, affecting as they do employment. (It must never be forgotten that "full employment" in capitalist terms really means a given level of unemployment; the

consequential fall in purchasing power sets a recession in motion). "The share of industry in Argentina's GDP declined from 27.6 per cent in 1974 to 21.6 per cent in 1982, and in Chile's, from 29.5 to 20.2 per cent, while employment at Argentinian and Chilean enterprises shrank by 37 per cent.²⁴ The modernisation and the high post-war growth of Mexico, the "Brazilian miracle" and the "Operation Bootstrap" of Puerto Rico have run out of steam and petered out. Argentina's share of world trade was about 2 per cent in 1905; it reached 2.6 per cent in 1926-27 and dropped to 0.3 per cent in 1975.²⁵ Today Argentina, Mexico, Brazil, Chile and Puerto Rico, the "most developed" in Latin America, are facing the most serious debt and structural problems.

Having put the countries in a debt trap, there was then a squeeze play. Since the 1982 debt crisis when there was a danger of default by the major debtors, particularly Brazil and Mexico, "the net inflow of capital in respect of credits and direct investments was not sufficient to finance even 30% of the net payments of interest and profits (\$106 billion) whereas in the seven preceding years the net inflow of capital was practically double the payment in respect of profits and interest (191%).²⁶

The debt crisis is simultaneously the cause and effect or a concentrated expression of the international crisis. It is ticking away like a time bomb, threatening the collapse of the whole world capitalist financial system.

The total external debt of third world countries is estimated at \$1002 billion at the end of 1986, of which 60% will be owed to private sources, including commercial banks. It increased as follows; \$36 billion in 1955; \$75 billion in 1970; \$180 billion in 1975; \$610 billion in 1980; \$343 billion in 1983; \$970 billion in 1985.²⁷

Africa's aggregate debt stood at \$170 billion at the end of 1985. This was \$340 per head, more than the income of most Africans. The foreign debt of the ASEAN (Association of South East Asian Nations) countries is nearly \$100,000 billion. The Latin American foreign debt increased from \$10 billion in 1966 to \$240 billion in 1981.²⁸ In the 1980-85 period, the indebtedness nearly doubled, reaching \$368 billion.

The transnational banks (TNB's) at the time of the first "oil crisis" in 1973-74

and the recession in the capitalist world in 1974-75 greatly contributed not only to the size and the burden of the Latin American and Caribbean debt, but also to the crisis itself. Lending large amounts of petro-dollars, they influenced a significant change in the structure of the debt. Most of the foreign loans and credits (84%) at high and "floating" interest rates were short term; in 1979, 49% had to be paid in one to five years, and 35% in five to ten years. And from the mid-sixties to the end of the seventies, the proportion of private debts grew from 41.2 per cent to 61.2 per cent, while the share of the state debt fell from 58.8 per cent to 38.8 per cent.³⁰

So huge is the burden of debt payments that many of the big debtor countries are forced to borrow, not for development and amortisation but simply to meet part of their interest payments! Interest on the external debt alone is estimated at about \$100 billion annually.

Africa's debt service payments rose from about 13 billion dollars in 1982 to more than 20 billion dollars in 1985. This meant that as a percentage of export earnings, debt service ratio rose from about 20% in 1982 to 27% in 1985. In 1986, African countries will pay the IMF more than they will receive from it.³¹

Since the loans were issued on a "floating interest rate" basis and were in keeping with the high interest rate policy pursued by the United States to attract foreign financial resources for the purpose of sustaining increased internal borrowing to cushion huge budget deficits caused by the fueling of a growing arms expenditure, Latin American debt service payments alone were in excess of \$368 billion in the period from 1978 to 1985.³² The "debt service ratio" -- interest and principal payments as a share of export earnings -- should not exceed 20% if development and welfare are not to be seriously affected. But it increased from approximately 32% in 1977 to about 59% in 1982. It was 73% for Chile, 78% for Brazil and an incredible 113% for Argentina by 1982.³³ "Debt service" theoretically consumed the equivalent of 64.6% of export earnings of all Latin American countries in 1983. In Argentina, the figure was nearly 150%.³⁴ It is expected to be 78% overall in 1986.

Consequently, development has been seriously affected. The goals and objectives

of the US International Development Strategy (IDS) were not attained. For example, the Regional Programme of Action of the Economic Commission for Latin America and the Caribbean fell far short of targets. Instead of a GDP growth rate of 7% per year, there was an average growth in the 1981-85 period of less than 1% per year. To attain the goals of the IDS, "the annual growth rate for the rest of the decade would have to be around 14%".³⁵ Based on past experience and present realities, this will be almost an impossibility. Recently, the Organising Committee President Roberto Pereyra Livetti of the Businessmen's Forum charged the United States and the European Economic Community with using "debt interest payments from Latin America to subsidise primary food production". The EEC and US subsidy, which amounted to some \$75 billion in 1985 alone, prompted "false development" and caused drops in international prices for these products, thus seriously affecting the Latin American grain producing countries.³⁶

Another device for maintaining economic hegemony, the Caribbean Basin Initiative (CBI), which had been proposed in 1982 as an economic aid package for "those countries which are under seige", is not faring any better than the Alliance for Progress. The latter, under more favourable circumstances attained only 1.5% of the limited goal of a 2.5% increase in the per capita gross national product. The CBI's failure is due to the fact that it is basically the economic aspect of an anti-communist military strategy. Socialist Cuba, revolutionary-democratic Nicaragua and Grenada, with Maurice Bishop as head of government, were excluded. Today, even former adherents of the CBI in the Caribbean and the U.S.A. are critical, in view of protectionism and especially a cut of the quota of Caribbean sugar exports to the USA by about one-quarter.³⁷

Increasing dependence on foreign capital and markets has led to growing problems in the Caribbean. In May 1986, the Caribbean Community (Caricom) Secretary General Roderick Rainford referring inter alia to the "extreme openness of our economies and societies", pointed out that the region suffered from a deep and persistent economic crisis.³⁸ Concerning cultural imperialism, President of the Caribbean Development Bank (CDB) William Demas, pointed out that the "insidious penetration" of irrelevant foreign

television was threatening the economic advancement of the West Indies by "encouraging consumption, especially of foreign goods, rather than production in a region that can ill afford the resulting large-scale outflows of foreign exchange".³⁹

The Baker Plan and the new IMF special Trust Fund for the poorest countries are a drop in the ocean of poverty and a little bit of the same "old medicine"; to lend more to prevent debt default and to put the countries later in a bigger debt trap. President Reagan had done that before. In 1982, fearing default in debt payments, particularly by the biggest debtors -- Brazil, Mexico, Argentina, South Korea and Venezuela -- and a consequent collapse of the international capitalist banking system and the major US banks, he reversed his position and agreed to an increase of IMF funding by a little more than 40%, with an increased US contribution of \$3,400 million. But the debt problem became more acute and will worsen. In the next decade, the third world debt will amount to \$2 trillion.⁴⁰ According to ECLAC, the Latin American foreign debt will increase from \$360 billion in 1985 to \$475 billion in 1990 and to \$692 billion in 1995.⁴¹

The imperialist states have consistently refused to heed the demand of the third world for a New International Economic Order, a Code of Conduct for the transnational corporations, a Charter of Economic Rights and Obligations of States, the 1984 Quito Declaration and Plan of Action, the Cartagena Concensus and a reform of the international monetary system. They do not want to review the world situation within the multilateral framework of the United Nations and the "Global Round" of negotiations. Instead they have institutionalised the Summit of the "Big Seven" as a substitute for the United Nations and UNCTAD, and prefer to operate within the orbit of the IMF, World Bank and GATT which they control. And they shift the responsibility for the crisis to the Asian, African, Latin American and Caribbean countries, and call for a "re-ordering", "adjustment" and better management.

The focus of the "adjustment" programmes of the IMF and World Bank on inflation and balance of payments, and not on the totality of factors causing the economic and social malaise, had led to the very opposite of what was intended: a palliative and in many cases a collapse, instead of a cure. The very people, the poor who were to be helped, were

further penalised with wage freeze or wage restraint, removal of subsidies and price controls on consumer goods, increased taxation, cuts in social services, dismissals and higher prices through devaluation. IMF credits were given supposedly to cope with the negative balance of payments and foreign exchange situation, but in reality they were used to meet debt payments, thus reducing the recipient country to the status of a sick man who receives a blood transfusion in one hand only to donate it through the other. 'The IMF's own figures show that seven leading debtors are currently transferring some 30 billion dollars a year more than either "aid" or new loans flowing in'.⁴² As grinding poverty and riots, as in Brazil and the Dominican Republic in 1982 and in Jamaica in 1985, became more prevalent, and the countries were caught in a 'debt trap', IMF "conditionality" became more stringent, reaching out from the traditionally economic to the political spheres. And if an IMF agreement was not reached and its "seal of approval" not attained, the World Bank and other international financial institutions, the transnational banks and the imperialist states stood aloof, as was seen clearly in Guyana in the 1982-85 period, after the government had failed to meet the agreed financial and other criteria of earlier agreements. More stringent anti-working class and pro-imperialist proposals were put to make the country more dependent.

Consequently, more and more states are becoming increasingly critical of imperialism and the imperialist-controlled IMF. The Michael Manley government of Jamaica severed relations with it in 1980. President Burnham of Guyana, who had in June 1978 signed the first agreement with the IMF, described its 1982-1983 proposals as "a recipe for riot", (Regrettably, the Hoyte government is moving back towards the IMF/World Bank). Even Caribbean governments friendly to the USA, such as Antigua, St. Lucia and Dominica, are not willing to enter into agreements with the institution. Jamaica, which was to become the US model for the region, was in May 1986 critical of the proposals of the IMF, World Bank and the US Agency for International Development (USAID). Their proposals, calling for deflation, devaluation, smaller capital budgets and a continuing programme of cost-cutting and redundancy, with - zero economic growth in 1986, 1% in 1987 and 2.5% in 1988, were rejected. Prime Minister Edward Seaga, who had made Jamaica the spearhead of US imperialism in the region, said that the proposals were "not in keeping with the directions in which we must move".⁴³ Peru's President Alan Garcia

accused the IMF of having a "colonial ideology" and said that the debt required "a structural and collective action".

THE WAY FORWARD

The solution to the crisis of the third world and the eradication of poverty and hunger require a revolutionary approach. Central to this approach must be a recognition that foreign monopoly capital and the transnational corporations and banks are the source of the problem. It was this recognition that led the late President Salvador Allende of Chile to initiate the formation of the Andean Pact which placed some restrictions on foreign capital, and to call on the United Nations to formulate a Code of Conduct for the transnational corporations. It also led to the formation by progressive and revolutionary states of the Latin American Economic System (SELA). More recently, President Alan Garcia of Peru said that "the foreign debt is the current expression of imperialism", and therefore "should be met with a political response and be the object of an historical decision".⁴⁴

The IMF way must be rejected. No country which has followed that way has achieved development and the satisfaction of basic human needs. The free flow of foreign monopoly capital leads to neo-colonialism, capitalist dependence, underdevelopment, poverty, the violation of civil and political rights and ultimately the death of democracy.

It is necessary for third world countries to pursue an independent course, both in domestic and foreign policies. Internal adjustment and change are required but not under the aegis of imperialism and its controlled monetary and financial institutions.

In Guyana, IMF prescriptions led to a decline in real wages, per capita income and national savings. Real wages declined by about 50 per cent compared with 1977, a year before the first agreement with the IMF was signed. Per capita income is close to 40 or 45 per cent of what prevailed in 1975. Financial dependency also increased. Whereas foreign savings represented about 30 per cent of total savings in 1978, they increased to between 85 per cent and 90 per cent in 1986. Jamaica, which under the Seaga government followed the Puerto Rican, Brazilian and Mexican way, is facing a grave social, economic and political crisis despite every possible assistance from the Reagan administration.

In contrast, other countries which pursued an independent course made economic and

social progress. Cuba under a different socio-economic system, socialism, is solving the grave problems inherited from the past, in spite of perpetual imperialist harassment and blockade. In the 1981-85 period, the gross national product had grown by an average rate of 7.3 per cent, well above the 5 per cent forecast, and industrial production increased by 8.8 per cent. Average monthly salaries increased by 26.4 per cent over the five years and the daily per capita calorie intake had risen to 2,900 and protein intake to 78 grams.⁴ It has the best educational and health systems in Latin America and the Caribbean, indeed in the third world. The Director of the UN World Health Organisation stated that it had already reached WHO's goal of "Health For All by 2000". And the famous Nobel prize winner, Swedish economist Gunnar Myrdal, referred to Cuba as a model of development for third world countries. As regards revolutionary-democratic Grenada, the World Bank reported that the People's Revolutionary Government headed by Maurice Bishop had inherited a deteriorating economy, that the government's objectives "are centred on the critical development issues and touch on the country's most promising development areas". It put the increase in gross domestic product at 2.1% in 1979, 3% in 1980 and an estimated 3% in 1981. In 1982, real wages increased by 3%, and the economy grew by 5.5%. Non-traditional exports increased by 28.4%, inflation was infinitesimal, and the employment rate declined from 49% at the time of the Gairy dictatorship to 14% in 1982, the lowest in the entire Caribbean and wider English-speaking area.⁴⁶

Third world countries must relentlessly pursue not a neutralist, but a genuinely non-aligned, policy in keeping with the fundamental principles of the 1955 Bandung Conference which were further elaborated since then by the Non-Aligned Movement -- peaceful coexistence; opposition to colonialism, neo-colonialism, imperialism, racism and all forms of racial discrimination; disarmament and world peace; a New International Economic Order and a New International Information Order.

Fundamental change must take place from a capitalist-oriented to a revolutionary-democratic, socialist-oriented course. The "equal partnership" of President Nixon has led to unequal partnership and foreign domination leading to the third world countries being thrice-fleeced -- payment of high interest rates on loans and credits; repatriation

of huge profits by monopolies on investments; purchase of imported goods at high prices. Their natural resources, particularly non-renewable minerals (mankind's patrimony), are being rapidly depleted for an irrational, anarchical world capitalist system of production, and their environment is polluted and disfigured.

Development is not simply a question of finances and economy. The economic base is integrally related to the superstructure -- politics, ideology, institutions and culture. Between them, there is an inter-connection, inter-action and reciprocal influence. Success will depend on the extent to which there is a harmonious interconnection of all public spheres, a world view and political will.

Poverty and hunger are linked to "neo-globalism" and the arms race. A World Bank policy study revealed that "the alarming level of world hunger results not from overall food shortages, but from insufficient purchasing power of nations and households".⁴⁷ Simultaneously, billions of dollars are squandered insanely on arms expenditure. The money must be diverted to eradicate poverty. The people's struggle for disarmament and peace to prevent a nuclear holocaust must be linked to the struggle for national and social liberation and the eradication of hunger.

In 1973, the Soviet Union in the U.N. General Assembly urged a 10 per cent reduction of the military budgets of the permanent members of the Security Council, with part of the money so saved, going into a fund for assistance to the under-developed states. More recently in January 1986, its proposal to the United Nations stated; "ending the arms race, liquidating nuclear and chemical weapons, and substantially reducing the military expenditures of states are the most realistic and effective source of funds that are so necessary for the economic and social needs of the less developed countries, and for a solution of such global problems facing mankind as the surmounting of economic backwardness, and the elimination of vast areas of hunger, poverty, epidemic diseases, illiteracy."⁴⁸ These initiatives of the U.S.S.R. must be fully supported.

An integrated, revolutionary-democratic, socialist-oriented programme must be

elaborated. The anti-imperialist and anti-feudal democratic revolution must be brought to completion. The dominance of foreign monopoly capital must be broken. The "commanding heights" of the economy must be nationalised. If in certain circumstances, private foreign capital is deemed necessary for development of the economy, strict control must be placed on it to protect the interest of the nation and the local entrepreneurs.

Experience in many undeveloped countries show that unrestricted private foreign monopoly capital, not only strangled and subjugated local private enterprise, but also deepened the status of dependent and distorted capitalist development. And while the entrepreneurs greatly assist economic growth, they must not be put in political command, lest the countries take a capitalist, and given today's realities, a dependent capitalist, course. In a tri-sectoral economy -- state, cooperative and private -- the private sector, in the interest of economic growth, can and should grow; but to ensure social progress and to bring about growth with real development, equity and the satisfaction of basic human needs, the state and cooperative sectors must also grow and must at all times be dominant.

Scientific principles in economic planning and planned proportional development of the economy with emphasis on industry and agriculture must be instituted.

Land reform is vital for agricultural and industrial development and for social progress. It is necessary to produce more agricultural goods for self sufficiency in food; to provide the raw materials for industry; to raise the income of peasants to enable them to buy the locally-manufactured, import-substituted goods; and to prevent the internal migration from the rural to the urban areas. However, it must not degenerate into mini-fundia and latifundia; agriculture must be organised on a large-scale, preferably cooperative, and scientific basis.

At the centre of the third world crisis is the debt problem. The vicious circle of poverty created by the huge debt payments, which affect basic human needs and production, can only be broken by a radical/revolutionary approach. Tinkering with it will only aggravate the problem later. The foreign debt must be written off or cancelled.

As President Fidel Castro said, it is "not only unpayable but also uncollectable". The

debt problem has resolved itself simply into: pay and don't eat. A 10-12 per cent scaling down of arms expenditure would be sufficient to liquidate the foreign debt, without adversely affecting the international banks and the financial system. Even if there is a moral justification for the payment of the legitimate debt, there is none for the illegitimate portion, which resulted from the deterioration in the terms of trade, flight of capital, high interest rates and overvaluation of the US dollar. The payments on the legitimate portion of the debt should be deferred for a period of 10-15 years.

The solution of the debt problem must be linked also to a radical reform of international trade, financial and monetary relations. The IMF and the World Bank must be reformed to break the imperialist monopoly of these institutions. Aid must not be tied to political conditions. It should be channelled through independent auspices like the U.N. Relief and Reconstruction Administration (UNRRA), which had been set up at the end of World War II to help the countries that had been ravaged by war. The New International Economic Order must be vigorously pursued to bring about better North/South economic relations, stable markets and better prices for the products of third world countries. A New International Information Order must be instituted to end informational and cultural imperialism.

To cope with the intrigues and attacks of imperialism, unity and solidarity must be strengthened. Internally, cooperation between revolutionary democrats and communists must be forced and strengthened, and the broadest front of all left and democratic forces must be created. Internationally, third world links with the socialist world must be strengthened. At the economic level, self reliance and collective self reliance must be given an anti-imperialist content like the Andean Pact and the Latin American Economic system (SELA). At the political level, Third World cooperation must be expanded to incorporate the world's three revolutionary streams -- the socialist community, the national liberation movements of the third world and the working class and peace forces in the capitalist world. World-wide militant solidarity are necessary to stop rampaging imperialism. Only in this way the revolutionary-democratic states like Nicaragua, Syria, Angola, Ethiopia, Afghanistan, Kampuchea, etc., which are on the firing line of imperialism, directly or indirectly, can be defended and the revolutionary gains preserved and strengthened.

Development cannot be attained and unemployment, poverty, misery and backwardness cannot be removed without the active and decisive participation of the people's forces. Democracy is essential for mass mobilisation in defense of independence, sovereignty and territorial integrity and for building the foundation of socialism. As V.I. Lenin pointed out: "whoever wants to reach socialism by any other path than that of political democracy, will inevitably arrive at conclusions that are absurd and reactionary both in the economic and the political sense".

Bureaucratic/administrative and police/military methods of rule, racial and political discrimination, political patronage, corruption and extravagance, which directly and indirectly fetter the productive forces, must be ended.

A state of people's revolutionary-democracy must be established which will transcend bourgeois democracy and its degeneration into a disguised one-party authoritarian dictatorship, where "the aims of the state becomes private gain - in the form of a race for higher posts, of careerism", and effective working people's control is minimal or non-existent. It is essential not merely to transfer ownership of the means of production (factories, land, machines, tools, etc.) from foreign-private to state, but also to change the relations of production. Economic growth and nationalisation alone will not achieve social progress. It is necessary to establish the rule of the working people. Only such a revolutionary anti-imperialist and anti-feudal state of the working people, aimed at the transfer of the revolution by several stages to socialist revolution, can bring an end to poverty and hunger.

SUMMARY

The gap in living standards between the industrialised capitalist states and the imperialist-dominated third world countries is over-widening. And poverty and hunger are increasing in intensity and assuming large-scale proportions of famine, as in Africa.

The roots of hunger cannot be seen in mere technical terms. Factors such as size of territory, lack of resources and skills, population explosion, etc., though important, are not decisive. A world perspective and a scientific class analysis from a Marxist-Leninist,

socio-economic-political standpoint reveal that the underlying cause is imperialism and its relations with the third world. A status of dependency breeds underdevelopment, poverty and backwardness.

Change is necessary, but not just any kind of change. Reformist prescriptions have proved to be palliatives, not cures. Radical socio-economic transformations are urgent. And the suicidal arms race must be ended. The struggles for world peace and national and social liberation must be linked.

For the third world, there is no sane alternative to a socialist-oriented course, detente, disarmament, non-alignment and peaceful-coexistence.

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